

Errata Sheet

Revised Agenda

Stationary Source Committee Meeting

Thursday, February 25, 2016

The revised agenda reflects the removal of Committee member Eric Mar, and the addition of Liz Kniss.



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
STATIONARY SOURCE COMMITTEE

COMMITTEE MEMBERS

JOHN GIOIA - CHAIR
JOHN AVALOS
SCOTT HAGGERTY
LIZ KNISS
ROD SINKS

JIM SPERING – VICE CHAIRPERSON
CAROLE GROOM
DAVID HUDSON
JAN PEPPER

**THURSDAY
FEBRUARY 25, 2016
11:00 A.M.**

**7TH FLOOR BOARD ROOM
939 ELLIS STREET
SAN FRANCISCO, CA 94109**

REVISED AGENDA

1. CALL TO ORDER - ROLL CALL – PLEDGE OF ALLEGIANCE

The Committee Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Committee members. The Committee Chair shall lead the Pledge of Allegiance.

2. PUBLIC COMMENT PERIOD

(Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3) Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Committee's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.

This meeting will be webcast. To see the webcast, please visit <http://www.baaqmd.gov/The-Air-District/Board-of-Directors/Agendas-and-Minutes.aspx> at the time of the meeting.

Staff/Phone (415) 749-

3. APPROVAL OF THE MINUTES OF FEBRUARY 1, 2016 Clerk of the Boards/5073

The Committee will consider approving the draft minutes of the Stationary Source Committee meeting of February 1, 2016.

4. **SAFETY AND SECURITY OF RULE 8-18 IMPLEMENTATION**

J. Broadbent/5052
jbroadbent@baaqmd.gov

Staff will provide the Committee a response to issues raised during the Public Hearing regarding amendments to Regulation 8, Rule 18: Equipment Leaks, dealing with safety at refineries and control of Piping and Instrumentation Diagrams (P&IDs)

5. **UPDATE ON REGULATION 12, RULE 16 ALTERNATIVES**

J. Broadbent/5052
jbroadbent@baaqmd.gov

Staff will provide the Committee with an update on Regulation 12, Rule 16 Alternatives.

6. **COMMITTEE MEMBER COMMENTS**

Any member of the Board, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

7. **TIME AND PLACE OF NEXT MEETING**

Monday, April 18, 2016, Bay Area Air Quality Management District Office, 375 Beale Street, San Francisco, California 94105 at 10:30 a.m.

8. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
375 BEALE STREET, SAN FRANCISCO, CA 94105
mmartinez@baaqmd.gov

(415) 749-5016
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting. Please note that all correspondence must be addressed to the “Members of the Mobile Source Committee” and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Committee meeting. Any correspondence received after that time will be presented to the Committee at the following meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- **Accessibility and Title VI:** The Air District provides services and accommodations upon request to persons with disabilities and individuals who are limited-English proficient who wish to address Board matters. For accommodations or translations assistance, please call 415-749-5016 at least three days in advance of a meeting, so that arrangements can be made accordingly.

Accesibilidad y Título VI: El Distrito del Aire ofrece servicios y realiza las adaptaciones necesarias para las personas con discapacidades y para las personas con un dominio limitado del inglés siempre que estos servicios se soliciten y se deseen tratar asuntos relacionados con la Junta. Si necesita ayuda con algún tipo de adaptación o traducción, llame al 415-749-5016 como mínimo tres días antes de la reunión de manera que puedan realizarse las adaptaciones necesarias.

Magagamit na Tulong at Título VI: Nagbibigay ang Air District ng mga serbisyo at mga akomodasyon, kapag hiniling, sa mga taong may kapansanan at mga taong limitado ang kakayahan sa Ingles na gustong magpahayag tungkol sa mga usapin sa harap ng Lupon. Para sa mga tulong sa akomodasyon o sa pagsasalin, mangyaring tumawag sa 415-749-5016 nang tatlong araw man lamang na una pa sa miting, para makapaghandang ayon sa pangangailangan.

可及度及標題VI: 空氣管理局根據申請為殘障人士和英語熟練程度有限但卻希望參與董事會事宜的人員提供服務和住宿。關於住宿或者翻譯幫助，請至少在會議之前三天致電 415-749-5016，以便作出相應安排。

Tạo Khả Năng Truy Cập và Chương VI: Đặc Khu cung cấp dịch vụ và phương tiện đáp ứng, khi có yêu cầu, cho những người bị khuyết tật và cho những cá nhân không thông thạo Anh ngữ muốn được tham gia các vấn đề của Hội Đồng. Để được phương tiện đáp ứng hoặc trợ giúp phiên dịch, xin gọi số 415-749-5016 ít nhất ba ngày trước khi có hội thảo, để tiện bố trí các phương tiện

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BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

FEBRUARY 2016

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i> -CANCELLED	Wednesday	24	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	25	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Thursday	25	11:00 a.m.	Board Room

MARCH 2016

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i> -CANCELLED	Wednesday	2	9:45 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Wednesday	2	9:30 a.m.	Board Room
Board of Directors Personnel Committee <i>(At the Call of the Chair)</i>	Monday	7	9:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	16	9:45 a.m.	Board Room
Board of Directors Climate Protection Committee <i>(Meets 3rd Thursday of every other Month)</i>	Thursday	17	9:30 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i> -CANCELLED	Monday	21	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i> -CANCELLED	Monday	21	10:30 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	23	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i> -CANCELLED	Thursday	24	9:30 a.m.	Board Room

APRIL 2016

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	6	9:45 a.m.	Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	18	9:30 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	18	10:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	27	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	28	9:30 a.m.	Board Room

HK – 2/17/16 (12:15 p.m.)

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BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John Gioia and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/Air Pollution Control Officer

Date: February 10, 2016

Re: Approval of the Minutes of February 1, 2016

RECOMMENDED ACTION

Approve the attached draft minutes of the Stationary Source Committee (Committee) meeting of February 1, 2016.

DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meeting on February 1, 2016.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Tom Flannigan
Reviewed by: Maricela Martinez

Attachment: Draft Minutes of the Committee Meeting of February 1, 2016

AGENDA: 3 – ATTACHMENT

Draft Minutes – Stationary Source Committee Meeting of February 1, 2016

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5073

DRAFT MINUTES

Summary of Board of Directors
Stationary Source Committee Meeting
Monday, February 1, 2016

1. CALL TO ORDER – ROLL CALL

Stationary Source Committee (Committee) Chairperson John Gioia called the meeting to order at 9:37 a.m.

Present: Committee Chairperson John Gioia; Vice-Chairperson James Spering; and Directors John Avalos, Scott Haggerty, David Hudson, Eric Mar and Jan Pepper.

Absent: Directors Carole Groom and Jan Pepper.

Also noted: Director Kniss.

2. PUBLIC COMMENT ON NON-AGENDA MATTERS

Greg Karas, Communities for a Better Environment, addressed the Committee in appreciation of their efforts to work with community groups on emissions caps, and requested that refineries be forced to share more information that is deemed confidential.

NOTED PRESENT: Director Haggarty was noted present at 9:40 a.m.

3. APPROVAL OF THE MINUTES OF SEPTEMBER 21, 2015

Committee Comments: None.

Public Comments: No requests received.

Committee Action:

Vice-Chairperson Spering made a motion, seconded by Director Hudson, to approve the Minutes of September 21, 2015; and the motion carried by the following vote of the Committee:

AYES: Gioia, Haggarty, Hudson, Mar, Sinks and Spering.
NOES: None.
ABSTAIN: None.
ABSENT: Avalos, Groom, and Pepper.

4. REGULATION 2, RULE 5: NEW SOURCE REVIEW OF TOXIC AIR CONTAMINANTS AMENDMENTS

Carol Allen, Supervising Air Quality Engineer, gave the staff presentation, *Regulation 2, Rule 5, New Source Review of Toxic Air Contaminants: Proposed Amendments*, including outline; background; stationary source programs; statewide guidance for Regulation 2, Rule 5; new source review for toxic air contaminants; health risk assessment guideline changes; summary or Regulation 2, Rule 5; proposed changes; impacts of revisions; public outreach; and next steps.

NOTED PRESENT: Directors Avalos and Kniss were noted present at 9:50 a.m.

Committee Comments:

The Committee and Staff discussed the summary on exposure levels including residential exposure and factors such as duration and age sensitivity; how multi-pathway toxic air contaminants work; State Bill (SB) 25; District efforts to reduce impacts with Health Risk Assessments; rule revisions increasing the number of projects triggering Health Risk Assessments and increasing the number of projects required to implement risk reduction measures; that Bay Area impacts are less compared to other air districts due to stronger air quality regulations in place; attendance at the open houses held for public outreach; open house locations; impacts on businesses to comply; cost analysis, the cancer risk, industry impacts, guidance, and locations for businesses and communities most impacted; how to properly measure cancer risks; increasing risk of cancer than previously thought; balancing the science of cancer risk with that costs borne by businesses; and achieving diesel reductions and black carbon reductions.

Public Comments:

Kevin Buchan, Western States Petroleum Association, addressed the Committee and Staff with questions around the throughput limits and the requirements for different types of gas stations and different types of receptors.

Committee Comments (continued):

The Committee and Staff continued discussion, asking about when the rule changes were expected, to which staff responded sometime during the upcoming summer.

Committee Action: None.

5. ASSEMBLY BILL (AB) 2588 AIR TOXICS “HOT SPOTS” PROGRAM UPDATE

Eric Stevenson, Director of Meteorology, Measurements, and Rules, gave the staff presentation *Assembly Bill (AB) 2588 Air Toxics “Hot Spots” Update*, including an overview of the program; Air Toxics “Hot Spots” Act; Stationary Source Air Toxics Programs; AB 2588 process; Health Risk Assessments; risk drivers and sources; risks declining; protecting public health and revising risk management threshold; top risk facilities; and schedule.

Committee Comments:

Committee and Staff discussed the use of new protocols which are stricter; a new app. service that delivers gas to your vehicle; lower impacts observed further from the sources; the notification process in state regulations; the use of backup generators; working with affected industries; mobile emissions of diesel engines and amount reduced; the difference between mobile and stationary sources of emissions and the regulations that apply; and localized impacts of diesel emissions.

Public Comments:

Bill Quinn, California Council for Environmental and Economic Balance, addressed the Committee and Staff stating that AB 2588 has successfully helped reduce toxins; that inventories need to be done correctly; and to consider implementing more reduction programs, such as voluntary early risk program, to prevent a Health Risk Assessment from being triggered and/or required.

Committee Comments (continued):

Committee and Staff discussed notifying the public about the science behind the rule development; how the new calculation of risk comes from a better understanding of the effects of Toxic Air Contaminants; considering early risk reduction programs; and the timeline of when changes for AB 2588 will be brought to the Board.

6. COMMITTEE MEMBER COMMENTS: None.

7. TIME AND PLACE OF NEXT MEETING

Thursday, February 25, 2016, Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, CA 94109 at 11 a.m.

8. ADJOURNMENT: The meeting adjourned at 10:45 a.m.

Tom Flannigan
Acting Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John Gioia and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 9, 2016

Re: Safety and Security of Rule 8-18 Implementation

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

On December 16, 2015 the Board of Directors unanimously adopted amendments to Regulation 8, Rule 18: Equipment Leaks (“Rule 8-18”). During the public comment period, refinery stakeholders expressed concern about safety and security issues with implementation of the Rule 8-18 amendments. They expressed concern that refinery personnel could be in danger when identifying and repairing equipment leaks in compliance with Rule 8-18. In addition, they expressed concern about the security of refinery piping and instrumentation diagrams (P&IDs). Board members requested that staff address these concerns.

DISCUSSION

Staff will provide a presentation to the Committee regarding the processes in place to identify equipment that might present a hazard and how Rule 8-18 compliance can be handled safely. The presentation will also address options to maintain security of P&IDs.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Eric Stevenson
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Gioia and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: February 10, 2016

Re: Update of Regulation 12, Rule 16 Alternatives

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

On October 15, 2014, the Board of Directors approved Resolution Number 2014-07 directing staff to develop strategies to reduce emissions from petroleum refineries. Specifically, the resolution directed staff to continue development of Regulation 12, Rule 15: Petroleum Refining Emissions Tracking (“Rule 12-15”) to track and monitor refinery emissions; to develop Regulation 12, Rule 16 (“Rule 12-16”) to set emissions thresholds and mitigate potential emissions increases; and to develop additional rules to reduce emissions from refineries by 20% by 2020, or as much as feasible.

Staff worked with interested stakeholders and released proposed regulatory language and staff reports for four refinery emission reduction rules, Rule 12-15 and Rule 12-16 in October of 2015. The Board of Directors adopted three refinery emission reduction rules/rule amendments (Regulation 6, Rule 5: Fluid Catalytic Cracking Units; Regulation 8, Rule 18: Equipment Leaks; and Regulation 11, Rule 10: Cooling Towers) on December 16, 2015 that will reduce refinery emissions by approximately 14%. Regulation 12, Rule 15 along with an additional refinery emission reduction measure, Regulation 9, Rule 14, Coke Calcining will be presented to the Board for consideration on April 20, 2016. Staff received a significant number of comments on proposed Rule 12-16, and determined that a different approach was necessary in order to address the concerns of stakeholders, including affected industry and interested community groups. In addition to these efforts, Staff continues to work on other rules that will affect refineries dealing with permitting requirements and with reducing health risks from toxic air contaminants.

As a result of these rule development processes, criteria pollutants are being significantly reduced and health risks from toxic air contaminants will be capped at a more health protective level. These actions will build upon well-established Air District regulations and programs that improve public health. However, further action is needed to address refinery GHG emissions.

The Air District is concerned about the potential impacts of climate change and is developing a Regional Climate Protection Strategy, programs, and regulations to reduce climate pollutants

from a wide range of sources. In the Bay Area, refineries are the largest industrial contributors to climate pollution. While refineries are expected to reduce GHG emissions as part of California's Cap-and-Trade Program that was developed in response to AB 32, Global Warming Solutions Act of 2006, the Cap-and-Trade Program does not require individual facilities to reduce their emissions.

DISCUSSION

Criteria pollutants and toxic air contaminants are being addressed through current rule making activities resulting in significant reductions in criteria pollutant emissions and health risks. As a result, Rule 12-16 will focus on strategies to effectively reduce refinery GHG emissions. Staff have been meeting with stakeholders from community groups and industry to discuss and evaluate options that would reduce GHG at refineries locally while also achieving overall GHG reductions. Air District Staff are evaluating potential options while incorporating feedback and input from stakeholders to limit refinery GHG emissions. These options include but are not limited to the following:

- Direct regulation of greenhouse gases (including methane) from refinery sources;
- Development of requirements for improvement of energy efficiency likely resulting in GHG reductions (similar to a Washington State GHG refinery rule); or,
- Establish a cap on refinery-wide GHG emissions for each facility.

Staff will provide the Committee with information on potential options for reducing climate pollutant emissions from Bay Area refineries and criteria that would be used to compare them.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Victor Douglas
Reviewed by: Eric Stevenson