

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

APPROVED MINUTES

Summary of Board of Directors
Stationary Source Committee Meeting
Thursday, February 25, 2016

1. CALL TO ORDER – ROLL CALL

Stationary Source Committee (Committee) Chairperson John Gioia called the meeting to order at 11:08 a.m.

Present: Committee Chairperson John Gioia; Vice-Chairperson James Spering; and Directors John Avalos, Carole Groom, Scott Haggerty, David Hudson, Jan Pepper, and Rod Sinks.

Absent: Director Liz Kniss.

Also Present: Board Chairperson Eric Mar.

2. PUBLIC COMMENT ON NON-AGENDA MATTERS

Andres Soto, Benicians for a Safe and Healthy Community, addressed the Committee against crude by rail projects in the Bay Area, stating that there is a strong opposition in the community for these types of projects in the region.

3. APPROVAL OF THE MINUTES OF FEBRUARY 1, 2016

Committee Comments: None.

Public Comments: No requests received.

Committee Action:

Director Hudson made a motion, seconded by Director Sinks, to approve the Minutes of February 1, 2016; and the motion carried by the following vote of the Committee:

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

4. SAFETY AND SECURITY OF RULE 8-18 IMPLEMENTATION

Staff addressed the Committee in response to issues raised regarding Regulation 8, Rule 18 (8-18): Equipment Leaks. Staff discussed document control for piping and instrumentation diagrams (P&IDs); security measures to protect information; safety concerns; alternative emissions reductions plans; valve controls and approvals; and addressing safety concerns.

NOTED PRESENT: Director Pepper was noted present at 11:17 a.m.

Public Comments:

Laurie Mintzer, Chevron, addressed the Committee to speak against the requirements of 8-18, describing safety concerns at refineries due to the rule and asking that the rule be rewritten to address safety and confidentiality concerns brought by refineries.

Committee Comments:

The Committee and Staff discussed safety concerns for District staff and refinery workers; equipment testing and troubleshooting; new requirements from the District for refinery monitoring equipment; diagram procedures; document security; and implementation issues for the new rule.

Committee Action: None.

5. UPDATE ON REGULATION 12, RULE 16 ALTERNATIVES (12-16)

Jack Broadbent, Executive Officer/Air Pollution Control Officer (APCO), introduced the topic, provided an update on development of the new rule and addressed concerns raised by the public. Mr. Broadbent then introduced Victor Douglas, Principal Air Quality Engineer, who gave the staff presentation *Update on Regulation 12, Rule 16 Alternatives* including an overview; refinery impacts and issues; an update on the refinery strategy including background and progress, proposed criteria pollutants and toxic air contaminant reductions; options for GHG reductions for Rule 12-16; criteria for evaluating the options; and stakeholder process.

Committee Comments:

Committee and Staff discussed new OEHHA guidance implementation, how rules are applied to permit applications, and the process for handling risk management evaluations.

Committee and Staff discussed the next time the Committee would be updated on 12-16; different options for GHG reductions; timeline for implementation of those options; staff time on refinery rule making; processes and implementation of newly adopted refinery rules; and refinery litigation.

Public Comment:

Andres Soto, Benicians for a Safe and Healthy Community, addressed the Committee regarding rule 12-15 and 9-14 (coke calcining) and AB 32 funds. He also expressed concern about health implications for the community near the coke calcining plant.

David McCoard, Sierra Club, addressed the Committee in favor of adopting strong regulation 12-16 with enforceable caps.

Ratha Lai, Sierra Club, addressed the Committee regarding GHGs being included in refinery rules, the coke calcining rule; sulfur dioxide pollution; pet coke pollution; impacts from refineries; and inviting Board members on toxic tours.

Laurie Mintzer, Chevron, addressed the Committee regarding Chevron's Richmond refinery, Chevron's production of renewable geothermal energy, how the new rules require more energy use and are rendering the new GHG regulation ineffective.

Richard Gray, 350 Bay Area, addressed the Committee regarding the request for a firm hearing and decision schedule on 12-16; to seek a cap on refinery emissions; regarding refinery throughput amounts; to oppose additional Tar Sands crude oil in the Bay Area; and to request clarification on whether or not regional air districts are authorized to control the release of GHG emissions.

Nick Despota, a Richmond resident, addressed the Committee regarding the need for robust local regulations that can take effect quickly, as the health of fenceline communities remains at risk while waiting for global climate change regulations to be implemented; and to urge the District to adopt refinery specific emissions based on the community worker proposal for refinery-wide caps.

Eileen Boken, Sierra Club, addressed the Committee in support of Rule 12-16, capping emissions at current levels, and the District's commitment to proposed 2016 timelines regarding recommendations on Rules 12-16 and 12-15.

Janet Whittick, California Council for Environmental and Economic Balance, addressed the Committee regarding refinery rule development; and to praise the District's new Advisory Council's efforts regarding Rule 12-16.

Torm Nompraseurt, Asian Pacific Environmental Network, addressed the Committee regarding the need for the District to adopt a GHG emissions cap; and to urge the District to adopt a policy that would require all refinery permits to undergo a transparent community process.

Claire Broome, Professor of Public Health, addressed the Committee regarding the opportunity that the District has to collaborate with community and refinery workers in order to adopt refinery-wide enforceable and measureable caps on emissions; and to urge the District to commit to a hard timeline for Rule 12-16 and not allow any new permits until Rule 12-16 has been adopted.

Janet Johnson, Sunflower and Richmond Progressive Alliances, addressed the Committee regarding the capping of refinery pollution at present levels; to disclose refinery crude throughput; and to request that the District commits to a timeline regarding urgent regulation.

Steven Nadel, Sunflower Alliance, addressed the Committee regarding the need for the District's adoption of a firm and measureable cap on refinery emissions in 2016; to oppose more extreme crude slates and corresponding implications; and to urge the District to show California's national leadership in air quality.

Charles Davidson, Sunflower Alliance, addressed the Committee regarding a letter from the CARB stating that CARB, *not* the District, may rule significant GHG reductions to local refineries; and regarding the Attorney General’s position on this matter, which states that renewable GHG caps are within the District’s purview.

Chairperson Gioia clarified that the existing Cap & Trade Program is authorized to exceed 2020 under existing legislation, at 2020 target levels. Any increase in the targets beyond 2020 would have to be part of new legislation.

Roger Lin, Communities for a Better Environment, addressed the Committee regarding the desired acceleration of emissions reductions by way of Rule 12-16; to urge the District to not renege on its commitment to cap GHG emissions at the largest Bay Area stationary source emitters; and to seek District data that would adequately formulate the emission cap proposal for 2016 and result in the most protective rule possible.

Chairperson Gioia asked staff to explain the timeline for rule adoptions and Mr. Broadbent provided the following details and next steps: adoption of Rule 12-15 and Rule 9-14 to be considering by the Board in April 2016; present evaluation of options for Rule 12-16 to the Committee in May 2016; gather input from stakeholders and provide additional check-ins to the Committee in July and September 2016 as needed; aim for adoption of Rule 12-16 at the end of 2016.

6. COMMITTEE MEMBER COMMENTS:

The Committee and staff discussed how the New Source Review of GHG Permitting pertains to permit renewal and existing sources; GHG threshold in permitting; changes in crude slate and equipment triggering review under permitting requirements; the anticipated number of new and modified construction permits to which this review will apply; the District’s position on imposing moratoriums on the issuance of permits; working with other California Air Districts to form a leakage solution; reduction of Toxic Air Contaminants (TAC) for continuous improvements; OEHHA changes; presentations that will be given at the April 25, 2016 Advisory Council meeting; potential options to limit refinery GHG emissions; the reliability of current equipment and technology to meet thresholds and rule-making objectives; health risk assessments and corresponding thresholds needed; refineries’ concerns in response to the District’s requirements; and easier accessibility to upcoming Advisory Council presentations and items regarding rulings.

7. TIME AND PLACE OF NEXT MEETING

Monday, April 18, 2016, Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, CA 94109 at 10:30 a.m.

8. ADJOURNMENT: The meeting adjourned at 12:44 p.m.

/s/ Tom Flannigan
Tom Flannigan
Clerk of the Boards