



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

PUBLIC HEARING NOTICE

January 24, 2022

TO: INTERESTED PARTIES
FROM: EXECUTIVE OFFICER / APCO
SUBJECT: **PUBLIC HEARING: PROPOSED NEW REGULATION 13: CLIMATE POLLUTANTS, RULE 5: INDUSTRIAL HYDROGEN PLANTS; PROPOSED AMENDMENTS TO REGULATION 8: ORGANIC COMPOUNDS, RULE 2: MISCELLANEOUS OPERATIONS; AND CONSIDERATION OF THE CERTIFICATION OF THE ENVIRONMENTAL IMPACT REPORT AND ADOPTION OF A NOTICE OF EXEMPTION PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT**

The Board of Directors of the Bay Area Air Quality Management District will conduct a public hearing at the Air District Headquarters' Board Room, 375 Beale Street, San Francisco, California, on **Wednesday, April 6, 2022**, at 8:30 a.m., or as soon thereafter as the matter may be heard.

The Board will consider:

- Adoption of Proposed New Regulation 13: Climate Pollutants, Rule 5: Industrial Hydrogen Plants (Rule 13-5).
- Adoption of Proposed Amendments to Regulation 8: Organic Compounds, Rule 2: Miscellaneous Operations (Rule 8-2).T
- Certification of an Environmental Impact Report pursuant to the California Environmental Quality Act (CEQA) for Proposed Rule 13-5.
- Approval of a Notice of Exemption from CEQA for proposed amendments to Rule 8-2.

Proposed Rule 13-5 would limit vented emissions of total organic compounds (methane and other hydrocarbons) from hydrogen production and hydrogen carrying systems. Air District regulations currently exclude methane from the definition of "organic compounds", but "total organic compounds" as proposed in Rule 13-5 are defined to include organic compounds and methane. Currently, nearly all hydrogen production plants in the Bay Area operate integrally or in support of petroleum refinery operations; however, as demand for hydrogen

increases to fuel vehicles, among other purposes, more stand-alone hydrogen facilities are likely to begin operations. Proposed Rule 13-5 seeks to control emissions from all hydrogen production plants that utilize steam-methane reformation, as this process can result in venting of methane and other organic compounds. Proposed administrative amendments to Rule 8-2 will ensure consistency of control requirements for emissions from these operations. The Air District has prepared a Staff Report that provides a summary of the rationale for updating this rule. Background information and analysis is also available in the Staff Report. The proposed amendments and Staff Report are intended to provide the public with information in advance of a Public Hearing.

Pursuant to CEQA (Public Resources Code § 21000 et seq.), a Draft Environmental Impact Report (Draft EIR) for the proposed rule was prepared, concluding that air quality impacts associated with the construction and operation of air pollution control equipment, as well as cumulative air quality impacts from operation of this equipment, would be potentially significant. Notice is hereby given that the Air District intends to consider certification of a final Environmental Impact Report for proposed Rule 13-5 pursuant to Public Resources Code section 21080(c) and CEQA Guidelines (section 15070 et seq.).

Pursuant to CEQA, the Air District has concluded that the proposed amendments to Rule 8-2 are exempt under CEQA guidelines Section 15308, Class 8. Class 8 exemptions consist of actions taken by regulatory agencies, as authorized by state or local ordinance, to assure the maintenance, restoration, enhancement, or protections of the environment where the regulatory process involves procedures for the protection of the environment. The rule amendments would exclude from Rule 8-2 certain facilities that would be subject to the more stringent standards of Proposed Rule 13-5 and would therefore be protective of the environment. For the same reasons, the rulemaking is also exempt from CEQA pursuant to the common sense exemption described in CEQA Guidelines Section 15061(b)(3), because it is certain the project will not have a significant effect on the environment. Air District Staff will file a Notice of Exemption with the County Clerk after adoption by the Board of Directors.

The CEQA Initial Study and Draft Environmental Impact Report, text of the proposed regulations and amendments, Staff Report, and other supporting documents are available on the Air District's website at <https://www.baaqmd.gov/rules-and-compliance/rules/reg-13-rule-5-petroleum-refinery-hydrogen-plants>, and may be requested from Victor Douglas at (415) 749-4752 or vdouglas@baaqmd.gov.

Written comments on the proposed Rule 13-5, proposed amended Rule 8-2, and environmental analysis will be accepted until March 10, 2022 at 5:00 p.m. Comments should be addressed to Victor Douglas, Bay Area Air Quality Management District, 375 Beale Street, Suite 600, San Francisco, CA 94105, or may also be sent by e-mail to vdouglas@baaqmd.gov. Verbal comments are welcome up to the day of, and during, the Public Hearing.