

Bay Area Air Quality Management District
939 Ellis Street
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APPROVED MINUTES

Summary of Board of Directors
Stationary Source Committee Meeting
Monday, July 21, 2014

1. Call to Order – Roll Call

Stationary Source Committee (Committee) Chairperson John Gioia called the meeting to order at 11:05 a.m.

Present: Committee Chairperson John Gioia; and Directors Scott Haggerty, Eric Mar, Jan Pepper and Mary Piepho.

Absent: Vice-Chairperson John Avalos; and Directors Tom Bates, Carole Groom and James Spering.

Also Present: Board of Directors (Board) Chairperson Nate Miley.

2. Approval of Minutes of May 1, 2014 (Out of Order Agenda Item #3)

Committee Comments: None.

Public Comments: None.

Committee Action:

Director Piepho made a motion, seconded by Director Pepper, to approve the Minutes of May 1, 2014; and the motion carried by the following vote of the Committee:

AYES: Gioia, Mar, Miley, Pepper and Piepho.

NOES: None.

ABSTAIN: None.

ABSENT: Avalos, Bates, Groom, Haggerty and Spering.

3. Update on the Development of Regulation 12, Rule 15: Petroleum Refining Emissions Tracking (Agenda Item #4)

Jack Broadbent, Executive Officer/Air Pollution Control Officer, introduced Eric Stevenson, Director of Technical Services, who gave the staff presentation *Update on Petroleum Refining Emissions Tracking Rule*, including an update on the rule development process; proposed rule elements and timelines; rationale for revised approach; opportunities; and next steps.

NOTED PRESENT: Director Haggerty was noted present at 11:09 a.m.

At slide 3, *Proposed Rule Elements*, the Committee and staff discussed the inclusion of cargo carrier emissions.

Mr. Stevenson concluded the presentation.

Committee Comments:

The Committee and staff discussed the number of years necessary to establish a profile and the rationale for the revised proposal; operational issues resulting from an emissions cap; rulemaking possibilities regarding Fluidized Catalytic Cracking Units (FCCUs); an overview of the FCCU rule at South Coast Air Quality Management District (SCAQMD) and its problems; the complications that result from imposing an emission limit as a permit condition when there are changes in methodology; an appropriate alternative approach to emissions caps; refinery-wide health risk assessment (HRA) update; the extent and method of current refinery monitoring; the justification for basing the inventory on a 2015 start date and the viability of an earlier start date.

Public Comments:

Frances Swanson, San Francisco Bay Chapter Sierra Club, addressed the Committee to urge for proactive regulations.

Taylor King, Sierra Club, addressed the Committee in opposition to air pollution and to urge for tightened regulations.

Vanessa Gerber, Sierra Club, addressed the Committee to encourage action to limit refinery emissions.

John Ribeiro-Broomhead, San Francisco Bay Sierra Club, addressed the Committee to urge for an accelerated pace of refinery regulations; to oppose the removal of an emissions cap; and to ask the Committee to consider the impact that diminished air quality will have on those suffering from asthma.

Diane Bailey, Natural Resources Defense Council, addressed the Committee regarding the impact on refinery emissions if no cap is included in the proposed rule, particularly as dirty crude oil begins to be processed in the Bay Area and to suggest that adequate data exist to establish an emission inventory now.

Vivian Huang, Asian Pacific Environmental Network, addressed the Committee regarding the real public health impact of toxic air and the Air District's central role to reductions; and in support of the inclusion of an emissions cap and stronger language in the proposed rule.

Greg Karras, Communities for a Better Environment (CBE), provided written material, *Excerpt from Conditional Use Permit for Chevron Richmond Refinery Project issued by the Richmond Planning Commission on July 10, 2014 – Chevron appealed condition D-4*, and addressed the Committee to summarize the same and express support for stronger refinery regulations.

Nancy Rieser, Crockett-Rodeo United to Defend the Environment, addressed the Committee to suggest the SCAQMD rule is effective and the Air District's proposed rule is inadequate.

Guy Bjerke, Western States Petroleum Association (WSPA), addressed the Committee to request more limited requirements for emissions data under the proposed rule and to suggest that crude oil information lacks any value in this context.

Walt Gill, Chevron, addressed the Committee regarding the completed installation of monitoring equipment at the Chevron facility that is similar to that contemplated in the proposed rule; to provide facility emissions information; and to explain ongoing monitoring system efforts.

Charles Davidson addressed the Committee in opposition to the influx of tar sands crude oil to the Bay Area; to summarize the chemical repercussions of processing tar sands crude; and to suggest that the new proposal to use tar sands crude for transportation fuel is a negative development.

Marilyn Bardet, Good Neighbor Steering Committee and Benicians for a Safe and Healthy Community, addressed the Committee regarding the retraction of the emissions cap from the proposed rule and to request an explanation; to suggest energy companies are working to access tar sands crude while flying under the radar of existing regulations; and to express opposition to the revised timeline in the proposed rule.

Bill Quinn, California Council for Environmental and Economic Balance, addressed the Committee to oppose the inclusion of HRAs in the proposed rule because the Air District is already granted the authority elsewhere in the regulatory scheme; to request an expanded timeline; and to praise the proposed rule but suggest it remains in need of further development.

Marilyn Langlois, Richmond Planning Commissioner, addressed the Committee in support of the inclusion of an emissions cap in the proposed rule and to encourage the attendance of the Air District at the City of Richmond Planning Commission meeting on July 22, 2014.

Denny Larson, Global Community Monitor, addressed the Committee to echo the invitation by Ms. Langlois and ask for Air District support; suggested the legal concerns expressed by staff are specious and will result in a lawsuit against the Air District by the community instead of by industry; and to propose this is an issue for the Board, not staff, to engage.

Don Cuffel, Valero, addressed the Committee regarding the numerous standards already in place to control particulate matter levels and to suggest that sound science is needed for the development of future rules and policies.

Tom Griffith, Martinez Environmental Group, addressed the Committee to suggest the Air District look to community health, not WSPA representatives, for guidance while considering this proposed rule.

Committee Comments (continued):

The Committee and staff discussed the influx of tar sands crude oil into the Bay Area and the extent to which federal regulations control its transport; the accuracy of the statement that Air District staff will be speaking in support of the Chevron appeal before the City of Richmond Planning Commission and their actual role in the project consideration process; the history of facility emissions caps for specific operations; why the baseline is so challenging to establish and why emissions levels are not immediately being set lower in light of available technology; the role of fence-line and community monitoring systems in imposing fines and penalties; enhancement of mobile monitoring capabilities; comparable rules at SCAQMD; the details of enhancements under the proposed rule regarding annual emissions inventories and Petroleum Refinery Emissions Profiles (PREPs); the history of improvements to air quality as a result of Air District regulations; the possibility of imposing an emissions cap in the future; how to prevent emissions increases and maintain transparency; the history of emissions caps at SCAQMD and the resulting marketplaces; SCAQMD cargo carrier rules; how the Air District is serving the needs of the public while preserving the confidential proprietary interests of industry relative to crude oil mixes and the nature of the Air District's interest in the information; how the Air District could and why it does not use the information already available to establish a baseline immediately; Air District testimony before the City of Richmond Planning Commission; the written material submitted by CBE; how cargo carriers are regulated; the original intent of the proposed rule; Assembly Bill 69 – Perea as a proposal to exempt transportation fuels from the cap and trade program and a possible Board position on the same; that health risk reductions are the ultimate goal of the proposed rule; current requirements regarding operational caps; a contemplated scenario in which increased emissions from a changed crude stock at a facility that remains below its permitted emissions level and how the Air District would deal with the increased health risk; the varying source risks and their purported incompatibility with the expectations of the Board and public.

The Committee requested information detailing the regulatory history at SCAQMD as it pertains to refineries.

Committee Chairperson Gioia requested a discussion before the Board regarding the limits of Committee authority.

The Committee and staff discussed the SCAQMD's regulations regarding FCCU; why reports of emissions vary; and the state of discussions about particulate matter emissions testing methodology.

Committee Action: None; receive and file.

4. Public Comment Period (Agenda Item #2):

Ms. Bailey addressed the Committee regarding the need for Board and Committee member attendance at the City of Richmond Planning Commission meeting; to disagree with staff's statements regarding the state of particulate matter measurement methodologies; to ask why a particulate matter limit cannot be a permit condition; and why the discussion about methodologies has not happened sooner.

Ms. Bardet addressed the Committee in support of Ms. Bailey's comments; to share her experience at a recent meeting of the Environmental Protection Agency; and to ask about the flare stack combustion and emissions provision under the proposed rule.

Ms. Langlois addressed the Committee to question the Air District staff's position on FCCU emissions measurement methodologies and to request the support of the Board and Committee of the guidelines proposed by the City of Richmond Planning Commission.

Martin MacKerel, 350 Bay Area, provided written material, *111350 Bay Area Proposal Air Quality Leadership BAAQMD Stationary Source Committee – July 21, 2014*, and addressed the Committee in support of transparent information sharing; to suggest the inventory baseline should be established as soon as possible to suggest that refineries will be unnecessary in sixteen years; and asked that existing regulatory loopholes be closed.

5. Committee Member Comments/Other Business:

Committee Chairperson Gioia asked that a version of today's presentation, *Update on Petroleum Refining Emissions Tracking Rule*, be delivered to the Board at its next meeting on July 31, 2014.

6. Time and Place of Next Meeting: At the call of the Chairperson.

7. Adjournment: The meeting adjourned at 1:32 p.m.

151 Sean Gallagher

Sean Gallagher
Clerk of the Boards