



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
STATIONARY SOURCE AND CLIMATE IMPACTS COMMITTEE

COMMITTEE MEMBERS

JOHN BAUTERS – CO-CHAIR
TERESA BARRETT – VICE CHAIR
JOHN GIOIA
ERIN HANNIGAN
DAVINA HURT
MARK ROSS

KAREN MITCHOFF – CO-CHAIR
RICH CONSTANTINE
CAROLE GROOM
DAVID HAUBERT
TYRONE JUE

**THIS MEETING WILL BE CONDUCTED UNDER PROCEDURES IN ACCORDANCE
WITH ASSEMBLY BILL 361**

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YOUR APPLICATION IS UP TO DATE**

**MONDAY
NOVEMBER 15, 2021
9:00 A.M.**

AGENDA

1. CALL TO ORDER - ROLL CALL

PLEDGE OF ALLEGIANCE

PUBLIC MEETING PROCEDURE

The Committee Co-Chair shall call the meeting to order, and the Clerk of the Boards shall take roll of the Committee members.

This meeting will be webcast. To see the webcast, please visit www.baaqmd.gov/bodagendas at the time of the meeting. Closed captioning may contain errors and omissions and are not certified for their content or form.

***Public Comment on Agenda Items** The public may comment on each item on the agenda as the item is taken up. Members of the public who wish to speak on matters on the agenda for the meeting, will have three minutes each to address the Committee. No speaker who has already spoken on that item will be entitled to speak to that item again.*

Staff/Phone (415) 749-

CONSENT CALENDAR (ITEM 2)

2. APPROVAL OF THE MINUTES OF OCTOBER 18, 2021

Clerk of the Boards/5073

The Committee will consider approving the draft minutes of the Stationary Source and Climate Impacts Committee meeting of October 18, 2021.

END OF CONSENT CALENDAR

REGULAR AGENDA (ITEMS 3-4)

3. FACILITY RISK REDUCTION PROGRAM IMPROVEMENTS

**C. Allen/4702
callen@baaqmd.gov**

The Committee will receive an update on the implementation of the Facility Risk Reduction Program (Rule 11-18) and new program improvements that are intended to accelerate the completion of health risk assessments and installation of risk reduction measures.

4. **DRAFT AMENDMENTS TO BUILDING APPLIANCE RULES – REGULATION 9, RULES 4 AND 6**
J. Elwell/8732
ielwell@baaqmd.gov

The Committee will receive an update on comments received on draft rule amendments to Regulation 9, Rules 4 and 6 for NOx emissions from building appliances and will discuss the timeline and next steps.

END OF REGULAR AGENDA

5. **PUBLIC COMMENT ON NON-AGENDA MATTERS**

Members of the public who wish to speak on matters not on the agenda for the meeting, will have three minutes each to address the Committee.

6. **COMMITTEE MEMBER COMMENTS**

Any member of the Committee, 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, December 20, 2021, at 9:00 a.m., via webcast pursuant to procedures in accordance with Assembly Bill 361.

8. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Co-Chair.

CONTACT:

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

(415) 749-4941
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the Air District's offices at 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

Accessibility and Non-Discrimination Policy

The Bay Area Air Quality Management District (Air District) does not discriminate on the basis of race, national origin, ethnic group identification, ancestry, religion, age, sex, sexual orientation, gender identity, gender expression, color, genetic information, medical condition, or mental or physical disability, or any other attribute or belief protected by law.

It is the Air District's policy to provide fair and equal access to the benefits of a program or activity administered by Air District. The Air District will not tolerate discrimination against any person(s) seeking to participate in, or receive the benefits of, any program or activity offered or conducted by the Air District. Members of the public who believe they or others were unlawfully denied full and equal access to an Air District program or activity may file a discrimination complaint under this policy. This non-discrimination policy also applies to other people or entities affiliated with Air District, including contractors or grantees that the Air District utilizes to provide benefits and services to members of the public.

Auxiliary aids and services including, for example, qualified interpreters and/or listening devices, to individuals who are deaf or hard of hearing, and to other individuals as necessary to ensure effective communication or an equal opportunity to participate fully in the benefits, activities, programs and services will be provided by the Air District in a timely manner and in such a way as to protect the privacy and independence of the individual. Please contact the Non-Discrimination Coordinator identified below at least three days in advance of a meeting so that arrangements can be made accordingly.

If you believe discrimination has occurred with respect to an Air District program or activity, you may contact the Non-Discrimination Coordinator identified below or visit our website at www.baaqmd.gov/accessibility to learn how and where to file a complaint of discrimination.

Questions regarding this Policy should be directed to the Air District's Non-Discrimination Coordinator, Terri Levels, at (415) 749-4667 or by email at tlevels@baaqmd.gov.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

375 BEALE STREET, SAN FRANCISCO, CA 94105

FOR QUESTIONS PLEASE CALL (415) 749-4941

EXECUTIVE OFFICE:

MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

NOVEMBER 2021

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Stationary Source and Climate Impacts Committee	Monday	15	9:00 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Nominating Committee	Wednesday	17	8:30 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Special Meeting	Wednesday	17	9:00 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Administration Committee	Wednesday	17	11:00 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Legislative Committee - CANCELLED	Wednesday	17	1:00 p.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Mobile Source and Climate Impacts Committee – CANCELLED AND RESCHEDULED TO MONDAY, DECEMBER 6, 2021, AT 1:00PM	Thursday	25	9:30 a.m.	Webcast only pursuant to Assembly Bill 361

DECEMBER 2021

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Meeting	Wednesday	1	9:30 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Community Equity, Health and Justice Committee	Thursday	2	9:30 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Mobile Source and Climate Impacts Committee	Monday	6	1:00 p.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Technology Implementation Office Steering Committee	Thursday	9	1:00 p.m.	Webcast only pursuant to Assembly Bill 361

DECEMBER 2021

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	ROOM
Advisory Council Meeting	Monday	13	8:30 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Special Meeting	Wednesday	15	9:00 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Administration Committee	Wednesday	15	11:00 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Legislative Committee	Wednesday	15	1:00 p.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Stationary Source and Climate Impacts Committee	Monday	20	9:00 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Mobile Source and Climate Impacts Committee – CANCELLED AND RESCHEDULED TO MONDAY, DECEMBER 6, 2021, AT 1:00PM	Thursday	23	9:30 a.m.	Webcast only pursuant to Assembly Bill 361

JB – 11/4/2021 – 12:30 P.M.

G/Board/Executive Office/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons John Bauters and Karen Mitchoff, and Members
of the Stationary Source and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 10, 2021

Re: Approval of the Minutes of October 18, 2021

RECOMMENDED ACTION

Approve the attached draft minutes of the Stationary Source and Climate Impacts Committee (Committee) meeting of October 18, 2021.

DISCUSSION

Attached for your review and approval are the draft minutes of the Stationary Source and Climate Impacts Committee meeting of October 18, 2021.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

Attachment 2A: Draft Minutes of the Stationary Source and Climate Impacts Committee Meeting of October 18, 2021

AGENDA: 2A – ATTACHMENT

Draft Minutes – Stationary Source and Climate Impacts Committee Meeting of October 18, 2021

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, California 94105
(415) 749-5073

DRAFT MINUTES

Summary of Board of Directors
Stationary Source and Climate Impacts Committee Meeting
Monday, October 18, 2021

**This meeting was conducted under procedures in accordance with Assembly Bill 361.
Members of the Committee participated by teleconference.**

1. CALL TO ORDER – ROLL CALL

Stationary Source and Climate Impacts Committee (Committee) Co-Chairperson John Bauters called the meeting to order at 9:00 a.m.

Present: Committee Co-Chairperson John Bauters and Karen Mitchoff; Vice Chairperson Teresa Barrett; and Directors Rich Constantine, John Gioia, Carole Groom, Erin Hannigan, Davina Hurt, Tyrone Jue, and Mark Ross.

Absent: Director David Haubert.

2. APPROVAL OF THE MINUTES OF SEPTEMBER 27, 2021

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Constantine made a motion, seconded by Director Hurt, to approve the Minutes of September 27, 2021; and the motion carried by the following vote of the Committee:

AYES: Barrett, Bauters, Constantine, Gioia, Hannigan, Hurt, Jue, Mitchoff.
NOES: None.
ABSTAIN: None.
ABSENT: Groom, Haubert, Ross.

3. DRAFT AMENDMENTS TO BUILDING APPLIANCE RULES – REGULATION 9, RULES 4 AND 6

Greg Nudd, Deputy Air Pollution Control Officer of Policy, introduced Jennifer Elwell, Senior Air Quality Engineer, who gave the staff presentation *Draft Amendments to Rules 9-4 and 9-6*, include: outcome; outline; requested action; background; overview of existing rules; Rule 9-4 updates; Rule 9-6 updates; interim Report; projected emissions reductions; equity considerations; public feedback; timeline and next steps; and feedback requested/prompt.

Public Comments

Public comments were given by David McCoard, El Cerrito; Stephanie Morris, Mothers Out Front Silicon Valley; Tom Kabat, Menlo Park resident; Debbie Mytels, Palo Alto resident; Paul Werner; Sander Kushen, California Public Interest Research Group (CALPIRG); Leah Louis-Prescott, Rocky Mountain Institute; Mara Stuart, Berkeley resident; Erin Redding, CALPIRG; Michael Corbett, Bradford White Corporation; Sven Thesen; Sara Greenwald; Jared Johnson, Acterra; David Page; Josie Gaillard; Nick Pilch, City of Albany; Bruce Naegel; Kyle Bergeron, Air-Conditioning, Heating & Refrigeration Institute; Jed Holtzman, San Francisco resident; Lizzi Nickerson, Oakland resident; Matthew Gough, Sierra Club; Ben Grundy, Environment California; Jan Warren, Interfaith Climate Action Network of Contra Costa County; Laura Feinstein, San Francisco Planning and Urban Planning Renewal Association; Daniel Tahara; Diane Bailey; Nate Dewart, Energy Solutions; Dr. Cynthia Carmichael; Howard Strassner; Todd Snyder, San Francisco resident; Stephen Taffee, Menlo Park resident; Dr. Susan Penner, Emeryville resident; and Helena Birecki, San Francisco resident.

Committee Comments

The Committee and staff discussed concerns about continuing to treat natural gas as a bridge fuel between fossil fuels and electrification; the desire to see the proposed timeline for Rules 9-4 and 9-6 accelerated and then extended, if necessary; the suggestion of offering incentives to landlords of residential buildings to accelerate their tenants' transition to electrification; whether the Air District can prioritize electrification for new construction over existing buildings; concerns that retrofitted infrastructure will disproportionately impact those who cannot afford increasing costs; the status of incentives and subsidies; point of sale requirements; anticipation of existing homes experiencing circuit breaker capacity issues during retrofitting, and how the needs of multi family dwelling tenants may be impacted; the suggestion of creating a working group to focus on equity issues that need consideration when low-income households transition to electrification, and whether the Air District's Community Advisory Council would be the appropriate body to examine these issues; the suggestion of aligning the rule implementation timeline with how quickly funding for equity considerations can be procured; concerns that tenants' rent may be increased to absorb the cost of electrification conversions; whether the Air District may require electrification retrofits on the resale of existing homes; the need to involve labor and trade councils, small businesses, and the California Public Utilities Commission with this rule development; when the Board will be presented with the Interim Report; whether condominiums and stock cooperatives (co-ops) require a different electrification transition strategy from existing single family and multifamily dwellings; potential industrial impacts and implications that may result from the implementation of Rules 9-4 and 9-6; and the suggestion of creating a Board Resolution (by January 2022) that would: 1) create a working implementation group (consisting of stakeholders such as labor representatives,

industry representatives, trades councils, construction businesses, homeowners, tenants, and environmental justice representatives); 2) require the aforementioned working group to annually report to the Committee and Board regarding the status of appliance development and subsidies/incentives; and 3) allow the Air District to move up Rule 9-4 and/or 9-6 implementation dates, if feasible.

The Committee directed staff to draft a Board Resolution (by January 2022) that would:

- a) create a working implementation group (consisting of stakeholders such as labor representatives, industry representatives, trades councils, construction businesses, homeowners, tenants, and environmental justice representatives);
- b) require the aforementioned working group to annually report to the Committee and Board regarding the status of appliance development and subsidies/incentives;
- c) allow the Air District to move up Rule 9-4 and/or 9-6 implementation dates, if feasible; and
- d) to move forward with Regulation 9, Rules 4 and 6 (as drafted) to a final publication by early December 2021.

4. RULE DEVELOPMENT PROCESS AND IMPROVEMENTS: SOURCE PRIORITIZATION

Elizabeth Yura, Director of Rules and Strategic Policy, gave the staff presentation *Rule Development Process Improvements: Source Prioritization*, including: outcome; outline; requested action; how should it work; how is it currently working; what is the result; proposed solutions; what is the prioritization framework; proposed prioritization factors; what prioritization factors are key; what needs prioritization; example prioritization exercise; proposed annual prioritization process; next steps; and feedback requested/prompt.

Public Comments

Public comments were given by Christine Wolfe, California Council for Environmental and Economic Balance; Tom Kabat, Menlo Park resident; and Jed Holtzman, San Francisco resident.

Committee Comments

The Committee and staff discussed the need for the Air District's Community Advisory Council and the voice of the community to be involved in the annual prioritization process.

Committee Action

None; receive and file.

5. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

6. COMMITTEE MEMBER COMMENTS

None.

7. TIME AND PLACE OF NEXT MEETING

Monday, November 15, 2021, at 9:00 a.m., via webcast, pursuant to procedures in accordance with Assembly Bill 361.

8. ADJOURNMENT

The meeting adjourned at 11:32 a.m.

Marcy Hirtzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons John Bauters and Karen Mitchoff, and Members
of the Stationary Source and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 10, 2021

Re: Facility Risk Reduction Program Improvements

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

While the Air District has achieved reductions in cancer risk and other health impacts throughout the Bay Area, the current ambient cancer risk of about 600 in a million is still too high, and some Air District communities have disproportionately higher health risks compared to other communities. The Air District is using numerous approaches to reduce Bay Area health risks and, especially, health risk disparities in overburdened communities.

The Air District's Facility Risk Reduction Program focuses on stationary sources at existing facilities. It seeks to identify facilities that pose elevated health risks to nearby residents and workers due to toxic emissions from stationary sources, and it requires risk reductions for facilities and sources with elevated health risks. Since many facilities with high health risks are located in overburdened communities, this program should help to reduce health risk disparities in overburdened communities.

The Facility Risk Reduction Program is implemented through Regulation 11, Rule 18 (or Rule 11-18): "Reduction of Risk from Air Toxic Emissions at Existing Facilities." Rule 11-18 requires that existing facilities either:

- (a) reduce all health risks from stationary sources below the rule's risk action levels, or
- (b) install best available retrofit control technology for toxics (TBARCT) on all significant sources of health risks.

Rule 11-18 contains the most stringent risk action levels in the nation for existing facilities located in urban areas. Effective January 1, 2020, the final risk action levels for facility health impacts are:

- cancer risk of 10 in a million,
- non-cancer chronic hazard index of 1.0, and
- non-cancer acute hazard index of 1.0.

DISCUSSION

Implementation Process:

The Rule 11-18 implementation process includes the following steps:

- (1) screening facilities to identify those that require a facility-wide health risk assessment (HRA),
- (2) collecting and validating emission inventories and other input data required for the HRA,
- (3) conducting and approving HRAs,
- (4) reviewing and approving risk reduction plans (RRPs), and
- (5) implementing and verifying risk reductions.

Facilities are screened on a routine basis using the facility's prioritization score. Any facility with a prioritization score greater than 10 is a "high priority" facility that will require a comprehensive facility-wide HRA. Phase I facilities have the highest potential for elevated health risks and have a prioritization score greater than 250. The remaining sites with a prioritization score greater than 10 are Phase II facilities. Based on the most recent screening assessment, the Air District has 34 Phase I facilities and 290 Phase II facilities.

For each facility that is required to have a facility-wide HRA, the Air District notifies the site about their Rule 11-18 requirements, collects all input data needed for the HRA, and conducts a thorough engineering review and update of the facility's toxic emission inventory, emission release parameters, and other HRA input data. A preliminary HRA is then conducted using this updated emission inventory and HRA input data. Once the Air District completes an HRA, the preliminary HRA is provided to the facility for a 90 day-comment period. After responding to facility comments, the draft HRA is posted on the web-site for a public comment period. The Air-District will respond to public comments before finalizing the HRA and determining the Rule 11-18 risk reduction requirements.

Implementation Status:

To date, the Air District has completed emission inventory updates for 21 of the 34 Phase I facilities. Staff have completed 6 preliminary HRAs, and 3 additional preliminary HRAs are undergoing final internal review. The Air District has also posted 3 draft HRAs for public comment. Staff is evaluating and responding to public and facility comments received during the public comment periods and is incorporating necessary revisions into the final HRA reports for 3 facilities. Staff estimates that about half (17) of the Phase I facilities will be required to submit risk reduction plans.

Processing Delays:

Initially, the emissions inventory review and risk assessment approval processes above were expected to take about 18 months per facility. However, the data review process for some Phase I facilities, including the Bay Area's petroleum refineries, has been taking longer than anticipated due to delays in completing toxic emission inventory updates and competing staff priorities. In some cases, the Air District's engineering review uncovered data gaps, inconsistencies, and errors in the toxic emission inventory that must be resolved before completing the HRA. In addition, some facilities have been conducting source tests and other on-site measurements to improve their emissions inventories. Several sites have also requested authorities to construct for process changes or abatement devices that will reduce health impacts in their communities. The staff reviewing these permit applications is also the staff that is reviewing the emission inventories. Toxic emission rate disputes for unique sources with no standardized emission factors and difficult testing scenarios have resulted in additional delays for some sites. The initial review time estimate also did not consider the time necessary for conducting public workshops. These unanticipated issues have resulted in lengthy HRA processing times.

Program Improvements:

For each Phase I facility, staff has strived to minimize HRA processing times while maintaining a high standard of quality and consistency for the toxic emission inventory and the risk assessment. However, staff has heard Board and public concerns regarding the HRA processing delays. We have identified a number of near-term, mid-term, and long-term program improvements that are intended to accelerate the HRA processing times. These program improvements will be discussed in the presentation and are explained in more detail below.

- Near-Term Improvements
 - Minimize Inventory Review Time – Staff will minimize emission inventory review time by concentrating our review on a few toxic compounds that are expected to have the most significant impacts on health risk and on the largest sources of emissions for these compounds. Reviews will be based primarily on facility emission inventory submittals. Past staff reviews have identified facility emission inventory errors and omissions for sources that were later found to have significant impacts. Using a less rigorous emission inventory review process may not uncover all significant risk sources.
 - Minimize Preparation Time for Preliminary HRAs - Staff have been preparing detailed preliminary HRA reports that encompass all stationary sources at the site. Staff will prepare slimmed down preliminary HRA reports that focus on a smaller list of toxic compounds and the most significant sources emitting these compounds. Detailed explanations of processes and emission inventories that are intended for the public will be left out of the preliminary HRA report and prepared while the facility is reviewing the preliminary HRA. If a site has a risk exceeding a risk action level, the normal risk assessment refinements will be

skipped to ensure the facility review process starts as quickly as possible. Risk assessment refinements sometimes reveal errors or misunderstanding that could be resolved earlier in the process. Refined risk assessments can also identify the significant sources and significant pollutants which allow for either inventory refinement, source testing and/or allow for early work on risk reduction.

- Mid-Term Improvements

- Prepare More Default Toxic Emission Factors – Having standardized or default emission factors for common sources accelerates Air District review of common sources but takes staff time to develop the standardized factors and documentation. Some of the inventories requiring the longest review times have involved uncommon sources with no emission factors that are difficult monitor or test and some of these sources have been identified as having the most significant health impacts. While it is important to have a more complete set of default toxic emission factors, the default factors may not reduce processing time for unique and significant sources.
- Publish General HRA Documentation – Common explanations about rule applicability, risk assessment process, and risk context that are often repeated in HRA reports can be pulled out of individual reports and prepare as more general documentation. Having more general HRA documentation may speed up the report preparation process.
- Educate Public and Obtain Public Support – Having less rigorous emission inventory reviews and streamlined HRA reports focused on a limited number of compounds and sources with less public explanation may result in more questions and comments during the public review process. This could result in less public trust and more time on the latter end of the HRA process explaining why sources were not discussed or included in the HRA. We will need to educate the public that faster processing times may require such quality sacrifices. Public support of these program changes is necessary to prevent counterproductive comments and further processing delays.
- Focus Available Staff Modeling Resources on Rule 11-18 HRAs – Staffing shortages and competing priorities have led to modeling staff reassignments to model complex projects for New Source Review permit applications in addition to processing high profile permit applications. As staff is hired and trained, permit application assignments will be diverted away from modeling staff to enable them to focus on Rule 11-18 HRA assignments.
- Hire Consultants or Temporary Staff – Consultants or temporary staff will be engaged to perform specific tasks, such as publishing default emission factor documents, preparing general HRA and public communication documents, or reviewing modeling input parameters for large facilities.

- Long Term Improvements

- Leverage Model and Risk Evaluation Work Completed for AB617 –Staff would use modeling work completed for AB617 communities as a screening procedure to determine which facilities need further work under Rule 11-18. AIM and Engineering staff are resolving procedural differences for the Richmond/North Richmond/San Pablo modeling effort underway now to ensure that this is an appropriate screening procedure for Rule 11-18. Facilities with impacts well below the risk action levels would not need further Rule 11-18 review, while facilities with higher impacts would undergo further emission inventory scrutiny and rapid preparation of a Preliminary HRA for facility review.
- Rely on Facility Inventories Prepared by Certified Consultants – This new strategy would require facility emission inventories to be prepared by “certified” consultants. This strategy would require the development of more extensive toxic emission factor guidance documents and a consultant certification process. The Air District would then use this inventory with a minimal QA/QC review.
- Reduce Facility Review Periods and Action Times – This strategy would require amendment of Rule 11-18 review periods and action times. Numerous public comments have been received indicating that the five-year implementation period for risk reduction measures is too long. Also, the HRA processing times could be reduced by shortening facility review times. This rule development effort would need to be prioritized and scheduled in consideration of other rule development work that is already underway.
- Ingest and Store Emissions and Modeling Inputs for Future Use – Staff has already established a data warehouse to store emissions and modeling data for future use by Engineering or other divisions. However, preparing the final modeling data for ingestion will require staff time and has been deferred until staff is available. This is a task that could be conducted by consultants at a future date.

Pros and Cons:

Some of the above strategies that are intended to shorten the HRA processing time and accelerate implementation of risk reduction measures will result in a less rigorous Air District review of toxic sources and inventories, which could result in sacrifices to the quality of the HRA. The streamlined HRAs may not fully capture all stationary toxic emissions, and there is a potential that some significant sources may not be identified. However, the intention of these strategies is to minimize the time required to prepare an HRA that identifies the most significant toxic sources so that risk reduction measures can be started sooner for these largest toxic sources. Public support of a streamlined facility-wide HRA is critical. Otherwise, the HRA approval time could be delayed due to extensive public comment on HRA quality. The long-term improvements would likely have more of an impact on Phase II facilities, but they will reduce risk reduction implementation times for Phase I facilities, if rule amendments are approved.

Next Steps:

Staff is working on near-term changes now. These program revisions will be discussed with the Rule 11-18 Implementation Work Group in December and with the Community Advisory Council as soon as feasible. Mid-term changes will be implemented next year. The implementation time for the long-term improvements will depend on rule development priorities and the feasibility of certifying consultants for emission inventory preparation.

The Air District agreed to create a Dispute Resolution Panel (DRP) to recommend resolution of issues if the Air District, industry, and the public reach an impasse on an issue. The Air District is creating guidelines for the DRP and identifying experts in various air emissions, testing, and modeling areas who will serve on the DRP.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Carol Allen and Pam Leong
Reviewed by: Damian Breen

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons John Bauters and Karen Mitchoff, and
Members of the Stationary Source and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: November 10, 2021

Re: Draft Amendments to Building Appliance Rules – Regulation 9, Rules 4 and 6

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Air District staff has published draft amendments to Regulation 9, Rule 4: *Nitrogen Oxides from Fan Type Residential Central Furnaces* (“Rule 9-4”) and Regulation 9, Rule 6: *Nitrogen Oxides Emissions from Natural Gas-Fired Boilers and Water Heaters* (“Rule 9-6”). The draft amendments would impact natural gas-fired space and water heating appliances. These include furnaces and water heaters used in single family homes, multifamily residences such as apartment buildings, and commercial spaces such as retail and office buildings. The Air District regulates these sources on a point-of-sale basis, requiring that equipment manufactured after the compliance date and installed within the geographical jurisdiction of the Air District meets the standards contained in the Rules. These sources generate a substantial portion of nitrogen oxides (NOx) emissions from sources in the Bay Area, and nitrogen oxides are a precursor to ozone and secondary particulate matter (PM) formation.

The draft amendments include an “ultra-low” NOx emission limit of 14 ng/joule for residential furnaces applicable on July 1, 2023, as well as the introduction of a zero-NOx emissions standard for natural gas-fired furnaces and water heaters as shown below.

Jan. 1, 2027	Rule 9-6	Water heaters and boilers below 75,000 BTU/hr
Jan. 1, 2029	Rule 9-4	All commercial and residential furnaces
Jan. 1, 2031	Rule 9-6	Water heaters and boilers between 75,000 and 2 million BTU/hr

DISCUSSION

Draft amendments to Rules 9-4 and 9-6 were published on September 30, 2021, which began a public comment period that closed on November 1, 2021. Staff will present a summary of comments received during this period to the committee members. Additionally, staff will discuss anticipated next steps informed by public comment as well as feedback received from this committee at its October meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jennifer Elwell
Reviewed by: Victor Douglas and Elizabeth Yura