



BOARD OF DIRECTORS
Stationary Source Committee
July 8, 2026

COMMITTEE MEMBERS

KEN CARLSON – CHAIR
DIONNE ADAMS
LYNDA HOPKINS
OTTO LEE
RAY MUELLER
STEVE YOUNG

JOHN GIOIA – VICE CHAIR
DAVID HAUBERT
TYRONE JUE
RICO MEDINA
GABE QUINTO

**MEETING LOCATION(S) FOR IN-PERSON ATTENDANCE BY
COMMITTEE MEMBERS AND MEMBERS OF THE PUBLIC**

**Bay Area Metro Center
1st Floor Board Room
375 Beale Street
San Francisco, CA 94105**

**Office of Contra Costa County
Supervisor John Gioia
Conference Room
11780 San Pablo Ave., Suite D
El Cerrito, CA 94530**

**Santa Rosa Junior College Campus
Doyle Library, Room 148
1501 Mendocino Ave.
Santa Rosa, CA, 95401**

**Office of Alameda County Supervisor
David Haubert
Scott Haggerty House
4501 Pleasanton Avenue
Pleasanton, CA 94566**

**City of San Bruno
567 El Camino Real, Room 138
San Bruno, CA 94066**

**Pittsburg City Hall
65 Civic Ave., Room, 301A
Pittsburg, CA 94565**

THE FOLLOWING STREAMING OPTIONS WILL ALSO BE PROVIDED

These streaming options are provided for convenience only. In the event that streaming connections malfunction for any reason, the Stationary Source Committee reserves the right to conduct the meeting without remote webcast and/or Zoom access.

The public may observe this meeting through the webcast by clicking the link available on the air district's agenda webpage at <https://www.baaqmd.gov/bodagendas>

**Members of the public may participate remotely via Zoom at <https://bayareametro.zoom.us/j/88344390709> or may join Zoom by phone by dialing (669) 900-6833 or (408) 638-0968. The Webinar ID for this meeting is:
883 4439 0709**

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 a matter on the agenda will have two minutes each to address the Committee on that agenda item, unless a different time limit is established by the Chair. No speaker who has already spoken on an item will be entitled to speak to that item again.

Written public comments can be emailed to comments@baaqmd.gov or through the Air District's website via the "Submit a Comment" feature for this meeting. Written public comments emailed by 10:00 a.m. on the business day prior to this meeting will be provided to the Committee members in advance of the meeting. Written public comments emailed after that deadline will be provided to the Committee members following the meeting's adjournment. Unless directed by the Chair, written public comments will not be read aloud during the meeting.

The Committee welcomes comments, including criticism, about the policies, procedures, programs, or services of the Air District, or of the acts or omissions of the Committee. Speakers shall not use threatening, profane, or abusive language which disrupts, disturbs, or otherwise impedes the orderly conduct of a Committee meeting. The Air District is committed to maintaining a workplace free of unlawful harassment and is mindful that Air District staff regularly attend Committee meetings. Discriminatory statements or conduct that would potentially violate the Fair Employment and Housing Act – i.e., statements or conduct that is hostile, intimidating, oppressive, or abusive – is *per se* disruptive to a meeting and will not be tolerated.

STATIONARY SOURCE COMMITTEE MEETING AGENDA

WEDNESDAY, JULY 8, 2026

10:00 AM

Chairperson, Ken Carlson

1. **Call to Order - Roll Call**

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

2. **Pledge of Allegiance**

CONSENT CALENDAR (Item 3)

The Consent Calendar consists of routine items that may be approved together as a group by one action of the Committee. Any Committee member or member of the public may request that an item be removed and considered separately.

3. Approval of the Draft Minutes of the Stationary Source Committee Meeting of June 10, 2026

The Committee will consider approving the Draft Minutes of the Stationary Source Committee Meeting of June 10, 2026.

ACTION ITEM(S)

4. Policy for Socioeconomic Impact Analysis of Regulatory Actions

The Committee will consider recommending that the Board of Directors adopt a policy on how the Air District will conduct socioeconomic impact analyses for regulatory actions. This item will be presented by Leonid Bak, Economist in the Regulatory Development Division.

INFORMATIONAL ITEM(S)

5. Update on Rule Development to Modernize the Air District's Refinery Fenceline Air Monitoring and Emissions Tracking Programs

The Committee will discuss rule development efforts currently underway to propose changes to the fenceline air monitoring, emissions inventory, and crude slate reporting requirements in Regulation 12: Miscellaneous Standards of Performance, Rule 15: Refining Emissions Tracking (Rule 12-15). This item will be presented by Joe Lapka, Principal Air Quality Specialist in the Meteorology and Measurement Division.

OTHER BUSINESS

6. Public Comment on Non-Agenda Matters

Pursuant to Government Code Section 54954.3, members of the public who wish to speak on matters not on the agenda will be given an opportunity to address the Committee. Members of the public will have two minutes each to address the Committee, unless a different time limit is established by the Chair. The Committee welcomes comments, including criticism, about the policies, procedures, programs, or services of the Air District, or of the acts or omissions of the Committee. Speakers shall not use threatening, profane, or abusive language which disrupts, disturbs, or otherwise impedes the orderly conduct of a Committee meeting. The Air District is committed to maintaining a workplace free of unlawful harassment and is mindful that Air District staff regularly attend Committee meetings. Discriminatory statements or conduct that would potentially violate the Fair Employment and Housing Act – i.e., statements or conduct that is hostile, intimidating, oppressive, or abusive – is per se disruptive to a meeting and will not be tolerated.

7. Committee Member Comments

Any member of the Committee, or its staff, on their own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on their 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)

8. Time and Place of Next Meeting

Wednesday, September 9, 2026, at 10:00 a.m. The meeting will be held in-person at the Bay Area Metro Center and at satellite locations as may be specified on the meeting agenda using a remote teleconferencing link. Members of the Stationary Source Committee and the public may attend at any of those in-person locations, and members of the public may also attend virtually via webcast.

9. Adjournment

The Committee meeting shall be adjourned by the Chair.

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

(415) 749-4941
FAX: (415) 928-8560
Air District 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 less than 72 hours before the meeting 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 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, Kimberly Leefatt, Civil Rights Officer at 415-749-4610 or by email at non-discriminationcoordinator@baaqmd.gov.

**BAY AREA AIR DISTRICT
375 BEALE STREET, SAN FRANCISCO, CA 94105
FOR QUESTIONS PLEASE CALL (415) 749-4941**

**EXECUTIVE OFFICE:
MONTHLY CALENDAR OF AIR DISTRICT MEETINGS**

JULY 2026

| <u>TYPE OF MEETING</u> | <u>DAY</u> | <u>DATE</u> | <u>TIME</u> | <u>ROOM</u> |
|---|------------|-------------|-------------|---|
| Board of Directors Stationary Source Committee | Wednesday | 8 | 10:00 a.m. | 1 st Floor Board Room |
| Board of Directors Community Equity, Health, and Justice Committee | Wednesday | 8 | 1:00 p.m. | 1 st Floor Board Room |
| Board of Directors Policy, Grants and Technology Committee - CANCELLED | Wednesday | 15 | 10:00 a.m. | 1 st Floor Board Room |
| Board of Directors Finance and Administration Committee - CANCELLED | Wednesday | 15 | 1:00 p.m. | 1 st Floor Board Room |
| Community Advisory Council | Thursday | 16 | 6:00 pm. | 1 st Floor, Yerba Buena Room |

AUGUST 2026

NO MEETINGS SCHEDULED

SEPTEMBER 2026

| <u>TYPE OF MEETING</u> | <u>DAY</u> | <u>DATE</u> | <u>TIME</u> | <u>ROOM</u> |
|--|------------|-------------|-------------|---|
| Board of Directors Meeting | Wednesday | 2 | 10:00 a.m. | 1 st Floor Board Room |
| Board of Directors Stationary Source Committee | Wednesday | 9 | 10:00 a.m. | 1 st Floor, Yerba Buena Room |
| Board of Directors Community Equity, Health, and Justice Committee | Wednesday | 9 | 1:00 p.m. | 1 st Floor, Yerba Buena Room |
| Board of Directors Policy, Grants and Technology Committee | Wednesday | 16 | 10:00 a.m. | 1 st Floor Board Room |
| Board of Directors Finance and Administration Committee | Wednesday | 16 | 1:00 p.m. | 1 st Floor Board Room |
| Community Advisory Council | Thursday | 17 | 6:00 pm. | 1 st Floor, Yerba Buena Room |

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Ken Carlson and Members
of the Stationary Source Committee

From: Philip M. Fine
Executive Officer/APCO

Date: July 8, 2026

Re: Approval of the Draft Minutes of the Stationary Source Committee Meeting of
June 10, 2026

RECOMMENDED ACTION

Approve the Draft Minutes of the Stationary Source Committee Meeting of June 10, 2026.

BACKGROUND

None.

DISCUSSION

Attached for your review and approval are the Draft Minutes of the Stationary Source Committee Meeting of June 10, 2026.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

ATTACHMENT(S):

1. Draft Minutes of the Stationary Source Committee Meeting of June 10, 2026

Bay Area Air District
375 Beale Steet, Suite 600
San Francisco, CA 94105

Stationary Source Committee Meeting
Wednesday, June 10, 2026

DRAFT MINUTES

This meeting was webcast, and a video recording is available on the website of the Bay Area Air District at www.baaqmd.gov/bodagendas

CALL TO ORDER

1. **Opening Comments:** Stationary Source Committee (Committee) Chairperson, Ken Carlson, called the meeting to order at 10:01 a.m.

Roll Call:

Present, In-Person (Bay Area Metro Center, 1st Floor Yerba Buena Room, 375 Beale Street, San Francisco, CA 94105): Chairperson Ken Carlson; and Directors Tyrone Jue and Steve Young.

Present, In-Person Satellite Location: (Office of Contra Costa County Supervisor John Gioia Conference Room 11780 San Pablo Ave., Suite D El Cerrito, CA 94530): Vice Chairperson John Gioia; and Director Gabe Quinto.

Present, In-Person Satellite Location: (San Mateo County Board of Supervisors' Office, 5th Floor, 500 County Center, Redwood City, CA 94063): Director Ray Mueller.

Present, In-Person Satellite Location: (City of San Bruno, 567 El Camino Real, Room 138, San Bruno, CA 94066): Director Rico E. Medina.

Present, In-Person Satellite Location: (Pittsburg City Hall, 65 Civic Ave., Room, 301A, Pittsburg, CA 94565): Director Dionne Adams.

Present, In-Person Satellite Location: (Office of Santa Clara County, 70 W. Hedding St, 1st Floor Conference Room, San Jose, CA 95110): Director Otto Lee.

Absent: Directors David Haubert and Lynda Hopkins.

2. **PLEDGE OF ALLEGIANCE**

CONSENT CALENDAR

3. APPROVAL OF THE DRAFT MINUTES OF THE STATIONARY SOURCE COMMITTEE MEETING OF APRIL 8, 2026

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Lee made a motion, seconded by Director Medina, to **approve** the Draft Minutes of the Stationary Source Committee meeting of April 8, 2026; and the motion **carried** by the following vote of the Committee:

- AYES: Adams, Carlson, Gioia, Lee, Medina, Mueller, Quinto.
- NOES: None.
- ABSTAIN: None.
- ABSENT: Haubert, Hopkins, Jue, Young.

INFORMATIONAL ITEMS

4. WAREHOUSE INDIRECT SOURCE RULE (ISR): OVERVIEW, CONCEPT PAPER, AND NEXT STEPS

Christopher Easter, Senior Air Quality Specialist gave the staff presentation *Warehouse Indirect Source Rule: Overview, Concept Paper, and Next Steps*, including: outline; background on Goods Movement; recap of Stationary Source Committee presentations; regulatory context: federal and state and other air districts’ ISRs; South Coast Air Quality Management District (SCAQMD) Warehouse Actions and Investments to Reduce Emissions (WAIRE); warehouses in the Bay Area; Warehouse ISR Concept Paper; concepts - applicability, implementation, and compliance options; concepts: Particulate Matter (PM) reductions, reporting, and emissions benefits; stakeholder engagement; and public comments.

NOTED PRESENT: Director Jue was noted present at 10:06 a.m.

Public Comments

Public comments were given by Tina Flores; Charmaine Robinson, Oakland resident; Tanisha Evans; Kaitlin Alcontin, Communities for a Better Environment (CBE); Skyler Wonnacott, California Business Properties Association; Jennifer Cohen, Pacific Merchant Shipping Association; Matt Regan, Bay Area Council; Sarah Chen Small, CBE; Harrison Beck, Center for Biological Diversity; Jacob Klein, Industrious Labs; Ryan Backus, Earthjustice; Collen

Fitzgerald, Earthjustice; Tony Sirna, Berkeley resident; Dr. Bret Andrews, San Francisco Bay Area Physicians for Social Responsibility; Katrina Tomas, Earthjustice; Fernando Gaytan, Earthjustice; Nick Chiappe, California Trucking Association; Chris Shimoda, Supply Chain Federation; Elizabeth Esquivel, California Manufacturers & Technology Association; Mars Keith, Sierra Club; Jan Warren, Interfaith Climate Action Network of Contra Costa County; Marina Munoz, Oakland resident; Peter Okurowski, California Council for Environmental and Economic Balance (CCEEB); Maurissa Brown, Greenlining Institute; Rebecca Franke; Dan Stegink; Joy Johnson; Mia Estrada, San Leandro resident; Chole-Simone Ward, Oakland resident; Jerald, Hayward resident; Diego Gonzalez, Port of Oakland; Alanda Johnson; anonymous; David Schlosberg, Coalition for Healthy Air and Safe Roads; Yvonne Eashman, Environmental Justice League; and Tim Sbranti, Contra Costa Building and Construction Trades Council.

Committee Comments

The Committee and staff discussed whether staff is seeking the Committee's input on a potential warehouse ISR during this meeting, and the anticipated timeline for recommending a preferred path forward to the Board (in the event that the Board wishes to move forward); clarification regarding any previous committee recommendations, actions taken to date, and the extent of Board direction provided on the topic; Air District's staff's recommendation for a warehouse ISR; potential anticipated stakeholders who would be affected by a potential warehouse ISR, their anticipated level of engagement at future workshops; whether Air District staff recommends the Board consider the SCAQMD's ISR as a model; the Air District's coordination with cities and counties regarding jurisdictional considerations related to land use authority; potential economic impacts associated with a proposed ISR; the status of the Air District's proposed socioeconomic analysis policy; potential impacts on the Air District's resources (including compliance, enforcement, and fee administration) that may result from an implemented ISR; the distinction of responsibilities between facility owners and operators; whether the implementation of an ISR may reduce the number or length of vehicle trips; concern about spending the time and resources to conduct a rulemaking that may not be cost-effective or yield many benefits; the current enforcement status of the SCAQMD's adopted ISR; a fulfillment center project in North Richmond, involving FedEx, targeting an all-electric, zero-emission delivery fleet by 2040, and what the Air District can learn from this endeavor; whether the Air District's potential ISR would affect new or existing facilities; and the importance of prioritizing the implementation of an adopted ISR specifically in Assembly Bill (AB) 617 communities, to maintain trust with AB 617 Community Steering Committees; the request for a summary of how an ISR strategy was identified in the AB 617 Community Emissions Reduction Plans (CERP) in future Board updates, as some Board members were not involved in the development of the CERPs; concerns regarding regulatory impacts on business retention in California; the potential effectiveness of an ISR in achieving air quality improvements; California's current attainment status under the National Ambient Air Quality Standards; and the request that this topic is agendaized at a future Board meeting agenda for consideration and potential action.

NOTED PRESENT: Director Young was noted at 10:32 a.m.

Committee Action

No action taken.

5. MID-YEAR REVIEW OF THE 2026-2027 REGULATORY AGENDA

David Joe, Regulatory Development Manager, gave the staff presentation *Mid-Year Review of the 2026-2027 Regulatory Agenda*, including: abbreviations; overview; Strategic Plan goals and strategies; how rules fit in; prioritization criteria; rule development impetus sources; current and planned rule development; Rule 9-6 hearing; considered rule development; and next steps.

Public Comments

Public comments were given by Jacob Klein, Industrious Labs; Michael Corbett, Bradford White Corporation; Robert Whitehair, San Mateo resident; Katrina Tomas, Earthjustice; and Bruce Hodge.

Committee Comments

The Committee and staff discussed the request that when this item is presented at future Committee and Board meetings, the “Current & Planned Rule Development” chart includes columns that indicate the duration of Board consideration and subsequent review by the Committee and the Board; clarification on the sequencing of data collection and agenda placement for topics; and the likelihood of rulemakings that will occur for the topics listed in the “Considered Rule Development” chart.

Committee Action

No action taken.

OTHER BUSINESS

6. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

7. COMMITTEE MEMBER COMMENTS

None.

8. TIME AND PLACE OF NEXT MEETING

Wednesday, July 8, 2026, at 10:00 a.m. The meeting will be held in-person at the Bay Area Metro Center and at satellite locations as may be specified on the meeting agenda using a remote teleconferencing link. Members of the Stationary Source Committee and the public may attend at any of those in-person locations, and members of the public may also attend virtually via webcast.

9. **ADJOURNMENT**

The meeting was adjourned at 1:06 p.m.

Marcy Hiratzka
Clerk of the Board

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Ken Carlson and Members
of the Stationary Source Committee

From: Philip M. Fine
Executive Officer/APCO

Date: July 8, 2026

Re: Policy for Socioeconomic Impact Analysis of Regulatory Actions

RECOMMENDED ACTION

Recommend to the Board of Directors that the Board adopt the attached proposed policy on how the Air District will conduct socioeconomic impact analyses for regulatory actions.

BACKGROUND

The Bay Area Air District is responsible for creating and modifying regulations reducing air pollution from sources within the Air District's regulatory authority. California Health and Safety Code section 40728.5 requires that the Air District consider the socioeconomic impact of rules and rule amendments that will significantly affect air quality or emissions limitations and make a good faith effort to minimize adverse socioeconomic impacts.

While the Air District has always met the minimum statutory requirements for these analyses, staff has often gone beyond the minimum requirements to provide more information and context for Board consideration of policy actions. To date, this additional detailed analysis has been as the discretion of staff. The regulated community and other stakeholders have requested that the Board set a policy so that there is more predictability and certainty regarding how these analyses will be conducted in the future.

In particular, Contra Costa Building and Construction Trades Council (CCBCTC) has asked for a formal Board policy directing Air District staff to expand the scope of socioeconomic analysis in certain situations. Based on presentations to the Stationary Source Committee and the Board of Directors in November and December 2025, and again in February 2026, staff have evaluated CCBCTC's policy proposal. A policy outline was released to the public in April 2026. Staff received comments and subsequently met with all commenters (both industry representatives and the public) to discuss and clarify comments and recommendations.

DISCUSSION

To respond to community and industry requests for formalizing details on socioeconomic impacts analyses, the attached proposed policy sets forth requirement for conducting these analyses for Air District regulatory actions. The proposed policy provides a structural framework for the analyses, identifying elements that must be included for all analysis and enhanced requirements for rules with a heightened potential for significant adverse socioeconomic impacts. It also sets forth methodology and acceptable data sources for use in such analyses.

The Committee will consider recommending that the Board adopt the proposed policy at the Board's next meeting in September. Alternatively, the Committee may make modifications to the proposed policy before Board consideration or direct staff to continue working with stakeholders on the proposed policy.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The enhanced socioeconomic analysis will require more time and effort from the contractors who conduct these studies. The policy is designed to control costs by ensuring the enhanced analyses are focused on the most impactful rules. The adopted budget for the current fiscal year includes funding for these additional costs.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Leonid Bak
Reviewed by: Greg Nudd

ATTACHMENT(S):

1. Socioeconomic Impact Analysis Policy
2. Public Comments on the Socioeconomic Impact Analysis Policy Outline
3. Policy for Socioeconomic Impact Analysis of Regulatory Actions Presentation

Bay Area Air District Policy for Socioeconomic Impact Analyses in Regulatory Development

The Board of Directors of the Bay Area Air District considers potential socioeconomic impacts of rules and regulations it adopts in order to minimize adverse socioeconomic impacts on Bay Area residents, households, businesses (including small businesses), and workers. To assist the Board of Directors in considering such impacts, Air District staff prepare a Socioeconomic Impact Analysis report for proposed rules and regulations in accordance with the requirements of [Health & Safety Code section 40728.5](#). The Board of Directors considers these Socioeconomic Impact Analysis reports in deciding whether to adopt new or amended rules and regulations.

To address concerns regarding the need for comprehensive socioeconomic analyses of Air District rules and regulations, as well as requests from members of the public for enhanced analyses, the Board of Directors has adopted this policy to establish clear requirements for Socioeconomic Impact Analysis reports for proposed new or amended rules and regulations – including enhanced requirements for rules and regulations with a heightened potential for significant adverse socioeconomic effects. Air District staff are directed to prepare Socioeconomic Impact Analysis reports in conformance with the requirements of this policy.

Requirements for All Socioeconomic Impacts Analyses

Every Socioeconomic Impact Analysis report will include (at a minimum) the following six components, in accordance with the requirements of Health & Safety Code section 40728.5:

- 1. Need for Action** will provide a clear explanation of how a proposed regulation will address the air quality or public health issue and the applicable legal requirements. This may include achieving or maintaining air quality standards, reducing health impacts from air pollution exposure, addressing disparities in air pollution exposure, and/or reducing climate-harming air pollution.
- 2. Baseline Conditions** are defined as expected conditions in the absence of the proposed rule (“without rule” scenario). The baseline should enable comparison with proposed outcomes and reflect current economic and environmental conditions.
- 3. Affected Entities** section will identify facilities, equipment, and processes subject to the rule. It will also determine the distribution of facility sizes, small businesses

impacted and, where appropriate, the geographical distribution of affected sources in relation to overburdened communities.

4. Compliance Costs will be estimated using publicly available data, peer-reviewed methods (e.g., EPA guidelines), and validated models and datasets. All assumptions are to be transparent and well-documented, including:

- Capital and operating costs
- Downtime and engineering expenses
- Financing assumptions
- Reporting and recordkeeping costs

5. Cost-Effectiveness will be calculated in terms of cost per ton of emissions reduced (\$/ton), using established methodologies (such as CARB guidance). In addition, other regulatory approaches could be evaluated and used, if appropriate and meaningful; a justification for the selected option will be provided.

6. Economic Impact Analysis will assess broader economic impacts, including:

a) Regional Economic Effects, a measure of impacts to the area-wide economy, will be estimated by:

- Using input-output or established macroeconomic models, such as IMPLAN, REMI;
- Estimating impacts on employment and economic output; and
- Including indirect and induced effects.

b) Impacts on Businesses and Workers will be estimated by:

- Evaluating impacts on small businesses;
- Identifying any relevant and possible mitigation measures, where needed (such as financing, phased implementation); and
- Assessing potential effects on employment, wages, and income.

c) Consumer Impacts, if any, will be assessed by:

- Estimating impacts on household costs; and
- Evaluating effects on a range of representative households in the region.

Where data is limited such that any of the above quantitative analyses are not possible or not meaningful due to data limitations or high degrees of uncertainty, a sensitivity analysis shall be performed or qualitative estimates shall be provided. In cases where data limitations or uncertainty are so great that even sensitivity analysis or qualitative estimates are not possible, a full explanation of the reasons for any resulting gaps in the analyses shall be provided.

Enhanced Requirements for Regulatory Actions with Heightened Potential for Significant Socioeconomic Impacts

An enhanced Socioeconomic Impact Analysis of a proposed rule is required when one or more of the following conditions apply:

- Compliance costs exceed \$10 million in direct annual costs;
- The affected sector has experienced significant regulatory costs in the past 10 years;
- Significant costs are expected to fall on small businesses or the general public;
- Impacts affect a broad range of businesses; or
- The rule may significantly influence energy or housing costs.

In addition to the requirements outlined above for all socioeconomic analyses, an enhanced analysis will provide a more detailed assessment to support Board decision-making. For each county within the region, the analysis must include:

- Cumulative cost impacts from Air District rules on effected regulated entities, if these costs are not captured in the baseline;
- Impacts on households, including significant household costs and affordability-impacts by income, race, ethnicity, and gender (where data is available from the U.S. Census);
- Relationship of costs to income and housing burden;
- Differences across populations and communities; and,
- Impacts on businesses, employees, and customers.

Methods, Data Standards, and Implementation

The Air District will use the methodologies described below for estimating costs and cost-effectiveness. As improved methods and tools are developed, the Air District will evaluate and adopt them as appropriate to better measure the impacts of regulations on businesses and the public.

For *Costs and Cost Effectiveness*, CARB capital recovery factors/cost effectiveness conventions will be used as appropriate and cost per ton and incremental CE will be presented (see 2017 Carl Moyer Program Guidelines, [Appendix C: Cost-Effectiveness Calculation Methodology](#)).

For *Economic Impact Modeling*, IMPLAN/REMI or equivalent models and input-output frameworks will be used, with elasticities, market conditions, impact on market, cost pass-through assumptions, and multi-sector linkages clearly documented and presented.

For *Distributional Analysis*, *CalEnviroScreen*, *US Census data*, and other relevant and appropriate tools will be used to determine impact on any overburdened community within the scope of analysis as appropriate. Results will be reported stratified by income, race/ethnicity (using US-Census-tract-level data).

All technical documentation and data sources must be listed, accessible and clearly marked.

Public Participation and Public Input

Draft Socioeconomic Impact Analysis reports must be released sufficiently early to allow meaningful public review. Public comments on the draft report and staff's responses shall be included in the final report. Beginning in 2027, draft reports for all rules requiring an enhanced analysis must be released at least **90 days** prior to Board consideration of the regulatory action to allow adequate time for public review and comment.

Contra Costa Building and Construction Trades Council



2727 Alhambra Ave. Suite 5 Tim Sbranti Martinez, CA 94553 Executive Director
Phone (925) 228-0900

April 28, 2026

Lynda Hopkins, Chair
Members of the Board of Directors
Bay Area Air District 375
Beale street, Suite 600
San Francisco, CA 94105

Re: Comments on BAAD Draft Socioeconomic Analysis Policy Outline Enhanced Analysis Provisions

Dear Chair Hopkins and Members of the Board:

Thank you for the opportunity to comment on the Bay Area Air District's proposed Board policy governing socioeconomic analysis in air quality rulemaking. The Contra Costa Building and Construction Trades Council appreciates the District's engagement on this issue and the substantial effort reflected in the outline. These comments identify the areas where the outline aligns with our priorities and the areas where we believe additional or stronger provisions are needed before the policy is finalized.

Our overall assessment is that the outline is a solid starting point. It incorporates several of our core priorities, including the \$10 million annual cost threshold for enhanced analysis, distributional analysis by income, race/ethnicity, and geography, IMPLAN/REMI economic impact modeling, cumulative cost analysis over a 10-year lookback period, and consumer affordability metrics. We commend the District for including these provisions.

However, the outline omits or inadequately addresses several provisions that are essential to ensure the policy is followed in practice rather than treated as aspirational guidance. Our specific concerns are detailed below.

I. Areas of Alignment

A. Cost Threshold for Enhanced Analysis

The Council proposed scaling the state's \$50 million Standardized Regulatory Impact Assessment threshold to \$10 million for the Bay Area based on regional population share. The outline adopts \$10

million per year as the trigger for Enhanced Socioeconomic Analysis (Section 3), closely tracking that recommendation. The additional triggers of cost-effectiveness thresholds, cumulative industry burden, and direct consumer or small business impacts are also responsive to our concerns. We support these provisions.

B. Distributional Analysis by Income and Race/Ethnicity

Ensuring that the costs and benefits of air quality regulation are fairly distributed was our highest priority entering this process. Section 3.1 of the outline requires analysis of who bears costs and who receives benefits, broken down by sector, size class, income, race/ethnicity, and geography. It also requires comparison of average household costs with affordability metrics, including income and housing cost burden, with geographic and demographic breakdowns. These provisions are detailed and responsive to our proposal, and we strongly support their inclusion.

C. Economic Impact Modeling

Sections 2.6 and 4.2 require IMPLAN/REMI or equivalent input-output and macroeconomic modeling to estimate impacts on economic output and employment, including indirect and induced effects. This is consistent with the Council's proposal. The outline also addresses cost pass-through to consumers, impacts on small entities, and addresses employment and wage effects by sector and geography. We recognize that in order to estimate consumer and employment impacts, the District would necessarily have to consider first-round impacts on affected entities, including profits, cash flows, and investment. Nevertheless, as discussed below, we believe these elements should be made explicit.

D. Cumulative Retrospective Cost Analysis

Section 3.1 requires cumulative socioeconomic analysis of rules and amendments applied over a 10-year period, including comparison of staff cost estimates to actual industry costs where verifiable. The additional requirement to assess whether past rules accomplished their stated air quality goals is reasonable. We note, however, that the retrospective cumulative analysis must be matched by a forward-looking requirement, as discussed in Section II below.

E. Consumer Affordability Metrics

The requirement in Section 3.1 to compare average household costs with affordability metrics such as income and housing cost burdens with breakdowns by geography and race/ethnicity is more specific than what the Council's original proposal contained and represents a positive development. We support this provision.

F. Transparency and Documentation Standards

The Core Principles require peer-reviewed methods, documented assumptions and uncertainties, technical appendices, identified data sources, and responsiveness to public comment. These align with the documentation requirements in our original proposal and with the best data and methods available standard we advocated. We support their inclusion.

II. Gaps and Shortcomings Requiring Additional Provisions

A. Contractor Procurement and Independence Framework

The Council's original proposal devoted three major sections to contractor selection: conflict-of-interest disclosure, experience and qualification requirements, and schedule and budget provisions. BAAD staff acknowledged these concerns in their January comments and indicated they would be addressed in the next competitive procurement. However, the outline is silent on who performs the analysis and under

what safeguards. For regulations with \$10 million or more in annual compliance costs where analytical judgments are most consequential and the stakes are highest, the absence of contractor independence provisions is a significant omission. We urge the Board to include explicit contractor procurement and independence requirements in the final policy.

B. Evidentiary Standard for Analytical Omissions

This is our most important remaining concern. In discussions with BAAD staff, the Council proposed that when a required analysis is not feasible, the contractor must justify the omission under a clear and convincing evidence standard. The outline contains no analogous accountability mechanism. Even within the enhanced analysis tier, requirements are qualified with phrases such as where relevant data is available and as appropriate considering any data limitations. Without an evidentiary standard, the enhanced requirements function as a menu of options rather than a set of enforceable obligations. This undermines the entire purpose of establishing a Board policy.

What the Council seeks is a requirement that the District proceed with impact estimates using the best available data, even when that data is imperfect, and address resulting uncertainty through ranges or qualified findings. Analyses should not be omitted simply because the data falls short of perfection. We urge the Board to adopt an explicit evidentiary standard such as clear and convincing evidence as the threshold for omitting any required element of the enhanced analysis.

C. Cumulative Forward-Looking Regulatory Costs in the Baseline

The Council emphasized in its discussions with BAAD staff that baseline cost estimates must reflect the cumulative impacts of existing state and local regulations, including those under active consideration. The outlines baseline definition (Section 2.2) references regulatory, technological, and market baseline; and expected trends absent the rule. However, it does not explicitly require incorporation of cumulative regulatory costs already borne by affected entities.

The cumulative analysis required by Section 3.1 is backward-looking by looking at what past rules actually cost. A better approach would be forward-looking by analyzing the total existing regulatory burden to which the proposed rule adds. For industries such as petroleum refining that face multiple overlapping regulatory requirements, the forward-looking cumulative cost question is central to our concern and remains inadequately addressed. We urge the Board to require that the baseline explicitly incorporate the cumulative prospective regulatory burden.

D. Governmental and Fiscal Impact Analysis

The Council's original proposal required estimation of a rules impact on state and local tax revenues, corporate, personal, sales, and property taxes. BAAD staff acknowledged in their January comments that this was reasonable for rules with significant compliance costs. It does not appear in the outline at any tier. For rules exceeding \$10 million in annual costs, fiscal effects on local government revenues could be material and should be a required element of the enhanced analysis.

E. Missing Specific Economic Analysis Elements

The Council's original proposal contained several specific analytical requirements that do not appear in the outline even at the enhanced level. We urge the Board to include explicit requirements for:

- Analysis of impacts on affected entities profits and cash flows;
- Identification of sources and costs of financing for required capital investments;

- Assessment of whether equipment installation would significantly disrupt business output during the compliance period; and
- Behavioral response analysis, including cost pass-through dynamics, competition from outside suppliers, price elasticity of demand, and labor market conditions for affected occupations.

The outline's Section 4.2 references cost pass-through assumptions and market conditions as modeling parameters to document rather than as required analytical outputs. These elements could substantially affect the analysis of who ultimately bears the costs of regulation, and they should be treated as required outputs, not discretionary inputs.

F. Binding Nature and Enforceability of the Policy

The Council submitted its original proposal as rule language. BAAD staff indicated it would instead take the form of a Board resolution binding on staff. The outline describes itself as a policy to be approved by the Air District's Board of Directors, but the degree to which it creates enforceable obligations as opposed to aspirational guidance remains ambiguous. The outline does not address whether or how the Board, regulated entities, or the public could compel compliance if staff deviates from the policy. The Council urges the Board to ensure that the final policy language unambiguously establishes these requirements as mandatory obligations, not discretionary best practices.

III. Conclusion

The Contra Costa Building and Construction Trades Council acknowledges that the BAAD staff outline reflects meaningful progress and incorporates our highest priorities. We appreciate the collaborative process that produced it. However, the gaps identified above, particularly the absence of an evidentiary standard for omitting required analyses and the lack of clear enforceability language must be addressed before the policy can fulfill its intended purpose.

If the Board must prioritize, our two most critical requests are: (1) adoption of an explicit, clear and convincing evidence standard as the threshold for omitting any required analytical element; and (2) policy language that unambiguously treats the enhanced analysis requirements as mandatory obligations rather than aspirational guidelines. These two changes are essential to ensure that the policy is followed in practice.

The Council looks forward to continuing to work with the Board and staff to develop a final policy that protects workers, communities, and the economic vitality of the region. We respectfully request the opportunity to address the Board on these matters and are available to meet with staff at any time to discuss these comments further.

Respectfully,



Tim Sbranti

Executive Director

Contra Costa Building and Construction Trades Council

May 11, 2026

Lynda Hopkins, Chair
Members of the Board of Directors
Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105

Re: Comments on Draft Socioeconomic Analysis Policy Outline

Dear Chair Hopkins and Members of the Board:

The Bay Area Council appreciates the opportunity to comment on the District's April 9, 2026 staff outline for a proposed socioeconomic analysis policy. As a business-led public policy organization representing close to 400 of the largest employers across the nine-county region, our members collectively employ roughly 1.5 million Bay Area residents and 40% of the region's total workforce.

We strongly support the District's mission to improve air quality and protect public health. The cleanliness of the air we breathe is critical to the health and wellbeing of our region's residents. However, it is just one of many factors that influence health outcomes and quality of life here, and as an organization with members spanning all sectors of our economy, when adopting policy positions, we are required to take a holistic approach to these challenges and look at all the influences and potential outcomes.

As we strive for higher air quality standards we must carefully consider what costs and unintended consequences might arise as a result of our actions. It is no great secret that this region is one of the least affordable places in the world to live; housing costs are higher, energy costs are higher, food costs are higher and the net result is that we are forcing out thousands of our neighbors, particularly those lower down on the income scale, to lower cost parts of the state and country. We can and must do better.

The number one influencer of lifetime health outcomes for a child born in California is socioeconomic, and dictated by the resources available to their family. In other words, do their parents have stable gainful employment and employer provided health insurance? Any new rule making that could potentially increase the cost of living here further and/or put more jobs at risk, must take these potential outcomes into consideration and analyze them accordingly. Robust socio-economic analysis is not in conflict with the protection of our residents, it is essential to it.

The staff outline reflects meaningful progress and incorporates several elements long supported by the business community, including a defined threshold for enhanced analysis, use of established economic modeling tools, and attention to distributional impacts. We commend staff for this work and offer the following comments to highlight both areas of alignment and key issues that warrant further refinement.

I. The Need for a Rigorous and Durable Framework

The Bay Area economy remains one of the most dynamic in the world, generating more than \$1.4 trillion in annual GDP. It is also under growing pressure from high labor, energy, real estate, and regulatory costs. Businesses across all sectors are making location and investment decisions in this context, and regulatory predictability is an increasingly important factor. All too often, business that are started here, with talent from our world class universities, and investments from our VC community and government incentives, choose to scale up move jobs to other parts of the country because the regulatory burden here is just impossible to comply with in a world where “speed to market” for new technology is critical.

Air quality rules can impose substantial compliance costs that extend well beyond regulated entities, affecting supply chains, consumer prices, and employment. For this reason, it is critical that the District’s rulemaking process includes a consistent and credible framework for evaluating economic impacts. The proposed policy is an important step toward that goal.

II. Areas of Alignment

We support several key components of the outline:

- **Enhanced Analysis Threshold:** The \$10 million annual compliance cost trigger is appropriately calibrated to the scale of the regional economy and provides a clear, workable standard.
- **Economic Impact Modeling:** The use of IMPLAN, REMI, or equivalent tools to assess direct, indirect, and induced impacts reflects best practices and should be retained.
- **Distributional Analysis:** Evaluating how costs and benefits are distributed across sectors, business sizes, and communities is essential, particularly for small and mid-sized businesses that face distinct constraints. Since 1995 California has lost close to 500,000 manufacturing and other blue-collar jobs. This sector of our economy has traditionally created middle-class jobs and economic mobility for non-college educated Californians and it is critical that we stop this hemorrhaging.
- **Transparency Standards:** Requirements for documented assumptions, data sources, and responsiveness to public input are fundamental to building trust in the analytical process.

These elements form a strong foundation for a credible policy.

III. Areas for Strengthening

To ensure the policy achieves its intended purpose, several issues should be addressed:

1. Enforceability

This is the Bay Area Council’s most fundamental concern. Any policy without enforceability is merely an aspiration. We are concerned that some of the qualifying language for analysis; “where relevant data is available” or “as appropriate considering any data limitations”, creates too many grey areas and uncertainty. An effective policy should clearly establish that enhanced analysis

requirements are mandatory. As drafted, qualifying language creates ambiguity and risks inconsistent or no application. For stakeholders making long-term investments, reliability in the analytical process is essential.

2. Standards for Analytical Completeness

The policy should define when and how required analyses may be omitted. Where data limitations exist, the expectation should be to proceed using best available information, supported by reasonable assumptions and sensitivity analysis, rather than omitting analysis altogether.

3. Cumulative Cost Considerations

In addition to retrospective analysis, the framework should account for the forward-looking cumulative regulatory burden businesses face from multiple agencies. This perspective is critical to understanding real-world feasibility. All too often our regulatory agencies operate in silos issuing conflicting rules to the regulated community adding greatly to cost and uncertainty.

4. Fiscal Impacts

Major regulations can affect public revenues through changes in business activity, employment, and investment. Incorporating fiscal impact analysis for higher-cost rules would provide a more complete picture of regional implications.

5. Business Impact Analysis

Enhanced analysis should include practical considerations such as impacts on operations during compliance transitions, access to capital for required investments, and how costs are ultimately distributed among businesses, workers, and consumers.

6. Analytical Independence

Establishing clear standards for contractor qualifications, independence, and transparency would strengthen confidence in the analysis and its conclusions.

IV. Conclusion

The Bay Area Council supports the development of a robust socioeconomic analysis policy and genuinely appreciates the District's engagement on this issue. The current outline represents an honest and meaningful step forward, and with targeted refinement, particularly around enforceability, analytical rigor, and completeness, it can provide a durable framework to inform sound decision-making.

The Bay Area's environmental leadership and economic vitality are mutually reinforcing. Policies grounded in strong analysis will better ensure that environmental goals are achieved in ways that are effective, equitable, and economically sustainable.

We look forward to continued collaboration with the Board and staff and would welcome the opportunity to engage further as the policy is refined.

Sincerely



Matt Regan
Senior Vice President
Bay Area Council



Kevin Buchan
Senior Manager
Bay Area Regulatory Affairs

May 13, 2026

Gregory Nudd
Deputy Air Pollution Control Officer
Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105

sent via email: ruledevelopment@baaqmd.gov

Re: WSPA Comments Re: Socioeconomic Impact Analysis Policy

Dear Sirs,

The Western States Petroleum Association (WSPA) is a non-profit trade association representing companies that explore for, produce, refine, transport and market petroleum, petroleum products, natural gas and other energy supplies in California, Arizona, Nevada, Oregon, and Washington. Our members in the Bay Area have operations and facilities regulated by the Bay Area Air Quality Management District (BAAQMD or District).

WSPA's comments are focused on a single, critical issue: the proposed policy must ensure that socioeconomic analyses fully account for the operational and financial impacts of new regulations on petroleum refineries and the likely downstream consequences of those impacts on California consumers. If the policy fails to do this, it will not serve its stated purpose.

Bay Area refineries are among the most heavily regulated industrial facilities in the world. They operate under a dense overlay of federal, state, and local requirements spanning air quality, water quality, hazardous materials, process safety, and worker protection. Each new layer of regulation imposes costs that, in a competitive fuel market with thin margins, feed into higher prices at the pump and in consumers' utility and heating bills. For the Bay Area, where fuel prices already rank among the highest in the nation, this dynamic deserves direct and serious attention in any credible socioeconomic analysis.

Executive Summary

WSPA supports a socioeconomic analysis policy that is rigorous, comprehensive, and enforceable. Bay Area refineries and the consumers they serve have a direct stake in ensuring that the costs of air quality regulation are fully and accurately understood before rules are adopted. The proposed policy outline is a foundation worth building on, but it must be strengthened in the areas identified above before it can provide that assurance.

WSPA urges the Board to require full-cost analyses of refinery compliance impacts including capital, operational, financing, and output disruption costs; specific quantitative analysis of estimated per-gallon and per-household fuel cost impacts, disaggregated by income and geography. In addition, it should include a cumulative cost baseline analysis that reflects the total existing regulatory burden on Bay Area refineries, including enforceable policy language with a clear evidentiary standard for any analytical omissions.

Detailed Comments

The Analysis Must Capture the Full Cost of Compliance for Refinery Operations

Refinery compliance costs are not simple to calculate, and the proposed policy must be designed with that complexity in mind. A regulation that appears to impose a defined capital cost on paper can have actual cost consequences that are substantially larger when all relevant factors are considered. The socioeconomic analysis policy must explicitly require analysis of the following elements for any regulation materially affecting refinery operations:

- Capital expenditure requirements, including not only the direct cost of required equipment or process changes but also the costs of total installed costs, including engineering, permitting, construction, commissioning, and project management associated with compliance investments at operating facilities.
- Operational cost impacts, including changes in energy consumption, feedstock requirements, maintenance obligations, waste generation, staffing needs, and throughput efficiency resulting from required process modifications.
- Financing costs and capital availability, including the interest expense, financing fees, and opportunity costs associated with compliance capital, and the particular challenges faced by independent refiners with limited access to capital markets relative to integrated majors.
- Output disruption during compliance implementation, including the cost of reduced throughput, planned and unplanned outages, and production constraints during equipment installation and commissioning periods, which at Bay Area refineries can extend for months and affect regional fuel supply.

- Cumulative compliance cost burden, including a wide spectrum of existing regulatory costs already borne by Bay Area refineries under BAAQMD, CARB, EPA, and other agency requirements, so that the incremental burden of a new regulation is assessed against the actual baseline cost environment, not a theoretical one.

Each of these elements can materially affect the economic feasibility of a proposed regulation. Omitting any of these produces an incomplete and potentially misleading analysis. The policy must treat all of them as required components of the enhanced analysis for rules affecting refinery operations, not as discretionary considerations.

The Analysis Must Quantify Consumer Fuel Cost Impacts Specifically and Concretely

The most direct consequence of increased refinery compliance costs for Bay Area residents is higher prices at the pump and higher costs for home heating fuels and goods transported by aircraft, truck and rail. The proposed policy's references to consumer cost impacts and affordability metrics are a step in the right direction, but they are not sufficient as currently written. General modeling of household cost burdens must be supplemented by specific, quantitative analysis of the fuel price transmission mechanism.

The policy must require, for any regulation materially affecting refinery operations, the following analyses of consumer fuel cost impacts:

- Estimated effect on gasoline prices, based on documented assumptions about market structure, refinery margin dynamics, and the degree of competition from imports and out-of-state suppliers, with sensitivity ranges reflecting uncertainty in those assumptions.
- Estimated annual household fuel cost impact, disaggregated by income quintile and geographic area to reflect the disproportionate burden on lower-income households and communities in outlying areas with longer commutes and fewer transit alternatives.
- Estimated commercial and industrial fuel cost impacts, including effects on air transportation, trucking, agriculture, construction, and other fuel-intensive sectors that translate directly into higher prices for goods and services consumed by Bay Area residents.
- Assessment of the cumulative fuel cost impact of existing and pending regulations on Bay Area refineries, so that the consumer cost impact of a new rule is understood in the context of the total regulatory cost already embedded in regional fuel prices.

California gasoline and transportation fuel prices already reflect a substantial regulatory premium over the national average. Bay Area consumers paid among the highest fuel prices in the country throughout 2024 and 2025. A socioeconomic analysis policy that does not specifically and

quantitatively address how a proposed regulation will affect that premium is not doing the job it is supposed to do.

The Policy Must Include Enforceable Standards, Not Discretionary Guidelines

WSPA has a straightforward interest in this question: if socioeconomic analysis requirements can be waived or curtailed by staff at their discretion, they provide no reliable protection to regulated industries or to the consumers who can also be impacted by regulatory costs. The outline's repeated use of qualifiers such as "where relevant data is available" and "as appropriate considering data limitations" renders the enhanced analysis requirements effectively optional.

WSPA urges the Board to adopt two specific structural provisions to address this problem. First, the policy should establish a clear evidentiary standard — such as "clear and convincing evidence" — that must be met before any required analytical element may be omitted. Data imperfection is not a sufficient basis for omission; the correct response is to proceed with the best available data, characterize the uncertainty, and provide ranges rather than declining to analyze. Second, the policy should be written as a set of mandatory obligations binding on staff, with a defined mechanism for the Board, regulated entities, or the public to seek compliance if the policy is not followed.

A policy that industry, consumers, and community stakeholders can rely on is worth having. A policy that can be quietly set aside or disregarded when inconvenient is not useful.

Conclusion

Bay Area refineries and the consumers they serve have a direct stake in ensuring that the costs and economic impacts of air quality regulation are fully and accurately understood before rules are adopted.

WSPA appreciates the opportunity to comment on this important matter, and looks forward to continued engagement with the Board and District staff as the policy is developed.

Sincerely,

A handwritten signature in black ink that reads "Kevin Buchan". The signature is written in a cursive, flowing style.

From: Gerard Manning < >
Sent: Tuesday, April 21, 2026 10:36 AM
To: BAAQMD Rule Development <ruleddevelopment@baaqmd.gov>
Subject: Public comment on proposed socioeconomic analysis policy

Dear Air District,

Thank you for the opportunity to comment on the proposed amendment to the District's socio-economic analysis policy. Your ruling Health and Safety Code, quoted in the proposed policy [1] requires you to "perform an assessment of the socioeconomic impacts of the adoption, amendment, or repeal of the rule or regulation". However, the assessments detailed in the document are quite limited, and seem to almost entirely focus on costs rather than benefits and economic rather than social or socioeconomic impacts.

I believe the following aspects should naturally be included in any socioeconomic analysis. I'm giving examples mostly around the gas appliance standards (Rule 9-4/9-6) because I'm most familiar with these, but believe that all these aspects are generalizable.

*** Economic costs of continued pollution**

These are not directly mentioned in the policy outline, though they have been included in prior analyses. Given that all pollution has economic costs, these should be a core part of any policy, and cover predicted lost work days, long-term or permanent work disability, reduced work performance, costs of lost school days (educational progress and indirect costs - parents taking time of work, doctors visits, medication costs etc.), and the economic costs of premature deaths from pollution.

*** Social costs of continued pollution**

These are difficult to quantify, but would include the human and community costs of pollution. The sheer human suffering from chronic illness, loss of work and death should be reported, and not hidden merely for a technical lack of ability to quantify.

*** Climate costs of continued pollution**

These are the economic, social and civilizational future costs of contributing to the global climate crisis. As a very rough starting point, cost-of-carbon calculations, set at \$190/ton of CO2e before the Trump administration obliterated the measure, can be used for climate calculations. For instance, with a lifetime emission of ~42 tonnes of CO2e for a typical gas water heater (<https://climate-fixes.org/BAAD/Climate.html>), this would indicate a climate cost of \$7980 per water heater, and a generation of gas water heaters across the Bay Area (~2.2m water heaters) would cost \$17 bn. While AB318 blocks the Air District from regulating some CO2 emissions, it does not impeded the district from evaluating the climate cost of

regulations. Indeed, this may be the single most important calculation of any air pollution rule, given the unimaginable consequences of continued global warming.

*** Economic benefits of additional regulation**

The proposal talks about economic costs of new regulations, but not economic benefits. For instance, the amended rule 9-6 predicts that 2.2m gas water heaters would be replaced by heat pumps over the next ~15 years. The district calculates that each heat pump will cost an additional \$1900-\$2900 in labor costs, resulting in increased economic activity within the Bay Area of \$4.2-6.4 billion.

The estimated bill savings per household of ~\$230/year, from lower gas usage [2] will also increase spending power and local economic activity by \$500m/yr, balanced by reduced purchases of natural gas, which is not generated in the Bay Area.

Sincerely,

Gerard Manning

[1] https://www.baaqmd.gov/~media/dotgov/files/rules/socioeconomic-impact-analysis-policy/20260409_outline_seapolicy-pdf.pdf?rev=

[2] <https://svcleanenergy.org/wp-content/uploads/Bill-Impacts-of-Home-Electrification-Feb-2025.pdf>

May 13, 2026

Lynda Hopkins, Chair
Members of the Board of Directors
Bay Area Air District
375 Beale Street, Suite 600
San Francisco, CA 94105

Re: Comments on the Bay Area Air District Draft Socioeconomic Analysis Policy Outline

Dear Chair Hopkins and Members of the Bay Area Air District Board:

The East Bay Leadership Council (EBLC) is a prominent public policy advocacy organization representing hundreds of employers across Contra Costa and Alameda Counties. Our membership spans the full range of the East Bay economy — energy, manufacturing, utilities, healthcare, retail, technology, logistics, construction, professional services, and beyond. We write to submit comments on the Bay Area Air District’s April 9, 2026 staff outline of a proposed Board policy governing socioeconomic analysis in air quality rulemaking.

EBLC strongly supports improving regional air quality and the District’s mission. We also have a deep and direct stake in ensuring that air quality regulations are adopted with a full understanding of their economic consequences for the communities we represent. Contra Costa and Alameda Counties together account for a substantial share of the Bay Area’s industrial base, its workforce, and its middle-class jobs. The refineries, manufacturers, logistics operations, and construction employers located in these counties are not abstract economic statistics — they are the employers that allow families across the region to own homes, send children to college, and build financial security. Regulatory decisions that affect the viability of these employers directly affect those families.

The District’s effort to develop a rigorous socioeconomic analysis policy is a step in the right direction. Our comments identify where the outline is responsive to East Bay economic concerns and where additional provisions are needed to achieve our common goals of economic vitality and exceptional quality of life.

THE EAST BAY CONTEXT

Any meaningful socioeconomic analysis of BAAD regulations must be grounded in the economic realities of the communities most directly affected. In the East Bay, those realities are distinct from those of San Francisco or Silicon Valley and deserve explicit recognition in the policy framework.

Contra Costa County is one of California’s core industrial engines. It contains two current crude-oil refineries—Chevron Richmond and PBF Martinez—alongside former petroleum-refinery sites that have converted to renewable fuels, including Phillips 66’s Rodeo Renewable Energy Complex and Martinez Renewables, the former Marathon Martinez Refinery. The county also hosts a major petrochemical and chemical-manufacturing base and significant natural-gas transmission and storage infrastructure. These facilities sustain thousands of high-wage, often unionized jobs and generate substantial tax revenues that support schools, fire protection, infrastructure, and core public services. For generations, this industrial base has provided a pathway to middle-class stability for East Bay families.

That existing industrial base is also Contra Costa County’s competitive advantage in building the Green Empowerment Zone. The county is not trying to create an industrial economy from scratch. It already has the skilled workforce, industrial land, energy and utility infrastructure, port, rail, and highway access, contractor

networks, engineering expertise, and safety and compliance experience that advanced manufacturing, renewable energy, renewable fuels, grid infrastructure, and other clean industrial sectors require. The purpose of the Green Empowerment Zone is to leverage those assets into the next generation of industrial investment—not to treat them as disposable. Regulatory decisions that impose major cumulative costs without fully analyzing impacts on jobs, tax revenues, contractor networks, and facility viability risk weakening the very platform that makes the East Bay competitive for green industrial growth.

Alameda County’s economy is more diversified, but it includes significant industrial, logistics, and manufacturing operations—particularly in Oakland, Hayward, and Fremont—that are subject to BAAD jurisdiction and sensitive to increases in regulatory costs. The Port of Oakland, one of the largest container ports on the West Coast, generates thousands of direct and indirect jobs in trucking, warehousing, and goods movement throughout the East Bay. Regulations affecting port operations and commercial vehicles have immediate, concrete consequences for those workers and employers.

These industries do not exist in isolation. They are connected through supply chains, labor markets, and tax bases to every other sector of the East Bay economy. When a refinery or manufacturer faces a significant unplanned compliance cost, the effects ripple through contractor relationships, local vendor networks, property tax rolls, and household spending. Incorporating the recommendations detailed in this letter will help ensure the socioeconomic analysis policy captures regional interdependencies and accounts for county-level economic realities when evaluating the impacts of major regulations on East Bay communities.

AREAS OF SUPPORT

EBLC supports the following provisions in the outline:

- The \$10 million annual cost threshold for Enhanced Socioeconomic Analysis. This is an appropriate and well-calibrated trigger for the level of analytical rigor that significant regulations require. We support additional triggers for cost-effectiveness thresholds and cumulative industry burden.
- IMPLAN/REMI economic impact modeling requirements. Input-output and macroeconomic modeling is the appropriate tool for capturing the indirect and induced economic effects of major compliance costs — effects that are particularly significant in industries like refining and manufacturing where supply chain linkages to local contractors and vendors are extensive.
- Distributional analysis by income, race/ethnicity, and geography. East Bay communities include some of the Bay Area’s most economically vulnerable households, including in Richmond, San Pablo, Oakland, Pittsburg, and Antioch. Regulations that impose disproportionate costs, employment effects, or pass-through burdens on these households and communities must be identified and assessed.
- Cumulative cost analysis. The outline’s requirement for retrospective analysis of rules applied over a 10-year period is a useful tool. As discussed below, it must be matched by a forwardlooking requirement.
- Transparency and documentation standards. Peer-reviewed methods, documented assumptions, and responsiveness to public comment are fundamental requirements for credible analysis.

CRITICAL GAPS — EAST BAY PRIORITIES

1. Full Employment and Wage Impact Analysis for East Bay Industrial Sectors

The outline's provisions on employment and wage effects are a starting point, but they do not go far enough for the East Bay. Regulations affecting refineries, chemical manufacturers, and heavy industry in Contra Costa County have the potential to affect not only direct employment at regulated facilities but also the broader network of contractors, maintenance firms, engineering consultants, and local vendors that depend on those facilities for a significant share of their business.

The policy must require, for rules meeting the enhanced analysis threshold, explicit modeling of employment and wage impacts at the two-digit NAICS sector level for Contra Costa and Alameda Counties separately — not just Bay Area-wide aggregates. Bay Area-wide figures can obscure significant county-level impacts when an affected industry is geographically concentrated, such as petroleum refining in Contra Costa County. A rule that reduces refinery employment in Martinez or Richmond by 10 percent looks very different in a Bay Area-wide model than it does in the communities where those jobs are located.

2. Forward-Looking Cumulative Regulatory Cost Baseline

East Bay industrial employers do not face one regulation at a time. At any given moment, facilities in Contra Costa County may be simultaneously navigating compliance requirements from BAAD, CARB, the EPA, the State Water Resources Control Board, Cal/OSHA, and local agencies. Each requirement is adopted with its own cost estimate. But the cumulative burden of all of them together is rarely assessed as a whole.

The outline's baseline definition must be strengthened to explicitly require that analysts account for the cumulative prospective regulatory burden already borne by affected facilities, including requirements under active development at the state and federal level. A regulation that adds \$50 million in compliance costs to a facility already carrying \$300 million in existing regulatory obligations is a very different economic proposition than a \$50 million cost in isolation. EBLC urges the Board to require that the baseline reflect where facilities actually stand, not a hypothetical pre-regulatory baseline.

3. Property Tax and Local Government Fiscal Impact Analysis

Major energy and industrial facilities are a consequential part of Contra Costa County's local tax base, contributing more than \$50 million annually in property-tax revenues that help support schools, fire protection, special districts, and core public services. Regulations that materially impair facility viability could therefore affect not only jobs and economic output, but also local fiscal capacity.

For rules exceeding the \$10 million enhanced-analysis threshold, the policy should require fiscal impact analysis, including effects on property-tax revenues, local sales and use-tax revenues, special-district revenues, and state income-tax impacts associated with employment and wage changes in affected counties.

4. Small Business and Contractor Supply Chain Impacts

Major industrial facilities in the East Bay support extensive local contractor and vendor networks. Turnaround maintenance at a Bay Area refinery, for example, can involve hundreds of local contractors employing thousands of workers over a period of weeks. Capital compliance projects generate similar contractor activity. When compliance costs reduce facility throughput, accelerate facility closures, or curtail

capital investment, the effects on these small and mid-size contractors can be severe — and they are rarely captured in facility-level economic impact analyses.

The policy should require explicit analysis of supply chain and contractor impacts for rules affecting major industrial facilities in the enhanced analysis tier. This analysis should identify the number of businesses and workers in contractor industries that depend materially on the regulated facilities and estimate the employment and revenue effects of the proposed rule on those businesses.

5. Enforceability and Evidentiary Standards

Finally, EBLC encourages the Board to adopt explicit enforceability language and an evidentiary standard for analytical omissions. A policy with requirements that can be waived or applied inconsistently does not provide reliable protection for the communities and employers that depend on rigorous socioeconomic analysis. We support adoption of a “clear and convincing evidence” standard as the threshold for omitting any required analytical element, and policy language that unambiguously establishes the enhanced analysis requirements as mandatory obligations.

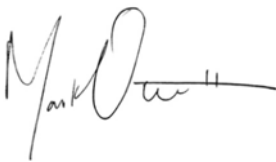
CONCLUSION

EBLC represents an economy that is simultaneously one of the most productive and one of the most regulated in the nation. The industrial employers of Contra Costa and Alameda Counties have demonstrated, over decades, their capacity to invest in compliance and continue providing the jobs, tax revenues, and economic activity that East Bay communities depend on. What they require — and what the communities that depend on them require — is a regulatory process in which the full economic consequences of proposed rules are rigorously and transparently assessed before those rules are adopted.

The District’s proposed socioeconomic analysis policy has the potential to provide that assurance. The outline is a meaningful foundation. To fulfill its purpose for East Bay communities, it must be strengthened to require county-level employment analysis, a forward-looking cumulative cost baseline, fiscal impact analysis, supply chain and contractor impact assessment, and enforceable analytical standards.

EBLC looks forward to continued engagement with the Board and District staff on the development of the final policy. Please do not hesitate to reach out to me (mark@eblcmail.org) to further discuss these comments. Thank you for your commitment to serving our region.

Sincerely,



Mark Orcutt
President & CEO
East Bay Leadership Council



CALIFORNIA REGIONAL OFFICE | SAN FRANCISCO

180 STEUART ST., #194330

SAN FRANCISCO, CA 94105

T: 415.217-2000

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May 13, 2026

VIA EMAIL

Greg Nudd

Deputy Executive Officer of Policy

Regulatory Development Division

Rule Development

Bay Area Air District

375 Beale Street

San Francisco, CA 94105

Email: gnudd@baaqmd.gov

Rule Development: ruledevelopment@baaqmd.gov

Re: Proposed Update to Socioeconomic Analysis of Air District Rulemaking

Dear Mr. Nudd,

Thank you for the opportunity to comment on the Outline of a Policy for Socioeconomic Analysis of the Air District Rulemaking (“Outline”).

The agency’s core mission—to improve air quality to protect public health—is approaching an inflection point, where utilizing every remaining regulatory tool may determine whether meaningful progress on air pollution remains possible. Today, amid the outright assault on programs aimed at addressing environmental justice and climate at the federal level, it is up to the leaders at the Air District to uphold California’s values and protect Bay Area residents from unchecked harmful air pollution.

To achieve those goals, the Air District’s Socioeconomic Analysis (SEA) policy should inform decision-making without creating a structural disadvantage for the strongest, most health protective measures to reduce pollution. A balanced SEA policy offers greater transparency into the Air District’s policymaking, but it should do so to facilitate the strongest actions, not to thwart them. We urge the District to adopt an approach aligned with its environmental justice priorities and

caution against allowing cost-effectiveness and socioeconomic analysis to become one-dimensional. A narrow, industry-focused SEA risks becoming weaponized by polluters to sow public distrust, manufacture opposition, and stop progress.

I. SEA Must Avoid Structural Bias Against Strong Pollution Reduction Strategies

The Air District should ensure that its SEA policy eliminates structural bias against strong pollution reduction strategies. To start, how it defines a “baseline” will likely determine the scope of analysis. Baseline definitions must avoid treating fossil incumbency and polluting systems as the default benchmark for economic reasonableness.

A. The Baseline Definition Should Reflect the Cost of Inaction

Section 2.2 of the Outline defines the baseline in terms of:

“regulatory, technological, and market baseline for sectors affected directly by the proposed rule or rule amendments; expected trends absent the rule.”

At first glance, this language sounds neutral. But analytically, it risks reinforcing current infrastructure, existing market conditions, and the presently deployed technology as the economically rational status quo. That framing will keep polluting technologies as the benchmark for evaluating future regulation without considering that those conditions are the product of decades of underpriced pollution burdens, entrenched fossil fuel dependency, and the externalization of health harms. In other words, making pollution the baseline normalizes it.

The current market should not serve as a neutral baseline, as it is already distorted by longstanding regulatory gaps and the failure to fully account for the costs of pollution harms. This static baseline ignores the fact that continued maintenance and reinvestment in polluting systems is not cost-free. Those systems not only perpetuate public health burdens and environmental harms but also continue to make the region more dependent on fossil fuels and hostage to its price volatility.

A baseline should not merely describe existing market conditions; it should also evaluate whether those conditions are sustainable, protective of public health, and economically rational once the full costs of pollution and infrastructure are considered. Therefore, in setting a baseline and evaluating the “expected trends absent the rule”, SEA must also consider rising costs of maintaining polluting activities, both in terms of the infrastructure maintenance and fuel volatility, as well as the rising health cost burdens of maintaining the status quo.

B. Static Assumptions about Technology Availability Should Be Avoided

Often, opponents of regulation will use “unavailability” arguments to claim infrastructure is not ready, technology is immature, supply chains are uncertain, or deployment timelines are speculative. If “availability” is defined too rigidly, transformative rules will never emerge. Yet many of the strongest solutions available are still considered “emerging” as supportive infrastructure continues to scale.

Technological solutions that eliminate operational emissions should not be treated as “unavailable” simply because their deployment is still scaling up. Instead, the SEA should evaluate technology trajectories, not static snapshots, and determine whether a rule will catalyze significant changes that might expand the deployment of these solutions. That analysis could accompany a review of the types of jobs and economic opportunities that are likely to follow with accelerated market adoption.

The Air District already incorporates analyses of and cost-effectiveness for alternatives to rule development.¹ A key update to this approach would be to dismantle the static assumption that existing fossil infrastructure should serve as a neutral baseline when examining alternatives, and instead consider infrastructure growth and market scaling for new non-polluting technology, while also assessing the cost of maintaining outdated infrastructure that locks in additional pollution for the region.

C. SEA Should Not Systematically Favor Polluting Technology

The overemphasis on upfront capital costs poses similar challenges to cost-effectiveness— it forces comparisons of non-polluting technology with the status quo without accounting for already depreciated fossil-fueled systems and infrastructure that are more costly to maintain in the long run. A narrow focus on upfront costs of electrification, for example, fails to account for the prospect of stranded assets, costly repairs, and maintenance of aging methane gas systems. Without accounting for these hidden costs to the status quo, the SEA might insulate more polluting activities from stronger scrutiny rather than conducting a more balanced assessment of true costs.

Take, for example, Rule 9-6, the current Zero-NOx standard for water heaters. Until the rule is fully implemented, each time a Bay Area resident buys an emissive gas-fired water heater, they not only pay for the cost of the unit at a retail outlet or through an installer, but they are also agreeing to pay for the gas pipeline system that will provide the fuel to power that unit for the life of the equipment. That could be a decade or more of maintaining a system whose costs have grown exponentially over the last decade. In fact, Californians spend nearly \$10 billion annually just to maintain that system, with those costs passed through to ratepayers.² These costs remain hidden if the policy focuses solely on the unit price and installation costs for newer equipment.

The issue is not whether compliance costs matter. The issue is whether the framework used will fully and fairly evaluate the public health benefits, the avoided environmental harms, and the long-

¹ Bay Area Air District, *Overview of Socioeconomic Analysis for Air District Rulemaking*, Staff Presentation to Stationary Source Committee (November 12, 2025), slide 6; https://www.baaqmd.gov/~media/files/board-ofdirectors/2025/ssc_presentations_111225_op-pdf.pdf?rev=af310eeb6b4a4174baf6edd2c937cbb9&sc_lang=en ² Denise Grab, Brennon Mendez, and Craig Holt Segall, *Go Big, Save Big: Approaches to Fund Building Electrification in California*, (UCLA Sch. Of L., Emmett Institute on Climate Change & The Environment [2025]), p. 4; <https://law.ucla.edu/sites/default/files/Go%20Big%20Save%20Big%20FINAL.pdf>.

term economic transition benefits, as aging infrastructure currently propping up fossil fuel dependency gives way to superior alternatives that more adequately protect Bay Area residents.

In short, the SEA should avoid narrow, near-term cost comparisons between technologies, incorporate lifecycle costs of maintaining the status quo, account for the pollution burdens avoided by a technology shift, and recognize long-term operational savings of non-polluting alternatives.

II. The SEA Should Exclude Arbitrary Cost-Effectiveness Thresholds

Section 3 of the Outline proposes creating a new “enhanced” socioeconomic analysis when costs exceed a specified threshold. This is essentially creating a cost-effectiveness threshold when there is no legal requirement for the Air District to require this additional layer of analysis. The Air District is essentially self-imposing this additional work.

We strongly urge you to abandon this approach. It creates duplicative and onerous requirements that contradict the Air District’s own direction to control emissions and address environmental justice concerns.

Nowhere does California Health & Safety Code Section 40728.5 require the Air District to further burden its rulemaking process by creating an arbitrary cost-effectiveness threshold to even more scrutiny of its rules. It merely requires the Air District to evaluate the cost-effectiveness of each proposed rule or rule amendment. A rule’s cost effectiveness should be evaluated relative to available alternatives, not relative to a threshold.

Arbitrarily including a cost-effectiveness threshold may prevent the district from pursuing regulations that would otherwise be permissible within its discretion. The “enhanced” SEA that this threshold would trigger would require additional time, resources, and study to assess decades' worth of data on existing rules—with particular emphasis on reevaluating the Air District’s own analysis by comparing it to industry-produced data. This would open the door to even more challenges to existing rules that are effectively reducing pollution in the region by asking the Air District to speculate on its rules impacts on a host of tangentially related consumer prices and even industries not directly regulated by its rules.

Further, incorporating a cost-effectiveness threshold into the analysis that is already required is duplicative. The Air District is already actively considering the socioeconomic impacts of proposed regulations and making good-faith efforts to minimize any adverse impacts. This would require the Air District to redo the work when the threshold is triggered—essentially reopening the rulemaking process and potentially delaying or postponing pollution-reduction strategies.

Moreover, many of the ‘triggering’ events for enhanced socioeconomic analysis require the Air District to engage in speculation (e.g., if the “[r]ule is expected to have a significant impact on the energy or the housing sector and therefore may result in noticeable cost increases for consumers”).

Reasons similar to those Air District had in opposing AB 2752 apply here.² Predicting housing and energy costs, which are influenced by multiple factors, are best left to state agencies responsible for those policies, not air regulators.

To the extent staff believe a cost-effectiveness threshold is essential (even though the law does not require it) it should start with the following two elements:

- 1) Apply enhanced SEA only to the rule with the highest overall implementation and enforcement/administrative costs (both circumstances must be present before enhanced SEA is applied);
- 2) Prioritize enhanced SEA elements that look at the cumulative efficacy of the rule, health benefits, the socioeconomic impacts of health burdens, and an analysis of who bears costs and who receives benefits (by income, class, race/ethnicity, and geography).

III. Make Public Health and Environmental Justice Central—Not Just Supplemental

In the current outline, health and equity are referenced as having played a “supplemental” role in prior rulemaking. The Air District must make the health and equity benefits of proposed regulations a core component of *all* rule evaluations. This is especially important given the Air District has prioritized environmental justice, equity, and addressing cumulative impacts as part of its Strategic Plan and AB 617 community commitments.

Health impacts are never supplemental in frontline communities. Frontline communities already bear substantial, uncompensated economic burdens from air pollution. Cumulative exposure to PM2.5 and NOx is known to pose a threat to human health. And the avoidable illnesses this pollution engenders have real economic consequences in the form of missed work and school days, high hospitalization costs, premature mortality, and increased caregiving burdens. If compliance costs for polluters are rigorously quantified, but the externalized costs of health harms are not afforded proper deference, the framework’s imbalance will arbitrarily obstruct otherwise crucial measures to protect communities.

Moreover, a fixation on regional macroeconomic analysis may obscure more localized harms that regulated activities create. While we are encouraged by the Air District’s willingness to

incorporate cumulative impact evaluation, this should be embedded throughout the SEA policy, especially in Economic Impact Modeling (Section 4.2).

Finally, we urge you to go beyond mapping regional disparities using CalEnviroScreen alone to assess the cumulative impact on affected communities in the Distributional Analysis (Section 4.3).

² Ltr. From Dr. Phillip Fine to the Hon. Isaac G. Brian, Chair Assemb. Nat. Res. Comm., Cal. State Assemb. (April 9, 2026) (regarding AB 2752-Avila Arias), at page 2, (“[P]redicting changes [to] statewide gas supply levels should be left to the California Energy Commission, which currently performs that function well.”).

CalEnviroScreen seeks to “help [] identify California communities that are most affected by many sources of pollution, and that are often especially vulnerable to pollution effects”³—but it is not, and never has been, a tool to assess neighborhood-level pollution sources.

CalEnviroScreen “[p]resent[s] a relative, rather than an absolute, evaluation of pollution burdens and vulnerabilities in California communities by providing a relative ranking of communities across the state of California.”⁴ CalEnviroScreen does not, and cannot, provide the whole picture of community experiences of pollution. A valuable model for this task is community-based participatory research. This model focuses on opportunities to bring community partners, supported by researchers, to gather data about pollution sources and their proximity to sensitive receptors.⁵ We encourage you to consider adding such a model to the Distributional Analysis.

IV. Rulemaking Must Move Forward

Rulemaking at the Air District is the most consequential task the Air District has to protect the public from harmful air pollution, help clean up the region’s air, and attain federal and state air quality standards. Over the past several decades, most of the region’s air quality improvements can be traced back to regulations that have catalyzed shifts away from the most polluting activities towards more sustainable, health-protective practices.

There are several vital rules that the Air District is currently either implementing, amending, or developing that are well underway and have included multiple workshops and stakeholder engagement. District and stakeholder resources and constituent time has already been spent developing those rules that are now overdue. The Air District should not allow current rulemaking to be upended by the exploration of an SEA revamp.

If the Air District is inclined to move forward with a new SEA policy, we recommend that it not apply to any rules in process or adopted within 18 months of the policy’s adoption.

V. Conclusion

Analytical methodologies are not neutral. The assumptions built into this framework can structurally shape outcomes and bias against the strongest solutions for the region. The SEA framework must not systematically disadvantage transformative pollution-reducing measures. The District’s final policy should center on protecting public health and reducing cumulative impacts, while fully assessing the long-term transition benefits of zero-emissions solutions.

³ OEHHA and CalEPA, CalEnviroScreen 3.0 Factsheet, <https://dtsc.ca.gov/wp-content/uploads/sites/31/2015/09/CalEnviro-Screen-Fact-Sheet-English-accessible.pdf> (last accessed May 12, 2026).

⁴ CalEPA and OEHHA, Update to the California Communities Environmental Health Screening Tool: CalEnviroScreen

⁵ See, e.g., James Sadd, et. al, The Truth, the Whole Truth, and Nothing but the Ground-Truth: Methods to Advance Environmental Justice and Researcher–Community Partnership, 41 Health Education & Behavior, no. 3, 2014, at 281–290, <https://escholarship.org/content/qt7hm4r98d/qt7hm4r98d.pdf>.

Thank you for considering our comments.

Sincerely,

A handwritten signature in black ink, appearing to read 'Fernando Gaytan', with a stylized flourish at the end.

Fernando Gaytan

Senior Attorney

Cc: Dr. Phillip Fine, Executive Officer, Bay Area Air District,
Clerk Marcy Hiratzka, Clerk of the Boards



Policy for Socioeconomic Impact Analysis of Regulatory Actions

Stationary Source Committee

July 8, 2026

Leonid Bak

Economist

Regulatory Development Division

Recommended Action

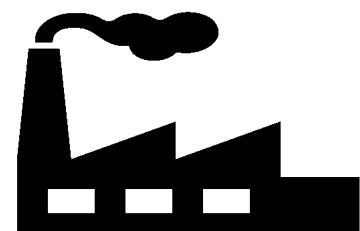
Recommend to the Board of Directors that the Board adopt the proposed policy on how the Air District will conduct socioeconomic impact analyses for Air District regulatory actions.

Purpose of the Policy

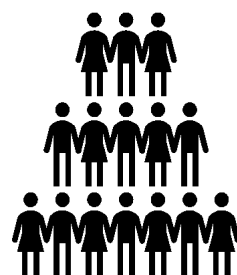
The Air District has conducted socioeconomic analyses for regulatory actions for decades, as required by law. Over time, as data availability, tools, and methodologies improved, analyses were conducted beyond the minimum statutory requirements. This policy sets standards and metrics to ensure greater predictability and consistency. It also documents standards of transparency, supporting better informed and equitable decision-making.

What is a Socioeconomic Analysis?

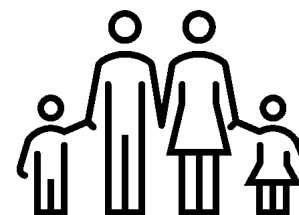
Socioeconomic analyses look at how proposed air quality rules affect businesses, jobs, and community well-being.



Business costs



Employment impacts



Public health, quality of life and environment

COSTS



BENEFITS

Socioeconomic Analysis evaluates industrial costs against public benefits, aiming to maintain **economic balance**, **ensure adequate health and environmental protection**, while **building public engagement and trust**

Key Policy Elements

Scope: Applies to all new and amended air quality regulations

Methodology: Standardized, transparent, and data-driven

Stakeholder Input: Early and ongoing engagement

Equity Considerations: Focus on vulnerable and impacted communities

Required Socioeconomic Analysis Contents

1. **Statutory Context and Need for Action** – a framing statement, why is this rule needed?
2. **Baseline** – what if we don't act?
3. **Directly Affected Businesses and Sectors** – aims to measure the breadth of the rule's impact
4. **Compliance Costs** - peer-reviewed methods and vetted models/databases
5. **Cost-Effectiveness Metrics** - \$/ton for pollutants
6. **Economic Impact Analysis (Regional Macroeconomic/Industry)** – measures economic impacts of costs of proposed regulation on area-wide economy and businesses. It covers the following elements:
 - a. macroeconomic modeling (e.g., IMPLAN/REMI) to estimate impacts on economic output and employment
 - b. assess impacts on small entities and consider compliance assistance
 - c. assess impacts on consumers

Enhanced Socioeconomic Analysis

When do we conduct it?

1. Cost is projected to be above \$10 million in direct annual costs
2. Facility is subject to significant additional rules in the past 10 years
3. Economic impacts direct to the general public or small business
4. Economic impacts spread over a large number of facility types
5. Proposed rule could significantly impact energy or housing costs

Additional Elements

Enhanced socioeconomic analyses will also include:

- Cumulative Air District regulatory costs
- Impacts on households, including significant household costs and affordability-impacts by income, race, ethnicity, and gender
- Relationship of costs to income and housing burden
- Differences across populations and communities
- Impacts on businesses, employees, and customers

Summary of Comments Received

Air District released socioeconomic policy outline for public comments in early April 2026. During the comment period, which closed 5/13/2026, the Air District received 6 comment letters from industry, the public, and environmental advocates.

The main policy issues addressed in comments differed along the following lines:

1. Cost vs. Benefit Framing

- Industry: prioritize **cost impacts and competitiveness**
- Environmental groups: emphasize **health, climate, and equity benefits**

2. Depth of Analysis vs. Rulemaking Speed

- Some commenters prefer **more detailed analysis**
- Other commenters warn of **delays and regulatory paralysis**

3. Baseline Assumptions

- Industry: include **existing regulatory burden**
- Environmental advocates: include **costs of pollution and fossil dependency**

Response to Public Comments

Thanks in part to public engagement and issues raised in comments, the Air District has sharpened definitions and clarified requirements for the following issues:

- 1. Cost vs. Benefit Framing:** socioeconomic impact analysis report will provide a clear explanation of how a proposed regulation will address the air quality or public health issue and the applicable legal requirements.
- 2. Depth of Analysis vs. Rulemaking Speed:** focus efforts on significant regulations by adding enhanced analysis. The enhanced analysis will include impacts on households, relationship of costs to income and housing burden, differences across populations and communities, and impacts on businesses, employees, and customers.
- 3. Baseline Assumptions** are defined as expected conditions in the absence of the proposed rule (“without rule” scenario). The baseline will compare proposed outcomes and reflect current economic and environmental conditions.

Recommended Action

Recommend to the Board of Directors that the Board adopt the proposed policy on how the Air District will conduct socioeconomic impact analyses for Air District regulatory actions.

Questions & Discussion

For more information:

Leonid Bak | Regulatory Development Division | lbak@baaqmd.gov

BAY AREA AIR DISTRICT
Memorandum

To: Chairperson Ken Carlson and Members
of the Stationary Source Committee

From: Philip M. Fine
Executive Officer/APCO

Date: July 8, 2026

Re: Update on Rule Development to Modernize the Air District's Refinery
Fenceline Air Monitoring and Emissions Tracking Programs

RECOMMENDED ACTION

None; the Committee will discuss this item, but no action is requested at this time.

BACKGROUND

In the time since Rule 12-15 was adopted, statewide regulatory requirements and the Air District's experience administering fenceline air monitoring and emissions inventory programs have evolved. Therefore, Air District staff are considering proposing potential rulemaking actions that account for these changes.

Adopted in 2016, Air District Rule 12-15 has three separate sets of requirements:

1. Fenceline Air Monitoring – Rule 12-15 requires refineries to conduct real-time fenceline air monitoring (monitoring at, near, or inside the property boundary) of specified air pollutants and make the monitoring data publicly available. Specifically, refinery operators must measure benzene, toluene, ethyl benzene, and xylenes (BTEX) and hydrogen sulfide (H₂S) concentrations, and must additionally consider monitoring sulfur dioxide (SO₂), alkanes or other organic compound indicators, 1,3-butadiene, and ammonia. Refinery owner/operators also must obtain and maintain Air District approval of a written Fenceline Air Monitoring Plan (FAMP) and Quality Assurance Project Plan (QAPP) to document the design, operations, and data reporting for their fenceline air monitoring systems. The fenceline air monitoring requirements of Rule 12-15 are the Air District's current implementation of the fenceline air monitoring portion of Assembly Bill 1647 (Muratsuchi) and the associated requirements of California Health and Safety Code section 42705.6.

2. Annual Emissions Inventory Development – Rule 12-15 requires refineries and support facilities to prepare and submit an annual emissions inventory detailing source-level emissions and their supporting calculations. Emissions inventory data are collected or calculated for all continuous, intermittent, predictable, and unplanned air releases resulting from refinery processes at stationary sources at the facilities.

3. Crude Slate Reporting – Rule 12-15 requires refineries to prepare monthly crude slate reports summarizing the total volume and properties of crude oil or crude oil blends processed in the calendar month. The refineries are not required to submit monthly crude slate reports, but they must make the reports available for inspection and audit by Air District staff.

DISCUSSION

Under the approach currently being considered for proposal to the Board, the Air District would replace the fence-line air monitoring requirements in Rule 12-15 by repealing 12-15 and concurrently adopting a new, dedicated refinery fence-line air monitoring rule (proposed to be numbered as Rule 12-17). A new or revised rule to replace the emissions inventory requirements of Rule 12-15 would not be proposed at this time, as the Air District would rely on stringent statewide requirements for the development of emissions inventories, including the California Air Resources Board's *Regulation for the Reporting of Criteria Air Pollutants and Toxics Air Contaminants and its Regulation for the Mandatory Reporting of Greenhouse Gas Emissions*. Similarly, in lieu of proposing a new or revised rule to replace the crude slate reporting requirements of Rule 12-15, the Air District will rely on California's greenhouse gas reporting system and other methods to assess changes in refinery emissions.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Joe Lapka
Reviewed by: Kate Hoag, David Joe, and Victor Douglas

ATTACHMENT(S):

1. Update on Rule Development to Modernize the Air District's Refinery Fenceline Air Monitoring and Emissions Tracking Programs Presentation



Update on Rule Development to Modernize the Air District's Refinery Fenceline Air Monitoring and Emissions Tracking Programs

Stationary Source Committee

July 8, 2026

Joe Lapka

Principal Air Quality Specialist

Meteorology & Measurement Division

Outline

Provide the Committee with an overview of rule development efforts currently underway to propose changes to the fenceline air monitoring, emissions inventory, and crude slate reporting requirements in Rule 12-15.

Outline

- Overview of Rule 12-15
- Potential Changes to Rule 12-15
- Rule Development Timeline & Opportunities for Stakeholder Engagement
- Overview of Public Comments on Rule Development Concept Paper
- Next Steps
- Questions

Abbreviations

- **CAP:** Criteria air pollutant
- **CTR Regulation:** California Air Resources Board (CARB) *Regulation for the Reporting of Criteria Air Pollutants and Toxic Air Contaminants*
- **GHG:** Greenhouse gas
- **TAC:** Toxic air contaminant

Air District Regulation 12, Rule 15

Adopted in 2016 to develop a more complete and accurate understanding of refinery emissions and the impacts of those emissions on surrounding communities by:

1. Requiring **real-time monitoring** of air pollutant concentrations at refinery fencelines
2. Quantifying air pollutant emissions from refinery-related sources through development of **emissions inventories**
3. Requiring **crude slate reports** to help track changes in a refinery's emissions

Motivation for Considering Changes to Rule 12-15

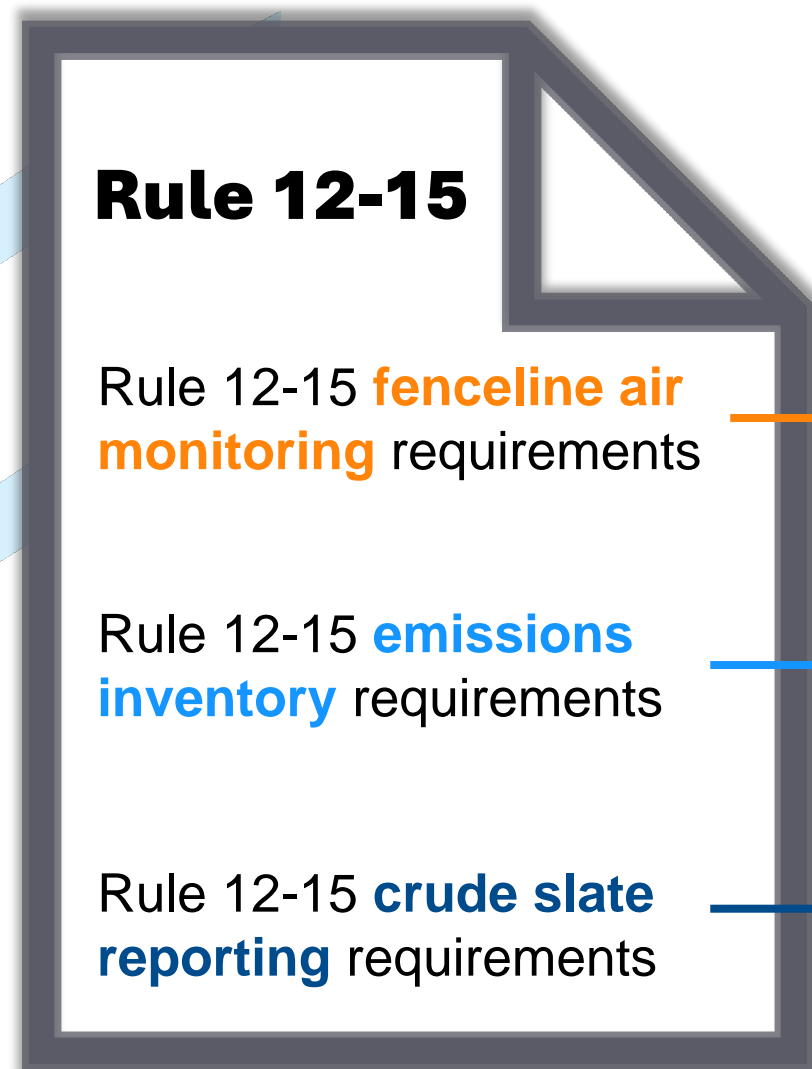
Fenceline Air Monitoring

Emissions Inventory Development

Crude Slate Reporting

- Gaps in the requirements of Rule 12-15 and the associated fenceline air monitoring guidelines limit the program's ability to achieve its core objectives
- CARB's subsequent CTR Regulation shares the same objective as the emissions inventory requirements in Rule 12-15 and significantly expands data reporting requirements
- After review of baseline crude slate data and subsequent emissions and GHG reporting, the Air District has determined that the publicly available GHG data provides as much useful information regarding emissions as the proprietary crude slate reports

Potential Rulemaking Actions to Replace Rule 12-15



- Replace the fenceline air monitoring requirements in Rule 12-15 by concurrently adopting a new, **dedicated refinery fenceline air monitoring rule** (proposed Rule 12-17)
- Rely on authority under stringent statewide requirements for the development of emissions inventories, including **CARB's CTR Regulation** and **Regulation for the Mandatory Reporting of Greenhouse Gas Emissions**
- Rely on **California's greenhouse gas reporting system** and **other methods** to assess changes in refinery emissions

Rule Development Timeline & Opportunities for Stakeholder Engagement

Early Engagement

Complete

- Issuance of a concept paper and public notice to seek written public comments on rule concepts
- Discussion of rule concepts and priorities with stakeholder groups

Draft Rule

Q3 - Q4
2026

- **Presentation to the Stationary Source Committee**
- Release of draft rule language and staff report for public review
- Public workshops and additional stakeholder meetings

Proposed Rule

Q1 2027

- Release of proposed rule and staff report for public review prior to consideration by the Board of Directors
- Public hearing when the proposed rule is considered by the Board of Directors

Concept Paper for Public Review and Comment

- Presented preliminary ideas for potential regulatory changes to encourage thoughtful feedback at an early stage of the rule development process
- Identified specific questions and issues of interest to the Air District but invited comments on any other issues the Air District should consider regarding:
 - the potential repeal of Rule 12-15
 - potential features of a new refinery fenceline air monitoring rule
 - implementation of the CTR Regulation and
 - the crude slate reporting requirement
- Received 10 comment letters from individuals, community/environmental organizations, and industry representatives

Themes In Public Comments About **Fenceline Air Monitoring** Rule Development

1. Applicability and scope of Rule 12-17
2. Purpose and objectives of the rule
3. Monitoring technology and technical feasibility
4. Pollutants to monitor
5. Monitoring design and coverage
6. Public notifications, thresholds for notification, and risk communication
7. Data transparency and public access
8. Root cause analysis and corrective actions
9. Audits, other program oversight, and enforcement
10. Rule Implementation Process and Timeline

Key Issues Raised In Public Comments About **Fenceline Air Monitoring** Rule Development

Scope and Applicability of Potential Rule 12-17

- Whether fenceline air monitoring requirements should expand beyond refineries themselves to other related facilities
- Whether support facilities inside refinery boundaries should be exempt

Root Cause Analyses and Mitigation Measures

- Support for mandatory root cause analyses and mitigation measures vs questions about their usefulness and their place in a monitoring rule

System Design, Monitoring Technology, and Technical Feasibility

- Technical considerations related to demonstrated commercially available monitoring methods, monitor reliability, detection limits, and weather interference

Summary of Public Comments Regarding **Emissions Inventory** Rule Development

1. General support among several commenters for reducing duplicative reporting requirements
2. Questions regarding the scope of the CTR Regulation and potential loss of local authority
3. Concern that repealing Rule 12-15 could reduce transparency, accountability, and procedural clarity without sufficient safeguards
4. Concerns regarding implementation of commitments in prior settlement agreements
5. Desire for a collaborative technical review process between facilities and staff
6. Questions regarding data quality and validation of data over time

Summary of Public Comments Regarding Potential **Crude Slate Reporting** Rule Development

1. Industry groups support the removal of crude slate reporting under Rule 12-15 to avoid duplicative requirements
2. Community and advocacy organizations recommend that the Air District require tracking and/or testing methods to verify reported biofuel feedstocks, given that their profiles differ from crude oil
3. Crude slates reporting informs the community of other upstream environmental risks in addition to understanding potential changes in emissions
4. Request for public analysis with recent TAC and CAP data to justify assertions that CTR emissions tracking will allow Air District to see/detect crude slate changes

Next Steps

Early Engagement

Complete

- Issuance of a concept paper and public notice to seek written public comments on rule concepts
- Discussion of rule concepts and priorities with stakeholder groups

Draft Rule

Q3 - Q4
2026

- Presentation to the Stationary Source Committee
- Release of draft rule language and staff report for public review
- Public workshops and additional stakeholder meetings

Proposed Rule

Q1 2027

- Release of proposed rule and staff report for public review prior to consideration by the Board of Directors
- Public hearing when the rule is considered by the Board of Directors

Questions & Discussion

For more information:

Joe Lapka | Principal Air Quality Specialist | jlapka@baaqmd.gov