



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

ADVISORY COUNCIL REGULAR MEETING

MONDAY
APRIL 3, 2017
10:00 A.M.

1ST FLOOR BOARD ROOM
375 BEALE STREET
SAN FRANCISCO, CA 94105

AGENDA

1. **CALL TO ORDER - ROLL CALL – PLEDGE OF ALLEGIANCE**

The Council Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Council members. The Council Chair shall lead the Pledge of Allegiance.

Staff/Phone (415) 749-

2. **APPROVAL OF THE MINUTES OF FEBRUARY 6, 2017** Clerk of the Boards/5073

The Advisory Council will consider approving the draft minutes of the Advisory Council Regular Meeting of February 6, 2017.

3. **WELCOME**

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Executive Officer/APCO will address the Council.

4. **PUBLIC COMMENT ON AGENDA MATTERS**

Pursuant to Government Code Section 54954.3, the public has the opportunity to speak on any agenda item. All agendas for Council meetings are posted at the Air District, 375 Beale Street, San Francisco, California 94105 at least 72 hours before a meeting.

This meeting will be webcast. To see the webcast, please visit <http://www.baaqmd.gov/about-the-air-district/advisory-council/agendasreports> at the time of the meeting.

5. **PRESENTATION ON REGULATION 11, RULE 18: REDUCTION OF RISK FROM AIR TOXIC EMISSIONS AT EXISTING FACILITIES, REGULATION 12, RULE 16: PETROLEUM REFINING FACILITY-WIDE EMISSIONS LIMITS, AND REGULATION 13, RULE 1: REFINERY CARBON INTENSITY CAP**

J. McKay/4629

jmckay@baaqmd.gov

Staff will update the Advisory Council on Regulation 11, Rule 18 (Rule 11-18), Regulation 12, Rule 16 (Rule 12-16) and Regulation 13, Rule 1 (Rule 13-1).

6. **ADVISORY COUNCIL NEXT AREA OF FOCUS**

J. McKay/4629

jmckay@baaqmd.gov

The Council will consider deliberation on the next area of focus.

7. **CHAIRPERSON'S REPORT**

The Chairperson will provide the Advisory Council with a report of recent and upcoming activities.

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

Pursuant to Government Code Section 54954.3, an opportunity is provided for the public to speak on any subject within the Council's purview. Speakers are typically limited to three minutes each.

9. **COUNCIL MEMBER COMMENTS / OTHER BUSINESS**

Council members may make a brief announcement, provide a reference to staff about factual information or ask questions about subsequent meetings.

10. **TIME AND PLACE OF NEXT MEETING**

At the call of the Chair.

11. **ADJOURNMENT**

The Council meeting shall be adjourned by the Chair.

CONTACT:

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

(415) 749-5016
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting. Please note that all correspondence must be addressed to the “Advisory Council” and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Council meeting. Any correspondence received after that time will be presented to the Council at the following meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District’s offices at 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

Accessibility and Non-Discrimination Policy

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

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

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

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

Questions regarding this Policy should be directed to the Air District’s Non-Discrimination Coordinator, Rex Sanders, at (415) 749-4951 or by email at rsanders@baaqmd.gov.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
375 BEALE STREET, SAN FRANCISCO, CALIFORNIA 94105
FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

APRIL 2017

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Advisory Council Mtg. <i>(Meets on the 1st Monday of Every Other Month)</i>	Monday	3	10:00 a.m.	1 st Floor Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)-</i> CANCELLED	Wednesday	5	9:45 a.m.	1 st Floor Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	17	9:30 a.m.	1 st Floor Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	17	10:30 a.m.	1 st Floor Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	19	9:45 a.m.	1 st Floor Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	26	9:30 a.m.	1st Floor, Yerba Buena Room #109
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	27	9:30 a.m.	1 st Floor Board Room

MAY 2017

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	3	9:45 a.m.	1 st Floor Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	15	9:30 a.m.	1 st Floor Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	15	10:30 a.m.	1 st Floor Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	1 st Floor Board Room
Board of Directors Climate Protection Committee <i>(Meets on the 3rd Thursday of every other Month)</i>	Thursday	18	9:30 a.m.	1 st Floor Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	24	9:30 a.m.	1st Floor, Yerba Buena Room #109
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	25	9:30 a.m.	1 st Floor Board Room

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Stan Hayes and Members
of the Advisory Council

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 20, 2017

Re: Approval of the Minutes of February 6, 2017

RECOMMENDED ACTION

Approve the attached draft minutes of the Advisory Council meeting of February 6, 2017.

DISCUSSION

Attached for your review and approval are the draft minutes of the Council meeting of February 6, 2017.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Maricela Martinez

Attachment 3A: Draft Minutes of the Advisory Council Meeting of February 6, 2017

AGENDA: 3A – ATTACHMENT

Draft Minutes – Advisory Council Regular Meeting of February 6, 2017

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

DRAFT MINUTES

Advisory Council Regular Meeting
Monday, February 6, 2017

Note: An audio recording of the meeting is available on the website of the Bay Area Air Quality Management District at <http://www.baaqmd.gov/about-the-air-district/advisory-council/agendasreports>

1. CALL TO ORDER

Advisory Council (Council) Chair, Stan Hayes, called the meeting to order at 10:03 a.m.

Roll Call:

Present: Council Chair Stan Hayes and Vice Chair Michael Kleinman; and Members: Professor Severin Borenstein, Dr. Robert Harley, and Dr. Jane Long.

Absent: Member Tam Doduc and Dr. Tim Lipman

Also Present: Cupertino Councilman Rod Sinks, Board of Directors (Board) Liaison.

2. WELCOME (OUT OF ORDER, ITEM 3)

Chair Hayes reviewed the items of the agenda and invited Jack Broadbent, Executive Officer/Air Pollution Control Officer, to remark on the status of the District's rule development. Ex-Officio Advisory Council Member, Director Rod Sinks, summarized the Board's recent discussions of the regulatory initiatives currently under development and noted that the Board would derive the Council's insight on this matter.

3. APPROVAL OF THE MINUTES OF OCTOBER 3, 2016 (ITEM 2)

Public Comments:

No requests received.

Council Comments:

Member Borenstein requested that the language at the end of Item 3 (Welcome) be changed from, "the implications of shifting generation to plants outside the territory in which a cap is

being enforced” to “the implications of *moving production* outside the territory in which a cap is being enforced.”

Council Action:

Member Long made a motion, seconded by Member Borenstein, to approve the Advisory Council minutes of October 3, 2016 as amended; and the motion carried by the following vote of the Council:

AYES: Borenstein, Harley, Hayes, Kleinman, and Long.
NOES: None.
ABSTAIN: None.
ABSENT: Doduc and Lipman.

4. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

OTHER BUSINESS

5. ADVISORY COUNCIL DELIBERATION ON THE KEY QUESTION

The Council began its 6th discussion regarding its opinion on the efficacy of greenhouse gas (GHG) caps on local refineries, with the intention of finalizing the summary of its deliberations on the matter. Revisions made to the summary since the previous Council meeting on October 3, 2016 were reviewed, and then Chair Hayes asked for final revisions.

Public Comments:

Public comments were made by Roger Lin, Communities for a Better Environment.

Council Comments on the Document in General:

The Council and staff discussed the potential for benefits from caps if caps are applied broadly enough, trade is controlled, and boarder adjustments are imposed.

Council Comments on “Discussion” Section:

The Council and staff discussed how the language on Draft Rule 11-18 is a summarization from the Draft Staff Report, and not the Council’s opinion; property damage resulting from climate change; global climate change versus regional climate change; the range of time that should be considered when referring to the global warming potential of methane; how effective GHG policies that reduce gasoline demand may be in reducing gasoline usage and GHG emissions; whether the District should say it supports the *deployment* of carbon capture and sequestration, beyond research; and the clarification that “super-emitter” refers to “refinery” in this summary.

Council Comments on “Guiding Principles” Section:

The Council and staff discussed the California Air Resources Board’s (CARB) leakage policy within the Cap and Trade Program; whether the State’s variance to apply standards that are more stringent than federal standards applies to GHG; and the District’s authority to regulate stationary sources, but not mobile sources.

Council Action:

Chair Hayes made a motion, seconded by Member Borenstein, to approve the summary of the Council’s opinion on the key question as amended; and the motion carried by the following vote of the Council:

AYES: Borenstein, Harley, Hayes, Kleinman, and Long.
NOES: None.
ABSTAIN: None.
ABSENT: Doduc and Lipman.

6. PRESENTATION ON REGULATION 13, RULE 1: REFINERY CARBON INTENSITY CAP

Dr. Jeff McKay, Deputy Air Pollution Control Officer, stated that staff and the Board are seeking input from the Council on the development of Draft Regulation 13, Rule 1, the first step in the District’s strategy to reduce combustion emissions across the region. Mr. Broadbent added that Board members have expressed interest in having Draft Rule 13-1 be an alternative to Draft Rule 12-16. Dr. McKay introduced Eric Stevenson, Director of Meteorology, Measurement, and Rules, who gave the staff presentation *Regulation 13, Rule 1: Refinery Carbon Intensity Caps*, including: issues; proposed solution; impact of stack height at refineries; cancer risk drivers for typical large refinery; top sources of GHG emissions at typical large refinery; refinery rulemaking history and progress; Draft Rule 11-18; Draft Rule 13-1: first rule of combustion strategy; key factors in refinery carbon intensity; standard, heavy/sour, and light/sweet operations; crude oil comparison; impact of Rule 13-1 carbon intensity limit; Draft Rule 12-16; comparison of Rules 12-16 and 13-1; summary; schedule; and next steps.

Public Comments:

Public comments were given by Bill Quinn, California Council for Environmental and Economic Balance; Greg Karras, CBE; and Bob Brown, Western States Petroleum Association.

Council Comments:

The Council and staff discussed the distinction of benzene and diesel particulate matter as not being GHG, despite being included in a chart of top sources of GHG emissions at typical large refineries; the status of the installation of fence line monitors around the refineries, required by Rule 12-15, and the public’s reservations about refineries’ self-regulating the monitors; the number of Bay Area refineries that have operating coker units, and toxic pollutants emitted from the coking process; the proposed GHG and criteria pollutant emissions limits of Draft Rule 12-16, and the history of how limits were imposed on different units; the issues that District staff believes would result from Draft Rule 12-16, and which of those issues relate to GHG caps versus criterial pollutant caps; the District’s development of a toxics regulation (Draft Rule 11-

18) designed to directly address local impacts to refinery communities and other sources of toxics throughout the Bay Area, and need for a presentation to the Council on the Rule, as it seeks to establish a risk management threshold for all Bay Area stationary sources; Draft Rule 13-1's compatibility with CARB's 2030 Scoping Plan; how Draft Rule 13-1 would require additional refinery projects, that may increase production, to offset their emission increases; worldwide gas emissions versus California gas emissions; the types of refinery emissions that were to be reduced by twenty percent per *District Resolution 2014-07: Addressing Emissions from Bay Area Refineries*; the criteria for evaluating a rule's effectiveness; how broadening the purview of the word "toxic" (beyond the cancer risk factor) reveals that Draft 13-1 and 12-16 would indirectly contribute to the reduction of toxic emissions; the appropriate risk threshold for Draft Rule 11-18, and the Council's opinion of how conservative and achievable the staff-recommended threshold of ten-in-one-million is; and the types of refineries in the Bay Area.

The Council recessed at 12:25 p.m., and resumed at 1:22 p.m.

The Council and staff resumed their discussion, which included the following: District staff's acknowledgment of the environmental justice community's view on local criteria pollutants; the District's efforts to examine sources that may have more localized impacts for Particulate Matter (PM); fee structures for toxics and criteria pollutants; the purpose of having local GHG reduction programs, despite the existence of the Cap and Trade Program; and the difference between PM₁₀ and PM_{2.5}.

Council Action:

None; receive and file.

7. ADVISORY COUNCIL DELIBERATION ON THE DRAFT 2017 CLEAN AIR PLAN/REGIONAL CLIMATE PROTECTION STRATEGY

Dr. McKay explained that the Council's input was requested on the Draft Clean Air Plan, with a particular attention to the Executive Summary for first chapter. Dr. McKay introduced Henry Hilken, Director of Planning and Climate Protection, who gave the staff presentation *Advisory Council Deliberation on the Draft Clean Air Plan/Regional Climate Protection Strategy*, including: critical challenges; what is this plan?; climate challenge in the Bay Area; healthy air for all Bay Area residents; where do we want to be in 2050?; how does this plan get us there?; priority actions; input into this plan; Bay Area leadership; next steps; and open house highlights.

At this time, a video promoting *Spare the Air, Cool the Climate*, was shown.

Public Comments:

No requests received.

Council Comments:

The Council and staff discussed Bay Area GHG projections to 2050 with key state programs; the distribution and frequency of the airing of the video; the distinction between what people are willing to change and what changes will actually be effective solutions to climate issues; the misconception that switching to clean technology will have the same effect as reducing

emissions at the source; projections of an increase in electricity demand due to population growth and electrified transportation, and the feasibility of nuclear power; the feasibility of electrifying the aviation sector; the effectiveness of the Plan’s presentation boards at the Open Houses, and the suggestion of giving them greater visibility to show how the pieces of the Plan fit together; how certain requirements and data that are visible only in the Plan’s Appendices should be included in the actual text of the Plan to show the progress that has been made; the need for focus on efficiency, electrification, and decarbonization in the future; reduced population exposure; making intra-regional mobility within the Bay Area a focus for the Plan, in the event that people continue to live too far from their destinations for walking or biking to be feasible; the distinction between the time scales of climate measures and air quality control measures (long term versus short-term); staff’s request for the Council’s future deliberations on disproportionately impacted communities in local exposure to air pollution and improvements to the Community Air Risk Evaluation (CARE) program; the Council’s desire to see staff’s vision of *eliminating* disparities in health risk from air pollution revisited; the Council’s desire to see the District focus on programs that have a regional and comparative advantage to existing State programs; the socioeconomic impact of the District’s regulatory programs; and the Council’s interest in seeing the Plan being more strategic.

Council Action:

None; receive and file.

8. CHAIRPERSON’S REPORT

Chair Hayes announced that the Air & Waste Management Association’s Annual Conference will be held in Pittsburgh, PA from June 5-8, 2017 and asked members of the Council who are interested in attending to let him know.

9. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

10. COUNCIL MEMBER COMMENTS / OTHER BUSINESS

None.

11. TIME AND PLACE OF NEXT MEETING

During the meeting, the next Advisory Council meeting was tentatively scheduled for April 3, 2017. Chair Hayes requested that staff poll the members of the Council to confirm the date.

12. ADJOURNMENT

The meeting adjourned at 2:59 p.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Stan Hayes and Members
of the Advisory Council

From: Jack P. Broadbent
Executive Officer/APCO

Date: March 24, 2017

Re: Presentation on Regulation 11, Rule 18: Reduction of Risk from Air Toxic Emissions at Existing Facilities, Regulation 12, Rule 16: Petroleum Refining Facility-Wide Emissions Limits, and Regulation 13, Rule 1: Refinery Carbon Intensity Cap _____

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

District staff will update the Advisory Council on Regulation 11, Rule 18 (Rule 11-18), Regulation 12, Rule 16 (Rule 12-16) and Regulation 13, Rule 1 (Rule 13-1). These rules are relevant to the topic of greenhouse gas (GHG) and associated emissions reductions from refineries but also include requirements for limits on specific criteria pollutant emissions from refineries and the reduction of risk associated with industrial sources.

Rule 11-18 would significantly reduce potential health risks from toxic air pollutant emissions at hundreds of existing facilities. Staff would conduct site-specific health risk screening analyses for all facilities that report Toxic Air Contaminant (TAC) emissions and develop health prioritization scores based on TAC emissions, toxicity of those emissions and proximity of residents to these facilities. Health Risk Assessments (HRAs) would be conducted for all facilities above a specific prioritization score. Facilities where the HRA indicates a risk above 10 in 1 million or an acute hazard index greater than 1.0 would be required to reduce their risk below these thresholds or install Best Available Retrofit Control Technology on all sources of significant risk. (Draft Rule and Initial Draft Staff Report are available here under 2017 Rule Workshops: <http://www.baaqmd.gov/rules-and-compliance/rule-development/regulatory-workshops>)

Communities for a Better Environment and several associated organizations developed a concept and the Board of Directors have directed staff to develop regulatory language reflecting that concept into Rule 12-16. This rule would set numeric limits on GHG, oxides of nitrogen (NO_x), sulfur dioxide (SO₂) and particulate matter 10 microns or less and 2.5 microns or less (PM₁₀ and PM_{2.5}) for each of the five refineries in the Bay Area. (Draft Rule and Final Staff Report are available here under 2017 Rule Workshops: <http://www.baaqmd.gov/rules-and-compliance/rule-development/regulatory-workshops>)

Rule 13-1 would be the first step in the Air District's strategy to reduce combustion emissions across the region. Combustion of fossil fuels results in emissions of GHG, NO_x, SO₂ and PM. Rule 13-1 would cap GHG emissions on a per barrel basis from Bay Area refineries at a level consistent with their current, full-capacity operation. It would also require Bay Area refineries to implement cost-effective efficiency projects. (Draft Rule and Workshop Report are available here under 2017 Rule Workshops: <http://www.baaqmd.gov/rules-and-compliance/rule-development/regulatory-workshops>)

DISCUSSION

Staff will discuss the regulatory goals and likely outcomes, as well as potential issues associated with each rule.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Eric Stevenson
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Stan Hayes and Members
of the Advisory Council

From: Jack P. Broadbent
Executive Officer/Air Pollution Control Officer

Date: April 3, 2017

Re: Advisory Council Next Area of Focus

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

After focusing on the global topic of climate change, the Advisory Council (Council) will be asked to deliberate on a set of challenges in the Bay Area Air Quality Management District's (District) efforts to protect local communities that are disproportionately impacted by multiple sources of emissions. The District has been addressing disparities in health impacts for many years, and wishes to further enhance its efforts in this regard. In addition, the District Board will be considering the 2017 Clean Air Plan at its April meeting, which includes a goal of eliminating disparities among Bay Area communities in health risk from air pollution.

DISCUSSION

In 2004, the District initiated its Community Air Risk Evaluation (CARE) program in order to be able to characterize and address the disproportionate air quality impacts on communities around the Bay Area.

The Council will receive a presentation on the District's Community Air Risk Evaluation (CARE) program as an initial introduction to this topic. CARE communities include areas that are disproportionately impacted by cumulative sources of air pollution and that experience the highest levels of pollution-related health impacts.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeff McKay