

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

To: Chairperson Katie Rice and Members  
of the Executive Committee

From: Chairperson Valerie J. Armento, Esq., and  
Members of the Hearing Board

Date: August 27, 2019

Re: Hearing Board Quarterly Reports: January – March 2019 and April – June 2019

**RECOMMENDED ACTION**

None; receive and file.

**DISCUSSION**

As the most recent Executive Committee meeting was held in March 2019, this report covers the first *and* second calendar quarters (January – March and April – June) of 2019.

**During the first calendar quarter of 2019 (January - March), the Hearing Board:**

- Held no hearings;
- Processed a total of one order; and
- Collected a total of \$1,321.00 in filing fees.

Below is a detail of Hearing Board activity during the same period:

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**Location:** San Mateo County; City of Redwood City

**Docket:** 3713 – Graniterock Company – Request for Emergency Variance

**Regulation(s):** Regulation 2, Rule 2 (Permits, New Source Review); Sections 403 (Authority to Construct, Preliminary Decision); 406 (Authority to Construct, Final Action); 407 (Issuance, Permit to Operate); and 408 (Permit to Operate, Final Action).

**Synopsis:** Applicant is a concrete plant with two malfunctioning baghouse abatement devices that sought Emergency Variance to install new abatement equipment without undergoing New Source Review. Water intrusion from recent rains had seeped into Applicant's baghouse abatement devices, A60 and A61, causing failure of the bags by plugging the bag perforations, and causing dust and particulates to be emitted from the sides of the device (not captured by the bags). Water seepage was due to corrosion and cracks in baghouse housing that apparently became bad enough to cause leakage. The abatement devices are unusable. The application to replace these baghouses

was received by the Air District on January 28, 2019, approximately a week before this Emergency Variance application was submitted.

**Status:** Application for Emergency Variance filed by Applicant on February 7, 2019; District staff response received on February 14, 2019; Hearing Board response received on February 15, 2019; Order Denying Emergency Variance filed on February 19, 2019.

**Requested Period of Variance:** February 7, 2019 to February 27, 2019

**Estimated Excess Emissions:** None.

**Fees collected this quarter:** \$1,321.00.

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**During the second calendar quarter of 2019 (April - June), the Hearing Board:**

- Held a total of two Hearings (Docket No. 3714 and Docket No. 3715)
- Processed a total of two Orders, including one Order Granting Interim Variance (3714), and one Conditional Order for Abatement (3715).
- Collected a total of \$7,942.00 in filing fees.

Below is a detail of Hearing Board activity during the same period:

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**Location:** Alameda County; City of Fremont

**Docket:** 3714 – Tesla Motors, Inc. – *Request for Interim and Regular Variances*

**Regulation(s):** Regulation 2, Rule 1, Section 307 (Permits, General Requirements, Failure to Meet Permit Conditions); and Regulation 2, Rule 6, Section 307 (Permits, Major Facility Review, Non-Compliance).

**Synopsis:** Applicant produces electric passenger vehicles at its Fremont facility, including the manufacturing and assembly of component parts and coating of parts and vehicles. A thermal oxidizer at the facility is currently required to maintain a minimum temperature of 1400 degrees Fahrenheit, per Air District Permit Condition #9158 Part 2, but has been operating at 1275 degrees Fahrenheit, as the Applicant claimed that operating at the higher temperature has damaged the thermal oxidizer. Applicant submitted permit application 29741 to authorize the use of a different thermal oxidizer, and sought relief from Permit Condition #9158 Part 2, requiring operation at 1400 degrees Fahrenheit. (Applicant was not seeking relief from emission limits, only the temperature requirement.) Applicant believes that new thermal oxidizer will comply with emission limits at the lower temperature. Once the control device has been replaced, Applicant will comply with the new permit conditions associated with the new control device.

**Status:** Application filed on April 2, 2019; interim variance hearing scheduled for April 16, 2019, and regular variance hearing scheduled for May 21, 2019; interim variance was granted by the

Hearing Board at the interim variance hearing on April 16, 2019; Order Granting Interim Variance filed on April 17, 2019; both parties requested to continue regular hearing from May 21, 2019 to July 23, 2019; Applicant requested to withdraw application on July 23, 2019, at regular variance hearing; matter withdrawn on July 23, 2019.

**Requested Period of Variance:** March 28, 2019 to December 31, 2019

**Estimated Excess Emissions:** None.

**Fees collected this quarter:** \$7,942.00.

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**Location:** Santa Clara County, City of Campbell

**Docket:** 3715 – APCO vs. Earthlime Inc., et al – Accusation

**Regulation(s):** Regulation 2, Rule 1 (Permits, General Requirements)

**Synopsis:** Respondents own and operate a facility in Campbell, California, where they conduct a wood products coating operation, for which they had held a District permit to operate pursuant to District Regulation 2, Rule 1 that expired February 1, 2017. Since then, Respondents have been operating the facility without a valid or current permit, despite their knowledge of the permit requirements. Complainant seeks an order that Respondents cease conducting these operations until they obtain an Air District permit to do so.

**Status:** Accusation filed on April 5, 2019; hearing scheduled for April 30, 2019; hearing continued to May 7, 2019; hearing held on May 7, 2019; Conditional Order for Abatement filed on May 16, 2019.

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Respectfully submitted,

Valerie J. Armento, Esq.  
Chair, Hearing Board

Prepared by: Marcy Hiratzka  
Reviewed by: Vanessa Johnson