

Bay Area Air Quality Management District  
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## **APPROVED MINUTES**

Summary of Board of Directors  
Stationary Source Committee Meeting  
9:30 a.m., Monday, January 9, 2012

### **1. Call to Order – Roll Call**

Committee Vice Chairperson John Gioia called the meeting to order at 9:33 a.m., without an initial quorum.

Present: Vice Chairperson John Gioia; and Directors David Hudson, Carol Klatt, Eric Mar and John Avalos.

Absent: Chairperson Gayle B. Uilkema; Directors Susan Garner, Jim Spering, and Johanna Partin.

Also Present: None.

### **2. Public Comment Period: None.**

### **3. Amendments to Regulation 2, Rules 1, 2, 4 and 6**

Alexander Crockett, Assistant Counsel, gave the staff presentation regarding Updates to Bay Area Air Quality Management District New Source Review (NSR) and Title V Permitting Programs, Amendments to Regulation 2: Rules 1, 2, 4, and 6. He reviewed the current state of the NSR and Title V Permitting Programs and summarized changes under consideration, including new permit requirements for particulate matter (PM<sub>2.5</sub>) and greenhouse gases (GHGs), explained the need to obtain U.S. Environmental Protection Agency (EPA) approval of “Prevention of Significant Deterioration” permit regulations, and clarified certain regulatory language. He stated that the amendment process includes a public participation component.

Mr. Crockett described the affected stationary source permitting programs as primarily major stationary sources but also smaller sources pursuant to certain provisions of California law and District regulations, namely “Best Available Control Technology” as it applies to sources emitting 10 pounds per day of “criteria” pollutants, and offset requirements for ozone precursors as they apply to facilities emitting 10 tons per year.

NOTED PRESENT: Director Avalos was noted present at 9:40 a.m.

Mr. Crockett described the difference between NSR, as a pre-construction permitting program with more stringent requirements for non-attainment pollutants (Non-Attainment NSR) and the less stringent requirements for attainment pollutants (Prevention of Significant Deterioration), and Title V, a program aimed at operating permits whose controlling document will include the pre-construction permitting regulations as well.

Vice Chairperson Gioia requested clarification about components of NSR being included in Title V and discussed same with Mr. Crockett.

Mr. Crockett detailed the regulations to be amended, when they were most recently revised and the need for updates in light of advances in the field since, as follows:

- Rule 2-1 Permits – General Requirements, revised 03-04-2009;
- Rule 2-2 Permits – New Source Review, revised 06-15-2005;
- Rule 2-4 Permits – Emissions Banking, revised 12-21-2004; and
- Rule 2-6 Permits – Major Facility Review, revised 04-16-2006.

Mr. Crockett explained that new federal permitting requirements exist relative to PM<sub>2.5</sub> and suggested the regulation amendments as the proper course of action in light of the District's designation as a "Non-Attainment" for PM<sub>2.5</sub> National Ambient Air Quality Standard (NAAQS).

Mr. Crockett suggested:

1. The District must implement "Non-Attainment NSR" requirements for PM<sub>2.5</sub>, and its precursors, by applying the best available control technology, offsetting new emissions with emission reductions elsewhere, compliance certification and public participation in permitting decisions; and
2. In light of the EPA now treating GHGs as "regulated" air pollutants, NSR regulations must cover major GHG sources under the less stringent "Prevention of Significant Deterioration" program because there are no NAAQSs for GHGs and will require Best Available Control Technology. Additionally, the Title V regulations must be revised so as to cover major GHG sources.

Mr. Crockett briefly explained the federal limits for GHGs.

NOTED PRESENT: Director Mar was noted present at 9:50 a.m. and a quorum was established.

Mr. Crockett explained that while the EPA has approved District "Non-Attainment NSR" and Title V permitting regulations, the EPA has not approved District "Prevention of Significant Deterioration" regulations and therefore, federal not District regulations, apply to this permitting program, leading to much inconsistency and confusion with significant consequences. Mr. Crockett suggested the following be implemented in an effort to alleviate the issue:

- Add PM<sub>2.5</sub> to District NSR permitting regulations (Reg. 2, Rule 2);
- Add GHGs to District Title V permitting regulations (Reg. 2, Rule 6);

- Develop District “Prevention of Significant Deterioration” Regulations for EPA approval (in Reg. 2, Rule 2); and
- Make non-substantive changes, including clarification of certain regulatory language to aid in implementation and avoid potential misinterpretation and the reorganization of Regulation 2, Rule 2 to follow standard District regulation structure.

Next steps include:

- Draft proposed amendments to be released to the public January 2012;
- Public workshop on or around February 9, 2012, at the MTC office in Oakland;
- Further public outreach and solicitation of input as warranted;
- Develop final proposal; and
- Prepare staff report, CEQA and socioeconomic analyses, and related documentation.

The expected timeframe for completion, after Board consideration and public hearings, is in the summer of 2012.

Mr. Crockett pointed out that there is a December 2012 deadline for getting the PM<sub>2.5</sub> component complete as the three-year window on the December 2009 non-attainment designation comes to a close for the District at that time.

Committee Comments/Discussion:

Jack Broadbent, Executive Officer/APCO, spoke regarding the highly technical character of this area of air quality management. He added that the establishment of these regulations through coordinated efforts with the EPA will result in a PM<sub>2.5</sub> offset program for the first time in the Bay Area with the likelihood of significant public response regarding the parameters of the affected program.

Director Hudson, Vice Chairperson Gioia and Mr. Broadbent discussed the timing of additional modifications to District standards as further information comes to light and federal requirements are modified.

Director Mar and Mr. Broadbent discussed anticipated recommendations from environmental groups and how the District’s proposal compare to similar regulations in other air districts.

Public Comments: None.

**Committee Action:** None; informational only.

#### **4. Approval of Minutes of September 29, 2011**

**Committee Action:** Director Hudson made a motion to approve the Minutes of September 29, 2011; Director Klatt seconded the motion; approved unanimously without objection.

## 5. Proposed Regulation 8, Rule 53: Vacuum Truck Operations

William Thomas Saltz, Air Quality Specialist, gave an overview of Regulation 8, Rule 53 Vacuum Truck Operations, the uses of vacuum trucks and their functioning parts, and photo examples of vacuum trucks in use.

Mr. Saltz detailed the rule development process as:

- Initiation of the project with adoption of the 2010 Clean Air Plan Control Measure SSM-5, a rule that would apply to Petroleum Refineries, Bulk Plants, Bulk Terminals, Marine Terminals, and Organic Liquid Pipeline Facilities;
- Completion of an emissions inventory and extensive outreach to industry;
- Posting of the draft rule in June 2011 and workshops held July 21 and 25, the result of which was the receipt of six comments and a subsequent revised proposal based on same;
- Development of a staff report and final proposed rule;
- Completed socioeconomic analysis and CEQA analysis; and
- This report to the Stationary Source Committee.

Mr. Saltz detailed the intended application of the regulatory proposal, emission limits, exemptions, emissions monitoring and source testing, recordkeeping and reporting requirements.

Mr. Saltz detailed the anticipated control costs by varying methods, proposed a cost effectiveness detail and drew a comparison with other rules regulating organic compounds. He clarified that the majority of the costs would be shouldered by large facilities.

Vice Chairperson Gioia, Director Hudson and Mr. Saltz clarified whether the projected costs were based on per vehicle or per facility figures.

Vice Chairperson Gioia requested from staff a more robust cost comparison that is inclusive of all District rules and that it be delivered at the next meeting.

Next steps include:

- Posting of final documents for public review, including the proposed rule, staff report, CEQA document and socioeconomic analysis document; and
- Receipt and consideration of comments.

The expected timeframe for completion, after Board consideration and public hearings, is in the first quarter of 2012.

Committee Comments/Questions: None.

Public Comments: None.

**Committee Action:** None; informational only.

**6. Committee Member Comments/Other Business:**

Vice Chairperson Gioia thanked staff for their presentations to the Committee, and members for their participation.

Vice Chairperson Gioia mentioned the Committee's ongoing efforts to establish a fixed meeting schedule for regular monthly meetings.

**7. Time and Place of Next Meeting:** At the Call of the Chairperson.

**8. Adjournment:** The meeting adjourned at 10:23 a.m.

*151 Sean Gallagher*

Sean Gallagher  
Clerk of the Boards