

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109
(415) 749-5073

Board of Directors Special Meeting
Wednesday, November 30, 2015

APPROVED MINUTES

Note: Audio and video recordings of the meeting are available on the website of the Bay Area Air Quality Management District at <http://www.baaqmd.gov/about-the-air-district/board-of-directors/resolutionsagendasminutes>.

1. **CALL TO ORDER:** Chairperson Carole Groom called the meeting to order at 9:47 a.m.

Opening Comments: Chairperson Groom acknowledged full-house and large number of public speakers.

Roll Call:

Present: Chairperson Carole Groom; Vice-Chairperson Eric Mar; Secretary Liz Kniss; and Directors John Avalos, Teresa Barrett, David J. Canepa, Cindy Chavez, John Gioia, Scott Haggerty, David Hudson, Nate Miley, Karen Mitchoff, Jan Pepper, Katie Rice, Mark Ross, Rod Sinks, Jim Spering and Brad Wagenknecht.

Absent: Directors Tom Bates, Margaret Fujioka, Roger Kim (on behalf of Mayor Lee), and Shirlee Zane.

Pledge of Allegiance: Chairperson Groom led the Pledge of Allegiance.

Additional Comments: Chairperson Groom described the process and planned flow for the meeting.

2. **PUBLIC COMMENT ON NON-AGENDA MATTERS:**

Marilyn Bardet, Benicians for a Safe and Healthy Community, addressed the Board of Directors (Board) regarding a recent California Air Resources Board (CARB) meeting in El Cerrito around cap and trade. Bardet believes that the District is not prohibited or inhibited to reduce greenhouse gases (GHGs) from industrial sources and would like to see emission reductions in impacted communities.

CONSENT CALENDAR (ITEMS 3 - 5)

3. **Minutes of the Board Meeting of November 18, 2015;**
4. **Authorization to Transfer Reserves to Offset the Purchase and Outfitting of 435 Bryant Street;**
5. **Authorization of Procurement for Replacement of Multi-Function Photocopiers;**

Board Comments: None.

Public Comments: No requests received.

Board Action

Director Wagenknecht made a motion, seconded by Director Ross, to approve Consent Calendar Items 3 through 5, inclusive; and the motion carried by the following vote of the Board:

AYES: Avalos, Barrett, Canepa, Chavez, Gioia, Groom, Haggerty, Hudson, Kim, Kniss, Mitchoff, Pepper, Rice, Ross, Sinks, Spering and Wagenknecht.
NOES: None.
ABSTAIN: None.
ABSENT: Bates, Fujioka, Mar, Miley, and Zane.

COMMITTEE REPORTS

6. Report of the Climate Protection Committee (CPC) Meeting of November 19, 2015

CPC Chairperson Pepper read:

The CPC met on Thursday, November 19, 2015, and approved the minutes of September 17, 2015.

The CPC received and discussed the staff presentation Bay Area Consumption-Based GHG Emissions Inventory, including a definition of a consumption-based emissions inventory; reasons for developing and the potential uses of such an inventory; methodology; major expenditure categories; key factors influencing emissions; relationship between GHG emissions and household income; U.S., California and Bay Area average household GHG footprints; transportation emissions; map of household GHG emissions from transportation by block group; average carbon footprint for cities in Alameda and Contra Costa counties; and summary of key points.

The CPC finally received and discussed the staff presentation CARB Draft Short-Lived Climate Pollutant (SLCP) Strategy, including background; a definition of and analysis of the importance of SLCPs; climate warming impact of short-lived climate pollutants and their significance in terms of the Bay Area GHG inventory; sources in the Bay Area; CARB and Air District efforts to date; CARB's reduction targets; CARB's reduction strategy; and collaboration moving forward.

The next meeting of the CPC is on Thursday, January 21, 2016, at 9:30 a.m.

Public Comments

Sara Greenwald, 350 San Francisco, addressed the Board regarding the risk of tar sands oil being brought into the Bay Area and asked Board to protect the region.

Board Comments: None.

Board Action: None; receive and file.

PRESENTATIONS

7. Presentations by Community and Industry Stakeholders Regarding the Air District's Refinery Strategy

Jack Broadbent, Executive Officer / Air Pollution Control Officer, addressed the Board and discussed the Air District's *Refinery Strategy* with proposed regulations and goals, then introduced Eric Stevenson, Director of the Meteorology, Measurement, and Rules Division.

Mr. Stevenson gave the staff presentation, *Refinery Strategy*, including goals, strategy overview, reduction of harmful emissions, continuous monitoring, limiting pollution and protecting health, ensuring best practices, current proposals towards 20% reductions, next steps, and goals achieved.

Mr. Broadbent delivered a handout, "Setting the Record Straight," with emissions information and chart to aid in the deliberations around the presentations and the *Refinery Strategy*.

Board Comments:

The Board and staff discussed the specifics around a 20% reduction in harmful emissions; measurements listed on the handout "Setting the Record Straight;" Slide 9 *Current Proposals Towards 20% Reductions* and the requirements for testing cooling towers; Slide 6 *Continuous Monitoring* and the current oil composition characteristics requirements in Regulation 12, Rule 15 and the impacts on future permitting by the Air District; how new emissions data from the new rules will help determine if emissions increases are linked to changes in oil composition; and the data sources for the presented material.

Presentation by Communities for a Better Environment

Greg Karas, Communities for a Better Environment (CBE), gave a presentation *Communities Presentation 30 November 2015 AQMD Special Board Meeting* including a summary of concerns about tar sands oil, crude slate composition, current impacts at refineries from switching crude slates, crude feed qualities, carbon dioxide emissions from refineries, particulate matter and GHG emissions from industrial sources, concerns on staff's emission reduction plan, and a request for emission caps and more stringent regulations on refineries.

Presentation by Western States Petroleum Association

Tom Rizzo, Shell Refinery Martinez, Don Wilson, Valero Refinery Benicia, and Kroy Judd, Chevron Richmond, jointly provided a presentation with a handout and addressed the Board on current Air District refinery emission reduction rules with questions around staff's emissions data, health risks, fugitive emissions, rule cost effectiveness, emissions from cooling towers, job impacts, and refinery GHG emissions.

Board Comments:

The Board and staff discussed refinery emissions data and the sources for the information used in the staff report; health risk assessment criteria; the costs on refineries to implement the proposed staff refinery strategy; the cost of a scrubber installation at a refinery; industry cost estimates compared to staff cost estimates; tar sands oil refining; methodology around building new regulations and the enforcement of proposed new regulations; standardizing processes to better control emissions; accuracy in emissions data; total emissions reductions sought; The U.S. Environmental Protection Agency's (EPA) new requirements; need to protect public health; emissions as reported in the presentations; need for clear and reliable methodology in the proposed refinery strategy; protecting refinery processes and other proprietary information; cost effective reductions; emissions increases due to crude slate changes and how the proposed refinery strategy will help track and report emissions data; and the importance of accurate information.

Public Comments:

Richard Gray, 350 Bay Area, addressed the Board to request strict regulations on the refineries to achieve the 20% reduction goals.

Clover Mahn, Phillips 66, addressed the Board in opposition to the proposed refinery strategy offered by staff and asked for a reevaluation by staff as the reduction goal for sulfur dioxide is too drastic.

Paul Adler, Phillips 66, addressed the Board in opposition to the proposed refinery strategy as offered by staff with the hope of keeping the carbon plant open.

Tom Stewart, Inform Public Relations, addressed the Board in opposition to the proposed refinery strategy as offered by staff citing concerns about employment, education, government and industry.

Kenneth Gibson, addressed the Board in support of the proposed refinery strategy suggesting lives are more important than jobs.

Iren Suhami, Valero employee, addressed the Board in opposition to the proposed refinery strategy offered by staff.

Kathy Wheeler, engineer at Shell, addressed the Board in opposition to the proposed refinery strategy proposed by staff citing a one billion dollar price tag for compliance.

Natalie Braden, Shell employee, addressed the Board in opposition to the proposed refinery strategy offered by staff.

Dave Wright, Phillips 66 employee, addressed the Board in opposition to the proposed refinery strategy offered by staff.

Laurie Minter, Chevron employee, addressed the Board in opposition to the proposed refinery strategy offered by staff.

Walt Gill, Chevron employee, addressed the Board in opposition to the proposed refinery strategy offered by staff.

Robert Reed, Chevron employee, addressed the Board in opposition to the proposed refinery strategy offered by staff.

Kathy Kerridge, Benicians for a Safe and Healthy Community (BSHC), addressed the Board to request further considerations to improve public health in the region and to suggest the proposed rules and regulations need to be more stringent.

Steve Leshner, Shell, addressed the Board in opposition to the proposed refinery strategy offered by staff.

Bill Vosburg, 350 Sonoma, addressed the Board stating that he does not want to shut down the refineries, that materials offered by staff were prepared with a regulatory agenda in mind and request the Board enact stricter air quality rules and protect public health.

Bart Ochoa, Shell, addressed the Board in opposition to the proposed refinery strategy offered by staff.

Bill Quinn, California Council for Environmental and Economic Balance (CCEEBC), addressed the Board in opposition to the proposed refinery strategy offered by staff and to request a “fact check” on the presentations.

Ken Jones, 350 Marin, addressed the Board in support of the proposed refinery strategy offered by staff and to request the Board work to achieve climate change resolution goals and decrease emissions.

Thomas Schubert, Chevron, addressed the Board in opposition to the proposed refinery strategy offered by staff.

Andres Soto, CBE, addressed the Board to request that public health be prioritized above corporate profits.

Eduardo Martinez, City of Richmond, addressed the Board in support of lower emissions and reduced toxins in the community.

Rev. Earl W. Koteen addressed the Board in support of numerical emissions limits, on refineries to reduce death and illness among the most vulnerable members of our communities.

Steve Ardito, Chevron, addressed the Board in opposition to the proposed refinery strategy offered by staff suggesting Chevron creates a safe environment on-site and in the community around the refinery.

Darcy Sweeney addressed the Board in support of the proposed refinery strategy offered by staff encouraging further safeguards for the community, suggesting that lives are more important than profits.

Mike Miller, United Steel Workers Local 326, addressed the Board in opposition to the proposed refinery strategy offered by staff, suggesting that the carbon plant creates good union jobs and requests that the Board work to keep refinery facilities open.

Roger Lin, CBE, addressed the Board in support of stricter emissions limits on refineries, and to suggest that tar sands projects around the Bay Area need to be watched and limited.

David McLoard, Sierra Club, addressed the Board in support of stricter emissions limits on refineries and to request that the Air District adhere to its mission to protect public health.

Richard Garland, Phillips 66, addressed the Board in opposition to the proposed refinery strategy offered by staff, suggesting the refineries are in compliance.

Kristin Connelly, East Bay Leadership Council, addressed the Board requesting more accurate data in order to achieve better results through a shared set of facts agreed upon by all parties.

Chris McDowell, Tesoro, addressed the Board in opposition to the proposed refinery strategy offered by staff and suggested that the vacuum truck rule proved to be a good example of gradual rule adoption process.

Kevin Buchan, Western States Petroleum Association, addressed the Board in opposition to the proposed refinery strategy offered by staff and had questions around the requirements for cooling towers.

Suejung Shin, Phillips 66, addressed the Board in opposition to the proposed refinery strategy offered by staff, suggested that emissions factors used by staff were exaggerated and that cost of compliance is too great.

Marilyn Bardet, BSHC / Good Neighbor Steering Committee, addressed the Board regarding Valero's throughput amounts, permit requirements, tar-sands oil, and the need for more information from the refineries.

Nick Despota, addressed the Board regarding the need for increased agility of regulatory agencies, carbon prices and increased local air quality regulations.

Claire Broome, addressed the Board to suggest the need for a healthy skepticism relative to information provided by refineries and for instating enforceable numeric limits.

Brent Eastep, Phillips 66, addressed the Board in opposition to the proposed refinery strategy offered by staff and to question emissions inventory data.

Torm Nompraseurt, addressed the Board regarding community public health issues and the need to protect the community.

Carol Weed, Organizing for Action, addressed the Board in opposition to the proposed refinery strategy as offered by staff, for not going far enough to protect the community, and citing increased rates of pulmonary disease in the area.

Jeremy Entwistle, addressed the Board in support of setting tighter emissions limits.

Ratha Lui, Sierra Club, addressed the Board to place a cap on refinery emissions is needed to protect public health and reduce burdens on disadvantaged communities.

Ethan Buckner, Forest Ethics, addressed the Board regarding issues around tar-sands oil and it being refined in the Bay Area, and to endorse community protection measures proposed by CBE.

Harry Thurston, Contra Costa Clean Energy Alliance, addressed the Board in support of emissions caps in order to protect Mother Nature.

Board Comments (continued):

The Board and staff discussed the scope of public comments on the proposed rules; the staff request for additional time to review all comments and proposals by industry and community groups; that technologically feasible and cost effective solutions be sought; that business profitability be considered; that over regulation be avoided; that methodology, impacts and costs for refinery compliance be customized for the refineries; that there are tradeoffs to air quality regulations; that staff fact check both presentations; and that staff work together with communities, refineries, and agencies to find solutions.

Board Action: None; receive and file.

8. PUBLIC COMMENT ON NON-AGENDA MATTERS

Joshi Dhruvkumar, addressed the Board regarding the need to further tighten regulations on oil companies.

Board Comments: None.

Board Action: None; receive and file.

9. BOARD MEMBERS' COMMENTS

OTHER BUSINESS

10. Report of the Executive Officer/APCO:

None.

11. Chairperson's Report:

None.

12. Time and Place of Next Meeting

Wednesday, December 16, 2015, Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, California 94109 at 9:45 a.m.

13. **Adjournment:** The Board meeting adjourned at 1:59 p.m.

/s/ Tom Flannigan

Tom Flannigan
Interim Clerk of the Boards