

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

APPROVED MINUTES

Summary of Board of Directors
Stationary Source Committee Meeting
Monday, April 20, 2015

1. CALL TO ORDER – ROLL CALL

Stationary Source Committee (Committee) Chairperson John Gioia called the meeting to order at 10:41 a.m.

Present: Committee Chairperson John Gioia; Vice-Chairperson James Spering; and Directors John Avalos, Scott Haggerty, David Hudson, Liz Kniss, Eric Mar, Jan Pepper and Rod Sinks.

Absent: None.

Also Present: Board of Directors (Board) Chairperson Carole Groom.

2. PUBLIC COMMENT ON NON-AGENDA MATTERS

Nick Despota, Sunflower Alliance, addressed the Committee regarding cities that have committed to 100% renewable energy and financial divestment from non-renewable energy by the business community; to suggest that the Conoco Phillips refinery in Contra Costa County is not following suit with its propane recovery refinery project; to request a moratorium on refinery projects that use dirtier crude stocks or will cause emissions increases; and to encourage interagency efforts to avoid facility leakage to other regions.

Greg Karras, Communities for a Better Environment (CBE), addressed the Committee regarding the nature of public participation in recent workshops conducted by the Air District relative to proposed rules 12-15 and 12-16; in opposition to the proposed exemptions in the same and to suggest the proposed exemptions should be addressed now instead of after operations have begun; and to request the inclusion of clear and enforceable emissions caps in the proposed rules.

NOTED PRESENT: Director Mar was noted present at 10:47 a.m.

Jane Vosburg, 350 Sonoma County / Fossil Free California, addressed the Committee regarding the need for leadership to end the use of fossil fuels; to request the denial of permits for fossil fuel projects; in opposition to proposed rule 12-16; and to suggest there must be a confrontation with the oil industry.

NOTED PRESENT: Board Chairperson Groom was noted present at 10:50 a.m.

Committee Chairperson Gioia clarified the intent of proposed rules 12-15 and 12-16.

Bill Vosburg, 350 Sonoma, addressed the Committee in opposition to proposed rule 12-16.

Jed Holtzman, 350 Bay Area, addressed the Committee to echo the comments of Mr. Karras; to provide a summary of the perceived plan and process for proposed rules 12-15 and 12-16; to suggest that action today to decrease reliance on fossil fuels is an investment against more sweeping action with even greater costs later; and to opine that facility leakage to other regions is an inadequate concern to justify avoiding action.

Andrés Soto, CBE / Benicians for a Safe and Healthy Community, addressed the Committee regarding the nature of public participation in recent workshops conducted by the Air District relative to proposed rules 12-15 and 12-16; to express disappointment with proposed rules 12-15 and 12-16 and the stakeholder outreach process; to request the Committee defend the community; and in opposition to proposed rules 12-15 and 12-16.

Ratha Lai, Sierra Club SF Bay Chapter, addressed the Committee regarding his residency in the City of Richmond and the health impacts of the same; to suggest the public would be present in greater if the meeting was not during regular business hours; and to report that the Conoco Phillips permit was approved.

Jeff Kilbreth, City of Richmond Planning Commission, addressed the Committee regarding the likely need for compromise on the many issues involved with proposed rules 12-15 and 12-16 and to request consideration of implementing a new public comment process in order to provide the level of involvement these complicated topics deserve.

Vivian Huang, Asian Pacific Environmental Network, addressed the Committee regarding the importance of proposed rules 12-15 and 12-16 being crafted to take an advantage of the opportunity to make Richmond's future a cleaner one and of an open and transparent rule-making process; in opposition to greenhouse gas (GHG) or toxic crude stock exemptions; to request that new projects that increase emissions are not approved during the rule-making process for proposed rules 12-15 and 12-16; and in support of concrete, enforceable emissions limits.

Martin MacKerel, Sunflower Alliance, addressed the Committee regarding the frustrating amount of progress since the passage of Air District Resolution 2013-11 *Adopting a GHG Reduction Goal and Commitment to Develop a Regional Climate Protection Strategy*.

Charles Davidson provided written material and addressed the Committee to read from the same and an article authored by Mr. Karras.

Mark Roest provided written material and read from the same.

The Committee and staff discussed the recent workshops conducted by the Air District and the extension of the public comment period relative to proposed rules 12-15 and 12-16; that changes are being made to proposed rules 12-15 and 12-16 based on comments received and the Committee will be briefed at its next meeting; a summary of the Conoco Phillips permit mentioned by public speakers; an overview of the permitting process relative to the Board and

staff; legal viability of a moratorium on permits; and information relative to the public notice and comment period regarding the permit application by Conoco Phillips.

3. APPROVAL OF THE MINUTES OF MARCH 16, 2015

Committee Comments: None.

Public Comments: No requests received.

Committee Action:

Director Hudson made a motion, seconded by Director Kniss, to approve the Minutes of March 16, 2015; and the motion carried by the following vote of the Committee:

AYES: Avalos, Gioia, Groom, Hudson, Kniss, Mar, Pepper, Sinks and Sperring.
NOES: None.
ABSTAIN: None.
ABSENT: Haggerty.

4. UPDATE ON LEHIGH SOUTHWEST CEMENT FACILITY (LEHIGH)

Jeff McKay, Deputy Air Pollution Control Officer, gave the staff presentation *Lehigh Southwest Cement Compliance Status, Regulation 9, Rule 13: Nitrogen Oxides, Particulate Matter, and Toxic Air Contaminants from Portland Cement Manufacturing*, including background; facility location; a summary of operations; an overview of the manufacturing process; emission points; elements of and emission limits and monitoring under regulation 9-13; emissions control; new kiln and cooler stacks photograph and locations; control technologies utilized; kiln and clinker cooler stacks monitoring; compliance status; compliance and enforcement activities; health risk assessment update; and impacts of a new risk assessment by the OEHHA [Office of Environmental Health Hazard Assessment].

The Committee and staff discussed, at slide 8, *Elements of Rule 9-13*, the applicable U.S. Environmental Protection Administration standards and a comparison between them and those of the Air District.

Mr. McKay concluded the presentation.

Committee Comments:

The Committee and staff discussed the compliance status before the installation of the new stacks; the positive trend of emissions reductions; location of installed monitors; additional information relative to Notices of Violation issued; a video received from the public on April 9, 2015, what was captured in the video and the resulting actions by staff; clarification regarding one versus two stacks and emissions directly from the backhouse instead of through the dual stacks; additional information relative to the backhouse emissions and detached plume emission from the stack; the timeframe for incorporation of the OEHHA standards released on March 6, 2015, into Air District rule 2-5 and its modeling tools; the likely impact of the new risk factors for Lehigh; the inaccuracy of industry comments suggesting the Air District is imposing new

limits despite emissions not increasing instead of merely acting to implement the new State standards; the likely need to review Air District risk levels; an explanation of the meaning of a comment regarding baghouse emissions on April 9; that particulate matter (PM) is not being measured at all the emission points listed on slide 7, *Emission Points*; and a summary of the dust mitigation plan being utilized.

Public Comments:

Gary Latshaw submitted written material both on behalf of Rhoda Fry, in absentia, and of his own and addressed the Committee regarding the activation of the mercury abatement device and to ask why only ten filter bag leak detectors have monitors installed, for clarification on the total hydrocarbon or hazardous air pollutants numbers provided in the staff presentation, and that the new health risk assessment be reviewed for accuracy.

Bill Almon, Quarry No, addressed the Committee regarding the seemingly hurried pace of the Health Risk Assessment and to suggest the new OEHHA standards will impact the young for the remainder of their lives and the Air District has a similar opportunity by applying the more stringent standards for new facilities to Lehigh.

Committee Comments:

The Committee and staff discussed the manufacturing operations in close proximity to residential areas; the grandfather status of the cement plant, not the quarry; the approximate percentage of cement produced at Lehigh which is used in the Bay Area and the impact on the PM life-cycle contribution equation of producing the material locally; whether the cost of mitigation for the facility and health risk to the surrounding community are properly balanced; personal experience of a Committee member at Lehigh and Pacific Steel Casting in Berkeley and the positive and significant improvements made to the air quality related to each over the years; the likely delivery date of proposed revision of rule 2-5 to the Committee and plan to apply those new standards to large facilities first; the adequacy of the 70-year timeline for review of health risks, particularly in light of the expected decrease through the OEHHA standards; an explanation of the two-year timeline; Lehigh's lack of full compliance with the settlement agreement with the Air District and their payment of the resulting penalty; details regarding the capture of outputs by continuous emissions monitoring systems (CEMS); the viability of and staff discussions regarding making available real-time monitoring data or other similar assurances for the public; details regarding CEMS data processing; the value added of regularly posting emissions data even if there is a two-week delay; and the importance of continually working to improve emissions controls in order to protect Bay Area communities neighboring industrial processes.

Committee Action: None; receive and file.

5. COMMITTEE MEMBER COMMENTS / OTHER BUSINESS:

Director Sinks reported that he and Director Pepper recently toured the Republic Services Newby Island facility and the outreach done to the Mayor and staff of the City of Milpitas and asked staff to send a letter to the City of San Jose Planning Commission to request a six-month delay on the related application while more data is collected.

The Committee expressed support for this request.

6. TIME AND PLACE OF NEXT MEETING

Wednesday, May 27, 2015, Bay Area Air Quality Management District Headquarters, 939 Ellis Street, San Francisco, CA 94109 at 10:30 a.m.

7. ADJOURNMENT: The meeting adjourned at 12:36 p.m.

151 Sean Gallagher

Sean Gallagher
Clerk of the Boards