

Bay Area Air Quality Management District
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APPROVED MINUTES

Summary of Board of Directors
Stationary Source Committee Meeting
Monday, September 21, 2015

1. CALL TO ORDER – ROLL CALL

Stationary Source Committee (Committee) Chairperson John Gioia called the meeting to order at 9:37 a.m.

Present: Committee Chairperson John Gioia; Vice-Chairperson James Spring; and Directors John Avalos, Scott Haggerty, David Hudson, Eric Mar and Jan Pepper.

Absent: Directors Liz Kniss and Rod Sinks.

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

2. PUBLIC COMMENT ON NON-AGENDA MATTERS

Thomas Schubert, Chevron, addressed the Committee to suggest that Chevron is a world-class company in regards to safety and environmental stewardship; to report that his son is also an employee and he would be remiss as a parent to condone his family being harmed by their shared employer; and to suggest that Chevron is a safe place to work.

Margaret Pearce, 350 San Francisco, addressed the Committee to express sympathy for those employed by Bay Area refineries; to report her recent asthma diagnosis and note the contribution of emissions as a precursor of the same; and in support of limiting refinery emissions, an expansion of rules to impose strong limits of greenhouse gas (GHG) emissions and a strong enforcement program relative to the same.

Don England, Tesoro, was called to which there was no reply.

3. REFINERY STRATEGY UPDATE [OUT OF ORDER AGENDA ITEM 4]

Jack Broadbent, Executive Officer/Air Pollution Control Officer (APCO), introduced the topic and Eric Stevenson, Director of the Meteorology, Measurement and Rules Division, who gave the staff presentation *Refinery Strategy*, including summaries of the development and goals of the overall refinery strategy; target reductions in harmful emissions; summary of rulemaking

phases I and II to reduce harmful emissions; continuous monitoring proposals; regulation 12, rule 15, tie-ins to future actions; regulation 12, rule 16, goals of limiting pollution and protecting health; provisions to ensure best practices; precedent setting actions; goals achieved; issue submitted by Communities for a Better Environment (CBE) and other community groups; how the rulemaking addresses the issues of criteria pollutants, toxic air contaminants and GHGs; a summary of the Air Resources Board (ARB) perspective on the local GHG gap; an overview of the regulatory program to reduce GHG from stationary sources; and next steps.

Committee Comments:

The Committee and staff discussed the impact of future health risk assessments (HRAs) based on the revised standards anticipated from the Office of Environmental Health Hazard Assessment on the rulemaking process for proposed rule 12-16; additional details relative to the rulemaking timelines proposed for various measures; the varying operations and emissions profiles for each refinery as justification for close monitoring of refinery impacts through 2020; how the ambient air quality standards inform Air District efforts and the goals that result; the regional nature of the Air District's charge from the State; why Air District efforts focus on sulfur dioxide and fine particulate matter (PM); whether the volume of throughput at the refineries will be limited by the Air District and what a 20% reduction in emissions is expected to originate from; whether refineries can be required to report more frequently and with greater detail than currently required under proposed rule 12-16; the viability of incentivizing success or punishing failure relative to accelerating the exchange of plans contemplated under proposed rule 12-15; why the community monitoring timeline is not less than two years; the viability of temporary or mobile monitoring as an interim solution to community monitoring; the nexus for the proposed ten-year timeline for review of risk reduction plans and the cost-effectiveness numbers provided for reductions, both under proposed rule 12-16; the lack of context for the figures provided in slides 7, *Reduce Harmful Emissions – Phase I*, and 8, *Reduce Harmful Emissions – Phase II*; whether proposed rules 12-15 and 12-16 should reference or otherwise coincide with other regulations intended to collectively achieve the 20% reduction target; the variety of forms community monitoring takes based on local requirements imposed by fence-line communities and cities; speculation about the outcome of HRAs that result from the modified risk level; the interplay between and likely duplicative outcome of the 20% reduction campaign and the new HRAs pursuant to the new OEHHA standards; the state of discussion regarding establishing a scientific panel to consider the likely result of imposing regional refinery emissions caps under the State's cap-and-trade system; the disappointing legislative outcome regarding Senate Bills 32 Pavley and 350 De Leon; an explanation of the monitor citing process; a summary of the process for a refinery changing its crude slate; and the modification of a crude slate with a change in emissions as a significant change that will trigger a new source review (NSR).

NOTED PRESENT: Director Mar was noted present at 10:11 a.m. and Director Haggerty was noted present at 10:41 a.m.

Public Comments:

Bill Quinn, California Council for Environmental and Economic Balance, addressed the Committee regarding the history of decreasing pollution levels and refinery emissions and in opposition to the proposed rules.

Kevin Buchan, Western States Petroleum Association (WSPA), addressed the Committee regarding the trade secret protection for crude slate information contemplated under the proposed rules; to suggest the heavy liquid proposal will result in a skewed, high-emission profile; and in opposition to the proposed rules.

Committee Chairperson Gioia and staff discussed the WSPA comments relative to data quality.

Steven Nadel, Sunflower Alliance (SA), addressed the Committee to ask why an emission cap is not included in the proposed rules and whether proposed rule 12-16 will actually reduce emissions.

Kathy Wheeler, Shell, addressed the Committee to suggest the proposed rules were revised significantly since the last publicly available version and the timeline for comments was inadequate; to opine that community groups' data and resulting claims are incorrect and misleading; and to suggest that the proposed rules, if enacted, will threaten the refineries' ability to compete in the broader market.

Jed Holtzman, 350 Bay Area, addressed the Committee to suggest that public comments should not be weighted the same as comments from industry representatives in light of the inherent motivating factors of each; to suggest the presentation today was nearly identical to that delivered on June 4, 2015; to suggest Board supervision of staff is inadequate; and to report that staff has not consistently posted copies of its anticipated presentations on the Air District website in advance of public meetings.

Rebecca Auerbach addressed the Committee in opposition to rules that do not impose GHG limits and to suggest that industry is short-sighted by nature.

John Anderson, 350 San Francisco, addressed the Committee to suggest that advisory levels are not a substitute for hard limits; there is ample scientific evidence of climate damage being done and the limited time available to act effectively; that grassroots action is necessary to advance the cause; and the claim of trade secrets or proprietary information is an inadequate excuse at this juncture not to enact refinery rule.

Don England, Tesoro Refinery, addressed the Committee in opposition to the proposed regulations based on the employment impact for local communities.

Bill Pinkham, SA / 350 Bay Area, addressed the Committee to suggest the currently proposed regulations seem nonsensical; the impacts of global change are accelerating; and that it was improper for staff to issue a permit to Phillips 66 during the workshop process without first seeking public input.

Steven Yang, Chevron, addressed the Committee in opposition to proposed rule 6-5 in light of the emissions contribution and the cost of abatement.

Jeff Kilbreth, Richmond Planning Commission, addressed the Committee to commend the regulatory framework and the progress made on the same; to suggest that the proposed reductions seem to be less difficult to attain than originally characterized; to suggest a different cost/benefit equation be devised in light of the value of the impacts; to suggest the importance of

making a decision about which pollutants will be monitored; to suggest that the timelines on the rulemaking are too long; and to advocate for discussing and treating chronic and acute health situations differently, as acknowledged by public health professionals.

Susan Nelson, Shell Oil Company, addressed the Committee regarding her long-term residency in the Bay Area, along with that of her extended family; to suggest Shell is a responsible corporate citizen and environmental steward; and to opine that regulatory decisions impact local workers, not corporate executives.

Marie Walcek, California Nurses Association (CNA), addressed the Committee to express frustration with the continued use of words, “planning, tracking and monitoring” instead of “capping and reducing;” to suggest that GHGs should not be discussed as being without health consequences; and in support of imposing numeric caps on GHG emissions.

Carolyn Bowden, CNA, addressed the Committee in opposition to the proposed regulations for not going far enough towards an immediate GHG cap instead of further studies and for allowing refineries to self-report; and to suggest that industry representatives are disingenuous when threatening to move in the face of enhanced regulations.

Claire Broome, Emory University, addressed the Committee regarding the complexity of the issues and to suggest that the letter to Mr. Broadbent from Richard Corey, Executive Officer, ARB, dated September 17, 2015, is instructive but does not speak to issues of concern to the Air District; and in support of imposing numeric caps on GHG emissions now.

Charles Davidson, SA, submitted written material, *September 21, 2015 To: Bay Area Air Quality Management District Board Members*, and addressed the Committee by reading from the same.

Tim Laidman, Green Party of Contra Costa County, addressed the Committee to suggest that comments from industry representatives should be weighted to take into consideration their company activities and resulting interests; in support of a carbon tax; and in support of local GHG regulations.

Greg Karras, CBE, submitted written material, *Excerpt from CBE’s Comments on New Proposed Rule 12-16*, and addressed the Committee in support of the staff proposal; to request the imposition of a moratorium on permitting of projects relating to rulemaking; and to request language imposing numeric caps on refinery emissions be included in this rulemaking.

Committee Chairperson Gioia and Mr. Karras discussed the source of the data in the written material submitted by Mr. Karras.

Anne Donjacour, 350 San Francisco / Buddhist Climate Action Network, addressed the Committee regarding the rising community interest in the work of the Air District; to suggest time is critical and progress seems slow; and to suggest that the letter from Mr. Corey was solicited and is being insincerely presented as something else.

Committee Chairperson Gioia and Ms. Donjacour discussed the appropriateness of her comparing Mr. Corey to the Republican caucus of the United States Congress.

Ann Puntch, SA, addressed the Committee regarding the seemingly imperfect outreach performed by the Air District; the varying degree of benefit felt from fence-line monitoring and the hope that lessons are being learned for future application; to express a willingness to collaborate with the Air District if it can provide guidance and leadership; and in support of numerical emissions caps and the proposals brought by CBE.

Richard Gray, 350 Marin, addressed the Committee to suggest the Air District is an air quality partner with the public instead of industry and to propose the immediate imposition of GHG reductions with the express purpose of closing the refineries in the Bay Area.

Ken Jones, 350 Marin, addressed the Committee to suggest the Air District rulemaking process seems stagnant and lacking any of the urgency the world seems to demand, and to request immediate action.

Jim Wilson addressed the Committee to share data purportedly showing the directly attributable health impacts of combustible-source energy systems; to ask what justifies these continued impacts; and to request moral leadership.

Janet Johnson, SA / Richmond Progressive Alliance, addressed the Committee regarding her long-term residency in a front line community; to suggest that everywhere will essentially be a front line community because of climate change and that the Air District and State are not taking the matter seriously; and in support of CBE's proposals.

Ratha Lai, Sierra Club San Francisco Bay Chapter, addressed the Committee to inquire about where and how the Air District has incorporated the concept of environmental justice in the current proposals and to suggest that community members want a healthy environment.

Elsa Monroe addressed the Committee in support of proposed rule 12-16; to report a noticeable change for the worse in ambient air quality after moving from Oakland to Richmond; and to opine that environmental racism is occurring across the United States.

Andrés Soto addressed the Committee to suggest the current process of establishing the refinery rulemaking framework is reminiscent of the Civil Rights and Voting Rights acts in that they are all unpopular changes to current behavior and to request the Committee disregard the letter from Mr. Corey.

Pat Toth-Smith addressed the Committee to suggest that numeric limits on GHG and PM are needed; that the State's cap-and-trade program will do nothing to improve conditions in fence-line communities where children play and attend school with no ability to protect themselves; and in support of CBE's proposals.

Kathy Kerridge addressed the Committee in support of fence-line monitoring that is not industry-run; imposing caps on GHG emissions that spur technological advancement instead of caps that are best available current technology; and CBE's proposals.

Nancy Rieser, Crockett-Rodeo United to Defend the Environment, addressed the Committee regarding conversations with acquaintances employed by the fossil fuel industry who admit the time for change is now; to urge for a disassociation from the petrochemical industry; and to suggest that Air District staff are working primarily to attain employment positions within industry.

Committee Comments (continued):

The Committee and staff discussed repeated statements regarding the desire for more information on the timelines for Air District action and emissions reductions; clarification of the staff position largely having to do with a concern about the proper timing of implementing these proposals, not the need for or appropriateness of the proposals; belief that GHG caps are premature; disagreement with comments suggesting inadequate time was provided for the public comment phase of the rulemaking process; an explanation the staff opinion relative to actual emissions versus potential to emit (PTE) as the most appropriate basis for caps; legal opinion that the Air District does not have moratorium authority; staff development of a strategy timeline, including opportunities for acceleration and alteration; concern regarding the improvement of health-related emissions as quickly as possible; the likely intent of the letter to Mr. Broadbent from Mr. Corey; the admittedly noteworthy work of ARB that should be complemented by careful and considered Air District efforts; an explanation of the actual process, protocol and typical results of refinery self-monitoring; the Air District's inability to regulate airports; the importance of prioritizing Air District campaigns due to multiple demands and limited resources; the contribution of refinery emissions to the regional total; the viability of including GHGs during the NSR permitting process; a summary of recent legislative and executive actions at the State level; the importance of and benefit to the state and local processes of public advocacy work.

**4. APPROVAL OF THE MINUTES OF APRIL 20, 2015 AND MAY 27, 2015
[AGENDA ITEM 3]**

Committee Comments: None.

Public Comments: No requests received.

Committee Action:

Director Sperring made a motion, seconded by Director Hudson, to approve the Minutes of April 20, 2015 and May 27, 2015; and the motion carried by the following vote of the Committee:

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

3. REFINERY STRATEGY UPDATE (CONTINUED)

Committee Comments (continued):

The Committee and staff discussed the materials that should be made available for the upcoming Board meeting; a Board member's opinion that the regulatory progress has been slow and that information explaining the inadvisability of numeric caps has been absent; a request for a report detailing the specific reductions to be achieved along a five-year timeline under the proposed regulations and relative to GHGs as part of the NSR permitting proposal; the desire for more information and clarity relative to the legal obstacles to imposing emissions caps and the issue of actual emissions versus PTE.

Committee Action: None; receive and file.

5. COMMITTEE MEMBER COMMENTS / OTHER BUSINESS: None.

6. TIME AND PLACE OF NEXT MEETING

Monday, October 19, 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 12:37 p.m.

15/ Tom Flannigan for Sean Gallagher

Sean Gallagher
Clerk of the Boards