

BOARD OF DIRECTORS STATIONARY SOURCE COMMITTEE

COMMITTEE MEMBERS

JOHN GIOIA - CHAIR DAVID CANEPA SCOTT HAGGERTY KAREN MITCHOFF ROD SINKS SHIRLEE ZANE

PETE SANCHEZ – VICE CHAIR CAROLE GROOM NATE MILEY MARK ROSS BRAD WAGENKNECHT

MONDAY MARCH 19, 2018 9:30 A.M. 1ST FLOOR BOARD ROOM 375 BEALE STREET SAN FRANCISCO, CA 94105

AGENDA

1. CALL TO ORDER - ROLL CALL – PLEDGE OF ALLEGIANCE – PUBLIC MEETING PROCEDURE

The Committee Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Committee members. The Committee Chair shall lead the Pledge of Allegiance.

This meeting will be webcast. To see the webcast, please visit http://www.baaqmd.gov/aboutcthe-air-district/board-of-directors/resolutionsagendasminutes at the time of the meeting. Closed captioning may contain errors and omissions, and are not certified for their content or form.

Public Comment on Agenda Items The public may comment on each item on the agenda as the item is taken up. Public Comment Cards for items on the agenda must be submitted in person to the Clerk of the Boards at the location of the meeting and prior to the Board taking up the particular item. Where an item was moved from the Consent Calendar to an Action item, no speaker who has already spoken on that item will be entitled to speak to that item again.

Speakers may speak for up to three minutes on each item on the Agenda. However, the Chairperson or other Board Member presiding at the meeting may limit the public comment for all speakers to fewer than three minutes per speaker, or make other rules to ensure that all speakers have an equal opportunity to be heard. The Chairperson or other Board Member presiding at the meeting may, with the consent of persons representing both sides of an issue, allocate a block of time (not to exceed six minutes) to each side to present their issue.

2. APPROVAL OF THE MINUTES OF DECEMBER 18, 2017

Clerk of the Boards/5073

The Committee will consider approving the draft minutes of the Stationary Source Committee meeting of December 18, 2017.

3. UPDATE ON THE PRELIMINARY BEST AVAILABLE RETROFIT CONTROL TECHNOLOGY (BARCT) EVALUATION AND IDENTIFICATION OF POTENTIAL RULE DEVELOPMENT PROJECTS J. Broadbent/5052

jbroadbent@baaqmd.gov

The Committee will receive an update on the preliminary BARCT evaluation and identification of potential rule development projects as required by Assembly Bill (AB) 617.

4. UPDATE ON THE AIR DISTRICT'S BASIN-WIDE METHANE STRATEGY J. Broadbent/5052

jbroadbent@baaqmd.gov

Staff will provide background information about methane including the following: the importance of methane as a climate pollutant, sources of methane in the Bay Area, and the results from recent methane research efforts. Staff will also provide an update on the roadmap for methane control measures, including a discussion of rules expected to be completed in 2018.

5. PUBLIC COMMENT ON NON-AGENDA MATTERS

Pursuant to Government Code Section 54954.3 Speakers wishing to address the Board on non-agenda matters will be heard at the end of the agenda, and each will be allowed up to three minutes to address the Board at that time.

Members of the Board may engage only in very brief dialogue regarding non-agenda matters, and may refer issues raised to District staff for handling. In addition, the Chairperson may refer issues raised to appropriate Board Committees to be placed on a future agenda for discussion.

6. **COMMITTEE MEMBER COMMENTS**

Any member of the Board, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

7. TIME AND PLACE OF NEXT MEETING

Monday, May 21, 2018, Bay Area Air Quality Management District Office, 375 Beale Street, San Francisco, California 94105 at 10:30 a.m.

8. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Chair.

CONTACT:

ACTING MANAGER, EXECUTIVE OPERATIONS 375 BEALE STREET, SAN FRANCISCO, CA 94105

vjohnson@baaqmd.gov

(415) 749-4941 FAX: (415) 928-8560 BAAQMD homepage: www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting. Please note that all correspondence must be addressed to the "Stationary Source Committee" and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Board meeting. Any correspondence received after that time will be presented to the Board at the following meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District's offices at 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

Accessibility and Non-Discrimination Policy

The Bay Area Air Quality Management District (Air District) does not discriminate on the basis of race, national origin, ethnic group identification, ancestry, religion, age, sex, sexual orientation, gender identity, gender expression, color, genetic information, medical condition, or mental or physical disability, or any other attribute or belief protected by law.

It is the Air District's policy to provide fair and equal access to the benefits of a program or activity administered by Air District. The Air District will not tolerate discrimination against any person(s) seeking to participate in, or receive the benefits of, any program or activity offered or conducted by the Air District. Members of the public who believe they or others were unlawfully denied full and equal access to an Air District program or activity may file a discrimination complaint under this policy. This non-discrimination policy also applies to other people or entities affiliated with Air District, including contractors or grantees that the Air District utilizes to provide benefits and services to members of the public.

Auxiliary aids and services including, for example, qualified interpreters and/or listening devices, to individuals who are deaf or hard of hearing, and to other individuals as necessary to ensure effective communication or an equal opportunity to participate fully in the benefits, activities, programs and services will be provided by the Air District in a timely manner and in such a way as to protect the privacy and independence of the individual. Please contact the Non-Discrimination Coordinator identified below at least three days in advance of a meeting so that arrangements can be made accordingly.

If you believe discrimination has occurred with respect to an Air District program or activity, you may contact the Non-Discrimination Coordinator identified below or visit our website at www.baaqmd.gov/accessibility to learn how and where to file a complaint of discrimination.

Questions regarding this Policy should be directed to the Air District's Non-Discrimination Coordinator, Rex Sanders, at (415) 749-4951 or by email at rsanders@baaqmd.gov.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT 375 Beale Street, San Francisco, California 94105 FOR QUESTIONS PLEASE CALL (415) 749-4941

EXECUTIVE OFFICE: MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

MARCH 2018

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TYPE OF MEETING	DAY	DATE	TIME	<u>ROOM</u>			
Board of Directors Climate Protection Committee (Meets on the 3 rd Thursday of every other Month)	Thursday	15	9:30 a.m.	1 st Floor Board Room			
Board of Directors Executive Committee (Meets on the 3 rd Monday of each Month) - CANCELLED	Monday	19	9:30 a.m.	1 st Floor Board Room			
Board of Directors Stationary Source Committee (Meets on the 3 rd Monday of every other Month)	Monday	19	9:30 a.m.	1st Floor Board Room			
Board of Directors Regular Mtg. (Meets on the 1 st & 3 rd Wednesday of each Month) - CANCELLED	Wednesday	21	9:30 a.m.	1 st Floor Board Room			
Board of Directors Mobile Source Committee (Meets on the 4 th Thursday of each Month) - CANCELLED	Thursday	22	9:30 a.m.	1 st Floor Board Room			
Board of Directors Legislative Committee (At the Call of the Chair)	Thursday	22	9:30 a.m.	1st Floor Board Room			
Board of Directors Executive Committee & Advisory Council Joint Mtg. (EC Meets on the 3 rd Monday of each Month) and (AC Meets At the Call of the Chair)	Monday	26	9:30 a.m.	1 st Floor Board Room			
Advisory Council Mtg. (At the Call of the Chair)	Monday	26	12:30 a.m.	1st Floor Board Room			
Board of Directors Budget & Finance Committee (Meets on the 4 th Wednesday of each Month)	Wednesday	28	9:30 a.m.	1st Floor, Yerba Buena Room #109			
	<u>APRI</u>	<u>IL 2018</u>					
TYPE OF MEETING	<u>DAY</u>	DATE	TIME	<u>ROOM</u>			
Board of Directors Regular Meeting (Meets on the 1 st & 3 rd Wednesday of each Month)	Wednesday	4	9:30 a.m.	1st Floor Board Room			
Board of Directors Ad Hoc Refinery Oversight Committee (At the Call of the Chair	Monday	9	9:30 a.m.	1 st Floor Board Room			
Board of Directors Executive Committee	Monday	16	9:30 a.m.	1st Floor Board Room			

(Meets on the 3rd Monday of each Month)

APRIL 2018

TYPE OF MEETING	DAY	DATE	TIME	ROOM
Board of Directors Regular Mtg. (Meets on the I st & 3 rd Wednesday of each Month)	Wednesday	18	9:30 a.m.	1st Floor Board Room
Board of Directors Budget & Finance Committee (Meets on the 4 th Wednesday of each Month)	Wednesday	25	9:30 a.m.	1st Floor, Yerba Buena Room #109
Board of Directors Mobile Source Committee (Meets on the 4th Thursday of each Month)	Thursday	26	9:30 a.m.	1st Floor Board Room

MAY 2018

TYPE OF MEETING	<u>DAY</u>	DATE	TIME	ROOM
Board of Directors Regular Meeting (Meets on the 1 st & 3 rd Wednesday of each Month)	Wednesday	2	9:30 a.m.	1st Floor Board Room
Board of Directors Regular Mtg. (Meets on the 1 st & 3 rd Wednesday of each Month)	Wednesday	16	9:30 a.m.	1st Floor Board Room
Board of Directors Climate Protection Committee (Meets on the 3 rd Thursday of every other Month)	Thursday	17	9:30 a.m.	1st Floor Board Room
Board of Directors Executive Committee (Meets on the 3 rd Monday of each Month)	Monday	21	9:30 a.m.	1st Floor Board Room
Board of Directors Stationary Source Committee (Meets on the 3 rd Monday of every other Month)	Monday	21	10:30 a.m.	1 st Floor Board Room
Board of Directors Budget & Finance Committee (Meets on the 4 th Wednesday of each Month)	Wednesday	23	9:30 a.m.	1st Floor, Yerba Buena Room #109
Board of Directors Mobile Source Committee (Meets on the 4 th Thursday of each Month)	Thursday	24	9:30 a.m.	1st Floor Board Room

HL - 3/13/18 - 11:00 a.m.

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BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John Gioia and Members

of the Stationary Source Committee

From: Jack P. Broadbent

Executive Officer/APCO

Date: March 12, 2018

Re: Approval of the Minutes of December 18, 2017

RECOMMENDED ACTION

Approve the attached draft minutes of the Stationary Source Committee (Committee) meeting of December 18, 2017.

DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meeting of December 18, 2017.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

Prepared by: <u>Marcy Hiratzka</u>
Reviewed by: <u>Vanessa Johnson</u>

Attachment 2A: Draft Minutes of the Committee Meeting of December 18, 2017

Draft Minutes – Stationary Source Committee Meeting of December 18, 2017

Bay Area Air Quality Management District

375 Beale Street, Suite 600 San Francisco, California 94105 (415) 749-5073

DRAFT MINUTES

Summary of Board of Directors Stationary Source Committee Meeting Monday, December 18, 2017

1. CALL TO ORDER – ROLL CALL

Stationary Source Committee (Committee) Chairperson John Gioia called the meeting to order at 10:32 a.m.

Present: Committee Chairperson, John Gioia; Vice Chairperson, Rod Sinks; and

Directors David Canepa, Carole Groom, Karen Mitchoff, Jim Spering, and Brad

Wagenknecht.

Absent: Directors Scott Haggerty and Nate Miley.

Also Present: Board Chair, Liz Kniss.

2. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

3. APPROVAL OF THE MINUTES OF SEPTEMBER 18, 2017

Public Comments:

No requests received.

Committee Comments:

None.

Committee Action:

Director Wagenknecht made a motion, seconded by Director Canepa, to approve the Minutes of September 18, 2017; and the motion carried by the following vote of the Committee:

AYES: Canepa, Gioia, Groom, Kniss, Mitchoff, Sinks, Spering, and Wagenknecht.

NOES: None. ABSTAIN: None.

ABSENT: Haggerty and Miley.

4. RULE DEVELOPMENT ADDRESSING PARTICULATE MATTER

Jean Roggenkamp, Deputy Executive Officer, introduced Greg Nudd, Deputy Air Pollution Control Officer of Policy, who gave the staff presentation *Particulate Matter (PM) Rule Update*, including: outline, PM basics and health impacts; estimated PM health burden in the Bay Area; stationary source PM control measures in 2010 Clean Air Plan; air quality trends; high PM_{2.5} locations; sources of PM₁₀ and _{2.5}; targeted sources; control methods; draft structure for Regulation 6, Rule 1 general requirements; bulk material handling; examples of bulk material dust and controls; prohibition of track out; examples of road dust track out and controls; rule making schedule; and next steps for PM.

Public Comments:

Public comments were given by Minda Berbeco, Sierra Club; Charles Davison, Sunflower Alliance; and Richard Gray, Jed Holtzman, and Janet Stromberg, 350 Bay Area.

Committee Comments:

The Committee and staff discussed the annual, regional, chronic, PM_{2.5} concentration average; the public's realization that their activities affect air quality and the need for behavior changes; the success rate of wood smoke reduction in high-wood smoke areas, due to the District's Wood Smoke Reduction Incentive Program; which sources of PM are most harmful to human health, research that associates increased mortality rates with increased increments of PM, and the suggestion that the District shift its focus to address the largest sources of PM; the concern that facilities are not self-monitoring their dust emissions properly, and the request that Bay Area Air Quality Management District (BAAQMD) regulation language requires that monitoring of bulk material dust and track out activity occurs when the District anticipates the greatest emissions will be released, regardless of when operations actually occur; how the BAAQMD anticipates handling coke and coal processing operations differently from other stationary source facilities, and the South Coast AQMD's Rule 1158: Storage, Handling, and Transport of Coke, Coal, and Sulfur; how inspectors determine visible PM and dust violations, the suggestion that the District investigate technologies that are less labor-intensive and more objective when identifying dust problems, which may improve the efficiency of allocating inspectors, whether the District deploys enough inspectors, the flexibility of their schedules, and whether the District will consider augmenting Compliance and Enforcement staff; new umbrella regulation pertaining to Regulation 6, to provide common and consistent definitions and test methods that apply to all current and future PM rules; whether video monitoring at facilities for enforcement purposes is feasible and legal; the suggestion that the District procures reliable monitoring data using new technology, rather than increasing Compliance and Enforcement staff; the request that the Stationary Source Committee members be sent the draft language for Regulation 6 in the first quarter of 2018; technologies that are currently available to support ambient concentrations of offsite PM; the suggestion that the District establish a third-party access waiver, requiring facilities to give the District 24/7 access to monitor emission activities; and how expensive technologies have the ability to differentiate PM sources near facilities.

Committee Action:

None; receive and file.

5. REGULATION 11, RULE 18 IMPLEMENTATION UPDATE

Damian Breen, Deputy Air Pollution Control Officer, introduced Carol Allen, Supervising Air Quality Engineer, who gave the staff presentation *Regulation 11, Rule 18, Reduction of Risk from Air Toxic Emissions at Existing Facilities*, including: outline; Rule 11-18 overview; new risk action thresholds; Rule 11-18 implementation preparation; Request for Qualifications process, review criteria, results, and conclusions; and next steps.

Public Comments:

No requests received.

Committee Comments:

The Committee and staff discussed how the District can ensure that the information submitted in the proposals by the Health Risk Assessment (HRA) vendors that were selected by the District has not changed, as the proposals were reviewed over a year ago and contracts have not yet been executed; the formation of a Rule 11-18 Implementation Committee; and which facilities will be conducting their own HRAs, versus facilities whose HRAs will be conducted by the District or consultants.

Committee Action:

None; receive and file.

6. COMMITTEE MEMBER COMMENTS

None.

7. TIME AND PLACE OF NEXT MEETING

Monday, February 19, 2018, Bay Area Air Quality Management District Office, 375 Beale Street, San Francisco, California 94105 at 10:30 a.m.

8. ADJOURNMENT

The meeting adjourned at 12:00 p.m.

Marcy Hiratzka Clerk of the Boards

AGENDA: 3

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John Gioia and Members

of the Stationary Source Committee

From: Jack P. Broadbent

Executive Officer/APCO

Date: March 12, 2018

Re: Update on the Preliminary Best Available Retrofit Control Technology (BARCT)

Evaluation and Identification of Potential Rule Development Projects

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Recently adopted legislation, AB 617, requires air districts to focus on communities disproportionately impacted by air pollution, such as those communities identified under the Air District's Community Air Risk Evaluation (CARE) Program. AB 617, also requires air districts in non-attainment of ambient air quality standards to conduct a best available retrofit control technology (BARCT) evaluation of sources at facilities subject to the AB 32 Cap-and-Trade program and determine which sources are suitable for rule development.

In conducting this evaluation, Air District staff developed a list of potentially affected facilities, sources, and emissions from the 2016 Reporting Year Emissions Inventory. This evaluation indicated that the Bay Area has 80 facilities subject to Cap-and-Trade, which encompass 3,246 individual sources in 61 source categories. Staff's process for developing the schedule of potential rule development projects involved: 1) screening out sources with limited potential emission reductions, 2) screening out sources already subject to recent BARCT rules, 3) conducting preliminary BARCT evaluations, and 4) identifying and prioritizing potential BARCT rule development projects.

Based on this process, ten potential rule development projects have been identified as candidates for the Expedited BARCT Implementation Schedule. Potential Rule Development Projects, including cement manufacturing (PM and SO_2), storage tanks (ROG), refinery fuel gas (SO_2), refinery fluid catalytic crackers and CO boilers (PM and SO_2), internal combustion (reciprocating) engines (PM and ROG), fiberglass manufacturing (PM and NOx), landfills (PM and ROG), refinery wastewater treating (ROG), foundries (SO_2), and coke calcining (NOx).

Through this process, staff also identified 15 other potential rule development projects for the remaining sources and source categories. These projects are not being proposed at this time because the potential emission reductions would be relatively small (less than ten tons per year), and are anticipated to have low impact on local communities. Action on these potential rule

development projects are more appropriately considered during the next phase when rules are developed, as part of local Community Action Plans.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

Prepared by: <u>David Joe</u>
Reviewed by: <u>Victor Douglas</u>

AGENDA: 4

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John Gioia and Members

of the Stationary Source Committee

From: Jack P. Broadbent

Executive Officer/APCO

Date: March 12, 2017

Re: <u>Update on the Air District's Basin-Wide Methane Strategy</u>

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The latest science has underscored the need to reduce emissions of short-lived greenhouses gases (GHG) in order to avoid the worse impacts of climate change (IPCC, 2014). Methane (CH₄) is a potent but short-lived GHG. It is 86 times more potent than carbon dioxide (CO₂) and it has a much shorter atmospheric lifespan of 12 years (vs. 20 - 200 years for CO₂) (IPCC, 2014). Due to these factors, actions to reduce methane emissions can provide significant and immediate climate benefits while CO₂ emissions are steadily reduced to achieve long-term climate stability. Curbing methane emissions would also reduce emissions of its co-pollutants resulting in improvements to public health and further climate benefits.

In recognition of these benefits, the Air Resources Board (ARB) adopted a short-lived climate pollutant (SLCP) reduction strategy for the State of California in March 2017. The strategy addresses emissions of methane (and other SLCPs) not intended to be reduced by ARB's Capand-Trade program. The SLCP Strategy was developed to help the State achieve its goal of reducing methane (and other SLCP) emissions 40 percent by the year 2030, set by SB 1383. In the document, ARB emphasizes the critical role that air districts can play in the success of the State's strategy by implementing short-lived climate pollutant emission reduction strategies in their own jurisdictions.

Methane is the second leading GHG in the Bay Area Air District. In 2015, sources in the Air District emitted an estimated 10 million metric tons of CO_2 equivalent (MMT CO_2 e), about 10 percent of the GHG inventory. According to a recent study commissioned by the Air District to evaluate its methane inventory (Fischer and Jeong, 2016), three source categories represent approximately 84 percent of these emissions. These categories are mainly related to human activities; landfills are the largest source category by far, accounting for 53 percent of these emissions, followed by livestock (16 percent), and natural gas production and distribution (15 percent). These emissions estimates carry a large uncertainty (50 percent or more), consistent with a recent study that suggests that methane emissions in the Air District's "bottom-up" inventory are 1.5 - 2 times lower than expected from top-down measurements (Fairley and

Fischer, 2015). This "methane gap" has been repeatedly observed for the U.S. and California regions, where top-down observations that account for ambient methane concentrations suggest that there are large, unaccounted methane emissions that are not reflected in the bottom-up inventories.

Given the importance and potential co-benefits of controlling methane, the Air District has included a comprehensive basin-wide Methane Strategy (measure SS16) as part of its 2017 Clean Air Plan.

DISCUSSION

The Methane Strategy seeks to better quantify and reduce emissions of methane, and its co-pollutants, from all sources throughout the Air District, in support of ARB's methane reduction goals. The Methane Strategy will accomplish these objectives by combining research, rulemaking, collaborations with state agencies, and other efforts such as incentive programs.

Elements of this strategy will include: 1) intensifying efforts to improve the Air District's methane emissions inventory, 2) developing a rule to prohibit significant methane releases throughout the Air District as a backstop while source-specific rules are developed, 3) collaborating with state agencies on their methane rules under development, 4) identifying cost effective and technically feasible methane emissions reduction opportunities throughout the Bay Area, and 5) considering the removal of methane exemptions from existing Air District rules when appropriate.

Staff will present an update on the Methane Strategy efforts, including progress on the Air District's first methane rule (Regulation 13, Rule 2: Significant Methane Releases), and describe new initiatives such as the development of an Organics Recovery Strategy.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

Prepared by: <u>Idania Zamora</u> Reviewed by: Victor Douglas