

BOARD OF DIRECTORS STATIONARY SOURCE COMMITTEE

# COMMITTEE MEMBERS

AIR QUALITY Management

BAY AREA

DISTRICT

JOHN BAUTERS - CHAIR DAVID CANEPA CAROLE GROOM NATE MILEY JIM SPERING KAREN MITCHOFF – VICE CHAIR JOHN GIOIA TYRONE JUE MARK ROSS BRAD WAGENKNECHT

## THIS MEETING WILL BE CONDUCTED UNDER PROCEDURES AUTHORIZED BY EXECUTIVE ORDER N-29-20 ISSUED BY GOVERNOR GAVIN NEWSOM

# • MEMBERS OF THE COMMITTEE MUST PARTICIPATE BY TELECONFERENCE

# • THE PUBLIC MAY PARTICIPATE AND OBSERVE THIS MEETING VIA ZOOM

https://zoom.us/j/96426122463

• PUBLIC COMMENTS WILL BE TAKEN DURING THE TELECONFERENCE. INSTRUCTIONS WILL BE PROVIDED ON HOW TO COMMENT AT THE START OF THE MEETING. COMMENTS MAY ALSO BE SUBMITTED AT

Comments@baaaqmd.gov

• MEMBERS OF THE PUBLIC CAN ACCESS THE MEETING AGENDA BY CLICKING THE LINK AVAILABLE ON THE AIR DISTRICT'S WEBPAGE AVAILABLE AT

www.baaqmd.gov/bodagendas

# AGENDA

#### 1. CALL TO ORDER - ROLL CALL

#### 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.

**Comment on Agenda Items:** The public may comment on each item on the agenda. Email Comments for items on the agenda must be submitted to <u>Comments@baaqmd.gov</u> prior to the Committee taking up the particular item and indicate the agenda item to which the comment relates. Emailed comments will be considered as the agenda item is taken up by the Committee. Emailed comments containing 250 words or less will be read aloud by staff. Emailed comments exceeding 250 words may be summarized during the meeting, if feasible. Comments may also be made during the teleconference. Instructions will be provided at the start of the meeting.

Staff/Phone (415) 749-

#### 2. APPROVAL OF THE MINUTES OF FEBRUARY 26, 2020

Clerk of the Boards/5073

The Committee will consider approving the draft minutes of the Stationary Source Committee meeting of February 26, 2020.

#### 3. RULE MAKING UPDATE AND STATUS UPDATE J. Broadbent/5052 jbroadbent@baaqmd.gov

The Committee will receive an update to discuss the current status and next steps for the Assembly Bill (AB) 617 Expedited Best Available Retrofit Control Technology (BARCT) Implementation Schedule, which includes Rule 6-5: Refinery Fluid Catalytic Crackers; Rule 8-5: Organic Liquid Storage Tanks; and Rule 8-8: Wastewater Treatment Operations; and a status update on a suite of methane rules, which includes Rule 13-2: Organic Material Handling; Rule 13-3: Composting Operations; and Rule 13-5: Petroleum Hydrogen Plants.

## 4. PUBLIC COMMENT ON NON-AGENDA MATTERS

Emailed comments indicating the comment pertains to non-agenda matters will be considered under this item. Emailed comments containing 250 words or less will be read aloud by staff. Emailed comments exceeding 250 words may be summarized during the meeting, if feasible. Comments may also be made during the teleconference. Instructions will be provided at the start of the meeting.

## 5. COMMITTEE MEMBER COMMENTS

Any member of the Committee, 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)

# 6. TIME AND PLACE OF NEXT MEETING

Wednesday, June 24, 2020, at 12:00 p.m., via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

#### 7. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Chair.

# CONTACT: 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

• 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 <a href="http://www.baaqmd.gov/accessibility">www.baaqmd.gov/accessibility</a> 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 <u>rsanders@baaqmd.gov</u>.

# BAY AREA AIR QUALITY MANAGEMENT DISTRICT 375 BEALE STREET, SAN FRANCISCO, CA 94105 FOR QUESTIONS PLEASE CALL (415) 749-4941 EXECUTIVE OFFICE: MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

# **APRIL 2020**

<b>TYPE OF MEETING</b>	DAY	DATE	TIME	ROOM
Board of Directors Budget & Finance Committee	Wednesday	22	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Legislative Committee	Wednesday	22	10:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Stationary Source Committee	Wednesday	22	12:00 p.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source Committee	Wednesday	22	2:00 p.m.	Webcast only pursuant to Executive Order N-29-20
<b>Board of Directors Climate Protection</b> <b>Committee</b>	Wednesday	22	3:00 p.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source Committee - CANCELLED & RESCHEDULED TO WEDNESDAY, APRIL 22, 2020 AT 2:00 P.M.	Thursday	23	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20

# <u>MAY 2020</u>

<b>TYPE OF MEETING</b>	DAY	DATE	TIME	ROOM
Board of Directors Special Meeting Budget Hearing	Wednesday	6	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Special Meeting	Wednesday	6	10:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Community & Public Health Committee – CANCELLED & RESCHEDULED TO WEDNESDAY, MAY 27, 2020 AT 12:30 P.M.	Thursday	7	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Technology Implementation Office (TIO) Steering Committee	Friday	15	1:00 p.m.	Webcast only pursuant to Executive Order N-29-20

# **MAY 2020**

<b>TYPE OF MEETING</b>	DAY	DATE	TIME	ROOM
Board of Directors Budget & Finance Committee - CANCELLED	Wednesday	27	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Legislative Committee	Wednesday	27	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source Committee	Wednesday	27	11:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Community & Public Health Committee	Wednesday	27	12:30 p.m.	Webcast only pursuant to Executive Order N-29-20

MV - 4/17/2020 - 11:16 AM

G/Board/Executive Office/Moncal

## BAY AREA AIR QUALITY MANAGEMENT DISTRICT Memorandum

- To: Chairperson John Bauters and Members of the Stationary Source Committee
- From: Jack P. Broadbent Executive Officer/APCO
- Date: April 17, 2020

Re: Approval of the Minutes of February 26, 2020

## **RECOMMENDED ACTION**

Approve the attached draft minutes of the Stationary Source Committee (Committee) meeting of February 26, 2020.

#### DISCUSSION

Attached for your review and approval are the draft minutes of the Committee meeting of February 26, 2020.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

Prepared by:Marcy HiratzkaReviewed by:Vanessa Johnson

Attachment 2A: Draft Minutes of the Committee Meeting of February 26, 2020

Draft Minutes - Stationary Source Committee Meeting of February 26, 2020

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 Wednesday, February 26, 2020

# 1. CALL TO ORDER – ROLL CALL

Stationary Source Committee (Committee) Chairperson John Bauters called the meeting to order at 11:15 a.m.

- Present: Committee Chairperson John Bauters; and Directors David Canepa, John Gioia, Tyrone Jue, Mark Ross, and Brad Wagenknecht.
- Absent: Vice Chairperson Karen Mitchoff; and Directors Carole Groom, Nate Miley, and Jim Spering.
- Also Present: Board Chairperson Rod Sinks.

#### PUBLIC COMMENT ON NON-AGENDA MATTERS

# 2. Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3

No requests received.

NOTED PRESENT: Director Ross was noted present at 11:16 a.m.

# 3. APPROVAL OF THE MINUTES OF DECEMBER 16, 2019

#### Public Comments

No requests received.

#### Committee Comments

None.

# Committee Action

Director Canepa made a motion, seconded by Director Wagenknecht, to approve the Minutes of December 16, 2019; and the motion carried by the following vote of the Committee:

AYES:	Bauters, Canepa, Gioia, Jue, Ross, Sinks, Wagenknecht.
NOES:	None.
ABSTAIN:	None.
ABSENT:	Groom, Miley, Mitchoff, Spering.

# 4. AIR DISTRICT LEGAL AUTHORITIES 101

Brian Bunger, District Counsel, gave the staff presentation *Air District Legal Authorities 101*, including: air quality problems; regulatory framework; Air District authority; roles of Board and staff; roles of Board-appointed bodies; criteria pollutant control – planning, regulations, and permits; air toxics control; greenhouse gases; and other topics.

#### Public Comments

No requests received.

# Committee Comments

The Committee and staff discussed the status of the Air District's legislative initiative that seeks additional source authority to develop magnet source regulations and regulate mobile sources, expanding the authority to toxics, and how this type of authority has been historically sought after by air districts; the Air District's lack of direct authority over vehicle miles traveled and mobile sources of Diesel Particulate Matter (DPM); the Advisory Council's discussions about toxic components of Particulate Matter (PM); the difference between pre-construction permits for major and non-major sources; the differences between dark smoke and white smoke; whether an overlap of pollutant authority exists between the Air District and Regional Water Quality Control Boards, and their joint interaction with the Department of Toxic Substances Control; the California Toxic Hot Spots Program; and whether thresholds are defined in the socioeconomic impact analyses of Air District regulations.

#### Committee Action

None; receive and file.

# 5. UPDATE ON MAJOR FACILITIES

Damian Breen, Deputy Air Pollution Control Officer of Technology, introduced Nicholas Maiden, Engineering Manager, who gave the staff presentation *Major Facility Projects Update*, including: major facilities; Phillips 66 San Francisco Refinery; Marathon refinery; Lehigh Southwest Cement Company; and Schnitzer Steel Products Company.

## Public Comments

Public comments were given by Tyson Bagley, United Steelworkers.

#### Committee Comments

The Committee and staff discussed the lead agencies of the four projects; the reason why Schnitzer Steel Products Company needs to account for receiving smaller-capacity and partially-loaded ships; the anticipated timeline of the Philipps 66 project; the type of crude that is currently being pipelined at the Phillips 66 facility and the origins of that crude; whether throughput and/or ship emissions are expected to increase as a result of the Phillips 66 project; conveyor dust mitigation techniques at the Lehigh facility; whether Schnitzer Steel is the only automobile shredder in the Bay Area and, if not, whether the Air District is monitoring other similar operations; the projected future of the fossil fuel industry as transportation shifts to electrification; whether Phillips 66 intends to unload heavy Canadian crude oil at the Marine Terminal in Rodeo and, if so, the request that the Air District identifies those details; and the request for regular status reports on the implementation of the Lehigh Cement Company Consent Decree, and the projected PM reductions as the result of this legal action.

#### **Committee Action**

None; receive and file.

# 6. DISCUSSION ON STATIONARY SOURCE COMMITTEE SCHEDULE FOR 2020

In order to facilitate efficient operation of the Committee, Air District staff prepared a proposed schedule for the Stationary Source Committee Meetings for 2020. Chair Bauters said that he would like to change the meeting days of the Committee from Mondays to Wednesdays, to consolidate multiple Board committee meetings on the same days and reduce vehicle miles traveled for the Board members.

#### Public Comments

No requests received.

#### Committee Comments

The Committee and staff discussed advantages and disadvantages of consolidating multiple Board committee meetings on the same days; how start times of multiple Board committee meetings will be determined, once they are consolidated; and the request that the proposed schedule for the Stationary Source Committee be sent to the Committee members.

#### Committee Action

None; receive and file.

Draft Minutes – Stationary Source Committee Meeting of February 26, 2020

# 7. PUBLIC COMMENT ON NON-AGENDA MATTERS

# Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3

No requests received.

# 8. COMMITTEE MEMBER COMMENTS

None.

# 9. TIME AND PLACE OF NEXT MEETING

At the conclusion of the meeting, it was announced that the next meeting would take place on Wednesday, April 22, 2020, Bay Area Air Quality Management District Office, 375 Beale Street, San Francisco, California 94105 at 12:00 p.m.

# **10. ADJOURNMENT**

The meeting adjourned at 1:16 p.m.

Marcy Hiratzka Clerk of the Boards

### BAY AREA AIR QUALITY MANAGEMENT DISTRICT Memorandum

- To: Chairperson John Bauters and Members of the Stationary Source Committee
- From: Jack P. Broadbent Executive Officer/APCO

Date: April 17, 2020

Re: <u>Rule Making Update and Status Update</u>

#### RECOMMENDED ACTION

None; receive and file.

#### BACKGROUND

Air District staff are currently working on two suites of rule development efforts that would affect 1) petroleum refineries operations, and 2) operations that emit methane, a potent climate pollutant.

The first effort comes from California Assembly Bill (AB) 617, which established a new community-focused program to more effectively reduce exposure to air pollution and preserve public health by directing local air districts to take measures to protect communities disproportionally impacted by air pollution. As part of this program, the Air District was required to adopt an expedited schedule for implementation of Best Available Retrofit Control Technology (BARCT). The AB 617 expedited BARCT schedule was adopted in November 2018, and three rules off that schedule are slated to be presented to the Board of Directors by the end of this year, shown below.

Rule Development Project	Status	<b>Board Hearing</b>
Rule 6-5: Refinery Fluid Catalytic Crackers	Workshop	Nov 2020
Rule 8-5: Organic Liquid Storage Tanks	Workshop	Sep 2020
Rule 8-8: Wastewater Treatment Operations	Workshop	Sep 2020

AB 617 Expedited BARCT Rules Status and Schedule

The second suite of three new rules was listed as part of the Methane Strategy, which is an important component of the 2017 Clean Air Plan. Rule development is underway on new rules in Regulation 13: Climate Pollutants to address methane emissions, a potent, short-lived climate pollutant which is second only to carbon dioxide in the District-wide climate pollutant inventory. These three new rules are also in the workshop phase and were scheduled to be presented to the Board later this year. However, staff recommends that the two rule development efforts that target organic material operations (organic material handling and composting operations) be placed on hold.

#### Methane Rules Status and Schedule

Rule Development Project	Status	<b>Board Hearing</b>
Rule 13-2: Organic Material Handling	On-Hold	n/a
Rule 13-3: Composting Operations	On-Hold	n/a
Rule 13-5: Petroleum Hydrogen Plants	Workshop	Fall 2020

## DISCUSSION

The Air District recognizes that the COVID-19 Pandemic has taken an incredible toll on not only health and well-being of the residents of the Bay Area and the planet, but also on the economy and our ability to fully engage with our external stakeholders: affected industry, community representatives, and others. In light of these unprecedented events, staff is recommending several changes to our rule development efforts. These changes and next steps for the current rule development efforts are discussed below.

# **Regulation 6: Particulate Matter, Rule 5: Particulate Emissions from Petroleum Refinery Fluidized Catalytic Cracking Units (Rule 6-5)**

Air District staff is developing amendments to Rule 6-5 to address emissions of particulate matter, including condensable particulate matter, from petroleum refinery fluidized catalytic cracking units. Fluidized catalytic cracking units are some of the largest individual sources of particulate matter emissions in the San Francisco Bay Area, and further reductions of these emissions are needed to ensure progress towards attainment of state and national ambient air quality standards, and to achieve further clean air and public health benefits. The current amendment effort follows previous Air District work to address these sources, as identified in the Air District's 2017 Clean Air Plan and the AB 617 Expedited BARCT Implementation Schedule.

Air District staff conducted early stakeholder outreach on this rule development effort in meetings of the Refinery Rules Technical Working Group in 2019, and is releasing draft amendments to Rule 6-5 in April 2020, for public review and comment. Staff anticipates presenting proposed amendments for the Board of Directors consideration in the fourth quarter of 2020.

# **Regulation 8: Organic Compounds, Rule 5: Storage of Organic Liquids (Rule 8-5)**

Regulation 8: Organic Compounds, Rule 5: Storage of Organic Liquids (Rule 8-5) was one of the Air District's six rule development commitments under the AB 617 BARCT Schedule. Rule 8-5 was selected because stored organic liquids are estimated to emit over 400 tons of volatile organic compounds per year; including toxic air contaminants such as benzene, toluene, ethylbenzene, and xylene. Further, Rule 8-5 has not been evaluated for controls in over 13 years.

The application of Best Available Retrofit Control Technology on stored organic liquids has the potential to reduce volatile organic compounds emissions by 100 tons per year, as well as reductions in harmful toxic air contaminants such as benzene, toluene, ethylbenzene, and xylene. Toxic air contaminants from liquid organic storage can be emitted at ground level near communities, are emitted at ambient temperatures, and can have serious and significant health

impacts (including cancer) on nearby communities, thereby posing a toxic risk. Staff anticipates releasing amendments to Rule 8-5 in the second quarter of 2020, for public review and comment. Staff anticipates presenting proposed amendments for the Board of Directors consideration in the fourth quarter of 2020.

# **Regulation 8: Organic Compounds, Rule 8: Wastewater Collection and Separation** Systems (Rule 8-8)

Amendment to Rule 8-8 is one of the commitments under the AB 617 BARCT Schedule. Draft amendments to Rule 8-8 are intended to further limit emissions of volatile organic compounds and methane from industrial wastewater collection and separation systems. These emission reductions would also reduce the emissions of toxic compounds and thereby help reduce the potential health risk to nearby communities.

A significant change in Rule 8-8 would be to limit emissions of total organic compounds from the wastewater collection and separation systems, thereby limiting emissions of methane in addition to limiting the emissions of organic compounds (which exclude methane). Another significant change is to add standards for wastewater collection and separation equipment with a clear, single vapor tight emissions standard (500 parts per million) for all applicable wastewater collection components and separation equipment. Potential control measures include covering lift stations, manholes, junction boxes, conveyances, and other wastewater facilities at refineries.

The Air District convened a Refinery Rules Technical Working Group meeting on January 14, 2020, to explore issues related to regulation of industrial wastewater collection and separation systems. Air District staff expects to publish draft amendments to Rule 8-8 and workshop report for public review in the second quarter of 2020, and will consider input received to further develop the rule amendments. Staff anticipates presenting proposed amendments for the Board of Directors consideration in the fourth quarter of 2020.

# **Regulation 13: Climate Pollutant, Rule 2: Organic Material Handling Operations (Rule 13-2) and Regulation 13: Climate Pollutants, Rule 3: Composting Operations (Rule 13-3)**

Regulation of air emissions from composting operations was identified in the 2017 Clean Air Plan as part of a comprehensive strategy to reduce methane emissions in the Bay Area, and state efforts to divert organic material from landfill disposal have heightened the need for regulation. The California Air Resources Board, in conjunction with CalRecycle and California Air Pollution Control Officers Association (CAPCOA), estimate that the amount of organic waste processed in the Bay Area will double as a result of these statewide diversion mandates, potentially requiring 12 to 15 new facilities to supplement the 20 large-scale composting facilities currently permitted in the Air District. Clear regulations can improve consistency in enforcement and permitting of facilities processing organic material, but methods for measuring and estimating emissions and potential reductions remain under-developed. Concept papers for both rules were presented at Climate Protection Workshops in November of 2018, and a hybrid approach combining both rules into one was presented at workshops in June of 2019. Representatives of the affected industries submitted over 75 comment letters in opposition to this approach, and after holding a series of industry-focused stakeholder meetings in August of 2019, the Air District subsequently returned to the approach of developing one rule addressing organic material handling operations (Rule 13-2) and one rule addressing compositing operations (Rule 13-3).

In January of this year, the Air District issued a Request for Comments on draft Rule 13-2 and received 22 comments letters, including eight from state and local government agencies and ten from facility operators. In response to comments received, the Air District is suspending development of draft Rule 13-2, while continuing to assess emissions from the sector. Staff will also work with industry to improve data gathering methods, develop best management practices, and develop template permit conditions to implement consistent standards for new and modified sources. The majority of affected facilities are likely to be subject to existing new source review permit programs and thereby meet the drafted control provisions of draft Rule 13-2. Rule development staff will focus on draft Rule 13-3, as operational understanding of composting facilities is far more complete and emissions data, while incomplete, is much further developed.

# <u>Regulation 13: Climate Pollutants, Rule 5: Petroleum Refinery Hydrogen Systems (Rule 13-5)</u>

Hydrogen gas vented from petroleum refinery hydrogen plant operations and from naphtha reforming operations sometimes includes methane and other volatile organic compounds. In order to address short-lived climate pollutants as part of the Methane Strategy, staff is developing a rule to control methane emissions from hydrogen plants, one of the largest methane sources from petroleum refineries.

Staff has conducted one-on-one meetings with refinery hydrogen plant process engineers, along with multiple visits to every refinery hydrogen plant, to better understand the reasons for and locations of methane emissions. Air District staff will conduct source tests to better understand emission parameters and possibly enhance methane emission inventories from hydrogen plants. Staff initiated outreach efforts with community members who already participate in the Refinery Rules Technical Working Group, conducting a briefing in June 2019, on the basic operations and primary processes of hydrogen plants and thereby enabling their participation in subsequent Technical Working Group discussions. Staff conducted the first Technical Working Group meeting in July 2019, to discuss potential methane emission (vented) controls for hydrogen production operators requesting pertinent parametric and emissions data relating to all hydrogen venting occurrences during the past six years. Staff is establishing an emissions inventory based on industry answers, along with information gathered by the Compliance and Enforcement Division's investigation with respect to Regulation 8, Rule 2; Miscellaneous Operations.

A workshop for draft Rule 13-5 was held in January 2020, at Air District headquarters. Staff met with Western States Petroleum Association (WSPA) and hydrogen system operators in March 2020, to discuss the draft rule. Staff is researching potential energy costs and subsequent greenhouse gas emissions associated with methane emission controls. Staff continues to further develop draft Rule 13-5 and anticipates bringing this rule before the Board for consideration during the third quarter 2020.

# BUDGET CONSIDERATIONS/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent Executive Officer/APCO

Prepared by: <u>Robert Cave</u> Reviewed by: <u>Victor Douglas</u>