



BOARD OF DIRECTORS
STATIONARY SOURCE AND CLIMATE IMPACTS COMMITTEE

BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

COMMITTEE MEMBERS

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JOHN BAUTERS
DAVINA HURT
NATE MILEY
ROB RENNIE

DAVID HAUBERT – VICE CHAIR
JOHN GIOIA
TYRONE JUE
KAREN MITCHOFF
MARK ROSS

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STATIONARY SOURCE AND CLIMATE IMPACTS COMMITTEE MEETING AGENDA

MONDAY, JUNE 13, 2022

2:30 PM

1. **Call to Order - Roll Call**
2. **Pledge of Allegiance**
3. **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.

This meeting will be webcast. To see the webcast, please visit www.baaqmd.gov/bodagendas 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. Members of the public who wish to speak on matters on the agenda for the meeting, will have two minutes each to address the Committee. No speaker who has already spoken on that item will be entitled to speak to that item again.*

CONSENT CALENDAR (Item 4)

4. Approval of the Minutes of April 18, 2022

The Committee will consider approving the minutes of the Stationary Source & Climate Impacts Committee meeting of April 18, 2022.

PRESENTATION(S)

5. Mid-Year Review of the 2022 Regulatory Agenda

This is an informational item only and will be presented by Elizabeth Yura, Director of the Rules and Strategic Policy Division.

OTHER BUSINESS

6. Public Comment on Non-Agenda Matters

Pursuant to Government Code Section 54954.3

Members of the public who wish to speak on matters not on the agenda for the meeting, will have two minutes each to address the Committee.

7. 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)

8. Time and Place of Next Meeting

Monday, July 18, 2022, at 9:00 a.m., via webcast, teleconference, or Zoom, pursuant to procedures in accordance with Assembly Bill 361 (Rivas 2021).

9. Adjournment

The Committee meeting shall be adjourned by the Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
375 BEALE STREET, SAN FRANCISCO, CA 94105
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- 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 Air 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, Suma Peesapati, at (415) 749-4967 or by email at speesapati@baaqmd.gov.

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

JUNE 2022

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Advisory Council Meeting - CANCELLED	Monday	13	8:30 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Legislative Committee	Monday	13	1:00 p.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Stationary Source and Climate Impacts Committee	Monday	13	2:30 p.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Meeting	Wednesday	15	9:00 a.m.	1 st Floor, Board Room (In person option available) and REMOTE pursuant to Assembly Bill 361
Board of Directors Administration Committee	Wednesday	15	11:00 a.m.	1 st Floor, Board Room (In person option available) and REMOTE pursuant to Assembly Bill 361
Board of Directors Stationary Source and Climate Impacts Committee – CANCELLED & RESCHEDULED TO MONDAY, JUNE 13, 2022 AT 2:30 P.M.	Monday	20	9:00 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Budget and Finance Committee	Wednesday	22	9:30 a.m.	Webcast only pursuant to Assembly Bill 361
Board of Directors Mobile Source and Climate Impacts Committee - CANCELLED	Thursday	23	9:30 a.m.	Webcast only pursuant to Assembly Bill 361
Path to Clean Air Community Emissions Reduction Plan Steering Committee	Monday	27	5:30 p.m.	Webcast only pursuant to Assembly Bill 361
Community Advisory Council Meeting	Thursday	30	6:00 p.m.	Webcast only pursuant to Assembly Bill 361

HL 6/2/2022 – 12:55 P.M.

G/Board/Executive Office/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members
of the Stationary Source and Climate Impacts Committee

From: Sharon L. Landers
Interim Executive Officer/APCO

Date: June 13, 2022

Re: Approval of the Minutes of April 18, 2022

RECOMMENDED ACTION

Approve the attached draft minutes of the Stationary Source & Climate Impacts Committee (Committee) meeting of April 18, 2022.

BACKGROUND

None.

DISCUSSION

Attached for your review and approval are the draft minutes of the Stationary Source & Climate Impacts Committee (Committee) meeting of April 18, 2022.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Sharon L. Landers
Interim Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

ATTACHMENTS:

1. Draft Minutes of the Stationary Source and Climate Impacts Committee meeting of April 18, 2022

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105
(415) 749-5073

Stationary Source and Climate Impacts Committee Meeting
April 18, 2022

DRAFT MINUTES

Note: Audio recordings of the meeting are available on the website of the Bay Area Air Quality Management District at www.baaqmd.gov/bodagendas

This meeting was conducted under procedures in accordance with Assembly Bill 361. Members of the Committee participated by teleconference.

OPENING ITEMS

3. PUBLIC MEETING PROCEDURE

1. CALL TO ORDER - ROLL CALL

Opening Comments: Stationary Source and Climate Impacts Committee, Committee Chairperson John Bauters called the meeting to order at 9:00 a.m.

Roll Call:

Present: Committee Chairperson John Bauters; Committee Vice Chairperson Hopkins; and Directors John Gioia, David Haubert, Davina Hurt, Tyrone Jue, Nate Miley, Karen Mitchoff, Rob Rennie, and Mark Ross.

Absent: None.

2. PLEDGE OF ALLEGIANCE

4. APPROVAL OF THE MINUTES OF MARCH 21, 2022

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Gioia made a motion, seconded by Director Hurt, to **approve** the minutes of March 21, 2022; and the motion **carried** by the following vote of the Committee:

AYES: Bauters, Gioia, Haubert, Hopkins, Hurt, Jue, Mitchoff, Rennie.
NOES: None.
ABSTAIN: None.
ABSENT: Miley, Ross.

5. BUILDING APPLIANCE RULES UPDATE – REGULATION 9, RULES 4 AND 6

Jennifer Elwell, Senior Air Quality Engineer, gave the staff presentation *Building Appliance Rules Update*, including: outcome; outline; requested action; background; path forward on California Environmental Quality Act (CEQA); Implementation Working Group; potential timeline updates; and feedback requested/prompt.

NOTED PRESENT: Directors Miley and Ross at 9:15 a.m.

Public Comments

Public comments were given by Jed Holtzman, San Francisco resident; Paloma Sisneros Lobato; Diane Bailey, Menlo Spark; and Leah Louis-Prescott, Rocky Mountain Institute Oakland.

Committee Comments

The Committee and staff discussed a Committee member's desire for the Air District to work closely with Bay Area Regional Energy Network on the proposed Rule to avoid inconsistencies and duplicated efforts between the two agencies; if stipends will be offered for Implementation Working Group members; the position of other California air districts, regarding this issue and a suggestion to include the Strategic Growth Council in this work; and at what point the proposed Implementation Working Group should consider creating a subgroup that focuses on equity.

Committee Action

Although this was not an action item, the consensus of the Committee members present was to recommend that the proposed Implementation Working Group includes *four* environmental justice members, instead of only two. The Committee also requested Air District staff provide a report back before Quarter 4 on the development progress of the Implementation Working Group, including information on stipends, membership of the group, and readiness for launch at the end of the rule development process.

6. SOUTH BAY ODOR ATTRIBUTION STUDY

Dr. Ranyee Chiang, Director of Meteorology and Measurement, gave staff the presentation *South Bay Odor Attribution Study*, including: outcome; outline; requested action; area overview; waste facilities; history of complaints and actions; South Bay Odor Stakeholder Group; challenges in determining sources of odors; Air District Odor Attribution Study; key findings: identified contributions from each of the three facilities; key findings: unique "fingerprints" for facilities and processes; key findings: measures that facilities can take to reduce odors; and for feedback: possible Air District actions.

Public Comments

Public comments were given by Chia-Ling Kong, Milpitas resident; Eric Uldrick, Fremont resident; Abhijit Basu; Joseph Weinstein; Rohit; Jed Holtzman, San Francisco resident; and Keng.

Committee Comments

The Committee and staff discussed whether odor compounds have impacts on mental health; how the waste facilities are controlled and regulated by the Air District; the anticipated timeline for implementation of a monitoring network; the challenges of installing monitoring devices at the facilities; whether there are local planning laws that the Air District can use to impose monitoring and abatement requirements; the nature of the odors, the toxicity of the compounds they contain, what produces them, and the potential effects on the public; and the request that the Air District's presentation on the study to the Milpitas City Council include accessible language and convey to the public what the Air District's role is, so as not to give the public unrealistic expectations as to what the Air District can do to solve the odor issue.

Committee Action

None; receive and file.

OTHER BUSINESS

7. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

8. COMMITTEE MEMBER COMMENTS

None.

9. TIME AND PLACE OF NEXT MEETING

When the meeting adjourned, the time and place of the next meeting was to be held Monday, May 16, 2022, at 9:00 a.m. After the meeting adjourned, the new time and place of the next meeting was scheduled for June 13, 2022, at 2:30 p.m., via webcast, teleconference, or Zoom, pursuant to procedures in accordance with Assembly Bill 361 (Rivas 2021).

10. ADJOURNMENT

The meeting adjourned at 10:18 a.m.

Luis Espino
Acting Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Lynda Hopkins and Members
of the Stationary Source and Climate Impacts Committee

From: Sharon L. Landers
Interim Executive Officer/APCO

Date: June 13, 2022

Re: Mid-Year Review of the 2022 Regulatory Agenda

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

At the January 19, 2022, Board of Directors Retreat Meeting, staff presented the following Rulemaking Objectives for 2022:

- Source Prioritization Framework: Work with the community on developing a framework to prioritize future projects.
- Permitting Regulations: Begin Phase 2.
 - Address Particulate Matter (PM)
 - Work with stakeholders to address additional concerns not included in amendments approved in Dec. 2023
- Finalize in-process rules:
 - Rule 13-5: Hydrogen Plants
 - Amendments to Rules 9-4/9-6: Building Appliances
- Continue supporting the Richmond-North Richmond-San Pablo Path to Clean Air process.
- AB 617 Expedited BARCT Implementation Schedule.
 - Discuss path forward for amendments to Rule 9-13: Portland Cement Manufacturing and Rule 9-14: Petroleum Coke Calcining Operations
 - Goal to finalize 1-2 of the following amendment efforts:
 - Rule 8-5: Storage of Organic Liquids
 - Rule 8-8: Wastewater Separators
 - Rule 8-18: Equipment Leaks
- Begin white papers on additional sources from the AB 617 West Oakland Action Plan.
- Select/begin work on the “cleanup” rule.

DISCUSSION

An overview of the status of each of the 2022 Rulemaking Objectives is listed below.

Source Prioritization Framework: Work with the community on developing a framework to prioritize future projects

Current Status: On temporary hold. In late 2021, the Community Equity Health and Justice Committee directed staff to take the Framework before the Community Advisory Committee (CAC). However, the CAC sets its own agendas from a lengthy list of priorities and has not yet indicated if this item will be heard this year.

Next Steps: Staff's current list of priorities is expected to absorb all available resources well into 2023. If the CAC is not able to engage on the Framework by the end of this year, staff is proposing to develop a public engagement strategy as a stopgap, so that the Framework may still move forward and aid in the prioritization of projects by the end of 2023.

Permitting Regulations: Begin Phase 2

Current Status: On temporary hold. Further amendments to the permitting rules rely on both a methodology to more adequately account for the health impacts of localized exposure to fine particulate matter (PM2.5), and further community engagement. A PM2.5 local risk methodology is currently under development by the Air District, and staff is actively engaging with the Advisory Council on this methodology. In addition, on February 9, 2022, the Air District received a letter from the Golden Gate University School of Law, who was writing on behalf of frontline communities to address the matter of how to proceed with discussions on further amendments to the permitting regulations and additional environmental justice considerations in the permitting process. The letter prioritized a list of actions and requested that the Air District focus on the items that could be accomplished in the short term. Since amendments to the permitting regulation did not fall into the "near term" category requested by the community, staff is temporarily pausing community engagement on specific permitting rule amendments while the community advocates' higher priority items are addressed.

Next Steps: Staff is proposing to move forward with permitting rule amendments when the PM2.5 health impacts methodology work is completed and will plan on re-engaging with the community on potential amendments at that time.

Finalize in-process rules

Rule 13-5: Hydrogen Plants

Current Status: Completed. Approved by the Board of Directors at a Public Hearing on May 4, 2022.

Next Steps: Reallocate staff resources.

Rules 9-4/9-6: Building Appliances

Current Status: Moving forward. In May 2022, staff released the Notice of Preparation (NOP) of an Environmental Impact Report (EIR) and Initial Study (IS), which included opening a comment period and holding a scoping meeting on June 9, 2022, to receive comments on these documents. Timing for release of the final rule package is estimated for Q4 2022 but is dependent on the scope of the EIR and subsequent comments received.

Next Steps: Staff will provide an additional status update to the Committee in October 2022, and will continue scoping out the formation of the stakeholder Implementation Working Group.

Continue supporting the Richmond-North Richmond-San Pablo Path to Clean Air process

Current Status: Ongoing. Staff continues to support the Path to Clean Air process.

Next Steps: Staff will continue to support this process throughout the strategic development stage and into implementation as needed.

AB 617 Expedited Best Available Retrofit Control Technology (BARCT) Implementation Schedule

Rule 9-13: Portland Cement Manufacturing

Current Status: Regulatory amendments on hold. The cement kiln at the Lehigh Cupertino facility has not been in operation since March 2020 and there are currently no confirmed plans for restart. Active rule development is currently on hold, pending data gathering efforts, including determining the impact of the Consent Decree.

Next Steps: Because of the uncertainty surrounding the future of the cement kiln at Lehigh, and the uncertainty of further potential emissions reductions that could be achieved, staff does not believe it is currently an efficient use of resources to develop amendments to Rule 9-13. Therefore, staff recommends removing this rule development effort from the BARCT Schedule. Should cement kiln operations restart in the future, staff will evaluate the effectiveness of the Consent Decree in reducing PM emissions and will determine if additional rulemaking is needed to ensure adequate control of this pollutant.

Rule 9-14: Petroleum Coke Calcining Operations

Current Status: Regulatory amendments on hold. As discussed with the Committee on March 21, 2022, Phillips 66 is proposing to transition from producing petroleum products to alternative fuels.

Next Steps: Given that the transition would result in a shutdown of the coke calcining kiln and surrender of permits, staff recommends not moving forward with potential amendments to Rule 9-14 at this time. Staff recommends removing this rule development effort from the BARCT Schedule and will continue to track the Phillips 66 transition. Staff will re-evaluate if any substantial new developments arise.

Rule 8-5: Storage of Organic Liquids

Current Status: Regulatory amendments on hold. Since the adoption of the BARCT Schedule, staff has conducted further analyses and research to evaluate potential amendments to Rule 8-5, including developing more recent and refined information on volatile organic compound (VOC) emissions and potential controls. The best available information currently indicates that at the five Bay Area petroleum refineries, the population of potentially affected tanks includes 83 organic liquid storage tanks that emit a total of approximately 300 tons of VOCs per year. This total emissions estimate is substantially lower than the previous emissions estimate of 840 tons of VOCs per year. This change is a result of a number of factors, including corrections and updates to source information, control/abatement information, and emission calculation methodologies. Based on this updated information and further research, BARCT rulemaking to control VOCs from tanks may have limited potential to effectively achieve substantial VOC emission reductions.

Although VOC emissions are lower than previously estimated, toxic emissions from select tank sources may still present substantial exposure risks to nearby communities. Toxic emissions and potential community exposures from tank sources remain a concern but are potentially better addressed through implementation of Regulation 11, Rule 18 (Rule 11-18): Reduction of Risk from Air Toxic Emissions at Existing Facilities. While amendments to Rule 8-5 would focus on controls to reduce VOC emissions, Rule 11-18 is a health risk-based rule that specifically addresses toxic emissions and community exposures. Pursuing reductions in toxic emissions through Rule 8-5 would be duplicative to Rule 11-18 and would also put further strain on the staff implementing Rule 11-18, as their toxics expertise would be needed in the development of these amendments.

Next Steps: Due to the limited potential of VOC reductions and the duplication of pursuing toxic reductions under Rule 8-5, staff recommends removing this rule from the BARCT Schedule.

Rule 8-8: Wastewater Separators

Current Status: Earlier this year, the Air District began stakeholder engagement with potentially affected facilities to ensure that the best available source information and emission estimates can be considered in the rule development process. Staff submitted a data request to the refineries on April 22, 2022, and gave it until May 31, 2022, for the completion of the data request.

Next Steps: It is anticipated that public engagement on these amendments will begin this summer, and staff is tentatively scheduled to give an update to the Committee in Q3 2022.

Rule 8-18: Equipment Leaks

Current Status: In April 2022, the Air District published the “Fugitive Emissions from Petroleum Refinery Equipment in Heavy Liquid Service” (Heavy Liquids Study), which was a joint study between the Air District and the Western States Petroleum Association.

Next Steps: With the finalization of the Heavy Liquids Study, staff can now begin on applicable amendments to Rule 8-18. Staff expects to give an update to the Committee in Q4 2022.

Begin white papers on additional sources from the AB 617 West Oakland Action Plan (WOCAP)

WOCAP Further Study Measure #3: The Air District will investigate potential rulemaking to limit fugitive dust from construction activity

Current Status: Staff is currently investigating ways to further reduce emissions and public exposure from particulate matter sources, such as construction sites and concrete batch plants. A white paper is currently under development which will identify potential measures to update the Air District’s rules and regulations to be more health protective.

Next Steps: Staff expects to complete the white paper this summer.

Select/begin work on “cleanup” rule

Amendments to Rule 11-18

Current Status: At the Stationary Source and Climate Impacts Committee on February 28, 2022, staff gave a presentation on the implementation status of Regulation 11, Rule 18 (Rule 11-18): Reduction of Risk from Air Toxic Emissions at Existing Facilities. At the meeting, the Committee and staff discussed potential strategies to accelerate implementation of Rule 11-18, and the consensus of the Committee members present was to recommend that Air District staff recommend to the Board that additional staff be hired to shorten the estimated time of completion of Health Risk Analyses. In addition, the Committee recommended that staff bring back a discussion on how potential Rule 11-18 amendments fit within staff’s current rulemaking priorities.

After reviewing current priorities, staff recommends moving forward with potential amendments to Rule 11-18 as a “cleanup” rule. Staff is proposing limiting the scope of the amendments to opportunities for reducing implementation timelines.

Next Steps: Staff will begin working on potential amendments and will bring an update to the Committee in the first half of 2023.

New Projects

As current projects are completed and staffing resources become available, staff will transition their time to work on the projects below.

Engagement with the East Oakland AB 617 Steering Committee: With the approval of East Oakland as the Bay Area's third AB 617 community, and the imminent development of their Steering Committee, staff is proposing to devote resources to supporting their strategic development needs.

Additional White Papers: Staff will be looking at the WOCAP and will be developing white papers based on these measures. The list of measures for analysis include reducing emissions from metal recycling and foundries, autobody operations, wastewater treatment plants and anaerobic digestion facilities, commercial cooking, and woodburning.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Sharon L. Landers
Interim Executive Officer/APCO

Prepared by: Elizabeth Yura
Reviewed by: Greg Nudd

ATTACHMENTS:

None