



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
STATIONARY SOURCE AND CLIMATE IMPACTS COMMITTEE

COMMITTEE MEMBERS

LYNDA HOPKINS – CHAIR
JOHN J. BAUTERS
DAVINA HURT
NATE MILEY
ROB RENNIE

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

THIS MEETING WILL BE CONDUCTED UNDER PROCEDURES AUTHORIZED BY ASSEMBLY BILL 361 (RIVAS 2021) ALLOWING REMOTE MEETINGS. THIS MEETING WILL BE ACCESSIBLE VIA WEBCAST, TELECONFERENCE, AND ZOOM. A ZOOM PANELIST LINK WILL BE SENT SEPARATELY TO COMMITTEE OR BOARD MEMBERS

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STATIONARY SOURCE AND CLIMATE IMPACTS COMMITTEE MEETING AGENDA

MONDAY, OCTOBER 17, 2022

9:00 AM

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 September 19, 2022

The Committee will consider approving the draft minutes of the Stationary Source and Climate Impacts Committee meeting of September 19, 2022.

PRESENTATION(S)

5. Building Appliance Rules: Health and Equity Benefits

This is an informational item only and will be presented by Phil Martien, PhD, Director of Assessment, Inventory, and Modeling Division.

6. Building Appliance Rules Update - Regulation 9, Rules 4 and 6

This is an informational item only and will be presented by Jennifer Elwell, Senior Air Quality Engineer in the Rules and Strategic Policy Division, and Amy Dao, Senior Environmental Planner in the Planning and Climate Protection Division.

7. Update on the Air District's Permitting Program

This is an informational item only and will be presented by Fred Tanaka, Manager in the Engineering Division.

OTHER BUSINESS

8. 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.

9. 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)

10. Time and Place of Next Meeting

Monday, November 21, 2022, at 9:00 a.m., via webcast, teleconference, or Zoom, pursuant to procedures in accordance with Assembly Bill 361 (Rivas 2021).

11. Adjournment

The Committee meeting shall be adjourned by the 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 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

OCTOBER 2022

| <u>TYPE OF MEETING</u> | <u>DAY</u> | <u>DATE</u> | <u>TIME</u> | <u>ROOM</u> |
|---|------------|-------------|-------------|--|
| Technology Implementation Office (TIO) Steering Committee | Friday | 14 | 1:00 p.m. | Webcast only pursuant to Assembly Bill 361 |
| Board of Directors Stationary Source and Climate Impacts Committee | Monday | 17 | 9:00 a.m. | Webcast only pursuant to Assembly Bill 361 |
| Path to Clean Air Community Emissions Reduction Plan Steering Committee | Monday | 17 | 5:30 p.m. | Webcast only pursuant to Assembly Bill 361 |
| Board of Directors Meeting | Wednesday | 19 | 9:00 a.m. | Webcast only pursuant to Assembly Bill 361 |
| Board of Directors Administration Committee – CANCELLED & RESCHEDULED TO WEDNESDAY, NOVEMBER 2, 2022 at 2:00 P.M. | Wednesday | 19 | 11:00 a.m. | Webcast only pursuant to Assembly Bill 361 |
| Board of Directors Budget and Finance Committee | Wednesday | 26 | 9:30 a.m. | Webcast only pursuant to Assembly Bill 361 |
| Board of Directors Mobile Source and Climate Impacts Committee | Thursday | 27 | 9:30 a.m. | Webcast only pursuant to Assembly Bill 361 |

NOVEMBER 2022

| <u>TYPE OF MEETING</u> | <u>DAY</u> | <u>DATE</u> | <u>TIME</u> | <u>ROOM</u> |
|---|------------|-------------|-------------|--|
| Board of Directors Nominating Committee | Wednesday | 2 | 8:30 a.m. | Webcast only pursuant to Assembly Bill 361 |
| Board of Directors Meeting | Wednesday | 2 | 9:00 a.m. | Webcast only pursuant to Assembly Bill 361 |
| Board of Directors Administration Committee | Wednesday | 2 | 2:00 p.m. | Webcast only pursuant to Assembly Bill 361 |
| Board of Directors Community Equity, Health and Justice Committee | Thursday | 3 | 9:30 a.m. | Webcast only pursuant to Assembly Bill 361 |
| Advisory Council Meeting – CANCELLED AND RESCHEDULED TO DECEMBER 5, 2022 AT 8:30 A.M. | Monday | 14 | 8:30 a.m. | Webcast only pursuant to Assembly Bill 361 |
| Board of Directors Legislative Committee | Monday | 14 | 1:00 p.m. | Webcast only pursuant to Assembly Bill 361 |
| Board of Directors Meeting | Wednesday | 16 | 9:00 a.m. | Webcast only pursuant to Assembly Bill 361 |

NOVEMBER 2022

| <u>TYPE OF MEETING</u> | <u>DAY</u> | <u>DATE</u> | <u>TIME</u> | <u>ROOM</u> |
|--|------------------|-------------|-------------------|---|
| Board of Directors Administration Committee - CANCELLED | Wednesday | 16 | 11:00 a.m. | Webcast only pursuant to Assembly Bill 361 |
| Community Advisory Council Meeting | Thursday | 17 | 6:00 p.m. | Webcast only pursuant to Assembly Bill 361 |
| Board of Directors Stationary Source and Climate Impacts Committee | Monday | 21 | 9:00 a.m. | Webcast only pursuant to Assembly Bill 361 |
| Board of Directors Budget and Finance Committee | Wednesday | 23 | 9:30 a.m. | Webcast only pursuant to Assembly Bill 361 |
| Board of Directors Mobile Source and Climate Impacts Committee– CANCELLED AND RESCHEDULED TO NOVEMBER 28, 2022 AT 9:30 A.M. | Thursday | 24 | 9:30 a.m. | Webcast only pursuant to Assembly Bill 361 |
| Board of Directors Mobile Source and Climate Impacts Committee | Monday | 28 | 9:30 a.m. | Webcast only pursuant to Assembly Bill 361 |
| Path to Clean Air Community Emissions Reduction Plan Steering Committee | Monday | 28 | 5:30 p.m. | Webcast only pursuant to Assembly Bill 361 |

HL 10/13/22 – 1:10 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: October 17, 2022

Re: Approval of the Minutes of September 19, 2022

RECOMMENDED ACTION

Approve the attached draft minutes of the Stationary Source and Climate Impacts Committee meeting of September 19, 2022.

BACKGROUND

None.

DISCUSSION

Attached for your review and approval are the draft minutes of the Stationary Source and Climate Impacts Committee meeting of September 19, 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 September 19, 2022

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

DRAFT MINUTES

Stationary Source and Climate Impacts Committee Meeting
Monday, September 19, 2022

This meeting was conducted under procedures in accordance with Assembly Bill 361 (Rivas 2021). Members of the Committee participated by teleconference.

1. CALL TO ORDER – ROLL CALL

Stationary Source and Climate Impacts Committee (Committee) Co-Chairperson Lynda Hopkins called the meeting to order at 9:02 a.m.

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

Absent: None.

2. PLEDGE OF ALLEGIANCE

3. PUBLIC MEETING PROCEDURE

4. APPROVAL OF THE MINUTES OF JUNE 13, 2022

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Vice Chair Haubert made a motion, seconded by Director Gioia, to approve the Minutes of June 13, 2022; and the motion carried by the following vote of the Committee:

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

5. DRAFT AMENDMENTS TO REGULATION 8: ORGANIC COMPOUNDS, RULE 8: WASTEWATER COLLECTION AND SEPARATION SYSTEMS

Elizabeth Yura, Director of Rules and Strategic Policy, gave the staff presentation *Draft Amendments to Regulation 8: Organic Compounds, Rule 8: Wastewater Collection and Separation Systems*, including: outcome; outline; requested action; background; simplified wastewater treatment system; emissions from wastewater collection and treatment systems; recent rule development history; findings from the Knowledge Assessment; draft amendments; and next steps.

Public Comments

Public comments were given by Ken Szutu, Citizen Air Monitoring Network of Vallejo.

Committee Comments

The Committee and staff discussed outreach methods the Air District is utilizing to engage with the public, industry, and other public agencies; whether an economic analysis is being conducted; the status of the Air District’s Refinery Rules Technical Working Group; and whether other California air districts have adopted similar regulations, and if so, lessons that they have learned.

Committee Action

None; receive and file.

6. AIR MONITORING DURING INCIDENTS: LIMITATIONS OF CURRENT AIR DISTRICT PROGRAMS

Dr. Ranyee Chiang, Director of Meteorology and Measurement, gave the staff presentation *Air Monitoring During Incidents: Limitations of Current Air District Programs*, including: outline; requested action; definition of incidents; current measurement capabilities are insufficient for incidents; proposed discussion plan - considering an Incident Monitoring Program; challenges with monitoring air pollution during incidents; types of measurement approaches – source testing, ground level and fence line monitoring, grab sampling, long-term stations, mobile monitoring, portable monitoring, sensor networks; and proposed discussion plan: next steps.

Public Comments

Public comments were given by Christine Wolfe, California Council for Environmental and Economic Balance; Jan Warren, Interfaith Climate Action Network of Contra Costa County; Ken Szutu, Citizen Air Monitoring Network of Vallejo; and Todd Osterberg, Chevron.

Committee Comments

The Committee and staff discussed the Air District’s mobile monitoring process during incidents; whether the Air District is working with the National Weather Service’s on its experimental smoke forecast system; the suggestion of using drones to monitor the air quality at plume level during incidents, and whether any academic institutions might want to partner with the Air District in this endeavor; the suggestion of utilizing feedback from the Air District’s Community Advisory

Council to create a real-time system that can indicate what pollutants are being released during incidents; the opinion that agencies can underplay the impacts of incidents, and the suggestion that the Air District regularly communicates the health impacts of cumulative exposure to the public; whether industry assists in air quality monitoring during incidents, and the role of refineries' stationary fence line monitoring systems during incidents; and ways in which the Air District can partner with new or existing applications via smart phones to notify the public of incidents and share real-time, citizen-source data (i.e.: Watch Duty).

Committee Action

None; receive and file.

7. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

8. COMMITTEE MEMBER COMMENTS

Director Gioia reported that he attended the memorial service of North Richmond native and environmental justice trailblazer, Dr. Henry Clark, and was pleased to see Air District staff in attendance to honor Dr. Clark's memory.

Director Bauters announced that Sea Otter Awareness Week is being observed from September 18 to 24, 2022. This holiday was created to educate the community about the importance of maintaining and protecting the sea otter population and becoming aware of the many challenges humans cause to sea otters. He mentioned that the City of Emeryville was selected as a San Francisco Bay site to reintroduce endangered sea otters back into the California North Coast.

9. TIME AND PLACE OF NEXT MEETING

Monday, October 17, 2022, at 9:00 a.m., via webcast, teleconference, or Zoom, pursuant to procedures in accordance with Assembly Bill 361 (Rivas 2021).

10. ADJOURNMENT

The meeting adjourned at 10:33 a.m.

Marcy Hirtzka
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: October 17, 2022

Re: Building Appliance Rules: Health and Equity Benefits

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Air District staff have drafted proposed amendments to Regulation 9, Rule 4: Nitrogen Oxides from Fan Type Residential Central Furnaces (“Rule 9-4”) and Regulation 9, Rule 6: Nitrogen Oxides Emissions from Natural Gas-Fired Boilers and Water Heaters (“Rule 9-6”). As supplemental information to support the development of Rule 9-4 and 9-6 amendments, Air District staff have conducted a modeling-based evaluation of the benefits of requiring residential and commercial space and water heating appliances that eliminate the emissions of nitrogen oxides (NOx). Benefits are quantified for zero-NOx gas-fired appliances and for electric appliances, which would eliminate all combustion-related emissions, including fine particulate matter (PM_{2.5}). Consumer choice uptake of electric appliances that replace natural gas-fired equivalents will increase the demand for electrical power. To understand the potential air quality impacts, staff have evaluated scenarios with forecasted increases in electric load being met with both fossil and non-fossil power sources.

The evaluation presented in this item quantifies the health benefits and the valuation of these benefits in US dollars from the draft proposed rule amendments. Focusing on PM_{2.5} attributable to emissions from existing appliances, this evaluation examines the distribution of exposures across racial/ethnic groups to PM_{2.5} and quantifies which groups bear the greatest burden. This evaluation also summarizes modeled changes to peak levels of 8-hour ozone and 24-hour PM_{2.5} at monitoring sites, with the elimination of precursor emissions from these appliances.

DISCUSSION

Air District staff applied its regional air quality modeling system to estimate air pollution levels in a baseline emissions scenario and a control emissions scenario, with reductions in the control

scenario matching total emission estimates from natural gas-fired building appliances covered under Rules 9-4 and 9-6. Differences between baseline and control scenarios provided an estimate of the building appliance contributions to outdoor air pollution. Modeled concentration differences in PM_{2.5} were inputs to the US EPA's Benefits Mapping and Analysis Program (BenMAP) to estimate potential health benefits from the proposed rules and monetary valuations associated with those benefits.

Modeled benefits of eliminating primary and secondary PM_{2.5} generated by natural gas-fired combustion from the building appliances covered by proposed amendments to Rules 9-4 and 9-6 included avoiding 39 to 89 premature deaths annually. Health benefits also included reductions in many non-fatal adverse health outcomes, such as heart attacks, strokes, and asthma onset and symptoms. The estimated total annual valuation of the health benefits was between \$410 to 930 million. About 60% of the estimated benefit accrued from reductions in secondary PM_{2.5}, which would be achieved by any zero-NO_x appliance. An additional 40% benefit is realized if equipment is replaced by electric appliances and all combustion emissions are eliminated.

The Air District has evaluated scenarios in which a forecast of increased electric load is met with fossil and with non-fossil power. The modeling analysis for increased fossil power included two annual simulations: (1) a base case simulation that included the Air District's latest emissions estimates for power plants and (2) a scenario simulation that increased Bay Area power plant emissions by 12%. Differences between these two simulations provided an estimate of the annual-average air PM_{2.5} differences, from which health impacts and their associated valuations were determined. A key finding is that the disbenefits from added fossil power are small compared to the benefits of replacing current equipment with electric appliances. The estimated total annual valuation of the health benefits, assuming electric appliances with fossil power, was between \$400 to 907 million, a reduction of only about 2% compared to the valuation of health benefits with non-fossil power.

Annual average exposures to PM_{2.5} were computed using modeled PM_{2.5} concentrations and a 2020 residential population. Under the modeled control scenario that eliminates all natural gas-fired appliance emissions, the largest reductions would accrue to the Bay Area's communities of color, and specifically to the Asian/Pacific Islander population. The counties most affected by these sources, like Santa Clara, tend to have higher percentages of Asian/Pacific Islander residents, which explains most of the regional pattern. Within every county, the most-impacted residents are also people of color: primarily Hispanic/Latino and African-American/Black.

This evaluation included an analysis of peak concentrations of ozone and PM_{2.5}, for averaging periods that are relevant to determining attainment of state and federal ozone standards. Comparison of modeled baseline versus control scenarios, for dates when observed PM_{2.5} concentrations were at least 30 µg/m³, found a mean reduction of about 0.7 µg/m³. A similar comparison for ozone found a mean reduction of less than 0.1 ppb for periods when observed ozone was at least 65 ppb.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Sharon L. Landers
Interim Executive Officer/APCO

Prepared by: David Holstius and Phil Martien
Reviewed by: Greg Nudd

ATTACHMENTS:

None

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: October 17, 2022

Re: Building Appliance Rules Update - Regulation 9, Rules 4 and 6

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Air District staff developed and published draft amendments to Regulation 9, Rule 4: Nitrogen Oxides from Fan Type Residential Central Furnaces (“Rule 9-4”) and Regulation 9, Rule 6: Nitrogen Oxides Emissions from Natural Gas-Fired Boilers and Water Heaters (“Rule 9-6”). The draft amendments would impact natural gas-fired space and water heating appliances. These include furnaces and water heaters used in single family homes, multifamily residences such as apartment buildings, and commercial spaces such as retail and office buildings. The Air District regulates these sources on a point-of-sale basis, requiring that equipment manufactured after the compliance date and installed within the geographical jurisdiction of the Air District meets the standards contained in the Rules. These sources generate a substantial portion of nitrogen oxide (NOx) emissions from sources in the Bay Area, and nitrogen oxides are a precursor to ozone and secondary particulate matter (PM) formation.

The draft amendments include the introduction of a zero-NOx emissions standard for natural gas-fired furnaces and water heaters as shown below.

January 1, 2027 Rule 9-6 Water heaters and boilers below 75,000 BTU/hr
January 9, 2029 Rule 9-4 All commercial and residential furnaces
January 1, 2031 Rule 9-6 Water heaters and boilers between 75,000 and 2 million BTU/hr

Updated draft amendments to Rules 9-4 and 9-6 and a CEQA Notice of Preparation of an Environmental Impact Report and Initial Study were published on May 19, 2022, which began a public comment period that closed on June 21, 2022.

DISCUSSION

Staff is preparing proposed amendments to Rules 9-4 and 9-6 and supporting materials, including the CEQA Draft Environmental Impact Report (EIR) and additional analyses on anticipated utility impacts and health outcomes. Staff anticipates releasing the proposed amendments, CEQA Draft EIR, and other supporting materials for public review and comment in the 4th Quarter of 2022. Staff anticipates a public hearing on the proposed rule amendments in the first quarter of 2023.

Staff plans to convene a multiple stakeholder working group to support implementation of the amended rules if they are adopted by the Board. This Implementation Working Group will serve as the central forum for information-sharing and discussion regarding implementation of Rules 9-4 and 9-6, and will support staff's reporting on rule implementation to the Board. The Implementation Working Group will provide staff with insights and input on a variety of topics, including compliance deadlines, economic incentives, technology readiness and equity considerations. The Implementation Working Group will include representatives from a variety of relevant organizations and stakeholder groups. Staff will present the Committee an updated timeline for anticipated adoption of the draft amendments, and will present on the current progress and next steps for convening the Implementation Working Group.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Costs for launching the Implementation Working Group are included in the FYE 2023 budget. Staff anticipates implementation of amendments to Rule 9-4 and Rule 9-6 would require additional staff time and resources. More detailed resource estimates will be provided in the final proposed amendments and supporting materials.

Respectfully submitted,

Sharon L. Landers
Interim Executive Officer/APCO

Prepared by: Jennifer Elwell / Amy Dao
Reviewed by: David Joe / Henry Hilken

ATTACHMENTS:

None

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: October 17, 2022

Re: Update on the Air District's Permitting Program

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

As part of the adoption of the Fiscal Year Ending (FYE) 2023 budget, the Board of Directors (Board) asked staff to return with a report on the Air District's Permitting Program. Specifically, the Board requested that that report include a discussion of the current backlog of permitting actions, the reasons for that backlog, how that backlog compares with other air districts and solutions on how to reduce that backlog.

DISCUSSION

In preparation for this report, staff has looked at the various metrics used inside the Air District to track workload in the Permitting Program and has included views of those tracking metrics in a presentation for discussion with the Committee.

Staff's presentation focuses on the Air District's New Source Review (NSR) program, which may be largely viewed as the gating program relative to the construction of new facilities and modification to existing facilities by both industry and the public. NSR permitting as a two-step process. First, the Air District issues an Authority to Construct (A/C) permit which allows a facility to build or modify equipment in compliance with the most stringent Federal, State and local requirements; utilizing the best available control technology to minimize emissions from those processes. Once the facility demonstrates compliance with start-up requirements and emission limits, the Air District issues the Permit to Operate (P/O). The permit conditions contain limits for the new or modified equipment and requires operation within Federal, State and local requirements on an ongoing basis. Air District NSR permits are rolled into federal Title V permits which have 5 year renewal cycles and those permits are not discussed in this report.

Data shows that for NSR - A/C permits issued over the last twelve years, over 98% were issued within 2 years of application receipt by the Air District and 77% within 180 days. However, permitting actions for a limited number of industries have consistently extended beyond this time period, notably for the industries with the most complex emissions sources including: refineries, landfills, composting operations, wastewater treatment facilities and concrete and asphalt batch plants.

Additionally, on top of issues at complex facilities, the volume and workload have changed significantly for the Permitting Program over the last decade, including implementation of additional rules and regulations and programs. Air District, State and Federal rules have all become more complex; technology, science and emissions standards have changed; and health risk assessment requirements for permits have become more stringent and more ubiquitous. Policies and staffing levels have not kept pace with these changes and, as a result, the backlog of permitting actions has grown.

As part of this presentation, staff will go into further depth on the current backlog of permitting actions, the reasons for that backlog, how that backlog compares with other comparable air districts and solutions on how to reduce that backlog.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Sharon L. Landers
Interim Executive Officer/APCO

Prepared by: Pamela Leong and Fred Tanaka
Reviewed by: Damian Breen

ATTACHMENTS:

None