



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
STATIONARY SOURCE AND CLIMATE IMPACTS COMMITTEE

COMMITTEE MEMBERS

JOHN BAUTERS – CO-CHAIR
TERESA BARRETT – VICE CHAIR
JOHN GIOIA
ERIN HANNIGAN
DAVINA HURT
MARK ROSS

KAREN MITCHOFF – CO-CHAIR
RICH CONSTANTINE
CAROLE GROOM
DAVID HAUBERT
TYRONE JUE

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

- **THE PUBLIC MAY OBSERVE THIS MEETING THROUGH THE WEBCAST BY
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WEBPAGE AT**

www.baaqmd.gov/bodagendas

- **THE PUBLIC MAY PARTICIPATE REMOTELY VIA ZOOM AT THE
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<https://bayareametro.zoom.us/j/86091086455>

(669) 900-6833 or (408) 638-0968

WEBINAR ID: 860 9108 6455

- **THOSE PARTICIPATING BY PHONE WHO WOULD LIKE TO MAKE A
COMMENT CAN USE THE “RAISE HAND” FEATURE BY DIALING “*9”. IN
ORDER TO RECEIVE THE FULL ZOOM EXPERIENCE, PLEASE MAKE SURE
YOUR APPLICATION IS UP TO DATE**

**MONDAY
JULY 19, 2021
9:00 A.M.**

AGENDA

1. CALL TO ORDER - ROLL CALL

PLEDGE OF ALLEGIANCE

PUBLIC MEETING PROCEDURE

The Committee Co-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 three minutes each to address the Committee. No speaker who has already spoken on that item will be entitled to speak to that item again.*

Staff/Phone (415) 749-

CONSENT CALENDAR (ITEM 2)

2. APPROVAL OF THE MINUTES OF JUNE 21, 2021

Clerk of the Boards/5073

The Committee will consider approving the draft minutes of the Stationary Source and Climate Impacts Committee meeting of June 21, 2021.

END OF CONSENT CALENDAR

REGULAR AGENDA (ITEMS 3-4)

3. REVISED DRAFT REGULATION 13: CLIMATE POLLUTANTS, RULE 5: PETROLEUM REFINERY HYDROGEN PLANTS (RULE 13-5)

**V. Douglas/4752
vdouglas@baaqmd.gov**

The Committee will receive an update on the Air District's current development of draft Rule 13-5.

4. **REFINERY DEFINITION AMENDMENTS**

C. Crowley/5118
ccrowley@baaqmd.gov

The Committee will receive a presentation regarding refinery definition amendments.

END OF REGULAR AGENDA

5. **PUBLIC COMMENT ON NON-AGENDA MATTERS**

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

6. **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)

7. **TIME AND PLACE OF NEXT MEETING**

Monday, September 27, 2021, at 9:00 a.m., via webcast pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

8. **ADJOURNMENT**

The Committee meeting shall be adjourned by the Committee Co-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, Terri Levels, at (415) 749-4667 or by email at tlevels@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

JULY 2021

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Stationary Source and Climate Impacts Committee	Monday	19	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Special Meeting as the Sole Member of the Bay Area Clean Air Foundation – CANCELLED & RESCHEDULED TO WEDNESDAY, JULY 7, 2021 at 9:00 A.M.	Wednesday	21	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Special Meeting	Wednesday	21	8:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Administration Committee – CANCELLED	Wednesday	21	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Legislative Committee - CANCELLED	Wednesday	21	1:00 p.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source and Climate Impacts Committee - CANCELLED	Thursday	22	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20

AUGUST 2021

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Meeting	Wednesday	4	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Community Equity, Health and Justice Committee - CANCELLED	Thursday	5	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Stationary Source and Climate Impacts Committee - CANCELLED	Monday	16	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Administration Committee - CANCELLED	Wednesday	18	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source and Climate Impacts Committee - CANCELLED	Thursday	26	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20

SEPTEMBER 2021

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Special Meeting as the Sole Member of the Bay Area Clean Air Foundation	Wednesday	1	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Meeting	Wednesday	1	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Community Equity, Health and Justice Committee	Thursday	2	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Administration Committee	Wednesday	15	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Legislative Committee	Wednesday	15	1:00 p.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Technology Implementation Office (TIO) Steering Committee	Friday	17	1:00 p.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Stationary Source and Climate Impacts Committee – CANCELLED & RESCHEDULED TO MONDAY, SEPTEMBER 27, 2021 at 9:00 A.M.	Thursday	20	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source and Climate Impacts Committee	Thursday	23	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Stationary Source and Climate Impacts Committee	Monday	27	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons John Bauters and Karen Mitchoff, and Members
of the Stationary Source and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 13, 2021

Re: Approval of the Minutes of June 21, 2021

RECOMMENDED ACTION

Approve the attached draft minutes of the Stationary Source and Climate Impacts Committee (Committee) meeting of June 21, 2021.

DISCUSSION

Attached for your review and approval are the draft minutes of the Stationary Source and Climate Impacts Committee meeting of June 21, 2021.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

Attachment 2A: Draft Minutes of the Stationary Source and Climate Impacts Committee Meeting of June 21, 2021

AGENDA: 2A – ATTACHMENT

Draft Minutes – Stationary Source and Climate Impacts Committee Meeting of June 21, 2021

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 and Climate Impacts Committee Meeting
Monday, June 21, 2021

This meeting was conducted under procedures authorized by executive order N-29-20 issued by Governor Gavin Newsom. Members of the Committee participated by teleconference.

1. CALL TO ORDER – ROLL CALL

Stationary Source and Climate Impacts Committee (Committee) Co-Chairperson Karen Mitchoff called the meeting to order at 9:00 a.m.

Present: Committee Co-Chairpersons John Bauters and Karen Mitchoff; Vice Chairperson Teresa Barrett; and Directors Rich Constantine, John Gioia, Erin Hannigan, David Haubert, Davina Hurt, Tyrone Jue, and Mark Ross.

Absent: Carole Groom.

Also Present: None.

2. APPROVAL OF THE MINUTES OF MAY 17, 2021

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Constantine made a motion, seconded by Director Gioia, to approve the Minutes of May 17, 2021; and the motion carried by the following vote of the Committee:

AYES: Barrett, Bauters, Constantine, Gioia, Hannigan, Haubert, Hurt, Jue, Mitchoff, Ross.
NOES: None.
ABSTAIN: None.
ABSENT: Groom.

3. FACILITY RISK REDUCTION PROGRAM: REGULATION 11, RULE 18 (RULE 11-18) IMPLEMENTATION UPDATE

Carol Allen, Engineering Manager, gave the staff presentation *Facility Risk Reduction Program: Rule 11-18 Implementation Update*, including: outcome; outline; requested action; Rule 11-18 review; risk reduction thresholds; implementation process; Health Risk Assessments (HRA); HRA progress; workshop for AB&I Foundry HRA; AB&I Foundry timeline; anticipated schedule in June 2020; anticipated schedule as of June 2020; and reason for delays.

Public Comments

Public comments were given by Jed Holtzman, 350 Bay Area; and Jan Warren, Interfaith Climate Action Network of Contra Costa County.

Committee Comments

The Committee and staff discussed incorrect slide titles (in response to these comments the slides were corrected on the Air District website after the meeting); which entities conduct the facilities' HRAs and which entities pay for the HRAs; the reason that risk reduction plans are not required for the City of Santa Clara and Los Medanos Energy Center; the request for a follow up presentation in the fall of 2021; the fact that the Air District's projected schedule in June 2020 had not anticipated conducting public workshops on the HRA results; reasons for delays and additional, unanticipated public workshops; the manner in which the Air District informs permitted entities of upcoming rule developments and whether support is offered to help the facilities adjust so that rule target dates can be phased in quicker; and AB&I Foundry's plans to move its molding operations to Texas in 2022 and how many jobs that will affect.

Committee Action

None; receive and file.

4. IMPROVING THE RULE DEVELOPMENT PROCESS

Greg Nudd, Deputy Air Pollution Control Officer of Policy, gave the staff presentation *Improving the Rule Development Process*, including: outcome; outline; requested action; 10-year look-back; rules in process; strategic actions; and feedback requested/prompt.

Public Comments

Public comments were given by Christine Wolfe, California Council for Environmental and Economic Balance; Jed Holtzman, 350 Bay Area.

Committee Comments

The Committee and staff discussed the request for rule development prioritization criteria to include elements of Assembly Bill (AB) 617 (Community Health Protection Program); finding a balance between collaborating with permitted facilities, keeping industry in California, and protecting the public's health; and the request that this item be finalized and brought back to the Committee in October 2021.

Committee Action

None; receive and file.

5. PUBLIC COMMENT ON NON-AGENDA MATTERS

Public comments were given by Jan Warren, Interfaith Climate Action Network of Contra Costa County.

6. COMMITTEE MEMBER COMMENTS

None.

7. TIME AND PLACE OF NEXT MEETING

Monday, July 19, 2021, at 9:00 a.m., via webcast pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

8. ADJOURNMENT

The meeting adjourned at 10:24 a.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons John Bauters and Karen Mitchoff, and Members
of the Stationary Source and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 13, 2021

Re: Revised Draft Regulation 13: Climate Pollutants, Rule 5: Petroleum Refinery
Hydrogen Plants (Rule 13-5)

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Air District staff is currently developing draft Regulation 13: Climate Pollutants, Rule 5, Petroleum Refinery Hydrogen Plants (Rule 13-5) which would limit vented emissions of “total organic compounds” (methane and volatile organic compounds) from hydrogen production, hydrogen carrying systems, and hydrogen end users such as process units at petroleum refineries. The Air District has a policy goal of reducing Bay Area greenhouse gas (GHG) emissions to 40 percent below 1990 levels by 2030, and 80 percent below 1990 levels by 2050. Methane is a potent and short-lived climate pollutant with a global warming potential 86 times greater than that of carbon dioxide, when compared on a 20-year time horizon. The intent of draft Rule 13-5 is to minimize both methane and other organic compound emissions, normally vented from atmospheric vents at petroleum refinery hydrogen plants during normal operating conditions, startups, shutdowns, malfunctions, upsets, and emergencies.

DISCUSSION

The Air District initially published a preliminary Staff Report in December of 2019 to explain draft Rule 13-5 to members of the public, affected industry, and other interested parties. Draft regulatory language for Rule 13-5 was developed and was made available for review as well. The Air District held a public workshop at its headquarters in San Francisco in January 2020 to present and discuss draft rule language along with a workshop report. In response to comments received at the workshop, in writing, and during subsequent meetings between Air District staff and hydrogen plant operators, draft Rule 13-5 was revised and renamed *Petroleum Refinery Hydrogen Plants*. The Air District sought further comment on the revised version of draft Rule 13-5 and the associated Preliminary Staff Report, published in September 2020.

The Air District received comments on the September 2020 draft rule addressing potential exemptions, definitions, concerns related to the standards, testing, and monitoring requirements, and overall concerns related to the timeline, scope, and procedural elements of the rule development process. The Air District revised draft Rule 13-5 to accommodate reasonable concerns related to definitions (atmospheric vents, control device vents, effective date, existing facilities relative to new ones), testing methods, monitoring, reporting and compliance timelines. Concerns raised by commenters questioning the cost effectiveness, scope, secondary environmental impacts, and overall rule development process are premature at this time and will be addressed in future supporting documents such as the California Environmental Quality Act (CEQA) Initial Study, draft Environmental Impact Report (DEIR), Socio-economic Analysis, and Staff Report.

During the presentation to the Stationary Source and Climate Impacts Committee, staff will review changes made to the draft rule in response to comments received.

Proposed rulemaking timeline: The Air District published a revised version of draft Rule 13-5 to the Air District website in June 2021 requesting further comments from the public on the most recent revisions. The Air District will conduct a CEQA scoping meeting virtually in July 2021, to discuss and accept oral comments on the scope and content described in a Notice of Preparation and an Initial Study (NOP/IS) prepared in anticipation of a DEIR for the project. These will be released for public comment well before draft Rule 13-5 is presented for consideration by the Air District Board of Directors in the fourth quarter of 2021.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jacob Finkle
Reviewed by: Victor Douglas and Elizabeth Yura

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairpersons John Bauters and Karen Mitchoff, and Members
of the Stationary Source and Climate Impacts Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: July 13, 2021

Re: Refinery Definition Amendments

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

In California and the Bay Area, we are seeing more extreme weather events, longer drought periods, and more intense wildfire seasons. With the increasing effects of climate change, communities, governments, and businesses around the world are feeling the impacts and are taking steps to adapt to the realities of a changing climate. Two refineries within the Air District, Phillips 66 in Rodeo and Marathon Refining in Martinez, have recently announced plans to shift their operations away from carbon intensive petroleum refining and move instead into the renewable fuels production market.

Renewable fuels are produced from renewable resources such as corn oil, soybean oil, animal fats, greases, and cooking oils. It is anticipated that each renewable refinery will be among the world's largest producers of renewable fuels with each expected to produce around 700 million gallons of renewable diesel, renewable gasoline, and renewable jet fuel per year. It is also expected that the switch to renewable fuel refining will have a lower carbon footprint than traditional petroleum-based refining methods; however, the full extent and magnitude of these emissions changes will likely not be completely understood for several years to come.

DISCUSSION

The Air District has begun working on amending regulatory definitions related to petroleum feedstocks and products. As refineries and support facilities transition from petroleum feedstocks and products to renewable feedstocks and products, there is a need to reassess our regulatory definitions to ensure that facilities do not back-slide on regulatory requirements, while also ensuring that any proposed changes to prevent this do not lead to negative, unintended outcomes. Changes to definitions may include anything related to petroleum (e.g. "crude-oil", "fossil fuel", "gasoline"), SIC code, or other such wording that would prohibit applicability of a rule requirement to a renewable feedstock or product but which would apply to a petroleum-based feedstock or product.

A preliminary review has identified 34 rules as candidates for amendments. The identification and technical work to evaluate and draft potential amendments is in progress. Current rule-making schedules anticipate bringing the rule amendments to Board approval by the end of 2021.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Chris Crowley and Art Valla
Reviewed by: Damian Breen