



BOARD OF DIRECTORS  
STATIONARY SOURCE COMMITTEE MEETING

COMMITTEE MEMBERS

BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

MARK DeSAULNIER –CHAIRPERSON  
ROBERTA COOPER  
SCOTT HAGGERTY  
JOHN SILVA  
SHELIA YOUNG

JERRY HILL - VICE CHAIRPERSON  
ERIN GARNER  
JULIA MILLER  
GAYLE UILKEMA

MONDAY  
MARCH 28, 2005  
9:30 A.M.

7<sup>th</sup> FLOOR BOARD ROOM

**AGENDA**

1. **CALL TO ORDER - ROLL CALL**
2. **PUBLIC COMMENT PERIOD** (*Public Comment on Non-Agenda Items Pursuant to Government Code § 54954.3*)  
*Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Board's authority. Speakers will be limited to five (5) minutes each.*
3. **APPROVAL OF MINUTES OF JANUARY 24, 2005**
4. **REVIEW OF CALIFORNIA ENERGY COMMISSION (CEC) WORKSHOPS ON PETROLEUM INFRASTRUCTURE PROJECT PERMITTING AND CONSIDER RECOMMENDING APPROVAL OF A LETTER TO THE SITING COMMITTEE OF THE CEC**  
**B. Bateman/4653**  
[bbateman@baaqmd.gov](mailto:bbateman@baaqmd.gov)  
  
*The Committee will receive a report on the CEC Workshops conducted on Petroleum Infrastructure Project Permitting and consider recommending to the Board of Directors that a letter be sent to the Siting Committee of the California Energy Commission.*
5. **REFINERY FLARE CONTROL RULE DEVELOPMENT UPDATE**  
**G. Kendall/4932**  
[gkendall@baaqmd.gov](mailto:gkendall@baaqmd.gov)  
  
*Staff will provide an update on the development of the Refinery Flare Control Rule.*
6. **COMMITTEE MEMBER COMMENTS/OTHER BUSINESS**  
*Any member of the Board, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)*
7. **TIME AND PLACE OF NEXT MEETING --MAY 23, 2005**
8. **ADJOURNMENT**

**CONTACT CLERK OF THE BOARD - 939 ELLIS STREET SF, CA 94109**

**(415) 749-4965**  
**FAX: (415) 928-8560**  
**BAAQMD homepage:**  
[www.baaqmd.gov](http://www.baaqmd.gov)

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities notification to the Clerk's Office should be given at least 3 working days prior to the date of the meeting, so that arrangements can be made accordingly.

**Bay Area Air Quality Management District  
939 Ellis Street  
San Francisco, California 94109  
(415) 771-6000**

**DRAFT MINUTES**

Summary of Board of Directors  
Stationary Source Committee Meeting  
9:30 a.m., Monday, January 24, 2005

1. **Call to Order – Roll Call:** Chairperson Mark DeSaulnier called the meeting to order at 9:32 a.m.

**Present:** Mark DeSaulnier, Chairperson; Roberta Cooper, Erin Garner (9:45 a.m.), Jerry Hill, Julia Miller, Gayle B. Uilkema, Shelia Young.

**Absent:** Scott Haggerty, John Silva.

**Also Present:** Marland Townsend.

2. **Public Comment Period:** There were none.
3. **Approval of Minutes of November 22, 2004:** Director Hill moved approval of the minutes; seconded by Director Uilkema; carried unanimously without objection.
4. **Status Report on the District's Flare Control Rule Development:** *Staff provided a status report on the development of a flare control rule.*

Alex Ezersky, Principal Air Quality Specialist, presented a status report on the Air District's flare monitoring rule. The presentation included background information; information on the progress of the workgroup; what is involved in the control strategy; the elements of a Flare Management Plan (FMP); and the Rule development process.

In summary, Mr. Ezersky stated that the Rule would increase the understanding of flare operations; improve tracking of emissions trends; and the concepts provide flexibility, recognize variations, and minimize emissions in a cost effective manner.

Director Erin Garner arrived at 9:45 a.m.

During discussions, Peter Hess, Deputy APCO, noted that there are equipment based and operational based elements in a Flare Management Plan. Staff commented that the refineries recognize that this rule needs to be in place to ensure that reduction of flaring continues in the future. There was a brief discussion on possible health impacts that occur during flaring.

**Committee Action:** None. This report provided for information only.

5. **Status Report on the District's Air Toxics New Source Review (NSR) Program Rule Development Project:** *Staff provided a summary of the Air Toxics New Source Review program rule development project to the Committee.*

Brian Bateman, Director of Engineering, presented the report. Mr. Bateman reviewed the background of the existing Air Toxics NSR Program; provided a summary of the goals of the Program; the District staff's proposal and public comments; and a review of the work that remains to be done. The revised Rule proposal will be issued the first quarter in calendar year 2005, additional workshops will be held, and the District staff will evaluate and respond to additional public comments. Mr. Bateman stated that it is anticipated the Rule will be brought to the Board for adoption in mid-2005.

In response to a question from Director Hill, Mr. Bateman noted that there is now a non-perc solvent that some dry cleaners are starting to use and added that this rule would help with that trend. There was discussion on the \$250 increase in permit fees if a Health Risk Assessment is required and staff noted the fees cover the costs associated with the additional analysis and is a one-time fee.

**Committee Action:** None. This report provided for information only.

6. **Status Report on the District's Community Air Risk Evaluation (CARE) Program:** *Staff provided a status report on the District's Community Air Risk Evaluation (CARE) Program.*

Jack Broadbent, Executive Officer/APCO, introduced Janet Stromberg, Principal Air Quality Engineer, and stated that Ms. Stromberg will be heading the CARE Program.

Ms. Stromberg presented the report and reviewed the three Program goals, which are to 1) evaluate health risks from air toxics in Bay Area neighborhoods; 2) provide health risk information to the community; and 3) plan and implement risk reduction measures based on health risk. Ms. Stromberg provided information on the Program goals and objectives; public outreach and input; emission inventory and emission density maps; and the technical and analytical quality assurance. Ms. Stromberg stated that a function of the Program will be to perform a cumulative risk analysis for a pilot project neighborhood; evaluate risk reduction opportunities and then implement a risk reduction plan. Ms. Stromberg reviewed the status of the CARE Task Force.

**Committee Action:** None. This report provided for information only.

7. **Committee Member Comments/Other Business:** There were none.
8. **Time and Place of Next Meeting:** 9:30 a.m., Monday, March 28, 2005, 939 Ellis Street, San Francisco, California 94109
9. **Adjournment:** The meeting adjourned at 10:54 a.m.

Mary Romaidis  
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Inter-Office Memorandum

To: Chairperson DeSaulnier and Members  
of the Stationary Source Committee

From: Steve Hill, Manager of Permit Evaluation

Date: March 25, 2005

Re: Review of California Energy Commission (CEC) Workshops on  
Petroleum Infrastructure Project Permitting and Consider Recommending  
A Letter to the CEC Siting Committee

RECOMMENDED ACTION:

Recommend that the Board of Directors send a letter to the Siting Committee of the California Energy Commission (CEC) expressing concerns regarding some of the options discussed relative to permitting of petroleum infrastructure projects.

BACKGROUND:

The price for transportation fuels in California is higher than the national average, and this trend is likely to continue. The CEC and the California Air Resources Board are pursuing long-term efforts to reduce petroleum demand and develop alternative fuels. These efforts are outlined in the joint agency report entitled *Reducing California's Petroleum Dependence* (August 2003). In the near-term, however, demand for petroleum fuels is expected to increase, and infrastructure constraints that have led to supply disruptions and higher prices will continue unless strategic improvements are made to the State's fuel supply infrastructure.

One of the perceived obstacles to infrastructure improvements is the perceived delay in permitting for infrastructure projects.

CEC WORKSHOPS:

The CEC's Siting Committee has been holding public workshops pursuant to an Order Instituting Informational (OII) Proceeding, to examine the State's petroleum infrastructure. The purpose of the OII Proceeding is to evaluate constraints on the state's petroleum refining, importing, storage, and pipeline systems, and determine the extent to which improvements in permitting would facilitate infrastructure expansion and increase the state's supply of transportation fuels.

Although the focus of the workshops has been on delays in permitting related to the California Environmental Quality Act (CEQA), the Bay Area AQMD and South Coast AQMD have been active participants in the workshops and related CEC hearings. The air districts have been concerned about several proposals that have been discussed in past workshops and/or proposed (but not adopted) in draft legislation:

## 1. Consolidated permitting for petroleum infrastructure projects

Using the power plant permitting process as a model, it has been suggested that permitting for petroleum infrastructure projects might be consolidated under CEC authority. This proposal would require legislation. The key features of such a program are:

- CEC process replaces CEQA
- Permit process subject to a fixed, aggressive timeline
- Opportunities for public comment, but decisions are made by CEC, not local agencies
- Permit appeal is to California Supreme Court;
- Air districts continue to issue air permits, but coordinates with CEC

At workshops, some commissioners have expressed concern about the ability of local lead agencies such as Cities and Counties to review complex permits at petroleum refineries. Commenters have offered examples of long delays, poor analysis, and successful challenge of agency decisions to illustrate a lack of local ability. They suggest that a state agency has more resources and more expertise to address the issues raised by such projects.

## 2. Creation of a State Officer

Furthermore, some commissioners have expressed concerns that the State's policy interests are not adequately represented in local proceedings. Fuel supply is a statewide concern, and some say it should be managed at the state level.

Consolidated permitting is one possible solution. Another possible solution is the creation of a State Officer with the power and authority to intervene in local permitting proceedings. Intervention could be limited to offering testimony as a member of the public. It could also be as extensive as an override of local authority.

This proposal would also require legislation.

### PROPOSED DISTRICT ACTIONS:

District staff will continue to be very active participants in the CEC workshops and hearings.

District staff will also monitor legislation, and will bring any related legislation to the attention of the Board.

District staff recommends that the Board communicate to the CEC that the air districts must retain full authority regarding air permitting for petroleum infrastructure projects.

Respectfully submitted,

Steve Hill,  
Manager, Permit Evaluation

FORWARDED: \_\_\_\_\_

Reviewed by: \_\_\_\_\_

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Inter-Office Memorandum

To: Chairperson DeSaulnier and Members  
Of the Stationary Source Committee

From: Gary Kendall,  
Acting Director of Planning & Research

Date: March 18, 2005

Re: Refinery Flare Control Rule Development Update

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

On March 16, 2005 and March 24, 2005 staff conducted Public Workshops to present the proposed Regulation 12, Rule 12: Flares at Petroleum Refineries. The presentation included a welcome by Jack Broadbent, Executive Officer; an introduction by Dan Belik, Rule Development Manger; background material and a description of the proposed Regulation by Alex Ezersky, Principal Air Quality Specialist. Staff will present an update on the development of the Refinery Flare Control Rule, including:

- Workshop Highlights,
- Proposed Rule Language, and
- Next Steps.

Respectfully submitted,

Gary Kendall  
Acting Director of Planning & Research

FORWARDED: \_\_\_\_\_

Prepared by: Alex Ezersky

Reviewed by: \_\_\_\_\_