

BOARD MEETING DATE: June 5, 2015

AGENDA NO. 22

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee met Friday, May 15, 2015. Following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

Dennis Yates, Chair
Stationary Source Committee

MN:am

Attendance

The meeting began at 10:30 a.m. In attendance at SCAQMD Headquarters was Committee Chair Dennis Yates. Committee Members Ben Benoit and Judith Mitchell attended via videoconference. Absent were Committee Members Dr. Joseph Lyou and Shawn Nelson.

INFORMATIONAL ITEMS

1. Rule 1156 – Further Reductions of Particulate Emissions from Cement Manufacturing Facilities

Ms. Jill Whynot, Assistant Deputy Executive Officer of Planning and Rules, gave the staff presentation. Emphasis was placed on consideration of updating the fence-line hexavalent chromium risk limit in the rule to reflect new Office of Environmental Health Hazard Assessment (OEHHA) guidelines, and that staff will continue to work with the facilities that are subject to this rule. Staff will conduct an additional public workshop in June and will extend the comment period to early July. A Public Hearing is presently scheduled for September 4, 2015. There were no Committee or public comments.

2. Update on Rules 1401 & 1402

Ms. Susan Nakamura, Director of Strategic Initiatives, provided an update to the previous April 17, 2015 Stationary Source Committee briefing on the proposed amendments to Rule 212 – Standards for Approving Permits and Issuing Public Notice, Rule 1401 – New Source Review of Toxic Air Contaminants, Rule 1401.1 – Requirements for New and Relocated Facilities Near Schools, and 1402 – Control of Toxic Air Contaminants from Existing Sources. The proposed amendments will revise definitions and risk assessment procedures to implement the new OEHHA Guidelines regarding how health risks are calculated. The Socioeconomic Assessment has been revised to reflect costs for preparing Health Risk Assessments and public notification under Proposed Amended Rule 1402 which implements AB 2588.

During the public comment period, Mr. David Rothbart, Southern California Alliance of Publicly Owned Treatment Works, thanked staff for continuing to work closely with his organization but noted that there may be timing issues with the rule development schedule if additional changes are made. He added that CARB will be releasing their proposed Risk Management Guidelines in May for adoption by their Board in July, using the new OEHHA Guidelines. Mr. Joseph Hower, Environ, suggested that the Board consider higher risk thresholds and stated that facilities do not wish to have the Revised OEHHA Guidelines apply to already submitted HRAs. He also expressed concerns that if SCAQMD prepares the HRAs, the businesses will be faced with much shorter deadlines for public notification and risk reductions. Mayor Yates asked if it is mandatory for SCAQMD to follow the OEHHA guidelines. Mr. Kurt Wiese, General Counsel, responded that we must use the OEHHA Guidelines for HRAs according to SCAQMD rules.

3. Rule 1420.2 – Emissions Standard for Lead from Metal Melting Operations

Ms. Nakamura presented Proposed Rule 1420.2 – Emission Standards for Lead from Metal Melting Facilities. She indicated that the proposed rule would apply to over a dozen facilities, mostly metal melting operations, and is scheduled for the July Board Hearing. During the public comment period, Mr. Mark Olson, Vice President/General Manager of Gerdau/Tamco (Rancho Cucamonga), commented that their facility provides a vital service by recycling over 400,000 tons of scrap metal that would otherwise be shipped outside of California, in order to produce rebar for important infrastructure projects. He stated that Gerdau has worked with SCAQMD staff to ensure compliance with all regulatory requirements, invested nearly \$7 million since 2010 to ensure compliance and improve emission reductions, and that the facility has approved SCAQMD permits to install a \$37 million state-of-the-art control system that would meet the NAAQS and the proposed 0.100 µg/m³ of PR 1420.2. Mr. Olson stated that these efforts should be included in the draft staff report. Mr. Olson further stated that the rule language as currently drafted would require additional controls resulting in \$10-\$15 million in capital costs and an

increase in operational cost of \$2-3 million without reducing emissions in any measurable way, and would result in the closure of the facility and the loss of hundreds of jobs.

Ms. Jocelyn Thompson, Legal Partner at Alston and Bird (representing Gerdau/Tamco) also stated that there are three (3) areas in the rule language as currently written that are problematic. First, she stated that the proposed rule would require 99% control efficiency of all lead point sources. She stated that this is technologically infeasible for sources with very low inlet concentrations, and spending a substantial amount of money to control such low emissions would have no measurable impact to the impacted community. Second, she questioned the prudence of requirements for total enclosure of the slag. Ms. Thompson stated that the slag at Gerdau/Tamco has concentrations of lead that are comparable to those found in natural soils based on University of California testing. Third, she is also concerned about housekeeping such as roof washing due to high cost and worker safety without any measurable impact to protect public health. She further stated that the facility is prepared to spend a lot of money, but does not want it to be spent on things that have no measurable benefit. Councilmember Mitchell requested that staff respond to Gerdau/Tamco comments. Ms. Nakamura stated that staff is aware of all of the issues Gerdau/Tamco brought forward and that staff has been working on these issues with the facility. She stated that staff is working on a requirement to address small sources of lead given specific criteria. She also stated that staff has been talking with Gerdau/Tamco regarding the slag, and that staff is looking into things that could be done and possibly looking at concentrations in the slag that would trigger the need for some type of enclosure. She further added that staff is looking to taper off some of the housekeeping measures which may show up instead in the compliance plan.

Councilmember Mitchell requested that staff keep working with Gerdau/Tamco and asked if there are other companies in a similar situation. Ms. Nakamura stated that it was the first time that staff had heard that the restructured proposed rule would force Gerdau/Tamco to close, and that the restructured rule does not require a point source limit that would necessarily require additional controls. Ms. Nakamura stated that comments received from facilities in the metals coalition were very close in terms of the rule approach and that the Battery Council International are opposed to the rule because of the 0.100 $\mu\text{g}/\text{m}^3$ and concerned with the precedent it would set for the nation. Mayor Yates asked about storm water runoff with lead and if the SCAQMD addresses that issue. Deputy Executive Officer Mohsen Nazemi clarified that runoff is addressed by the sanitation districts as part of their discharge permit.

WRITTEN REPORTS

All written reports were acknowledged by the Committee.

PUBLIC COMMENTS

There were no public comments.

Mayor Yates announced that the next Stationary Source Committee meeting is scheduled for June 19, 2015 and adjourned the meeting at 11:20 a.m.

Attachments

Attendance Roster

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE
May 15, 2015
ATTENDANCE ROSTER (Voluntary)**

NAME	AFFILIATION
Mayor Dennis Yates	SCAQMD Governing Board
Mayor Ben Benoit (VT)	SCAQMD Governing Board
Councilmember Judith Mitchell (VT)	SCAQMD Governing Board
Board Consultant Chung Liu	SCAQMD Governing Board (Mitchell)
Mohsen Nazemi	SCAQMD staff
Dr. Philip Fine	SCAQMD staff
Kurt Wiese	SCAQMD staff
Barbara Baird	SCAQMD staff
Bay Gilchrist	SCAQMD Staff
Susan Nakamura	SCAQMD staff
Chris Marlia	SCAQMD staff
Jill Whynot	SCAQMD staff
Nancy Feldman	SCAQMD staff
Laki Tisopulos	SCAQMD staff
Tina Cox	SCAQMD staff
Joseph Hower	Ramboll Environ/Gerdau
Curtis Coleman	Southern California Air Quality Alliance
Howard Balentine	AECOM
David Rothbart	LA County Sanitation Districts
Sue Gornick	WSPA