

BOARD MEETING DATE: May 1, 2015

AGENDA NO. 23

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee met Friday, April 17, 2015. Following is a summary of that meeting.

RECOMMENDED ACTION:  
Receive and file.

Dennis Yates, Chair  
Stationary Source Committee

MN:am

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### **Attendance**

The meeting began at 10:55 a.m. In attendance at SCAQMD Headquarters were Committee Members Dennis Yates, Dr. Joseph Lyou and Judith Mitchell. Ben Benoit attended via videoconference. Absent was Shawn Nelson.

### **INFORMATIONAL ITEMS**

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

Dr. Philip Fine, Assistant Deputy Executive Officer of Planning and Rules, gave the staff presentation. He provided a summary of proposed amended rule concepts designed to address the 2009 Board resolution to evaluate the need for and frequency of monitoring after five years, and to address provisions for facility closure. Public comments were made by Mr. Jay Grady, Director of Environmental Affairs for California Portland Cement Company (CPCC), and Mr. Michael Meinen of Riverside Cement Company. Both gentlemen stated they only recently received the proposed rule language and preliminary draft staff report and requested an additional 60 days to work with staff on their comments. Councilmember Mitchell asked for staff's response, to which Dr. Fine stated that given that there is no Board Meeting in August, the proposed delay would actually be a 90-day delay to

September 2015. When asked if there were any significant impacts associated with a delay, staff responded there were none at this time. As such, the Committee recommended allowing the extra time to work with the affected facilities. Dr. Lyou asked if staff had spoken to the California Department of Toxic Substances Control regarding the toxicity of the soils and that we should be engaged with them on this matter. Dr. Fine stated they are on the Working Group for the rule amendments. Mayor Yates asked what happens if CPCC started their kilns for clinker production and Mr. Mohsen Nazemi, Deputy Executive Officer for Engineering and Compliance, stated that their permits are still active although they have submitted requests for emission reduction credits for the kilns and other operations.

## **2. Rule 1148.1 – Oil and Gas Production Wells**

Mr. Naveen Berry, Planning and Rules Manager, provided an update on the development of Proposed Amended Rule 1148.1 – Oil and Gas Production Wells. Dr. Tom Williams, representing Sierra Club and others, commented that although Rule 1148.1 has worked well, they have some concerns with Rule 1148.1 and the proposed rule should include additional definitions and clarifications to define scope. He also requested that additional requirements should apply to facilities that are even closer to sensitive receptors (i.e. less than 500 feet), including lower triggers for specific cause analysis requirements and more rapid dissemination of complaint related data. Ms. Sandra Burkhart, Western States Petroleum Association (WSPA), stated that historical compliance with current Rule 1148.1 is high and reiterated a request for complaint data to support the proposed amendment. She further requested that a socioeconomic assessment and CEQA analysis be part of the proposal and that the requirements under the proposed odor mitigation plan (OMP), including the extended proximity threshold from 100 meters to 1,500 feet (323 meters) were not feasible due to costs and equipment availability, that lowering the odor nuisance threshold from six to three complaints is overly burdensome, and that WSPA would be submitting written comments. Dr. Lyou stated that he has experienced firsthand the difficulties in reporting and mitigating odors through the SCAQMD complaint system and also referred to a couple of comment letters from the Stand Together Against Neighborhood Drilling (STAND) coalition, which requested that all facilities be subjected to an OMP, suggesting that the SCAQMD might want to consider a compromise position to lower the trigger for obtaining an OMP for facilities within a shorter distance than 1,500 feet. Mr. Berry, responding to Dr. Lyou and questions from Councilmember Mitchell, clarified that a CEQA analysis would be part of the draft documents and that because the proposal is focused on reducing odor nuisance potential that associated emission reduction potential would be concurrent, and that staff would consider the feedback from the commenters. Mr. Nazemi distributed the two letters from STAND, dated February 6, 2015 and April 12, 2015 to the Board Members and others present at this meeting.

### **3. Rule 1148.2 – Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers**

Ms. Susan Nakamura, Planning and Rules Director, presented a summary report for Proposed Amended Rule 1148.2. The SCAQMD staff is proposing a narrow modification to the chemical reporting requirements in the rule so they will be consistent with state regulations. The California Department of Conservation, through its Division of Oil, Gas, and Geothermal Resources (DOGGR), has adopted well stimulation treatment regulations in response to the passage of Senate Bill (SB) 4 (approved by the Governor on September 20, 2013). The regulations were finalized in December 2014 and become effective on July 1, 2015. However, DOGGR has implemented similar interim regulations that are currently in effect. PAR 1148.2 will: 1) disaggregate the reporting of the trade name product from the chemical ingredients within the product; 2) no longer require the reporting of chemical mass maximum concentration within the trade name product, and instead require the maximum concentration in percent by mass within the total well drilling, well rework, and well completion fluid; and, 3) make available to the public all of the well stimulation information deemed not to be trade secret under SB 4 on the SCAQMD's website. Additional minor changes to rule language have been made for clarity and consistency. The proposed amended rule will continue to require the reporting of specific information not required under SB 4 and DOGGR's reporting structure.

Dr. Tom Williams of the Sierra Club/Citizen Coalition for a Safe Community wanted PAR 1148.2 to require the operators to monitor and analyze emissions from gaseous chemicals which are claimed as trade secret, and made available to the public. Ms. Nakamura indicated that staff is going to return to the Committee in the May/June timeframe and report staff's findings and recommendations for further changes to the rule.

### **4. Amend Rules 212, 1401, 1401.1 and 1402**

Ms. Nakamura provided a summary of 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 Rule 1402 – Control of Toxic Air Contaminants from Existing Sources. The rules provide the framework for protecting public health from air toxic emissions. The proposed amendments will revise definitions and risk assessment procedures to implement the Revised OEHHA Guidelines regarding how health risks are calculated.

Mr. Curt Coleman, Southern California Air Quality Alliance, stated that he wants the Board to have the ability to adjust the risk thresholds in the rule. Mr. Coleman commented that the highest annual costs are associated with risk reduction requirements under Rule 1402, and requested that staff conduct a sensitivity analysis

to determine the socioeconomic impacts of relaxing the risk thresholds. Dr. Lyou suggested that if staff conducts a sensitivity analysis of relaxing the risk thresholds for risk reduction, staff should also assess the effect of strengthening the risk thresholds.

Mr. David Rothbart, Southern California Publicly Owned Treatment Works, relayed his concerns about public notifications and urged that staff pay careful attention to the messaging included in public notifications. He also requested that additional time be included in the proposed rules for facilities that commit to risk reductions. Dr. Tom Williams, Sierra Club, asked if there is any synergy between PM1.0 emissions and NOx, CO or other criteria or toxic emissions. He recommended that staff look into regulating nano-particulates. Mayor Yates said that staff is already looking into that issue. Dr. Lyou commented that equal protection under the law should be considered when recommending carve-outs for industry segments.

### **WRITTEN REPORTS**

All written reports were acknowledged by the Committee.

### **PUBLIC COMMENTS**

Dr. Tom Williams made a comment on whether SR-710 operations related to covering part of the freeway and venting it to a scrubber should be considered a stationary source and be required to meet stationary source limits. Ms. Barbara Baird, Chief Deputy Counsel, responded that the SCAQMD is looking into this and is considering whether it could be treated as a stationary source.

Mayor Yates announced that the next Stationary Source Committee meeting is scheduled for May 15, 2015 and adjourned the meeting at 12:10 p.m.

### **Attachments**

Attendance Roster

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
STATIONARY SOURCE COMMITTEE  
April 17, 2015  
ATTENDANCE ROSTER (Voluntary)**

NAME	AFFILIATION
Mayor Dennis Yates	SCAQMD Governing Board
Dr. Joseph Lyou	SCAQMD Governing Board
Mayor Ben Benoit (VT)	SCAQMD Governing Board
Councilmember Judith Mitchell	SCAQMD Governing Board
Board Consultant Andy Silva	SCAQMD Governing Board (Rutherford)
Mohsen Nazemi	SCAQMD staff
Dr. Philip Fine	SCAQMD staff
Elaine Chang	SCAQMD staff
Kurt Wiese	SCAQMD staff
Barbara Baird	SCAQMD staff
Susan Nakamura	SCAQMD staff
Naveen Berry	SCAQMD staff
Jill Whynot	SCAQMD staff
Bill Wong	SCAQMD staff
Jean Ospital	SCAQMD staff
Alisa Moretto	Inland Empire Energy Center
Bill LaMarr	California Small Business Alliance
Rita Loof	RadTech
Vlad Kogan	Orange County Sanitation District
Jay Grady	Cal Portland
David Rothbart	LA County Sanitation District
Michael Meinen	Riverside Cement Company
Sandra Burkhart	WSPA

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT  
STATIONARY SOURCE COMMITTEE  
April 17, 2015  
ATTENDANCE ROSTER (Voluntary)**

<b>NAME</b>	<b>AFFILIATION</b>
Clayton Miller	Construction Industry Air Quality Coalition
Peter Whittingham	Curt, Pringle & Associates
Tom Williams	Citizen Coalition Safe Community
Susan Stark	Tesoro
Sue Gornick	WSPA