

BOARD MEETING DATE: July 7, 2017

AGENDA NO. 29A

(Continued from June 2, 2017 meeting by operation of Governing Board Procedures, Administrative Code §30.10)

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee met Friday, May 19, 2017.
Following is a summary of that meeting.

RECOMMENDED ACTION:
Receive and file.

Ben Benoit, Chair
Stationary Source Committee

LT:eb

Attendance

The meeting began at 10:30 a.m. In attendance at SCAQMD Headquarters in Diamond Bar were Committee Chair Ben Benoit and Committee Members Judith Mitchell, Dr. Joseph Lyou, and Sheila Kuehl. Committee Member Janice Rutherford participated via videoconference. Committee Member Shawn Nelson was absent.

INFORMATIONAL ITEMS

1. Nonattainment New Source Review Compliance Demonstration for 2008 Ozone Standard

Michael Krause, Planning and Rules Manager, explained that this action is an administrative procedure in response to U.S. EPA's Finding of Failure to Submit to demonstrate compliance with the nonattainment new source review (NSR) requirement in the Clean Air Act for the 2008 ozone standard for the South Coast Air Basin and Coachella Valley. Staff thought the SCAQMD was already in compliance with the requirement since the NSR and RECLAIM rules have already been federally approved. U.S. EPA, however, is seeking a more detailed demonstration of each NSR requirement and for the SCAQMD Board to certify, or approve, the compliance demonstration.

Dr. Lyou asked if there would be information for the Board to review. Staff replied that the complete nonattainment NSR compliance demonstration would be part of the Board package for the June meeting at which time certification is being sought by the full Board.

2. Supplemental RACM/RACT Analysis for the 2006 24-hr PM_{2.5} and 2008 8-hr Ozone Standards

Mr. Krause noted that this action is also an administrative procedure to demonstrate that the 2010 and 2015 RECLAIM amendments satisfy Reasonably Available Control Technology (RACT) requirements pursuant to the Clean Air Act. The RECLAIM program is required by the California Health & Safety Code to be equivalent to the Best Available Retrofit Control Technology (BARCT), which is more stringent than RACT. Nevertheless, a U.S. EPA's disapproval has triggered a sanction clock. Timing of approval is critical especially since CARB will need to approve this item before submitting to the U.S. EPA for final approval and stopping the sanction clock. The sanction clock will cause an increase in the offset ratio if not resolved by November 16, 2017. To assist in this matter, U.S. EPA recommended a parallel review process for CARB before the SCAQMD Board considers approval at their July Board meeting. Committee Members did not express any concern with staff proceeding with the parallel review process.

3. Proposed Amended Rule 1118 – Control of Emissions from Refinery Flares

Ian MacMillan, Planning and Rules Manager, presented a summary of proposed amendments to Rule 1118. Additional changes may be proposed for this rule based on information received per this proposed amendment. Dr. Lyou noted that flaring emits toxic pollutants and inquired about them. Staff responded that there is limited information from controlled studies, but real-world flaring events are much more difficult to sample. Dr. Lyou inquired about flaring destruction efficiency and expressed concern with the use of emission factors. Staff responded that the new U.S. EPA Refinery Sector Rule includes many provisions to ensure a higher destruction efficiency and that the optical remote sensing pilot study being proposed shows promise to move away from emission factors towards more direct measurement of flaring. Mayor Pro Tem Benoit concurred that this was a good approach. Dr. Lyou requested that flaring event public notices be enhanced with additional information. Staff replied that they are looking into this in parallel with the rulemaking. Councilmember Mitchell confirmed with staff that there are no financial impacts to refineries expected from removing the annual cap on mitigation fees unless an unforeseeable major incident with flaring were to occur. Supervisor Kuehl asked if there are best practices that can be recommended. Staff replied that each refinery has a unique and complicated process, and that the Scoping Documents in the proposed amended rule will provide the necessary detailed level of engineering analysis to identify future actions to further reduce flaring emissions.

Bridget McCann, representing the Western States Petroleum Association, commented that she appreciates the productive meetings that have occurred between the refineries and SCAQMD staff. She noted that the rule schedule is fast, and hopes that they will not have to ask for an extension. Jim Rebeel from Air Products Inc. commented that they are generally supportive of the rule amendments and appreciate the discussions they have had with staff, especially with regard to the specific concerns for hydrogen plants.

Jaimine Parekh, an attorney for Communities for a Better Environment, supports the efforts to amend the rule. She requested some specific changes to the proposed amended rule including that the SO_x performance target be reduced to 0.1 tons/million barrels, that a new VOC performance target be established, that all facilities prepare a Flare Minimization Plan, that the clean service flare emission factor be updated, that inspectors continue to verify that no vent gas lines bypass flare monitors, that the Essential Operational Needs provisions in the rule be tightened, and to remove a proposed Specific Cause Analysis exemption. Following a request from Councilmember Mitchell to respond, staff replied that before the SO_x performance target can be reduced, a feasibility analysis must be conducted, which is what the proposed Scoping Documents are designed to accomplish, and that because VOCs are difficult to measure, a performance target for them is not appropriate at this time, though the proposed optical remote sensing pilot study should provide more information on this for the second phase of rulemaking. Staff also mentioned that the U.S. EPA Refinery Sector Rule includes a Flare Minimization Plan, and the proposed Scoping Documents will also evaluate ways to reduce flaring in the future. Mayor Pro Tem Benoit asked about enforceability, and staff responded that there are provisions being added to reflect the U.S. EPA rule that have specific enforcement provisions. Staff also noted that the Essential Operational Needs and Specific Cause Analyses sections of the rule will be clarified and tightened, that the clean service emission factors are being researched, and verified that all facilities had been inspected to ensure that no bypass lines exist. Mayor Pro Tem Benoit requested that the proposed amended rule be brought back before this committee before it goes to the full Board for adoption.

4. Proposed Rule 1466 – Control of Particulate Emissions From Soils with Toxic Air Contaminants

Susan Nakamura, Assistant Deputy Executive Officer/Planning, Rule Development & Area Sources, presented a summary of Proposed Rule 1466 – Control of Particulate Emissions from Soils with Toxic Air Contaminants. In response to Dr. Lyou's question, staff confirmed that one of the criteria for the Executive Officer to consider for applicability of Proposed Rule 1466 is distance to sensitive receptors. In response to a question from Councilmember Mitchell, staff explained that PM₁₀ was being used as a surrogate to monitoring individual toxic air contaminants to provide real-time data. Dr. Philip Fine, Deputy Executive Officer/Planning, Rule Development & Area Sources, explained that analyzing

specific toxic air contaminants would require laboratory analysis which would be at least a three-day turnaround time. Supervisor Kuehl wanted to know if there were any provisions in the rule for trucks once they leave a site. Ms. Nakamura responded that the rule has requirements for egress and tarping of trucks. Executive Officer Wayne Nastri and Dr. Fine clarified that transportation of toxic materials is under the authority of the Department of Transportation and that sites would have to follow these regulations in addition to Proposed Rule 1466. Dr. Lyou discussed demolition activity near Exide where there were issues regarding communication with other agencies and planning departments and suggested an outreach and education component to the proposed rule. Mr. Nastri agreed that there needs to be increased awareness and outreach. Mayor Pro Tem Benoit stated his support of the additional provisions at school and early education centers. In response to Supervisor Kuehl's comment, staff agreed that health agencies such as the Department of Health Services should be consulted when the Executive Officer is designating a site. In response to Mr. David Pettit of Natural Resources Defense Council's comments regarding why only monitor for PM10 and not specific toxic air contaminants such as lead, Dr. Fine responded that PM10 gives real-time data of what is occurring at a site and there are no real-time monitors for lead. In response to a comment from Mr. William Pearce, representing Boeing, staff is working on provisions to address his request to exclude certain provisions such as monitoring and signage for small projects.

WRITTEN REPORTS

All written reports were acknowledged by the Committee.

OTHER BUSINESS

There was no other business.

PUBLIC COMMENTS

There were no public comments.

The next Stationary Source Committee meeting is scheduled for June 16, 2017. The meeting was adjourned at 11:45 a.m.

Attachment

Attendance Roster

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE**

May 19, 2017

Attendance Roster (Voluntary)

Mayor Pro Tem Ben Benoit	SCAQMD Governing Board
Dr. Joseph Lyou.....	SCAQMD Governing Board
Councilmember Judith Mitchell	SCAQMD Governing Board
Supervisor Sheila Kuehl	SCAQMD Governing Board
Supervisor Janice Rutherford (videoconference)	SCAQMD Governing Board
Board Consultant David Czamanske.....	SCAQMD Governing Board (Cacciotti)
Board Consultant Ron Ketcham.....	SCAQMD Governing Board (McCallon)
Board Consultant Andrew Silva.....	SCAQMD Governing Board (Rutherford)
Wayne Nastri	SCAQMD staff
Barbara Baird.....	SCAQMD staff
Bill Wong	SCAQMD staff
Philip Fine.....	SCAQMD staff
Laki Tisopulos	SCAQMD staff
Jill Whynot	SCAQMD staff
Amir Dejbakhsh.....	SCAQMD staff
Susan Nakamura	SCAQMD staff
Bill LaMarr	California Small Business Alliance
Bill Pearce.....	Boeing
Rita Loof.....	RadTech
Jim Reebeel	Air Products Inc.
Patty Senecal.....	Western States Petroleum Association
Lauren Nevitt	SoCalGas
Bridget McCann	Western States Petroleum Association