

BOARD MEETING DATE: December 5, 2014

AGENDA NO. 33

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee met Friday, November 21, 2014.
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 were Mayor Dennis Yates, Mayor Judith Mitchell, Dr. Joseph Lyou and Mayor Pro Tem Ben Benoit. Absent was Supervisor Shawn Nelson.

ACTION ITEM

1. Issue RFP to Perform an Audit and Evaluation of Pressure Relief Devices at Refineries

Mohsen Nazemi, Deputy Executive Officer, Engineering and Compliance, began by saying that this item showed no written material on the agenda, although written material was provided to the Committee Members in advance. Barbara Baird, Chief Deputy Counsel, stated that copies were also available at the meeting for the public.

Danny Luong, Senior Enforcement Manager, presented this item. Mr. Luong started out by identifying the purposes of the Request for Proposal (RFP) as to identification of all atmospheric pressure relief devices (PRD) and comparison to the PRD inventories in the current Rule 1173 Plans, and to check for any existence of additional fuel supply lines introducing fuel downstream of the locations of RECLAIM moni-

tors. Mr. Luong then presented the current requirements for PRDs in Rule 1173, including the requirements for inventory, electronic monitoring, reporting of releases, and periodic inspection and repairs. Specifically, the release reporting requirement was for all releases of 100 lbs. of VOC or any reportable quantities as specified in 40 CFR Parts 117, 302 or 355. In addition, written reports are required within 30 days and all released emissions are included in an Annual Emission Report. Mr. Luong then showed the count of atmospheric PRDs as currently reported in the 1173 Plans, which varied from one for the Ultramar refinery to 385 for the Tesoro – Carson (formerly BP) refinery. Mr. Luong noted that, for the sake of comparison, the two Phillips 66 facilities should be counted as one, with a total of 22 atm PRDs. Mr. Nazemi, explained that the difference in the count number was due to the age of the facilities.

Next, Mr. Luong introduced Rule 2011 - Requirements for Monitoring, Reporting, and Recordkeeping for SOx emissions. RECLAIM requires Continuous Emission Monitoring Systems to measure SOx emissions from major equipment burning refinery gas. Most refineries determine SOx emissions by monitoring a combination of fuel gas and exhaust characteristics, and amount of fuel consumed. Fuel gas characteristics are measured at a fuel mix drum and may include sulfur content, heat content, fuel composition, temperature, pressure, and density. Mr. Luong also introduced Rule 2012 – Requirements for Monitoring, Reporting, and Recordkeeping for NOx emissions. RECLAIM requires Continuous Emission Monitoring Systems to measure NOx emissions from Major Sources. Fuel characteristics are also used to determine NOx mass emissions in addition to stack NOx concentration. Mr. Luong then explained that refinery fuel gas is a collection of pre-treated process off-gases, which are mixed in a fuel mix drum to provide a fuel of steady heat content. The fuel gas is distributed to combustion devices via a network of pipes. Any additional stream of fuel introduced to this network downstream of the fuel monitors will change the fuel characteristics and render emission reporting inaccurate. Mr. Luong summarized that the RFP was to seek proposals for identifying atmospheric PRDs and for verifying appropriate monitoring of RECLAIM emissions and associated cost for all or individual refineries. He anticipated that RFP solicitation, receipt of selection of contractor(s), and Board approval of contracts, if exceeding \$75,000, be completed by March 2015.

Dr. Barry Wallerstein concluded the presentation by stating that this will not be an action item, instead it will be presented to Administrative Committee as an action item.

Mayor Mitchell asked why there was such a big difference of atmospheric PRDs between different refineries. Mr. Nazemi explained that the reason was primarily due to the age of facilities. A newer facility would have been designed and built such that their PRDs would be vented to vapor recovery or a flare system, and any new process unit that is built today would be required by Rule to vent to a vapor recovery or flare. For older facilities, venting an existing atmospheric PRD to a flare is not

simple because the system has to be balanced at all times. During an upset, one has to ensure that the system can handle all the incoming exhaust to ensure safety. An existing flare system may not be able to accept exhaust from a particular process unit due to pressure differences. Mayor Mitchell asked if we have ever done this type of work before, and Dr. Wallerstein indicated SCAQMD staff has done it but we have never hired a contractor to do it.

Ms. Susan Stark, Tesoro Refinery, testified and supported the issuance of the Request for Proposal. There were no other comments from the public. No additional comments were made by Board members.

INFORMATIONAL ITEMS

2. Rule 1420.1 – Emissions Standards for Lead and Other Toxic Air Contaminants from Large Lead-Acid Battery Recycling Facilities

Susan Nakamura, Director of Strategic Initiatives, provided a summary of the proposed amendments. The rule proposes further reductions of the ambient lead concentration limit and lead point source emission rate, daily ambient sampling of lead and arsenic as well as other proposed requirements.

Mayor Yates noted that a lower mass emission rate of 0.003 lb/hr for point sources was being achieved at one facility. Mayor Yates commented that the proposed rule could propose a lower limit of 0.003 lb/hr. Dr. Lyou concurred and commented that we could adopt the lower limit and relax the rule if needed later on. Dr. Barry Wallerstein said that additional data might support a lower limit and that staff plans to include an adopting resolution to come back to the Board after source testing is completed. Dr. Wallerstein also stated that the rule adoption hearing would need to be delayed for the Board to consider the 0.003 standard due to CEQA. Mayor Mitchell asked if the equipment Exide was installing would be able to meet the lower limit. Staff responded that further source testing was needed to make that determination. Mr. Nazemi reiterated that the proposed rule is reducing the ambient levels, which is monitored everyday and better measures exposure to one public compared to a one time source test, which is a snap shot.

Mr. John Hogarth, Plant Manager at Exide, stated that Exide is installing air pollution control equipment and that they should be allowed to complete installation and test the equipment prior to setting a limit. He added that ambient emissions are more reflective of fugitive emissions, not necessarily stack emissions. He continued that the limit should be feasible for their facility which has a different furnace, air flow and configuration than Quemetco's facility.

Mr. Michael Buckantz, Quemetco, advocated a 0.003 lb/hr mass emission limit and requested that the Board should be provided a choice at the Public Hearing to adopt

a more stringent standard. He further requested that staff should prepare a CEQA analysis to avoid a delay if the Board wishes to adopt the more stringent standard. Mr. Buckantz said that Quemetco supports the proposed ambient standard and daily monitoring and recommends including community monitoring paid for by the facilities.

Mr. Duncan McKee, resident, stated that he supports more stringent regulations but is concerned that the proposal may result in increased throughput at Quemetco. He said that the community does not want more batteries going to Quemetco. He also pointed out that an earlier staff report stated that wastewater emissions are regulated by Rule 1176 but through a records request he found that no monitoring or testing are being done on wastewater treatment systems.

Dr. Lyou was supportive of providing the Board an option to adopt a more stringent rule including consideration for capping facility emissions. Mayor Yates voiced his agreement with Dr. Lyou.

3. Rule 1148.2 – Notification and Report Requirements for Oil and Gas Wells and Chemical

Susan Nakamura presented a Status Report for Rule 1148.2. Pursuant to the adoption resolution in April 2013, staff is to report semi-annually to the Stationary Source Committee on notifications, emissions, and chemical use reporting related to Rule 1148.2. In addition to updating the Committee again in six months and providing a recommendation on future action, staff will also: continue sampling and inspections; pursue instances of non-compliance with Rule 1148.2 requirements (i.e., operators conducting oil/gas well activities, but not reporting emissions or chemical usage); and continue analysis of notification, emissions, and chemical usage data.

Mayor Yates asked, considering the potential toxic cancer risk exposure during Rule 1148.2 activities, whether staff has conducted research on the risk exposure to oil field workers as part of the Rule 1148.2 implementation. Dr. Wallerstein indicated that staff had not conducted research, but he would direct staff to look into whether any epidemiology studies have been conducted on oil field workers and report back to the Committee at our next briefing.

Dr. Lyou inquired about whether staff was seeing any potential rule requirements from the staff's implementation of Rule 1148.2. Ms. Nakamura indicated that there are some Best Management Practices (BMPs) along with addressing some high hydrocarbon measurements from Rule 1148.2 activities that staff is evaluating. Ms. Nakamura indicated that staff will update the Committee in May 2015, at which time the staff will make recommendations to the Committee Members on potential future rule making.

Dr. Lyou requested that SCAQMD staff work closely with other regulatory agencies to ensure that hazardous materials transportation safety issues are properly addressed, especially when materials such as Hydrogen Fluoride are involved.

4. Use of Executive Officer Enforcement Discretion to Provide a One-time, 90-day Extension of the Submittal Deadline for the 2015 Annual Emission Report

Dr. Elaine Chang, Deputy Executive Officer, Planning, Rule Development & Area Sources, informed the Committee of staff's proposed action to use the Executive Officer's enforcement discretion to allow a one-time, 90-day extension of the report submittal deadline for the first year of implementation of the new Annual Emission Reporting system as requested by stakeholders to facilitate a smooth transition to the new reporting system. The extended filing deadline is June 1, 2015.

Representatives from the Western States Petroleum Association, California Council for Environmental & Economic Balance, Southern California Air Quality Alliance and Southern California Alliance of Publicly-owned Treatment Works expressed their support for staff's proposed action.

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 January 23, 2015 and adjourned the meeting at 11:40 a.m.

Attachments

Attendance Roster

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE
November 21, 2014
ATTENDANCE ROSTER (Voluntary)**

NAME	AFFILIATION
Mayor Dennis Yates	SCAQMD Governing Board
Mayor Pro Tem Benoit	SCAQMD Governing Board
Mayor Judith Mitchell	SCAQMD Governing Board
Dr. Joseph Lyou	SCAQMD Governing Board
Dr. Barry Wallerstein	SCAQMD Staff
Mohsen Nazemi	SCAQMD Staff
Elaine Chang	SCAQMD Staff
Barbara Baird	SCAQMD Staff
Kurt Wiese	SCAQMD Staff
Tina Cox	SCAQMD Staff
Danny Luong	SCAQMD Staff
Bill Pearce	Boeing
Susan Stark	Tesoro
Vlad Kogan	Orange County Sanitation District
Duncan McKee	Community
Rita Loof	RadTech International