

BOARD MEETING DATE: December 2, 2016

AGENDA NO. 27

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee met Friday, November 18, 2016. 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 10:50 a.m. In attendance at SCAQMD Headquarters were Committee Chair Ben Benoit and Committee Members Judith Mitchell, Dr. Joseph Lyou and Janice Rutherford. Absent were Committee Members Larry McCallon and Shawn Nelson.

ACTION ITEM

1. Amend BACT Guidelines and Approve Charter for BACT Scientific Review Committee

Staff provided the Committee with a presentation on the proposed amendments to the BACT Guidelines and proposed Charter for the BACT Scientific Review Committee (SRC). The proposed amendments to the BACT Guidelines are to make them consistent with current requirements of SCAQMD rules and regulations as well as state and federal requirements, such as the addition of Parts E and F to address greenhouse gas BACT that is now covered under the federal Prevention of Significant Deterioration and Title V Permit Programs. To formalize the operation of the BACT SRC, staff is proposing the approval of a Charter which will detail the BACT SRC's goals and objectives, composition and selection of the BACT SRC membership and the operational guidelines, all consistent with the initial establishment of the BACT SRC.

David Rothbart representing Southern California Alliance of Publicly Owned Treatment Works (SCAP) stated that staff and SRC are in agreement that the BACT Guidelines still need significant revisions, and it is outdated and difficult to follow. Mr. Rothbart stated that the document is a tool for the permit streamlining effort and is important for both the public and staff. He also suggested that staff come back to the BACT SRC within a short-term period with any proposed revisions to the BACT Guidelines.

Rita Loof representing Radtech, Inc. opposed approving the guidelines. She indicated that her comments had not been addressed, and the items she provided, which are considered BACT in other air districts, have not been included. Staff replied that they were looking into her comments and working with Ms. Loof. Although UV/EB typically meet BACT requirements, staff is required to address the cost effectiveness of the technology for minor sources in compliance with State law requirements.

Councilmember Benoit asked staff how long it would take to return to the committee with the next Guidelines update. Staff committed to updating the Committee in six months and possibly adding the determinations at that time. Councilmember Mitchell inquired if the BACT Guidelines needed to be updated more frequently. Staff committed to returning in six months.

Karl Lany representing ES Engineering stated his concern that the BACT update is concurrent with CARB's efforts to update the Portable Engine ATCM, and the Guidelines do not address the possible nuances of the pending ATCM updates. Mr. Lany said that the BACT update process has exposed the need for Enforcement and Permitting policies that are beyond the scope of the BACT Guidelines. He also stated he had met with Compliance and Enforcement staff and acknowledged Engineering and Permitting staff's willingness to meet. He encouraged staff to keep the door open about these issues. Staff replied that the ATCM allows case-by-case analysis and the issue crosses the lines between compliance and permitting and staff is willing to work with stakeholders. Mr. Lany added that there is no reason to hold off on moving forward with the BACT Guidelines.

Harvey Eder of the Public Solar Power Coalition provided and discussed a news article to the Committee regarding the solar and wind industry. He stated that conversion to solar renewables is needed to meet future ozone ambient air standards.

Florence Carribean representing the Del Amo Action Committee asked if the SCAQMD could help with indoor air vapor intrusion from a nearby facility with high levels of perchloroethylene. She also identified Jones Chemical's operations of

receiving railroad car loads of chlorine and sulfur dioxide as a concern, as well as the Chemical Safety Board identifying the Exxon Mobil explosion as a “near miss” in regards to their hydrofluoric acid tanks. She supports BACT and considers it a step forward. She also encouraged the issuance of enforceable permits by the SCAQMD.

Jim Stewart of the Sierra Club stated that BACT should move ahead and he is in support of BACT. He distributed maps with MATES data and said that the data is the reason why BACT is needed. He asked Mr. Wayne Natri, Acting Executive Officer, what he planned to do about the West Long Beach Environmental Justice problem. Mr. Natri replied that the SCAQMD is working on measures in the AQMP to address this issue.

Dr. Lyou asked why fuel cells cannot be considered as BACT if they are already being used by companies for backup power. Staff stated that the Guidelines follow the Clean Fuels Policy, but cost effectiveness is an issue. Staff also clarified the BACT Guidelines are equipment-specific technologies as opposed to application requirements, which are beyond the scope of BACT. Dr. Lyou also added that he was concerned about so-called ‘perverse incentives’ (i.e. negative unintended consequences) that could potentially occur with BACT. He said as a piece of equipment nears the end of its service life, facilities may not be willing to replace it with new equipment since they will have to install new equipment that is cleaner, but might cost more. He asked if after a new BACT standard is set, the SCAQMD could incentivize earlier switchout of old equipment. Mr. Natri stated that those types of incentives are being proposed in the 2016 Air Quality Management Plan.

The item was approved by the Committee. Dr. Lyou stated he will have further comments at the Board meeting.

Moved (Mitchell), seconded (Rutherford) and approved as recommended by the following vote:

Ayes: Benoit, Rutherford, Lyou, Mitchell

Noes:

Absent: McCallon, Nelson

INFORMATIONAL ITEMS

2. Assessment of tertiary-Butyl Acetate (tBAC)

Dr. Philip Fine, Deputy Executive Officer/Planning, Rule Development and Area Sources, presented a summary of staff's assessment on tertiary-butyl acetate (tBAC) and stakeholder comments since the release of the Preliminary Draft tBAC Assessment White Paper. The following comments were made at the committee meeting.

Curt Coleman, Executive Director of the Southern California Air Quality Alliance and representing Lyondell (manufacturer of tBAC), commented that the agenda for the Scientific Review Panel (SRP) has been confirmed as of yesterday and is set for December 14, 2016. He supports staff's position to wait for the final SRP.

Raleigh Davis of the American Coatings Association commented that the tBAC paper only references a few assessments and should include all available information on tBAC. Ms. Davis stated that the SCAQMD should not include onsite worker analysis; it should be left to the Occupational Safety and Health Administration (OSHA). She asked why SCAQMD would defer to OEHHA for guidance, which is a state entity, but not to OSHA.

Chelsea Ritchie of the Roofing Coatings Association commented that the roofing industry is probably responsible for using the 2.8 percent of industrial maintenance coatings containing tBAC. She stated that reformulations would be costly and agrees with staff's recommendation not to change the exemption in Rule 1113. She also stated that SCAQMD should rely on OSHA for onsite risk. She requested that the paper list the assumptions used in the Rule 1168 onsite analysis.

Katy Wolf of the Institute of Research and Technical Assistance commented that the tBAC exemption should be removed from Rules 1113 and 1151. She said that staff may defer to OSHA, but SCAQMD should not make public policies that promote the use of a carcinogenic compound. Ms. Wolf stated that industrial maintenance coatings are not limited to industrial settings and can include anti-graffiti and floor coatings. She said staff was selective on scenarios chosen for the offsite analysis and did not choose to analyze floor coatings containing tBAC where there would be high risk. She said staff should not allow or promote any compounds with toxic or unknown toxic profiles.

Don Vulich of the Los Angeles Painting & Finishing Contractors Association commented that painters use personal protective equipment (PPE) and employers enforce the use of PPE. Mr. Vulich stated that the coatings are used by professionals who are conscientious of risks. He said employers are affected by any risk to workers and how it will affect their operations. He also added that it is the responsibility of employers to protect workers and it is OSHA's responsibility to regulate it. Dr. Lyou asked Mr. Vulich if he was supportive of onsite worker analysis. Mr. Vulich stated that he would be supportive because they would want to

know what the risks to workers are and whether the precautions they take now are sufficient.

Ida Lin of PPG Protective & Marine Coatings read a few sentences from a toxicology paper published in 2006, which concluded that tBAC has lower acute toxicity than previously suggested and neither tBAC or tertiary Butyl Alcohol (a metabolite of tBAC) are genotoxic or potential human carcinogens. She said that scientific results from both sides should be considered before making a determination.

After comments were received, Dr. Lyou commented that staff did not re-evaluate the potential risk to workers and staff did not do the analysis the Board directed them to complete. He said he spoke with Jack Broadbent of the Bay Area Air Quality Management District (BAAQMD) who said they assess the risk to workers. Dr. Fine responded that they likely do not analyze for onsite worker risks, only for offsite. Councilmember Mitchell commented that we should not evaluate on-site workers risk, but we may inspire CalOSHA to do it. She believes staff does not have the methodology or resources to do this analysis. Mr. Nastri suggested that staff reach out to CalOSHA to urge them to do the on-site exposure analysis. He said the SCAQMD does not have the authority and is not appropriately qualified to analyze on-site exposure and we should defer to the existing authority. He suggested coming back in 90 days to discuss staff's progress with CalOSHA. Supervisor Rutherford asked staff to clarify with BAAQMD about worker risk. She asked if staff would bring the status of conversations with CalOSHA back to Committee before going to the Board. Mr. Nastri responded affirmatively and stated that an update will be given to Committee before going to the Board.

3. Status Report on Rule 1147 Technology Assessment

Due to time constraints, this item was moved to the next meeting.

WRITTEN REPORTS

All written reports were acknowledged by the Committee.

PUBLIC COMMENTS

There were no Public Comments.

The next Stationary Source Committee meeting is scheduled for January 20, 2017. The meeting was adjourned at 12:20 p.m.

Attachment

Attendance Roster

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

November 18, 2016

Attendance Roster (Voluntary)

Councilmember Ben Benoit SCAQMD Governing Board
Councilmember Judith Mitchell SCAQMD Governing Board
Dr. Joseph Lyou SCAQMD Governing Board
Board Consultant David Czamanske SCAQMD Governing Board (Cacciotti)
Board Consultant Debra Mendelsohn SCAQMD Governing Board (Antonovich)
Wayne Nastri SCAQMD staff
William Wong SCAQMD staff
Philip Fine..... SCAQMD staff
Laki Tisopulos SCAQMD staff
Jill Whynot SCAQMD staff
Bayron Gilchrist SCAQMD staff
Matt Miyasato SCAQMD staff
Susan Nakamura SCAQMD staff
Amir Dejbakhsh..... SCAQMD staff
Tracy Goss SCAQMD Staff
Bill LaMarr California Small Business Alliance
David Rothbart L.A. County Sanitation Districts
Noel Muyco SoCalGas
Daniel McGivney SoCalGas
Rita Loof..... RadTech
Ida Lin..... PPG Industries
Susan Stark Tesoro
Karl Lany ES Engineering Services
Bill Pearce..... The Boeing Company
Jim Stewart Sierra Club
Katy Wolf Institute for Research and Technical Assistance
Raleigh Davis American Coatings Association