




Agenda Item: H-2
Agenda Date: May 21, 2020
Agenda Placement: Regular
Estimated Time: 20 minutes
Continued Item: No

Board Agenda Item

TO: Air Pollution Control District Board

FROM: Aeron Arlin Genet, Air Pollution Control Officer 

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SUBJECT: Proposed Rule 364, Refinery Fenceline and Community Air Monitoring

RECOMMENDATION:

That the Board:

1. Hold a public hearing to receive testimony on proposed Rule 364, Refinery Fenceline and Community Air Monitoring;
2. Adopt the resolution included as Attachment 1 that contains the following action items:
 - a. Adopt the California Environmental Quality Act (CEQA) Findings pursuant to the CEQA guidelines;
 - b. Adopt the General Rule Findings in support of the proposed rule amendments pursuant to Health and Safety Code section 40727 regarding necessity, authority, clarity, consistency, nonduplication, and reference; and
 - c. Adopt proposed Rule 364.

BACKGROUND:

Petroleum refineries are among the largest stationary sources of air pollution in California. In recent years, community concerns over emissions from refineries and the potential for community exposure to air contaminants, both from routine facility operations and potential releases due to upset conditions or emergency situations, has increased. Assembly Bill

(AB) 1647, passed in 2017, contains requirements for fenceline air monitoring and community air monitoring for refineries operating in California by January 2020. Proposed Rule 364 was developed to address these requirements for refineries in Santa Barbara County. At present, Santa Maria Asphalt Refinery is the only refinery located in Santa Barbara County.

DISCUSSION:

A refinery fenceline system can provide the public and other agencies with real-time air quality data regarding various air pollutants and the potential health impacts near the refinery. Proposed Rule 364 requires monitoring of BTEX compounds (referring to benzene, toluene, ethylbenzene, and xylene), sulfur dioxide, and hydrogen sulfide at the facility fenceline. District staff recommends the use of open-path technologies to monitor the majority of these pollutants at the fenceline. Open-path technologies employ light beams to detect the pollutant concentration levels across an entire path, typically 200 to 500 meters long. Open-path systems are an accurate and cost-effective way to detect potential pollutant leaks at the refinery boundary, but other monitoring options could be used in accordance with the Refinery Fenceline Air Monitoring Guidelines, which are attached to the rule. Proposed Rule 364 requires that the pollutant data from the refinery's system be made available on a public website.

Proposed Rule 364 also addresses the need for the District to install and maintain a refinery-related community air monitoring system and make the pollutant data (BTEX, sulfur dioxide, and hydrogen sulfide) available to the public through the District's website. The community monitoring system can be co-located with the District's existing ambient air monitoring network to reduce the refinery's costs. However, the current monitoring site in central Santa Maria does not meet the federal EPA siting criteria. The District has been evaluating new locations to co-locate the equipment that could satisfy the monitoring objectives for the Santa Maria region as well as the community that is downwind of the refinery. The District hopes to have a final location for a co-located community monitor chosen by the summer of 2020.

FISCAL IMPACTS TO THE REGULATED COMMUNITY:

Proposed Rule 364 will affect the owner and operator of any petroleum refinery within the County as they will be responsible for the costs to implement the AB 1647 mandate. Staff evaluated various metrics (e.g., the cost of air monitoring equipment, equipment siting, data logging systems, and labor) to estimate the costs of both the fenceline monitoring system and the community air monitoring system. The costs are based on the analysis performed by the South Coast Air Quality Management District and adjusted downward based on District staff assessment. Based on the costs provided in the staff report, staff concludes that installing and maintaining the refinery fenceline equipment and reimbursing the District for the community air monitoring system will not significantly impact industry.

FISCAL IMPACTS TO THE DISTRICT BUDGET:

The proposed rule is not expected to result in any significant increased workload for District staff. District staff will have to review additional monitoring plans and reports and install and maintain new monitoring equipment for the community air monitoring system. These tasks can

take up to an additional 0.25 FTE (Full-Time Equivalent) workload for District staff. The District can manage the workload with existing staff, and no additional hires will be necessary.

PUBLIC REVIEW:

The District held a public workshop to present, discuss, and hear comments on the draft rule on December 16, 2019 at the District office in Santa Barbara. To inform the public about the workshop, District staff e-mailed a public notice to everyone who subscribed to the noticing subscription list. Staff also mailed a hardcopy notice to the Santa Maria Asphalt Refinery. The workshop was attended by representatives and consultants for the refinery. The written comments that were received from the refinery and the District's responses to those comments are included in the staff report.

The District brought the draft rule to the Community Advisory Council (CAC) on January 22 and February 26, 2020. Comments from the CAC and the District's responses to those comments are also included in the attached staff report. At the February meeting, the CAC unanimously recommended that the District Board adopt the proposed Rule 364. The proposed rule was then publicly noticed on April 19, 2020, and the public was invited to participate remotely at the May 21, 2020 Board Hearing where the rule will be considered for adoption. There have been no substantial changes to the proposed rule since the February 26 CAC meeting.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA):

The California Environmental Quality Act (CEQA) requires environmental review for proposed Rule 364, Refinery Fenceline and Community Air Monitoring. The District is the lead agency for this project. Proposed revisions to Rule 364 were examined and it was determined that the adoption of the rule will not result in the relaxation of air pollution control requirements in general, or in the relaxation of air pollution control standards that apply to any specific existing facilities or processes. Pursuant to §15061(b)(3) of the State CEQA Guidelines, the project is exempt from CEQA as it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. As a result, the project is exempt from any additional CEQA review. CEQA findings to be adopted by the District Board, as well as a discussion of these findings, are provided in Attachment A to the Board resolution. A Notice of Exemption, as shown in Attachment B to the Board resolution, will be prepared in compliance with CEQA Guidelines section 15062.

ATTACHMENT:

- 1) District Board Resolution for adopting Rule 364, Refinery Fenceline and Community Air Monitoring, which includes the following:
 - A. California Environmental Quality Act (CEQA) Findings
 - B. CEQA Notice of Exemption
 - C. General Rule Findings
 - D. Rule 364 Staff Report
 - E. Proposed Rule 364, including attached Refinery Fenceline Air Monitoring Guidelines