

Meeting Date: 9/26/2024
Report Type: PUBLIC HEARINGS
Report ID: 2024-0926-4.

Title: AB 617 Best Available Retrofit Control Technology Determination for Steam Methane Reforming

Recommendation: Conduct a public hearing and 1) determine that the approval of the Best Available Retrofit Control Technology (BARCT) determination for steam methane reforming is not subject to the California Environmental Quality Act (CEQA), and 2) adopt a resolution approving the BARCT determination for Steam Methane Reforming.

Rationale for Recommendation: California Assembly Bill (AB) 617 was signed into law on July 26, 2017. Among its provisions, each air district that is a nonattainment area for one or more air pollutants must adopt an expedited schedule for implementation of Best Available Retrofit Control Technology (BARCT) [California Health and Safety Code Section 40920.6]. This requirement applies to each industrial source subject to the California Greenhouse Gas Cap-and-Trade regulation [Title 17, California Code of Regulations, Section 95802 et seq.]. The District's Board of Directors adopted its expedited BARCT schedule on October 25, 2018. The schedule included a commitment to evaluate BARCT for process heaters used in steam methane reforming and, if necessary, amend District Rule 411, NOx from Boilers, Process Heaters and Steam Generators, to implement BARCT for this source category. Staff has completed its analysis of BARCT for steam methane reforming and has determined that the current NOx emission limit under Rule 411 meets BARCT requirements.

Staff is recommending the Board approve a BARCT determination for steam methane reforming, supported by Staff's analysis, that the District's Rule 411 limit on NOx emissions meets the AB 617 requirements in accordance with the District's AB 617 Expedited BARCT Implementation Schedule.

Contact: Pedro Vega, Air Quality Engineer, Monitoring, Planning, and Rules Division, (279) 207-1126

Presentation: Yes

ATTACHMENTS:

Resolution - AB 617 Steam Methane Reforming BARCT
Exhibit A - AB 617 Steam Methane Reforming BARCT Statement of Reasons
Presentation: AB 617 BARCT Determination for Steam Methane Reforming

Approvals/Acknowledgements

Executive Director or Designee: Alberto Ayala, Report Approved 9/20/2024

District Counsel or Designee: Kathrine Pittard, Approved as to Form 9/10/2024

Discussion / Justification: The District is designated nonattainment for the federal and state ozone standards. Because nitrogen oxides (NOx) are precursors to ozone, NOx emissions are subject to the AB 617 expedited BARCT requirements.

Air Products Manufacturing Corporation operates a hydrogen production plant in Sacramento County that is subject to the California Greenhouse Gas Cap-and-Trade regulation and, therefore, subject to the expedited BARCT requirements under AB 617. Air Products' plant produces hydrogen using a steam methane reforming process, which includes a gas-fired reformer furnace. NOx emitted with the combustion exhaust is limited under Rule 411. Staff evaluated whether additional rulemaking is necessary to ensure Air Products' steam methane

reforming operations meet BARCT requirements.

BARCT is defined as “an emission limitation that is based on the maximum degree of reduction achievable, taking into account environmental, energy, and economic impacts by each class or category of source” [California Health and Safety Code Section 40406]. Based on an analysis of available control technologies, Staff has determined that the District’s Rule 411, which limits NOx emissions from steam methane reformers, meets BARCT for Air Products.

Financial Considerations: No changes to any District rules are necessary to meet the AB 617 BARCT requirements for steam methane reforming operations. As a result, no additional enforcement resources will be required beyond the staff time already dedicated to enforcement of District Rule 411.

Emissions Impact: No changes to any District rules are necessary; therefore, no emissions impact will result from the Board’s approval of the Staff recommended BARCT determination.

Economic Impact: No additional requirements will be placed on any sources. Therefore, there will be no compliance costs or impacts to employment or the economy of the region.

Public Outreach/Comments:

Staff held a public workshop to discuss the BARCT determination on August 28, 2024. A public notice for the workshop was posted on the District’s website and was also sent by e-mail to interested parties, including all those who have requested to receive rulemaking notices, on August 16, 2024. The workshop was held at the District office and participants were given the option to attend in person or via Zoom. Staff did not receive any comments during the notice period or during the workshop.

The noticing for today’s hearing included:

- A notice posted on the District website with a link to the Statement of Reasons.
- Email notices to CARB and all persons who have requested rulemaking notices.

As of August 30, 2024, no comments have been received in response to the notice for today’s hearing. Any comments received prior to the public hearing will be distributed to Board members at the meeting.

Environmental Review: The proposed action for the Board of Directors is to approve a determination that the District’s Rule 411, which limits NOx emissions from steam methane reformers, meets the AB 617 BARCT requirements. Staff has concluded that this action is not a project subject to the CEQA because it will not cause either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment [Public Resources Code Section 21065 and State CEQA Guidelines Section 15378].