



**DATE:** November 15, 2016  
**TO:** Mayor and City Council  
**FROM:** City Manager

## **SUBJECT**

Resolution Urging the Bay Area Air Quality Management District (BAAQMD) to Enact Rule 12-16, Community-Worker Alternative.

## **RECOMMENDATION**

That Council adopts the attached resolution urging the Bay Area Air Quality Management District (BAAQMD) to enact Rule 12-16 (Attachment III) Community-Worker Proposal, limiting or reducing refinery emissions.

## **BACKGROUND**

The BAAQMD is a regional special district that regulates stationary sources of air pollution throughout the San Francisco Bay region. Recently, the BAAQMD has been evaluating policies to address refinery emissions through Rule 12-16 (Miscellaneous Standards of Performance-Petroleum Refining Emissions Analysis, Thresholds and Mitigation). The largest industrial source of air pollution are the five major oil refineries in the Bay Area. This in combination with other generators of air pollution kill upwards of three thousand Bay Area residents annually due to complications from a number of different diseases and health issues like asthma, cancer, heart disease, and stroke.

At its July 20, 2016 meeting, the BAAQMD Board of Directors directed agency staff to bring two proposed regulations for a final vote: a Community-Worker proposal for a numeric cap to all refinery emissions, and a staff proposal for tighter health risk standards to reduce emissions by all industrial sources. These proposals will be voted on by the Board of Directors no later than May 2017.

The Community-Worker Proposal is being led by a coalition of entities including the San Francisco Bay Sierra Club, California Nurses Association, Sunflower Alliance, and several other Bay Area environmental organizations.

## **DISCUSSION**

Under current law, the BAAQMD has no refinery-wide emission limits on toxics, particulate matter, and greenhouse gases. Moreover, the BAAQMD does not have any strategies for

regulating any future refinery expansions, which are anticipated via an increase in deliveries of Canadian tar sands.

The Community-Worker proposal attempts to remedy these gaps in regulatory coverage by placing an enforceable numerical cap on refinery emissions based on historical emissions. The proposal's authors note that this regulation would not force refineries to reduce their production, but will force them to not refine dirtier crudes. The competing BAAQMD staff proposal is valid, but requires establishing a baseline of emissions for all industrial sources of pollution, which would entail source by source evaluation and rule generation. Such detailed analysis could take a decade or more to complete, during which time emission levels could continue to rise. From an implementation perspective, the Community-Worker proposal is the alternative that could be most expeditiously enacted.

The Community-Worker proposal has the support of eighty percent of refinery workers in the Bay Area through the endorsement from United Steelworkers Local 5. Additionally, the cities of Berkeley, El Cerrito, Emeryville, and Oakland in Alameda County have passed resolutions in support of the Community-Worker proposal.

This proposal meets the Council priority of Green and the City's Draft Legislative Program Public Policy Position 1.3E: support legislation and initiatives with the goal of reducing and mitigating the effects of climate change and sea level rise.

## **ECONOMIC IMPACT**

This proposal is facing opposition from the fossil fuel industry, who claims that the proposed regulation would lead to job loss and other economic distortions. The Sunflower Alliance contends that such claim is false, stating that "caps on refinery emissions will not result in any job loss."<sup>1</sup> Staff estimates that any negative externalities created by this policy may likely be offset by positive externalities in the form of a healthier environment, increased comparable market advantage for sustainable/renewable sources of energy, and reduced health impacts from pollutants in the atmosphere. More detailed economic impact information can be found at <http://www.sunflower-alliance.org/prevent-pollution-disaster/>.

## **FISCAL IMPACT**

There is no discernable fiscal impact of the Community-Worker proposal on the City's finances.

## **SUSTAINABILITY FEATURES**

The Community-Worker proposal will put in place a numeric cap on refinery emissions and will prohibit Bay Area refineries from processing dirtier crudes which in turn would reduce the emissions that impact the health and well-being of Bay Area residents as well as global climate change.

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<sup>1</sup>Sunflower Alliance Correspondence with Councilmember Al Mendall dated October 7, 2016

**NEXT STEPS**

If the Council approves the attached resolution, Staff will notify the Sunflower Alliance and the BAAQMD of the City's support for the Community-Worker Proposal.

*Prepared and Recommended by:* John Stefanski, Management Analyst

Approved by:

A handwritten signature in black ink, appearing to read 'Kelly McAdoe', written in a cursive style.

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Kelly McAdoe, City Manager