Notice of Public Hearing and California Environmental Quality Act Notice of Completion of a Draft Environmental Impact Report for Proposed New Air District Regulation 13: Climate Pollutants, Rule 5: Industrial Hydrogen Plants

TO: Office of Planning and Research 1400 Tenth Street 1400 Tenth S

Lead Agency: Bay Area Air Quality Management District Contact: Victor Douglas, Manager Phone: (415) 749-4752

SUBJECT: NOTICE OF PUBLIC HEARING AND CEQA NOTICE OF COMPLETION OF A DRAFT ENVIRONMENTAL IMPACT REPORT

Notice is hereby given pursuant to California Public Resource Code, Sections 15206 and 15087 (c) that the Bay Area Air Quality Management District ("Air District") has prepared a Draft Environmental Impact Report (Draft EIR) for proposed new Air District Regulation 13: Climate Pollutants, Rule 5: Industrial Hydrogen Plants (Rule 13-5) in accordance with California Environmental Quality Act (CEQA) requirements. Notice is also given that the Board of Directors of the Bay Area Air Quality Management District will conduct a public hearing on April 6, 2022, at the Air District Headquarters' Board Room, 375 Beale Street, San Francisco, California, at 8:30 a.m., or as soon thereafter as the matter may be heard, to consider adoption of Rule 13-5 and certification of a final Environmental Impact Report.

Project Title: Proposed Regulation 13, Rule 5, Climate Pollutants from Industrial Hydrogen Plants

State Clearinghouse Number: 2021070007

Project Location: The proposed new Air District Rule 13-5 applies within the Bay Area Air Quality Management District ("District"), which includes all of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara counties, and the southern portions of Solano and Sonoma counties.

Project Description: The Air District is currently proposing new Rule 13-5.

Proposed Rule 13-5 would limit vented emissions of total organic compounds (methane and other hydrocarbons) from hydrogen production and hydrogen carrying systems. Air District regulations currently exclude methane from the definition of "organic compounds", but "total organic compounds" as proposed in Rule 13-5 are defined to include organic compounds and methane. Currently, nearly all hydrogen production plants in the Bay Area operate integrally or in support of petroleum refinery operations; however, as demand for hydrogen increases to fuel vehicles, among other purposes, more stand-alone hydrogen facilities are likely to begin operations. Proposed Rule 13-5 seeks to control emissions from all hydrogen production plants that utilize steam-methane reformation, as this process can result in venting of methane and other organic compounds.

Significant Impacts: The Draft EIR for Rule 13-5 concluded that air quality impacts associated with the construction and operation of air pollution control equipment would be potentially significant after mitigation due to potential NO_x emissions, if both affected facilities comply with Proposed Rule 13-5 by building new flares. The Draft EIR also concluded that NO_x emissions may result in cumulatively considerable impacts.

The proposed new Rule 13-5, staff report, and Draft EIR are available at the Air District headquarters, on its website https://www.baaqmd.gov/rules-and-compliance/rules/reg-13-rule-5-petroleum-refinery-hydrogen-plants, or by request. Requests for copies of the staff report or Draft EIR should be directed to Victor Douglas (vdouglas@baaqmd.gov) at (415) 749-4752.

Comments relating to the proposed Rule and environmental analysis should be addressed to Victor Douglas, Bay Area Air Quality Management District, 375 Beale Street, Suite 600, San Francisco, CA 94105.

Comments may also be sent by e-mail to wdouglas@baaqmd.gov. Comments on the proposed Rule 13-5 and draft EIR will be accepted from January 24, 2022 until March 10, 2022 at 5:00 p.m.

Jack P. Broadbent Executive Officer Bay Area Air Quality Management District