

**CEQA  
NOTICE OF PREPARATION**

**TO: Interested Agencies,  
Organizations and Individuals**

**FROM: Bay Area Air Quality  
Management District  
939 Ellis Street  
San Francisco, CA 94109**

**SUBJECT: NOTICE OF PREPARATION OF A FOCUSED  
ENVIRONMENTAL  
IMPACT REPORT**

The Bay Area Air Quality Management District (District) is the Lead Agency under the California Environmental Quality Act (CEQA) for the following proposed project: Valero Refining Company's Alternative Compliance Plan (ACP). The ACP involves the use of Interchangeable Emission Reduction Credits (IERC's) to comply with the emission standards of District Regulation 9, Rule 10: Nitrogen Oxides and Carbon Monoxide from Boilers, Steam Generators and Process Heaters in Petroleum Refineries.

The District has contracted a consulting firm to prepare a focused environmental impact report (EIR) for the project identified below. The purpose of this Notice of Preparation is to seek the views of your agency or organization as to the scope and content of the proposed focused EIR in connection with the proposed project.

The probable environmental effects of this proposed action are contained in an Initial Study, which is attached to this notice. The District had conducted an earlier CEQA review of Valero Refining Company's (Valero's) first phase ACP associated with the use of Valero's IERC's to comply with the emission standards of District Regulation 9, Rule 10. On March 1, 2001 in response to a lawsuit regarding the District's CEQA process for approval of Valero's first phase ACP, the San Francisco County Superior Court ruled that the District should prepare an EIR for this Project. Subsequent to this action and in preparation to achieve compliance by July 2002 with District Regulation 9, Rule 10, Valero submitted the second phase ACP for District approval. Both of these ACP's were considered in the attached Initial Study, and will be evaluated in the EIR. The second phase ACP is an extension of the first phase ACP.

Due to the time limits mandated by State law, your response must be submitted at the earliest possible date, but not later than 30 days after receipt of this notice.

Please send your response to Barry G. Young, Supervising Air Quality Engineer, at the address shown above or at [byoung@baaqmd.gov](mailto:byoung@baaqmd.gov). We will need the name of a contact person in your organization.

**Project Title:** Approval of Alternative Compliance Plans to permit Valero Refining Company in Benicia, California to use Interchangeable Emission Reduction Credits to Comply with the Emission Standards of Bay Air Quality Management District Regulation 9, Rule 10.

**Project Location:** Valero Benicia Refinery; 3400 East Second Street; Benicia, California, 94510

**Project Description:** The Bay Area Air Quality Management District is conducting a review of Alternate Compliance Plans (ACP's) proposed by Valero, for its refinery located in Benicia, California to determine if approval of these ACP's will cause significant environmental effects under CEQA. Each ACP addresses the means that Valero proposes to use to comply with the emission standards of District Regulation 9, Rule 10. Per Regulation 9, Rule 10, Valero (and other similar facilities within the District) is required to meet 50 percent of the total NOx reductions specified in the rule by July of 2000 (Phase 1), and the remaining 50 percent by July of 2002 (Phase 2).

Under the proposed ACPs, Valero intends to install control equipment and to use its Interchangeable Emission Reduction Credits (IERC's) by the District to comply with the emission standards of District Regulation 9, Rule 10. These IERCs were granted to Valero for voluntary installation and operation of a NOx control device on CO Furnaces in 1995. In accordance with District Regulation 2, Rule 9, in addition to installing new control equipment, these IERC's may be used (if such use is approved) to supplement control equipment to show compliance with NOx standards of any rule in Regulation 9. Valero has already applied for a permit for the Phase 1 ACP as District Permit Application Number 1047. Valero has also applied for Phase 2 as Permit Application Number 3915. Application of these District approved IERC's would fully cover the annual Valero refinery NOx emission reductions required by District Regulation 9, Rule 10.

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Date

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Ellen J. Garvey  
Air Pollution Control Officer/  
Executive Officer