

Via Certified Mail & Email

April 29, 2021

Hon. Cindy Chavez, Board Chair and Members of the Board of Directors
Bay Area Air Quality Management District - BAAQMD
375 Beale Street - #600
San Francisco, CA 94105

Dear Chair Chavez and Members of the Board:

I am writing regarding the upcoming Bay Area Air Quality Management District (BAAQMD) hearing on June 2nd on behalf of the PBF Martinez Refinery, which we acquired in 2020. PBF is committed to reducing emissions from our Refinery, including the FCCU, by investing in our facility to achieve a .02 particulate matter standard (".02 PM").

This will enable our Refinery to keep supplying the region with CARB fuels, while reducing our FCCU PM emissions by 70% of the proposed Rule 6-5's emission reductions using the District's rate for our site. We oppose the proposed .01 standard, which will force us to **shut down the Martinez Refinery**.

We appreciate your thoughtful consideration of our position, which represents a "win-win" for the environment, businesses, government entities, workers and residents, including those least able to afford higher prices at the pump.

Why we oppose the .01 PM standard in Rule 6-5

The proposed Rule 6-5 requires a .01 particulate matter (.01 PM) standard that would force us to **shut down the Martinez Refinery**. The multiple reasons why compliance with a .01 standard would force the shutdown include:

- **Lack of Space.** Our refinery lacks the room to build a massive Wet Gas Scrubber ("WGS" / "scrubber[s]") required by the proposed rule - we are unable to redesign the refinery to site a scrubber.
- **Cost.** Even if we had physical space, we estimate a scrubber will cost at least \$800 million:
 - Applying BAAQMD's cost-benefit formula to our \$800 million project estimate and expected reductions based on the District's emissions rate equals \$600,000/ton
 - the cost-per-ton is **~20x more than the most expensive PM rule the BAAQMD ever approved**, which had a cost-benefit calculation of \$32,500/ton
- **Adverse Environmental Impact of a WGS.** Even if we had physical space, a scrubber will create environmental impacts, such as generating greenhouse gases and hazardous waste, while also requiring voluminous amounts of fresh water, electricity, and natural gas.

We Support a .02 PM Standard

PBF Martinez has identified a project that can achieve a .02 PM standard and 70% of proposed Rule 6-5's emissions reductions using the District's rate for our site. We reviewed the benefits and costs of our ~\$40 million PM reduction project with District staff, who have visited the site. Should Board members vote to support our plan to meet the .02 limit standard, to the extent that a .02 rule is not simultaneously adopted and needs to be developed, PBF commits to work with BAAQMD staff. This allows for the flexibility for us to work with District staff on the means to achieve the .02 standard and if the two parties agree in principle, PBF commits we will not legally challenge the adopted rule.

PBF Martinez Proposal will Provide Benefits to:

- **Environment:** A .02 standard will also allow us to continue supplying highly specialized, low emissions, state-mandated CARB gasoline and diesel fuel because the region lacks logistics capability to support importing fuels to replace the currently reliable supply manufactured by the remaining Bay Area refineries.
- **Workers:** Our diverse, skilled workforce includes 600 full-time employees. We also hire contractors who bring in as many as 2,000 Building Trades members for turnarounds and projects.
- **Economy:** Our products make modern life possible and literally fuel the regional economy
 - PBF supplied 67% of SFO's demand in 2020; Chevron Richmond supplied the rest
 - We supply large percentages of jet fuel to the other Bay Area airports
 - We manufacture clean CARB fuels used by commuters, school districts, trucking, highway contractors, transportation authorities, vacationers/tourists, emergency responders, government motor pools, boaters, motorcyclists, and RV owners
- **Community:** Minimizes reliance on refineries in other parts of the world that operate under less stringent environmental standards than us, yet transport emissions to the Bay Area.

As cited in the April 5, 2021 letter to BAAQMD Board members from all the Building Trades Council leaders in the Bay Area, the societal benefits local, highly-regulated refineries provide to the region include:

- Supporting 81,510 jobs with \$6.4B in total wages and benefits
- Paying \$3.4 billion in state and local taxes
- Providing \$51.6 billion in total economic contributions

Summary

PBF acquired the Martinez Refinery in 2020 to be the American fuels supplier of choice in the Bay Area. We are new to the region and fully committed to being safe, reliable, and environmentally responsible operators.

We developed and offered the District an alternate solution to the proposed Rule that will improve the environment and avoid litigation, while supporting the District's goals, working families, and local communities. We stand ready to work with BAAQMD staff to gain approval for the project we reviewed with them, which would reduce emissions from the Martinez Refinery FCC to a .02 PM standard.

Our plan and project offer a win-win solution. We sincerely urge you to support the .02 PM standard on June 2nd.

Thank you for considering our comments. If you have questions, feedback, or would like to learn more about our plan or visit the refinery, please contact me directly at 562-349-1660.

Very truly yours,



Timothy Paul Davis, PBF Energy Western Region President

cc: Jack Broadbent, APCO/Executive Officer
PBF list (see next page)

Public Officials

United States Representative Mike Thompson
United States Representative Mark DeSaulnier
Assemblymember Tim Grayson
State Senator Bill Dodd
State Senator Steve Glazer
Board Chair Diane Burgis and Members of the Contra Costa County Board of Supervisors
Mayor Rob Schroder and City Council Members, City of Martinez

Trade Union Leaders

Andreas Cluver, Alameda Building and Construction Trades Council
Bill Whitney, Contra Costa Building and Construction Trades Council
Bob Alvarado, Northern California Carpenters Regional Council
Che Timmons, UA Local 342, Plumbers, Fitters, Welders, and Service Techs
Dan Reding, Operating Engineers Local 3
Danny Bernardini, Napa / Solano Building and Construction Trades Council
David Bini, Santa Clara / San Benito Building and Construction Trades Council
Derrick Kualapai, United Association Union of Plumbers, Fitters, Welders, and Service Techs
James Ruigomez, San Mateo Building and Construction Trades Council
Rudy Gonzalez, San Francisco Building and Construction Trades Council
Timothy Jeffries, Boilermakers Local 549
Tom Hansen, IBEW Local 302

MRC Union Leaders

Jim Payne, USW Local 5
Chris Palacio, USW Local 5
Andrew Solak, IBEW Local 302

Business Leaders

Bill Quinn, CCEEB
Cathy Reheis-Boyd, WSPA
Julie Johnston, Martinez Chamber of Commerce
Kristin Connelly, East Bay Leadership Council
Mark Hughes, Industrial Association of Contra Costa County