

**CHEVRON – RICHMOND REFINERY
PROPOSED CHEVRON REFINERY MODERNIZATION PROJECT
BAAQMD ATC APPLICATION NO. 12842**

**FINDINGS AND SUPPORTING FACTS PURSUANT TO CEQA REGARDING
REISSUANCE OF ATC**

Chevron Products Company, a division of Chevron U.S.A. Inc. (Chevron) has proposed to implement the Refinery Modernization Project at its Richmond Refinery (the Refinery). As set forth in the Addendum to Application 12842, the Modernization Project includes two components which are subject to New Source Review by the BAAQMD: (1) Hydrogen Plant Replacement, and (2) Hydrogen Purity Improvements.

The City of Richmond (City) acted as Lead Agency under the California Environmental Quality Act (CEQA) for the Modernization Project. The City prepared an Environmental Impact Report (EIR) pursuant to the provisions of CEQA. On July 29, 2014, the City Council certified the EIR for the Modernization Project and approved the project, with modifications, by adopting two resolutions:

- Resolution No. 66-14 is a Resolution Certifying the Final Environmental Impact Report, Adopting Findings and A Mitigation Monitoring and Reporting Program for the Chevron Refinery Modernization Project, Deciding Appeal(s) of Planning Commission Resolution 14-11, and Approving a Memorandum of Understanding Between the City and the Bay Area Air Quality Management District.
- Resolution No. 67-14 is a Resolution Approving Conditional Use Permit and Design Review Permit Number PLN11-089 for the Chevron Refinery Modernization Project, deciding Appeal(s) of Planning Commission Resolution 14-12, and Approving an Environmental and Community Investment Agreement Between the City and Chevron.

BAAQMD, through its Executive Director/Air Pollution Control Officer, is reissuing the Authority to Construct (ATC) No. 12842, which would permit the construction or modification of the equipment set forth in Table 1 (Hydrogen Plan Replacement) and Table 2 (Hydrogen Purity Improvements) of the Addendum to Application 12842 which accompanies these findings. As a responsible agency under CEQA, BAAQMD participated in the City's EIR preparation process. As the CEQA Lead Agency, the City determined that all of the Modernization Project's air pollution impacts would be mitigated to a less-than-significant level or avoided by incorporation of specified mitigation measures into the Modernization Project. The City's findings are summarized below:

1. Construction Emissions

The City found that activities associated with Modernization Project construction would generate short-term emissions of criteria pollutants and toxic air contaminants. The City found that emissions of PM₁₀, PM_{2.5}, SO_x, CO and toxic air contaminants from operation of construction equipment would be less than significant without mitigation. The City adopted, and made a

condition of its approvals, an improvement measure to reduce PM₁₀ and PM_{2.5} emissions from operation of construction equipment.

The City found that construction-related dust, NO_x and ROG emissions would be potentially significant. The City adopted mitigation measures to reduce these construction-related pollutants which it made conditions of its approvals. The City found that implementation of these mitigation measures would reduce these construction-related impacts to a less-than-significant level.

2. Operational Emissions

The City found that under some operational scenarios, the Modernization Project could cause emissions of NO_x, PM₁₀, PM_{2.5}, SO_x and CO that would be higher than baseline emissions and, except for CO, could exceed BAAQMD significance thresholds. To ensure emissions from project operations would both achieve the “no net increase” project objective and be less than significant in comparison to BAAQMD significance thresholds, the City adopted mitigation measures which it made conditions of its approvals. The City found that implementation of these mitigation measures would reduce these potential operations-related impacts to a less-than-significant level.

The City found that under only one operational scenario would toxic air contaminant emissions from Modernization Project operations cause any health impact threshold to be exceeded and that under most scenarios health risks would be reduced by the Modernization Project, but that increased emission of sulfur-related compounds and toxic air contaminants could occur. To ensure Modernization Project health risks would both achieve the “no net increase” project objective and be less than significant in relation to BAAQMD significance thresholds, the City adopted mitigation measures which it made conditions of its approvals. The City found that implementation of these mitigation measures would reduce these potential operations-related impacts to a less-than-significant level.

The City found that Modernization Project operations could result in increased odors from sulfur-related compounds, causing a potentially significant impact. The City adopted mitigation measures, which it made conditions of its approvals. The City found that implementation of these mitigation measures would reduce these potential operations-related impacts to a less-than-significant level.

3. Greenhouse Gas Emissions from Construction

The City found that during the first year of Modernization Project construction, greenhouse gas emissions could exceed 10,000 metric tons of carbon dioxide equivalent emissions and therefore could constitute a significant impact. The City adopted mitigation measures which it made conditions of its approvals. The City found that implementation of these mitigation measures would reduce this potential construction-related impact to a less-than-significant level.

4. Greenhouse Gas Emissions from Operations

The City found that Modernization Project operations could cause significant increases in greenhouse gas emissions. The City adopted mitigation measures which it made conditions of its

approvals. The City found that implementation of these mitigation measures would reduce this potential operations-related impact to a less-than-significant level.

5. Cumulative Impacts

With respect to emissions of criteria pollutants from construction and operations, the City found that the significance thresholds applied in the EIR were based on the emission levels at which a project's individual emissions were considered cumulatively considerable. Accordingly, because Modernization Project emissions would remain below these thresholds with mitigation, the Modernization Project would not make a cumulatively considerable contribution to significant cumulative air quality impacts.

With respect to health risks from toxic air contaminants, the City found that because the Modernization Project would cause no net increase in health risks, it would not make a cumulatively considerable contribution to significant health risks.

The City found that because the Modernization Project's greenhouse gas emissions would be mitigated to achieve no net increase over baseline levels, the Modernization Project would not make a cumulatively considerable contribution to greenhouse gas emissions.

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BAAQMD has reviewed and considered the information in the EIR prepared and certified by the City and has incorporated the EIR's analysis into its decision-making process for reissuance of ATC No. 12842.

BAAQMD has also reviewed and considered the findings and conditions of approval adopted by the City and BAAQMD has incorporated in its conditions of approval for reissued ATC No. 12842 the throughput, production and capacity specifications required by the City's conditions of approval in the BAAQMD's conditions of approval.

BAAQMD has considered the environmental effects identified in the EIR of the activities that would be carried out under reissued ATC No. 12842.

BAAQMD hereby finds that, for each of the air pollution impacts identified in the EIR changes or alterations have been required in, or incorporated into, the Modernization Project by the City of Richmond, acting as Lead Agency, and by the BAAQMD, acting as Responsible Agency, which avoid or substantially lessen the significant environmental effects as identified in the EIR.

BAAQMD further finds that none of the conditions that would require preparation of a subsequent or supplemental environmental impact report by BAAQMD pursuant to CEQA Guidelines section 15162 has occurred since the City certified the EIR on July 29, 2014. Specifically, BAAQMD finds that:

- 1) Reissued ATC No. 12842 is consistent with the Modernization Project analyzed in the EIR, does not represent a substantial change in the Modernization Project, and does not require

major revisions of the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;

2) Substantial changes have not occurred with respect to the circumstances under which reissued ATC No. 12842 would be undertaken which will require major revisions to the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;

3) No new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the EIR was certified shows that implementation of reissued ATC No. 12842 would have one or more significant effects not discussed in the EIR; that significant effects previously examined will be substantially more severe than shown in the EIR; that mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponent declines to adopt the mitigation measures or alternative; or mitigation measures or alternatives which are considerably different from those analyzed in the EIR would substantially reduce one or more significant effects on the environment, but the project proponent declines to adopt the mitigation measure or alternative.

The documents and other materials that constitute the record of proceedings upon which this decision is based are located at the BAAQMD office at 939 Ellis Street, San Francisco, California, and the custodian of the materials is Rochelle Reed in the Public Records Section.



Jim Karas, P.E.
Director of Engineering
Bay Area Air Quality Management District

2/11/15

Date