



March 15, 2018

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DISTRICT**

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Jack P. Broadbent
EXECUTIVE OFFICER/APCO

Connect with the
Bay Area Air District:



**RE: Letter from Bay Area nongovernmental organizations regarding the
Phillips 66 Company, San Francisco Refinery – Major Facility Review
Permit**

On March 14, 2018, you may have received a letter from a number of Bay Area nongovernmental organizations (NGOs) regarding the Major Facility Review Permit (Title V Permit) issued to the Phillips 66 Company, San Francisco Refinery (Phillips 66) on January 25, 2018. A Title V Permit is the federally mandated mechanism by which the Air District bundles all applicable local, state and federal air quality requirements for a facility into one document. The Title V Permit process does not allow the Air District to permit or increase limits on individual units at subject facilities, such as Phillips 66. Such requests are handled through the Air District's regular permitting process which requires federally mandated New Source Review, California Environmental Quality Act review and determination, and a 10-day public participation period.

The Title V Permit renewal for Phillips 66 was issued after a 30-day public comment period and a 45-day review period for the United States Environmental Protection Agency. The 30-day public comment period was noticed via the Air District website, the West County Times and Air District interested parties' lists – which contain some of the NGO's who may have contacted you - no public comments were received.

The assertion that the Air District allowed a refinery expansion or throughput increase via the Title V permit is one of *a significant number of factual inaccuracies contained in the letter you received* relative to the purpose and function of the Title V Permit process and the current permitted operations at Phillips 66. Several of these inaccuracies is discussed in greater detail below:

- **No refinery expansion has been permitted.**

No refinery expansion has been permitted as part of the Title V Permit. The Title V Permit process does not allow the Air District to permit or increase limits on individual units at subject facilities. The statement of basis, which is an explanation of the permitting action for the Title V Permit, describes current applications that the Phillips 66 facility has submitted, including a request for an increase of crude oil and gas oil offloading at its marine terminal and a separate request for an increase in throughput for Unit 240. Staff has not acted on either of these applications and both currently remain under review as part of the Air District standard permitting process.

- **The Title V Permit issued on January 25, 2018, does not approve increases in heavy oil feed capacity for Unit 240 at Phillips 66.**

As previously stated, Title V Permit actions cannot of themselves increase throughput limits for individual units. The current Title V Permit for Phillips 66 contains the same limit (65,000 barrels per day) for Unit 240 as the previous permit issued on August 1, 2014.

- **Permitting at the Air District is a Staff Function**

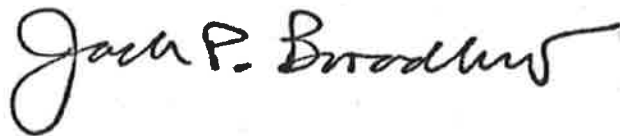
The March 14, 2018, letter implies that Board of Directors (Board) members should have knowledge and responsibility relative to the permitting of individual facilities. Under state law, this responsibility resides with the Executive Officer/Air Pollution Control Officer. The Board's role is to set policy for the Air District's permitting processes and to adopt regulations whose limits are transferred into Air District permits. As a result of this separation of responsibilities, the Board does not necessarily have knowledge regarding individual permits and is not required to respond to requests for information from members of the public on individual permits.

Nevertheless, the Board has recognized that there is significant public concern regarding permits at Phillips 66 and has requested that staff brief them on current permitting actions at that facility at the upcoming Ad-Hoc Refinery Committee on April 9, 2018.

Based on the level of NGO interest in these facilities and the level of misinformation that appears to be circulating amongst them, staff intends to reach out to representatives of the NGOs directly to answer their questions regarding the assertions in the letter you received.

If you have additional questions or concerns regarding this letter, please contact Damian Breen, Deputy Air Pollution Control Officer at (415) 749-5041.

Sincerely yours,



Jack P. Broadbent
Executive Officer/APCO