

















11 November 2016

Eric Mar, Chair of the Board John Gioia, Stationary Source Committee Chair Members of the Board of Directors Bay Area Air Quality Management District 375 Beale Street, Suite 600 San Francisco, CA 94105

Attention: Jack Broadbent, Air Pollution Control Officer

Gregory Nudd, Air District staff Eric Stevenson, Air District staff Victor Douglas, Air District staff

Re: Initial Study (IS) Released 14 October 2016 and Draft Staff Report (DSR) Released 27 October 2016 for Proposed Rules 12-16 and 11-18, and Request for Comment on Scope of California Environmental Quality Act (CEQA) Review

Dear Chair Mar, Committee Chair Gioia, and Board members,

Communities for a Better Environment (CBE), the Sierra Club, 350 Bay Area, the Asian Pacific Environmental Network (APEN), the Richmond Progressive Alliance (RPA), the Sunflower Alliance, Crockett-Rodeo United to Defend the Environment (C.R.U.D.E.), Benicians for a Safe and Healthy Community, the Rodeo Citizens Association (RCA), the Interfaith Climate Action Network of Contra Costa County, the Community Science Institute—CSI for Health and Justice!, Greenaction for Health and Environmental Justice, and the California Nurses Association (CNA) comment on the Initial Study, Draft Staff Report, and request for scoping comment cited above in support of proposed Rule 12-16.

**Communities for a Better Environment** 

Sierra Club San Francisco Bay Chapter

350 Bay Area

**Asian Pacific Environmental Network** 

**Sunflower Alliance** 

**Richmond Progressive Alliance** 

Crockett-Rodeo United to Defend the Environment

Benicians for a Safe and Healthy Community

**Rodeo Citizens Association** 

Interfaith Climate Action Network of Contra Costa County

Community Science Institute—CSI for Health and Justice!

Greenaction for Health and Environmental Justice

**California Nurses Association** 

#### Introduction

Oil refining is the largest industrial emitter in the Air District's jurisdiction of the most harmful types of air pollution known—fine particulate matter and greenhouse gases. Four years ago the Air District admitted there is *no limit* on refinery-wide emissions, found refining lower quality oil could *increase* refinery emissions, and planned to set up, by June 2013, a backstop to *prevent* that foreseeable emissions increase. The enforceable emission limits in proposed Rule 12-16 would "cap" these emissions to set that backstop. Setting these limits is urgent as the oil industry's push to build long-lasting infrastructure for inherently higher-emitting grades of oil threatens imminent and irreversible harm.

We appreciate the District staff's recent work to develop the specific numeric limits now proposed in Rule 12-16, and the Board's direction to its management to complete a full analysis of this measure. Rule 12-16 is reasonable, effective, a necessary complement to other air quality and climate protection measures, and urgently needed. It would close a gaping loophole that has left facility-wide emissions from oil refineries unlimited. It is needed to prevent the biggest industrial emitters of the most harmful air pollutants known from causing severe and irreversible climate and health impacts by locking in bottom-of-the-barrel oil infrastructure that could increase those emissions for another generation.

However, the Initial Study and Draft Staff Report released by District staff management present grossly inaccurate, biased, and misleading analysis that must be corrected. They assert conclusions regarding the need for Rule 12-16, its effectiveness, and your authority to adopt it that are proven false by factual information they fail to disclose or analyze. Worse, as we document herein, this crucial information that is omitted and ignored includes facts the District already knew, and even its own previous findings.

Oil industry pressure has affected the timing and transparency of this rule development process. Air District staff management has long delayed this urgent measure to keep refinery emissions from increasing, telling the public only that it was explaining secretly, in closed sessions with its Board, why it agreed with the oil industry's claim that refinery emissions must be allowed to increase. Now the excuse for that delay appears to be only the false conclusion of analysis biased by systematic nondisclosure of relevant facts.

As you know, the Air District Board has directed its staff to complete a full analysis and rule development package for Rule 12-16 that the Board can properly consider for adoption as expeditiously as possible. We hope to stand with the Air District Board in continuing to demand disclosure and consideration of all information that is relevant to a full analysis of this measure, as required by scientific principles and the California Environmental Quality Act (CEQA).

## The Air District developed Rule 12-16.

Finding that a switch to lower quality grades of oil could increase refinery emissions significantly, the Air District initiated rulemaking to set a "backstop" against increasing refinery emissions in 2012<sup>1</sup> and resolved to develop Rule 12-16 for this purpose in 2014.<sup>2</sup> After considering extensive public comment on many options for this backstop, the Air District decided to consider setting the performance-based emission limits now proposed. Meanwhile, this air district and others had already been managing and updating their criteria for the facility health risk assessment and risk reduction program contemplated by proposed Rule 11-18, for decades, pursuant to the state law that established this program, and without the need for rules like Rule 11-18.<sup>3</sup>

Concealing these facts,<sup>4</sup> the Initial Study (IS) and Draft Staff Report (DSR) label Rule 12-16 as a recommendation by "CBE and associated organizations" only, and Rule 11-18 as the District staff's new idea. This error presents an incomplete, inaccurate, and biased description of the rules that hides information about the need for them, the Air District's role in developing them, and its multi-year rulemaking record for Rule 12-16 that must be known to complete accurate analysis under CEQA.

## Rule 12-16 addresses extremely harmful air pollution.

Particulate matter (PM) and greenhouse gas (GHG) air pollution cause the worst current and potential local, regional, and global harm of all the air pollutants known. A strong scientific consensus holds that failure to curb GHG emissions quickly could lead to climate impacts so extreme that human societies as we know them might become untenable, and the Air District itself has reported elsewhere that:

Exposure to PM<sub>2.5</sub> is by far the leading public health risk from air pollution in the Bay Area, accounting for more than 90 percent of premature mortality related to air pollution. *Bay Area Air Quality Management District, 2016.*<sup>6</sup>

Incredibly, the IS and DSR fail to disclose the full extent of known and potential PM and GHG impacts, even though Rule 12-16 would limit GHG and PM air pollution. These extremely severe existing and potential effects must be disclosed in CEQA review. Moreover, this error inserts a further bias into the IS and DSR analyses because the approach they inappropriately portray as an alternative to Rule 12-16, proposed in Rule 11-18, does not control GHG or  $PM_{2.5}$ . The DSR simply cannot credibly conclude, as it purports to conclude in this inappropriate comparison, that preventing increases in the most harmful emissions is less protective than allowing those emissions to increase.

<sup>3</sup> <u>See BAAQMD</u>, 2013. Toxic Air Contaminant Control Program Annual Report 2013.
<sup>4</sup> Such errors were not corrected despite prior comment: *See* CBE's 11 Sep. 2016 comments.

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<sup>&</sup>lt;sup>1</sup> Regulatory Concept Paper, Petroleum Refining Emissions Tracking Rule. Draft: May 30, 2012.

<sup>&</sup>lt;sup>2</sup> Resolution 2014-07, adopted unanimously by the BAAQMD Board 15 October 2014.

<sup>&</sup>lt;sup>5</sup> See Fifth Assessment Report (AR5), Intergovernmental Panel on Climate Change (IPCC), 2014.

<sup>&</sup>lt;sup>6</sup> Draft Control Measure SS1: Fluid Catalytic Cracking in Refineries, 2016 Clean Air Plan and Regional Climate Protection Strategy (quoting the Air District's 2010 Clean Air Plan).

Nearly thirty years after the State Toxic Hot Spots Program began there is still no defined method for Rule 11-18 health risk assessments to include PM<sub>2.5</sub>, as the DSR admits at 39.

# Rule 12-16 limits exceptionally harmful polluters.

Oil refining emits more GHG and PM than any other industrial sector in the Bay Area. Indeed, the summary figures in the DSR, indicating that the five major refineries here collectively emit 45% of PM<sub>2.5</sub>, 34% of NOx, 51% of SO<sub>2</sub>, and 38–67% of the GHGs emitted by all industrial sources in the region combined, are consistent with this finding. But omitting this comparison of industrial sectors despite the fact that different sectors require different technologies and control measures, the IS and DSR obscure this finding.

The portrayal in the IS and DSR of refinery emissions as smaller than mobile source emissions presents an inaccurate and misleading comparison because it conflates source categories in two important ways. From a District rulemaking perspective, it ignores the fact that the District has authority to control refinery emissions, not tailpipe emissions. Equally important for environmental health and climate protection, it ignores the link between emissions from refiners' production and their products.

Accounting for the polluting products refiners profit from in competition with cleaner alternative fuels, even the DSR's partial estimates link Bay Area refineries to 46% of PM<sub>2.5</sub>, 87% of NOx, 57% of SO<sub>2</sub>, and 56% of the GHGs<sup>10</sup> emitted by all sources in the region. From the perspective of preventing unsustainable and irreversible climate impacts, these figures indicate that achieving the 40% emissions cut required by 2030 and the 80% cut required by 2050 could become impossible in the Bay Area if long-term increases in refinery emissions are allowed to become locked into place now. The need for refinery emissions control analysis to address this environmental effect context is beyond reasonable dispute, but the IS and DSR omit and ignore this context.

### By protecting frontline communities Rule 12-16 protects everyone.

Abundant evidence in the District's rule development record demonstrates that refinery emissions disparately impact nearby low-income communities of color. Some examples:

- At a distance of 2.5 miles away the average areal emission intensity (e.g., tons/mile<sup>2</sup>) of Bay Area refinery PM<sub>2.5</sub>, NOx, and SO<sub>2</sub> emissions is 3–30 *times* that for *all* emission sources within the Bay Area, averaged over the region as a whole.<sup>11</sup>
- Peer reviewed measurements show that refinery emissions contribute significantly to locally elevated outdoor *and* indoor PM<sub>2.5</sub> air pollution concentrations outside *and* inside the homes of low-income residents of color in Richmond.<sup>12</sup>
- Analyses of Air District data link locally elevated hourly air concentrations of SO<sub>2</sub> and H<sub>2</sub>S to episodic emissions from Bay Area refineries.<sup>13</sup>

<sup>13</sup> <u>See CBE 11/23/15</u> comments in rules 12-15/12-16 record, and attachments 45 and 46 thereto.

<sup>&</sup>lt;sup>8</sup> Based on District and ARB data: <u>See</u> CBE et al. 9/21/15 comments in rules 12-15/12-16 record.

<sup>&</sup>lt;sup>9</sup> GHG range accounts for GHG from electricity generation elsewhere to supply the Bay Area.

<sup>&</sup>lt;sup>10</sup> GHG estimate accounts for GHG from electricity generation elsewhere to supply Bay Area.

<sup>&</sup>lt;sup>11</sup> Based on District emissions data: See CBE 11/23/15 comments in rules 12-15/12-16 record.

<sup>&</sup>lt;sup>12</sup> <u>See CBE 11/23/15</u> comments in rules 12-15/12-16 record, and Attachment 44 thereto.

- Refineries are strong sources of ultra-fine PM that, compared with coarser PM, has a more toxic composition, penetrates deeper into the lungs, bloodstream and cells, and is more abundant and concentrated in ambient air near its sources.<sup>14</sup>
- Fallout from large, visibly unmistakable "black smoke" PM plumes caused by Chevron's Richmond Refinery Crude Unit fire of 6 August 2012 forced  $\approx 15,000$  people to seek emergency room care in Richmond and surrounding communities. <sup>15</sup>

Ignoring all this evidence, however, the IS and DSR argue against significant localized impacts of refinery emissions, asserting a grossly incomplete and inaccurate analysis that insists on misleading "facts" based on assumptions the District knows to be false. The District knows that accurate analysis of the dispersion of emitted pollutants in the ambient air must account for the amounts of those pollutants emitted, but the IS omits and ignores this source-strength factor despite prior comment<sup>4</sup> pointing out the error. Correcting this error would reverse its false conclusion that the emissions accumulate only in the ambient air of the region's inland valleys instead of accumulating in those locations *and* near the bayside refineries, in nearby residents' ambient and indoor air.

Worse, the District knows its regional ambient air monitoring network was not designed to measure, and does not measure, air hot spots near refineries and other strong emission sources reliably and accurately—but the DSR asserts that these regional monitors do just that in its false argument against significant localized refinery emission impacts. This is the same error that led Air District management to assert that Chevron's August 2012 fire caused no significant air quality impact while thousands rushed to hospitals choking on Chevron's air pollution. The regional monitors were not set up to measure the local air impacts of that incident and did not measure those impacts. In fact, the District decided to make the refiners pay for new monitoring of nearby ambient air based on its own findings that its regional monitors do *not* say what the DSR now claims they say.

## Rule 12-16 prevents clearly foreseeable harm.

The Air District has ample evidence to support its finding<sup>2</sup> that a switch to lower quality oil threatens to increase refinery emissions significantly. Peer reviewed science shows that the severe processing needed to maintain engine fuels production from lower quality oil increases refinery energy intensity, thereby increasing refinery emissions of combustion products including GHG, PM, NOx, and SO<sub>2</sub>.<sup>18</sup> Refining greater amounts of bitumen-derived "tar sands" oil would further lower the quality of the average Bay Area refinery crude feed.<sup>18</sup> The oil industry reports plans to refine more tar sands oil here,<sup>18</sup> and multiple projects for new or modified infrastructure enabling those plans have been proposed for imminent construction across the regional oil industry.<sup>19</sup>

18 <u>See CBE 10/21/15</u> comments in the rules 12-15/12-16 record, including attachments thereto.

19 <u>See</u> CBE et al. 6/10/16 comments in the rule 12-16 record, and BAAQMD permit files.

<sup>&</sup>lt;sup>14</sup> <u>See CBE 10/21/15</u> and 11/23/15 comments in the rules 12-15/12-16 record, including attachments 6, 42 and 43 and <u>esp.</u> 4 (Air District corroboration of these findings).

<sup>&</sup>lt;sup>15</sup> <u>See CBE 11/23/15</u> comments in the rules 12-15/12-16 record, <u>esp</u>. Attachment 47 thereto.

<sup>16 &</sup>lt;u>See</u> San Pablo–Rumril Station data (<u>https://www.arb.ca.gov/adam/weekly/weeklydisplay.php</u>).

<sup>17 &</sup>lt;u>See</u> Rule 12-15 rulemaking record.

Further wounding the Air District's credibility, however, the IS and DSR dispute the District's own finding that an oil switch now threatens to increase refinery emissions significantly<sup>2</sup> by dismissing the likelihood, severity, and timing of this threat while omitting and ignoring the evidence the District possesses that supports this finding. The IS only mentions the objective of Rule 12-16 to prevent potential increases in refinery emissions due to changes in refinery oil feed quality (twice: <u>see</u> IS at 1-3, 1-10), omitting and ignoring evidence in the District's record and even this finding. The DSR's cursory discussion of this potential toxic and climate threat goes further, labeling the threat only theoretical and small (DSR at 6, 8), and omitting the potential emission impacts and benefits from preventing these impacts from its analysis, then falsely concluding that Rule 12-16 would have little or no benefit. (DSR at 20, 24, 39, 40).

Again, the IS and DSR improperly omit and ignore evidence the District already has that, when properly reported and analyzed, reverses their false conclusions about Rule 12-16.

### Rule 12-16 prevents irreversible harm.

Allowing refinery emissions to continue at current rates or to increase through 2030–2050 could foreclose the opportunity to meet critical climate and health protection targets in the Bay Area. (*See* page 4 above.) Crucially, the "infrastructure inertia" created by major capital projects for new fossil fuel plants represents a commitment to new and continuing emissions for 30–50 years, <sup>20</sup> a dead-end in the path to a sustainable climate, <sup>21</sup> and a fundamental threat to future generations' environment and economy. <sup>22</sup> The District has acknowledged that Bay Area refineries are likely to switch crude slates, <sup>23</sup> that a switch to higher-emitting oil could be inextricably linked to new infrastructure projects <sup>24</sup> like those they now plan, <sup>25</sup> and that this new refinery infrastructure can be expected to have the capacity to operate for several decades. <sup>26</sup>

Thus, enabling the industry's planned switch to higher emitting oil feedstock and the long-lasting new infrastructure to refine it by allowing refiners' emissions to increase now could result in irreversible climate and health impacts. Therefore, one of the key objectives of proposed Rule 12-16 is to:

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<sup>&</sup>lt;sup>20</sup> <u>See</u> Davis et al., 2010. Future CO<sub>2</sub> emissions and Climate Change from Existing Energy Infrastructure. *Science* **329**: 1330–1333. DOI: 10.1126/science.1188566.

<sup>&</sup>lt;sup>21</sup> <u>See</u> Williams et al., 2015. *Pathways to Deep Decarbonization in the United States;* Energy+ Environmental Economics (E3). California ARB Chair's Presentation Series, 13 May 2015.

<sup>22</sup> Professor Lord Stern's 28 October 2016 speech to the Royal Society entitled *The Criticality of* 

the Next 10Years: Delivering the Global Agenda and Building Infrastructure for the 21<sup>st</sup> Century. <sup>23</sup> 2016 CAP Draft Measure SS9 ("crude slates being refining by Bay Area refineries have been changing recently, and they are expected to continue to change in the future as California's crude

changing recently, and they are expected to continue to change in the future as California's crude oil resources start to become depleted and refineries look to other sources of crude oil.")

<sup>&</sup>lt;sup>24</sup> <u>See</u> DSR at 8 ("The refineries would likely need to make changes to their facilities in order to accommodate different sources of crude oil with different compositions while maintaining current production levels.")

<sup>&</sup>lt;sup>25</sup> <u>See CBE</u> et al. 6/10/16 comments in the rule 12-16 record, and BAAQMD permit files.

<sup>&</sup>lt;sup>26</sup> <u>Id.</u> (<u>esp.</u> project descriptions in EIRs that BAAQMD permits are based upon).

Compliment other climate, health, and safety measures, by ensuring that new commitments to long-lasting infrastructure for refining higher-emitting and more hazardous oils, which could foreclose the long-term emission reduction and safety potential of these other measures, will not be encouraged or enabled by allowing Bay Area refinery GHG, PM, NOx, or SO<sub>2</sub> emissions to increase.<sup>27</sup>

Despite purporting to compare Rule 12-16 with other policies which would not close the loophole allowing refinery-wide emissions to increase, and would thereby allow this infrastructure inertia impact, the IS and DSR ignore this irreversible impact, omit any analysis of infrastructure inertia, and fail even to mention<sup>4</sup> the objective quoted above.

## Rule 12-16 is a necessary complement to other policies.

Rule 12-16 would set numeric limits on facility-wide emissions of GHGs, PM<sub>2.5</sub>, PM<sub>10</sub>, NOx, and SO<sub>2</sub> from refinery energy use at levels that prevent any significant increase in those emissions, thereby supporting the ability of other policy measures to cut harmful air pollution. The IS and DSR, however, present a false comparison of this rule with those other policies that is based on incomplete, inaccurate, and misleading analysis.

First, the IS and DSR omit a key fact that the District knows: **no** other policy sets any limit on facility-wide mass emissions from any Bay Area refinery.<sup>1</sup> Thus, no other policy addresses the irreversible refinery infrastructure emissions impacts described above, <sup>20–27</sup> which the IS and DSR also fail to disclose. These omissions obscure a unique and critical role of Rule 12-16 among air quality, environmental health and climate policies.

Second, the IS and DSR assert potential impacts of Rule 12-16 based on incomplete, misleading, and false comparisons with New Source Review (NSR) and cap-and-trade. NSR may not detect emissions increases from refining lower quality oil<sup>28</sup> and exempts too many refinery sources to prevent the significant increases in facility-wide emissions switching to lower quality oil could cause, necessitating a backstop against increasing refinery emissions, <sup>1</sup> District staff has found. Rule 12-16 would set such a backstop. California's cap-and-trade policy allows refineries to increase emissions using credits, gives them credits free, and is not authorized beyond 2020, <sup>29</sup> so it cannot address the irreversible infrastructure impacts Rule 12-16 addresses. Further, unlike Rule 12-16, cap-and-trade does not provide multi-pollutant combustion emissions control, which District staff has found to be more effective and efficient than pollutant-by-pollutant measures.<sup>30</sup> Finally, AB 197 requires prioritizing efficient direct control measures—like Rule 12-16.

immediately obvious. ... Air District staff is investigating potential amendments to ... include any significant crude slate change" among the triggers for NSR review of such modifications.)

<sup>30</sup> See 2016 CAP Draft Measure SS11 at 2.

 <sup>&</sup>lt;sup>27</sup> <u>See</u> CBE's 11 Sep. 2016 comments on the draft Rule 12-16 project description at page A-8.
 <sup>28</sup> 2016 CAP Draft Measure SS9 at 2 (modifications to change crude slates "may be difficult or impossible for the Air District [and the public] to discover ... Refineries are complex operations, and any modifications associated with crude slate changes may be relatively subtle and not

<sup>&</sup>lt;sup>29</sup> <u>See</u> ARB's *Preliminary Draft Proposed Regulation Order and Staff Report* dated 1 July 2016.

The IS and DSR omit and ignore all of this information which, when considered, reverses their inaccurate conclusion that Rule 12-16 could conflict with NSR and cap-and-trade.

Third, the IS and DSR present a false comparison of the proposed rules' effectiveness. Proposed Rule 11-18 would not address emissions of PM or GHGs that Rule 12-16 would address. Equally important, Rule 11-18 could not prevent the imminent and potentially severe emission impacts that Rule 12-16 could prevent, because Rule 11-18 would use a reactive approach that waits for further health assessments before beginning, well after 2020, to consider applying emissions control. The IS and DSR omit and ignore this information that shows Rule 11-18 cannot substitute for Rule 12-16—a fact that reveals their analysis assuming the opposite to be a false comparison.

Finally, the IS and DSR omit the District's own findings indicating that the refinery-wide emissions backstop now proposed as Rule 12-16 is a necessary complement to other rules that seek to reduce emissions from selected refinery sources. Simply put, preventing increases in refinery-wide emissions complements the other measures by allowing them to reduce refinery emissions incrementally over time and enhancing their ability to do so. Indeed, the District Staff's projection that these other measures will reduce refinery-wide criteria pollutant emissions by approximately 15 % that is reported in the DSR<sup>31</sup> *relies* on this backstop—another fact that the IS and DSR obscure by omitting District findings.

#### Rule 12-16 is reasonable.

Rule 12-16 would allow each refining facility to emit up to 107 % of its actual maximum annual emissions over the most recent five-year period when its emissions were reported. Reported production by Bay Area refineries reached 97.7 % of their maximum crude capacity during this period,<sup>32</sup> they produced more gasoline and diesel than needed here and exported significant amounts of these fuels to foreign countries in this period,<sup>33</sup> and other adopted measures are expected to reduce emissions from these refineries.<sup>31</sup> Thus, Rule 12-16 itself would not be expected to require any change in refinery equipment, operation, workforce, production rate, or fuel supply. But despite these facts, and failing to disclose many of them, the IS and DSR paint this measure as unreasonably risky.

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<sup>&</sup>lt;sup>31</sup> DSR at 9 (recently adopted measures projected to cut refinery-wide criteria emissions by 15%).

The California Energy Commission reports gross crude oil receipts for processing by the five Bay Area refineries of 292.347 million barrels in 2014 and 285.412 MM b in 2015 (Per. comm., G. Schremp, CEC to G. Karras, CBE, 3 Aug 2016: forwarded to BAAQMD on 8 Sep 2016); the U.S. Energy Information Administration (a source the DSR relies upon) reports total operable capacity of atmospheric crude distillation units (b/cd) at these five refineries was 299.253 MM b in 2014. (EIA Refinery Capacity Report as of 1 Jan 2015.) Their operable crude utilization rate, defined by EIA as this gross input divided by this operable capacity, was thus 97.7 % in 2014.

Bay Area refineries exported an average of 74,500 b/d of gasoline and diesel in 2013 (EIA data reported to BAAQMD by CBE on 25 Apr 2016) and produced these fuels at total rates averaging 611,880 b/d in 2014 and 2015 (CEC data reported to BAAQMD on 25 Apr and 19 Oct 2016), suggesting they currently export roughly 12 % of their combined gasoline and diesel production. Excess Bay Area refinery production accounted for 96 % of all gasoline exports from California refineries during the first 8 months of 2016 (CEC data reported to BAAQMD on 19 Oct 2016).

The DSR states that Bay Area-specific refinery production data are not available, that Rule 12-16 "may constrain" the domestic fuel supply market, and that this constraint would have worsened a "dramatic" gas price spike during the Torrance refinery outage in 2015. (DSR at 22, 23.) All of these statements appear inaccurate and misleading. The District had these specific data. These data show that Rule 12-16 would allow Bay Area refineries to process *more* crude than they processed during the 2015 outage, and collectively produce roughly 12 % *more* gasoline and diesel than the domestic fuel market demands from them. Instead of falsely blaming gas price spikes on air quality rules, the IS and DSR should have evaluated the local and global emission impacts from this excess refinery production for export—impacts Rule 12-16 would help to curb.

Even though Rule 12-16 allows emissions at current rates, the IS and DSR also link it to "potentially significant" environmental impacts from the side effects of new equipment that they say it could require to reduce criteria pollutant emissions.<sup>35</sup> They do not explain why their analysis ignores the District staff's own finding that *other* recently adopted measures are projected to cut refinery-wide criteria pollutant emissions by  $\approx 15$  %, <sup>31</sup> or how Rule 12-16 itself would require new equipment to reduce emissions that already would be 15–22 % below<sup>36</sup> its applicable emission limits.

A major switch to refining lower quality oil or to increasing production for export would have to overwhelm the already-required emission reductions before Rule 12-16's PM, NOx, or SO<sub>2</sub> limits might be exceeded—and these scenarios, while clearly foreseeable, would require major infrastructure projects. Rule 12-16 would prevent severe and irreversible emission impacts in these scenarios. Further, because it would prevent increased emissions it would discourage such harmful projects and encourage projects using lower-emitting production systems, thereby encouraging the prevention of the types of emission mitigation side-effects the IS asserts. Finally, and also ignored by the IS and DSR, these emission impact prevention, irreversible impact prevention, and new emission mitigation impact prevention effects are among the objectives and intended results of Rule 12-16.

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Compare note 32 above (2014 Bay Area refinery capacity utilization of 97.7 %) with the DSR at 23 ("Peak refining utilization [on a <u>weekly</u> basis at West Coast refineries from 2010–June 2016] appears to be about 93.5 percent. Given the few times when that peak was achieved, it's unlikely to be sustained over a long period due to unplanned outages and planned maintenance."). See IS at 2-40 (SCR equipment assumption) and 2-46 (wet scrubbing equipment assumption).

Low end of 15–22% range based on other rules' reduction; high end (22%) also includes the 7% "operating variation" included in calculation of Rule 12-16 limits (<u>see</u> § 12-16-302).

#### Conclusion

Rule 12-16 is reasonable, effective, a necessary complement to other air quality and climate protection measures, and urgently needed. It would close a gaping loophole that has left facility-wide emissions from oil refineries unlimited. It is needed to prevent the biggest industrial emitters of the most harmful air pollutants known from causing severe and irreversible climate and health impacts by locking in bottom-of-the-barrel oil infrastructure that could increase those emissions for another generation.

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Respectfully,

Andrés Soto and Greg Karras Communities for a Better Environment (CBE)

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Ratha Lai Asian Pacific Environmental Network (APEN)

Janet Scoll Johnson
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continued

Steve Nadel, Charles Davidson, and Earl Koteen Sunflower Alliance

Nancy Reiser

Crockett-Rodeo United to Defend the Environment (C.R.U.D.E.)

Katherine Black

Benicians for a Safe and Healthy Community

Janet PyGeorge

Rodeo Citizens Association (RCA)

Rev. Will McGarvey

Interfaith Climate Action Network of Contra Costa County

Denny Larson

Community Science Institute—CSI for Health and Justice!

**Bradley Angel** 

Greenaction for Health and Environmental Justice

California Nurses Association (CNA)

Copy: Clifford Rechtschaffen, Office of Governor Edmund G. Brown

Richard Corey, California Air Resources Board Refinery Action Collaborative of Northern California

Interested organizations and individuals