

## News Release

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# State Weighs in For Caps on Bay Area Refinery Toxic and Climate Pollution

## **Precedent setting measure would prevent a massive emissions increase from planned refinery projects for higher-emitting tar sands oil feeds**

Reversing regional officials who sided with refiners to claim pollution trading policies force them to allow increasing refinery pollution, the State Air Resources Board supports pollution limits to “cap” increasing particulate and greenhouse gas air pollution from five Bay Area refineries in a letter to the Bay Area Air Quality Management District sent late yesterday.

Oil companies seek to process lower quality grades of oil that could increase refinery emission intensity and refinery mass emissions. Caps on emission intensity and mass work together to protect against those health and climate threats. The State’s letter supports both protections, finding they work together with its state climate program. That finding contradicts the refiners’ argument that Air District Rule 12-16, which sets mass caps, conflicts with the State’s cap-and-trade pollution trading scheme. Air District staff joined the refiners to make this claim against its own proposal in workshops last week.

The action marks a dramatic turn in the long, hard fought struggle by community, environmental justice, climate, and environmental groups to prevent already-harmful refinery emissions from increasing. The Air District has said it now plans to consider action on proposed Rule 12-16 at a May 17, 2017 public hearing. The measure would:

- Set transparent, enforceable limits on refinery emissions of greenhouse gases and four pollutants that cause particulate matter air pollution; PM<sub>2.5</sub>, PM<sub>10</sub>, NO<sub>x</sub>, and SO<sub>2</sub>.
- Prevent health and climate impacts from a planned switch to higher-emitting grades of oil that threatens to increase region-wide refinery emissions by as much as 40–100%.
- Allow other air pollution control measures to reduce emissions by preventing a potentially irreversible increase in emissions before the other measures take effect.
- Allow full use of current refinery production capacity, avoiding any potential effect on gasoline prices and workers’ jobs.

Particulate matter air pollution kills an estimated 1,700–2,500 people in the Bay Area annually, and greenhouse gas air pollution threatens severe climate disruption. Oil

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refining is the biggest industrial emitter of both pollutants in the Bay Area. The oil industry's push to build projects for refining higher-emitting grades of oil such as "tar sands" oil here threatens to lock into place a region-wide refinery emissions increase of as much as 40–100 percent, based on independent expert analysis and peer reviewed scientific work. The Air District has the primary responsibility for controlling industrial air pollutant emissions in the region.

The Air District has done many things to control emissions from various parts of refineries, however, it has not yet set any limit on facility-wide emissions from any Bay Area refinery. This loophole could allow the industry's plans for higher-emitting oil to get locked into place. Recognizing the need to close this loophole, the Air District Board of Directors directed its staff to develop Rule 12-16 as a backstop against increasing refinery emissions by the Spring of 2015. Long delayed by its staff under industry pressure, the District Board has committed to consider adopting proposed Rule 12-16 at a public hearing on May 17, 2017.

END



# Air Resources Board

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**Matthew Rodriguez**  
*Secretary for  
Environmental Protection*

**Mary D. Nichols, Chair**  
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**Edmund G. Brown Jr.**  
*Governor*

April 5, 2017

Mr. Jack Broadbent  
Executive Officer  
Bay Area Air Quality Management District  
375 Beale Street, Suite 600  
San Francisco, California 94105

Dear Mr. Broadbent:

We understand the Bay Area Air Quality Management District is considering three new rules to address air pollution from refineries and other industrial facilities. I am writing to assure you that we support the intent of these rules and agree more can and must be done to deliver real reductions in the pollutants that are impacting the health of residents living near refineries and other large industrial facilities. We view the draft rules as an important first step in that direction. Indeed, as you may be aware, the California Air Resources Board (ARB) also is developing additional statewide regulations on these matters. This letter provides our brief comments on the proposed rules and discusses how the District, the California Air Pollution Control Officers' Association, and the ARB can work together to implement a comprehensive solution.

ARB staff strongly supports District action to develop, adopt, and enforce more stringent rules to reduce the health risk from stationary sources of air toxics, especially in impacted communities that are more vulnerable due to existing pollution burdens and socioeconomic conditions. The District staff's Draft Regulation 11, Rule 18 would require facility-by-facility risk assessment and emission reductions to get each facility below a cancer risk of 10 chances in a million, as achievable with toxics best available retrofit control technology. Based on ARB staff's preliminary analysis, we believe the approach described in the draft rule would be an effective mechanism to cut stack and fugitive emissions at refineries and other facilities. Moreover, your actions complement efforts by ARB to develop tighter regulations for trucks and ships at berth to further reduce emissions of toxic diesel particulate matter and other pollutants from both marine tankers delivering crude oil to refineries and trucks carrying gasoline and diesel fuel to market.

*The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption.  
For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.*

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California Environmental Protection Agency

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To augment the proposed air toxics rule, we encourage the District to continue investing in air monitoring enhancements (like remote sensing) and improving its emission inventories, which are critical given recent studies suggesting that fugitive emissions from refineries (and other sources) may be greater than current measurements indicate. ARB staff advocates aggressive enforcement at refineries and all stationary sources in the District. These efforts can help address toxic exposures, odors, and other community concerns. Your continued coordination with State and local authorities in targeted enforcement initiatives is essential to lessen the pollution burden in disadvantaged communities.

With regard to the District's draft Regulation 12, Rule 16, limiting emissions increases from refineries, and the new concept in Regulation 13, Rule 1, establishing a carbon intensity cap for refineries, we agree that both the approaches could help to ensure that these sources do not add to the state's overall emissions of greenhouse gases and criteria or toxic pollutants. Moreover, ARB is currently considering what actions might be taken to achieve additional reductions in toxic and criteria pollutants from refineries and we have identified that further action is needed throughout the state to expand public health protection for impacted communities. We would appreciate the opportunity to work with you and other affected air districts to develop complementary rules that can achieve the results that we and the communities want and expect.

To this end, we recommend establishing an industrial source action committee within the California Air Pollution Control Officers' Association, with an initial focus on refineries. The committee would be tasked with performing a rigorous engineering evaluation to identify measures to further cut emissions of all air pollutants from refineries, as well as coordinating and facilitating the implementation of such measures. You have my commitment that this effort will be a high priority for ARB staff.

Thank you for your consideration of the comments and issues raised here. If you have any questions or wish to discuss this letter, please contact me at (916) 322-7077.

Sincerely,



Richard W. Corey  
Executive Officer

cc: See next page.

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