

BOARD MEETING DATE: March 2, 2018

AGENDA NO. 27

REPORT: Refinery Committee

SYNOPSIS: The Refinery Committee held a meeting on Saturday, January 20, 2018 in Torrance concerning an update on the development of Proposed Rule 1410 - Hydrogen Fluoride Storage and Use at Petroleum Refineries. The following is a summary of the meeting.

RECOMMENDED ACTION:  
Receive and File.

Clark E. Parker, Sr., Chair  
Refinery Committee

PF:SN:ML:MK

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### **Committee Members**

Present: Dr. Clark E. Parker, Sr./Chair, Mayor Larry McCallon/Vice Chair, Mayor Ben Benoit, Dr. Joseph Lyou and Mayor Pro Tem Judith Mitchell. Dr. William A. Burke was named an Ad Hoc member of the committee for purposes of this meeting.

Absent: None

### **Call to Order**

Chair Parker called the meeting to order at 9:15 a.m.

### **Welcome/Opening Remarks**

Dr. Parker introduced the refinery committee members, announced the purpose of the meeting, and informed the attendees of the availability of the large number of documents and comment letters received during the rulemaking process.

## **Overview**

Executive Officer Wayne Nastri provided opening remarks and an update of the ongoing public process since the April 1, 2017 Refinery Committee Investigative Hearing. Dr. Philip Fine, Deputy Executive Officer/Planning, Rule Development and Area Sources summarized the rulemaking process, including topics discussed at working group meetings. Dr. Fine explained that the exposure effects of HF are greater than sulfuric acid. Regarding the safety of MHF and the scientific information provided by Torrance Refining Company (TORC), staff concluded there are still uncertainties in the mitigation benefits offered by MHF and even the best case scenario, with all existing passive mitigation measures added at TORC, it is estimated that 11% of MHF could be released, representing a significant residual risk.

Dr. Fine presented initial rule concepts, which include different tiers of mitigation. Tier I included relatively low cost mitigation measures already included at one or both refineries. Tier II included a combination of all known available mitigation measures, including enhanced monitoring and camera upgrades. Tier III proposed a near-zero risk in a “failsafe” scenario. Dr. Fine described the option to phase out the MHF technology in lieu of Tier II/III mitigation no later than eight years after rule adoption.

## **Public Comment**

Public comment opened with Assemblymember Al Muratsuchi stating that he does not want the refineries shut down, but wants them to be safer. At the same time, he expressed a deep concern with the use of a highly toxic chemical that may affect the residents. He stressed a balanced approach that keeps the refinery in business, protects jobs, families, workers, and the community. Dr. Burke sought clarification of the Assemblymember’s position on phasing out HF.

Mr. Mark Phair of Valero Wilmington Refinery commented that their refinery is an industry leader in safe operations, safely operating for 35 years, including nine years using MHF, and they are one of only two sites in California certified by Cal/OSHA as a Voluntary Protection Program Star site.

Mr. Steve Steach of TORC commented that their refinery spent over \$200 million to upgrade their equipment, invested extensively in training, and only utilizes highly qualified union workers onsite. Mr. Steach stated their refinery is a different refinery than when it was purchased.

Following those comments, 96 speakers provided public comments.\*

1. Adam Webb, Torrance Refining Company
2. Al Sattler
3. Alex Hoth, Torrance Refining Company
4. Armando Flores, Valley Industry Commerce Association
5. Arnold Caney, State Assembly Candidate
6. Bill Baxter, Southwest Carpenters
7. Brad Jensen, San Gabriel Valley Economic Partnership

8. Brian Hitchcock, Torrance Refinery Action Alliance
9. Cathy Hernandez, Torrance Refinery Action Alliance
10. Cathy Luciano
11. Clarie Dodson
12. Cliff Heise
13. Connie Sullivan, Torrance Refinery Action Alliance
14. Dan Hoffman, South Bay Association of Chambers of Commerce & Wilmington Chamber
15. David Boule
16. David Hannum, Torrance Refinery Action Alliance
17. David Hoogendoorn, Boilermakers
18. David Sweet
19. DeAndre Valencia, BizFed
20. Diane Wood
21. Donna Duperron, Torrance Chamber of Commerce
22. Donna Heise, Torrance Refinery Action Alliance
23. Dorothy Moore, MD
24. Dr. Eng Gerghmin
25. Edward Salsetto
26. Elizabeth Warren, Future Ports
27. Eric Myers, Valero
28. Eric Nakano, Little Tokyo Service Center
29. Florence Gharibian, Del Amo Action Committee
30. Gerry O'Conner, Torrance Refinery Action Alliance
31. Harold Lewis
32. Henry Martinez
33. Iona Matson
34. Jake Clapman
35. Jane Alfonso, Torrance Refinery Action Alliance
36. Jeff Fitt
37. Jeremy Harris, Long Beach Area Chamber
38. Jesse Marquez, Coalition for a Safe Environment
39. Jim Cooksey
40. John Davidson
41. Judy Herman, Torrance Refinery Action Alliance
42. Judy Pang
43. Julie Bofinger, Torrance Refining Company
44. Karla Devine
45. Kendal Asunerar, L.A. Area Chamber of Commerce
46. Les Tait, Valero
47. Lia Flynn
48. Logan Bajloy
49. Lori M. Zaremski, Torrance Refinery Action Alliance
50. Louis Fleming, Torrance Refinery Action Alliance
51. Lydia Bree and Brittany Roman
52. Manish Misra, PBF Energy
53. Margaret O'Regan
54. Marie Wright, PBF Energy
55. Mark Friedman
56. Mark Phair, Valero
57. Mary Matson
58. Mary Pope, Torrance Refinery Action Alliance
59. Matt Johnson, Supervisor Janice Hahn Office
60. Megan Hayati

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| 61. Melanie Cohen, Torrance Refinery<br>Action Alliance                               | 79. Sandy Caja, Chamber of Commerce                        |
| 62. Melissa Finbres, Valero   | 80. Sherry Lear  |
| 63. Mitch Ponce, Ironworkers 433  | 81. Steve Dillow, Sierra Club                              |
| 64. Nichole Williams, Torrance Refining<br>Company                                    | 82. Steve Goldsmith, Torrance Refinery<br>Action Alliance  |
| 65. Paul Donard   | 83. Steve Griffen, Torrance Refining<br>Company            |
| 66. Penny Wirsing, Torrance Refining<br>Company                                       | 84. Steve Steach, Torrance Refining<br>Company             |
| 67. Peter Burg's  | 85. Suzy Elliot, Valero                                    |
| 68. Randy Thomas, Boilermakers  | 86. Ted Jimenez, Southwest Carpenters                      |
| 69. Rebekah Potter  | 87. Tene Bonds, Valero                                     |
| 70. Richard Slawson   | 88. Terry Scott  |
| 71. Robert Caplan   | 89. Tim Jeffines, Boilermakers                             |
| 72. Roger Light, Torrance Refinery Action<br>Alliance                                 | 90. Tim Shepperd, HF Alkylation<br>Consultant              |
| 73. Roger Potter  | 91. Timothy Beyer, Torrance Refinery<br>Action Alliance    |
| 74. Ron Miller, Los Angeles/Orange Counties<br>Building & Construction Trades Council | 92. Tommy Faavae, IBEW Local 11                            |
| 75. Ron Reeder, Herzos Electric   | 93. Ty Carlson, Valero                                     |
| 76. Sally Hayati, Torrance Refinery Action<br>Alliance                                | 94. Ulrich Blaettler, Torrance Refinery<br>Action Alliance |
| 77. Sandra Cartier  | 95. Vanessa Rodriguez, Torrance Refining<br>Company        |
| 78. Sandra Viera, Torrance Refinery Action<br>Alliance                                | 96. Vladimir Buzga   |

\* Organizations in parentheses were provided on the speaker cards.

Approximately 50 people expressed concern with a potential HF release and how it could impact nearby communities, and their support for a ban of HF/MHF. Some residents questioned the effectiveness of modified HF as a mitigation method to prevent formation of a vapor cloud, and stressed that profits should not take precedence over the safety of the people. Others highlighted that HF/MHF has no “failsafe” alternative such as the proposed Tier III mitigation approach.

Approximately 50 people commented that they did not support a ban on HF/MHF because the refineries already make safety a priority. Some people commented that they

want to keep the refineries in business because they provide good jobs. Some speakers referred to the proposed rule as a hidden gas tax that would increase the cost of gasoline. Regarding the tiered mitigation proposal, several commenters stressed that there is no “one size fits all” solution to safety mitigation.

Public testimony was followed by comments from the Refinery Committee members.

Dr. Parker stated the Refinery Committee’s responsibility is to make a recommendation to the Governing Board. MHF is obviously dangerous or there would not be all the mitigation in place. Regarding the timeline, Dr. Parker stated the unit cannot be replaced overnight, and he would like to see a shorter implementation timeframe than eight years.

Mayor Pro Tem Mitchell agreed that staff and the working group need to keep talking about how to reach a solution and agreed that an eight-year timeframe seems too long. Mayor Pro Tem Mitchell spoke of the state policy to move toward zero-emission vehicles and a potential future ban of gasoline powered internal combustion engines as a reflection on the future of refineries. Mayor Pro Tem Mitchell indicated that we need to think about the value of lives and the cost to convert a refinery.

Mayor McCallon stated that the tiered mitigation approach seems like an acceptable compromise, and commented on the ability to convert over at some point as the technology matures, possibly in two to four years. The timeline needs to be further discussed.

Dr. Lyou would like to see more options explored, such as Tier I and a ban, or Tier I/II and a ban. He would like staff to fully consider the economic and environmental impacts of a ban and provide more detailed information on the safer alternative technologies. Dr. Lyou discussed the notification systems for the community and the upcoming fence line monitoring projects. Dr. Lyou encouraged staff to continue to meet and discuss the tiered mitigation proposal and bring more information back to the committee.

Mayor Benoit agreed that more information was needed as to the cost of a ban, including the impact of increased truck trips for sulfuric acid, and the cost of the new technologies. Mayor Benoit agreed with Mayor Pro Tem Mitchell that we will not all be driving gasoline vehicles in the future.

Dr. Burke stated that the current problem is due to a lack of leadership and understanding of the importance of this issue. Dr. Burke asked staff to come back to the Committee after further discussions with the stakeholders.

Dr. Parker asked when staff could come back to the Refinery Committee. Mr. Nastri committed to come back within 60 – 75 days depending on scheduling and to continue working group meetings and individual meetings with stakeholders. Dr. Parker stated that all sides must come to some kind of agreement in good faith or the Committee would have to make a recommendation to the Board without the desired consensus. Dr. Parker also addressed the cost of a phase out and noted the \$200 million that spent by TORC over the past 10 months on upgrades that were neglected by the former owner. That money was not used on rebuilding the alkylation unit. He mentioned recent tax cuts that will allow facilities to write off most expenditures immediately. Dr. Parker concluded by stating he was confident that we can find a solution that all parties can agree to.

The meeting was adjourned at approximately 2:15 p.m.

**Attachment**

The staff presentation has been posted online and can be accessed from the following webpage: <http://www.aqmd.gov/docs/default-source/Agendas/refinery-committee/notice-of-the-scaqmd-refinery-committee-meeting.pdf?sfvrsn=14>