

PLANNING COMMISSION MEETING
COUNCIL CHAMBERS, RICHMOND CITY HALL
1401 Marina Way South, Richmond, CA
March 20, 2008
7:00 p.m.

COMMISSION MEMBERS

Virginia Finlay, Chair
Stephen A. Williams
Vacant

Vice Chair Nagarajo Rao
Jeff Lee, Secretary
Vacant

The meeting was called to order by **Chair Finlay** at 7:00 p.m.

Commissioner Williams led in the Pledge of Allegiance.

ROLL CALL

Present: Chair Finlay, Vice Chair Rao, Secretary Lee and Commissioner Williams (arrived late)

Absent: None

INTRODUCTIONS

Staff Present: Planning staff: Richard Mitchell, Janet Harbin, Lamont Thompson, Hector Rojas;
Legal staff: Elana Saxenhouse, Ellen Garber, Carlos Privat and Mary Renfro.

ESA staff: Chuck Bennett, Bob Baranka, Tim Morgan, Brewster Birdsall

BAAQMD staff: Barry Young and Greg Solomon

MINUTES – None

Chair Finlay provided an overview of the meeting procedures for speaker registration, the allowance for one-minute speaker times based on the number of speakers signed up, and public hearing functions and procedures.

Item Discussed:

- 1. DR/CU/EID/EIR 1101974 – Chevron Energy and Hydrogen Renewal Project at 841 Chevron Way:** The Planning Commission will hold a Public Hearing to receive comments and make a decision on the proposed project's Design Review Permit, Conditional Use Permit, and adequacy and certification of the Environmental Impact Report (including a Draft and Final EIR, with associated Technical Appendices) for the Chevron Energy and Hydrogen Renewal Project, located at 841 Chevron Way in Richmond, California (APN: 561-040-016; 561-100-003, -001, -003, -008, -009, -010, -011, -012, -013, -017, -020, -025, -026, -029, -034, -035, -036, -036, -037, -038, -040; 561-400-008; 561-410-002; 561-410-003). The applicant proposes to replace the existing Hydrogen Plant, Power Plant, and Reformer,

tanks and install new equipment in order to increase the Refinery's ability to produce gasoline that meets California specifications, and use a wider range of crude oil sources than are currently processed. The new equipment would improve Refinery reliability, energy efficiency, meet State and Federal Standards and add environmental controls. Chevron Products Company, owner/applicant. Planner: Lamont Thompson.

Chair Finlay asked staff to provide an update regarding the letter received from the Attorney General's Office.

Ellen Garber, Shute Mihaly and Weinberger, said the EIR was published in May 2007. During that year AB32, which sets policy for the State regarding greenhouse gases, took effect. The legislation does not contain specific legislative guidance on the issue to be discussed but it does require the State as a whole to reduce greenhouse gas emissions and roll them back to 1990 levels by a certain date. When the Draft EIR was prepared, the City received a letter from BAAQMD advising the City there were no applicable thresholds of significance for greenhouse gases and without that guidance, the City determined that the best course of action was to disclose the impact of 898,000 metric tons of new emissions from the project and to disclose the size of the impact. After the EIR was published, the State passed another Bill that requires the Office of Planning and Research to devise mitigation measures for greenhouse gases.

The City received many comment letters on the EIR and based on those and further discussion and study, City staff and consultants concluded that the best view was to assume the project would operate at full capacity; that 898,000 tons of greenhouse gas would be emitted, and staff then worked to develop mitigation measures which were published in the final EIR; mitigation measures 4.3-5A through 5G.

Ms. Garber said mitigation measure 4.3-5E requires Chevron to reduce new emissions to zero and avoid the impact of the new greenhouse gases produced by the project. In addition, in the conditions of approval which are separate from the mitigation measures, proposed condition E-1, would require Chevron to pay a fee that would be used to reduce the emissions from the equipment that is producing greenhouse gases below the pre-project baseline. Staff received a letter from the Attorney General's office this week and last week. While recognizing the achievement the City made in getting the mitigation measures drafted and making net zero emissions, the AG's office has suggested improvements in the way the measures are drafted which are before the Commission.

Regarding significance, the lead agency has a duty to try and determine if an impact is significant, but CEQA does not require a City to engage in speculation. The City felt it was not able to draw a numerical line because they believe it should be done by an air quality agency or the State Air Resources Board. In addition, the decision to adopt a City threshold would affect all future Chevron projects. Nevertheless, the AG's office pointed out that the City may want to determine, without reference to a specific threshold, that 898,000 tons per year is significant. She said this approach would be a change from what was published in the EIR, arguably would require re-circulation of the EIR, and she referred to the CEQA guidelines 15088.5 A-1, the re-circulation guideline is related to a new significant impact that was not disclosed in the draft and between the publication of the draft and the final EIR became known.

She said the argument can be made that re-circulation is not required in this case because the Draft EIR disclosed the magnitude of the impact or the full 898,000 tons and mitigation measures are proposed that would avoid the impact by requiring net zero new emissions. It is

staff's advice that the conservative approach would be to re-circulate the EIR because the issue is arguable.

Vice Chair Rao said he has a letter from the AG's office dated March 6, 2008 and Ms. Garber said there were two letters; the second is dated March 19, 2008 and she agreed to provide a copy of the letter to Vice Chair Rao.

Commissioner Lee questioned if a portion of the EIR could be re-circulated, and Ms. Garber said yes; this is done often and the Commission could choose to re-circulate the greenhouse gas portion or another in combination with it. He asked what ramifications that could have with the Commission discussing the other elements of the EIR and CUP. Ms. Garber said there would be no limitation on holding a public hearing but the Commission cannot take any action on the project until the entire EIR has been certified.

Lamont Thompson acknowledged letters received: March 20, 2008 from Communities for a Better Environment (CBE); March 19, 2008 letter from the Sierra Club; March 18, 2008 letter from the City of Pinole; March 19, 2008 letter from Adams, Broadwell, Joseph and Cardoza; letter from NRDC on March 18, 2008; and letter from Pillsbury Winthrop, Shawn Pitman on March 19, 2008; a letter from the Attorney General on March 19, 2008; and a letter dated March 19, 2008 from Margaret Hanlin-Grady. All letters were scanned and forwarded to the environmental team and to the Planning Commission.

Mr. Thompson gave the staff report, said Chevron requests Planning Commission certification of the EIR, approval of the CUP and Design Review Permit. This would allow them to replace the existing hydrogen plant, power plant, reformer and install new equipment to increase the refinery's ability to produce gasoline that meets the California specifications and use a wider range of crude oil. The crude oil would contain sulfur up to 3%. He discussed the proposed new facilities and equipment, implementation of the project would result in better refined gasoline, Chevron proposes to upgrade facilities and replace equipment, the project would not increase the refinery's consumption and Chevron's objectives are to replace facilities, decrease amount of energy and ensure the refinery's ability to process future crude and gas oil supplies.

Mr. Thompson said tonight's meeting will provide an opportunity for Commissioners to review the EIR with staff and the public, and the Commission will hear public testimony regarding the adequacy of the EIR and merits of the proposed project. The Commission will determine if the information in the EIR adequately identifies and mitigates the project's impacts, and once the Commission makes its decision, they will consider the CUP and Design Review permit and if the Commission takes an action tonight to certify the EIR and approves the CUP and DR permit, there will be a 10-day appeal period where anyone could appeal the matter to the City Council.

Chair Finlay discussed the presentation, speaker protocols and limits and rebuttal process.

Applicant Presentation:

Dean O'Hare, Richmond Refinery, said they were before the Commission nine months ago at the scoping session and is excited to present the project and EIR. He gave a PowerPoint presentation, introduced Bob Chamberlin, Renewal Project Permitting Manager; Teri Lozeraga, Environmental Health and Safety Manager; and Mike Coyle, Refinery Manager.

Mike Coyle, Refinery Manager, gave a brief history of the Richmond Refinery's operation since 1902, discussed their jet fuel and gasoline, and lubricating oil production, discussed operational

excellence, vision, efficient use of resources, environmental stewardship, safe workplace for employees, contractors and the community.

Bob Chamberlin, Renewal Project Permitting Manager, gave a brief description of the project, replacement of many process units with modern technology, hydrogen and reformer replacement, equipment to remove sulfur from products, said they want to replace existing facilities with modern facilities, decrease amount of electrical energy they import, position themselves to process future crude oil and gas oil, and divert more gasoline to the California market.

He provided an overview of how the refinery works and how the renewal project fits into their overall operation, utility systems, said the EIR finds there will be a decrease of criteria air emission, no water impacts, no increase in greenhouse gases, and there will be no public health or safety impacts as a result of the project. He discussed benefits of improved refinery reliability because of modern technology and fewer start up and shut downs, improved energy efficiencies, reduction of overall air emissions, and said the project will allow more gasoline to enter the California market. The project is not a change in the type of crude oil run in the refinery, it does not increase their processing capacity, but they will be producing more hydrogen and electricity and converting more sulfur and he reviewed the timeline of their permitting process.

Regarding facilities, Mr. Chamberlin presented a map of the refinery's property line, locations of various facilities and plants, said the City hired experts to prepare the EIR and said ESA Associates is a recognized expert as well as Aspen Environmental to oversee the work and check the technical accuracy of the environmental review, and Shute, Mihaly and Weinberger is a firm with CEQA lawyers who were involved in overseeing CEQA law. He discussed the EIR process, public comment period and response to comments, and said the City continues to receive comments even though they are outside of the public comment period.

Mr. Chamberlin displayed a table showing the air impacts of the project, he identified chemical acronyms and definitions such as VOC, PM, NOX, SO₂, and CO, the single year average, net emissions, technologies with hydrogen that reduce the waste stream, and he said they end up with a total reduction of about 40 tons per year.

He discussed the refinery having made substantial reductions in air emissions since the 1970s when the Clean Air Act was passed and the EPA was established, displayed statistics on 1970 emissions, reductions in emissions during the 1980s, and said they have reduced their emissions since 1970 by 70%. He presented data from the BAAQMD website from 2005, a map of the location of all air quality monitoring stations the BAAQMD has throughout the region which is a 3 hour average ozone level, and said the most troubling air conditions are located farther away from the bay in the valleys such as Concord, Danville, Livermore, San Ramon, Los Gatos and San Jose.

He said the EIR determined there would be no significant impacts from volatile organic compounds, it indicated VOC emissions would be significant and they developed additional mitigation measures that reduce them below the significant threshold, with the installation of domes on two storage tanks and they are also able to build smaller tanks, which helps reduce VOC emissions, as well. He said health risks are insignificant and he discussed how they are evaluated, said Richmond is among the best in terms of air quality in relation to toxic air contaminants, displayed air monitor station locations, said they have made strides in reducing

flaring, they have agreed to implement control measures to ensure there will be no increase of greenhouse gases under AB32 and they are among the top companies in energy efficiencies.

Teri Lozeraga, Environmental Health and Safety Manager, spoke of her local roots and work in the community, described crude input and output as remaining the same, types of crude, types of crude run, compliance with BAAQMD rules, health risk assessment and metals removed and she said there are no reasons to place crude limits on the refinery. She discussed evaluating, reporting, and monitoring greenhouse gases, and she believes if the Planning Commission makes the determination that the baseline or lower emissions output option is sufficient, they believe it would not require re-circulation of the EIR. They also believe the VOC emissions reductions are adequate and she described various analysis and statements which are identified in the EIR.

Ms. Lozeraga said Chevron does have some objections to the CUP conditions as prepared by the City because they go beyond mitigating a project impact and they believe the final EIR and mitigations in the EIR fully mitigate the project. Some mitigations go above and beyond that and in some cases they are excessive or unreasonable, such as the greenhouse gas fee, the Bay Trail, and further emissions reduction. They have conducted an initial analysis on the mitigations some of the extra measures in conditions go above and beyond what is required by CEQA law which amounts to \$250 million of the \$400 million worth of work that is not required by law.

Dean O'Hare spoke of the benefits of the project as replacement of equipment with new equipment with enhanced environmental controls, it will reduce overall emissions, it improves their energy efficiency and makes the refinery energy self-sufficient, it makes the refinery more reliable and less susceptible to the public's grid of electricity, they will be producing cleaner burning fuel that meets stricter standards, it will generate new revenue for the City such as sales and use taxes, it will provide 1200 construction jobs, and it improves refinery operations without any change to the refinery's overall production.

Commissioner Lee questioned the type of crude which contains 50% more sulfur, the need for additional hydrogen production as a result, and whether there will be 900,000 metric tons of greenhouse gas emitted over and above the current state, and Mr. O'Hare agreed this was prior to mitigation, and this is at maximum operating rates of the hydrogen plant which the EIR also indicates is not feasible. He said It would also include hydrogen that the owner/operator of the plant would export off site. He said greenhouse gases associated with hydrogen production and only used for producing gas actually result in a 219,000 metric ton per year reduction in greenhouse gases over the current baseline, and not an increase. He confirmed with Mr. O'Hare that the increase in greenhouse gases is the result of the excess hydrogen that the owner/operator of the plant will export elsewhere.

Commissioner Lee referred to criteria air emissions and asked Mr. O'Hare to explain why the CO2 emissions are not on a slide that talks about air emissions. Mr. O'Hare said there are two types of air emissions that the project considers; criteria air emissions and greenhouse gas air emissions. Criteria air emissions have historically regulated by the BAAQMD and the newly regulated emissions are the greenhouse gas emissions per AB 32.

Commissioner Lee said one slide discusses changed refinery crude slate and various terminologies of what it actually is, and he confirmed that the crude they refine now are in the 1-3% crudes, they are blended and fed to the refinery at 1.7% sulfur. In the future, they will still purchase crudes in the 1-3% range; they will be blending a higher sulfur content at 2.5% sulfur

rate, so it will give them more flexibility to look at the crudes on the market and more efficiency to pull sulfur from those crudes.

Commissioner Lee questioned if the crude to be used will have 50% more sulfur, and Mr. O'Hare said the mix will go from 1.7% to 2.5%.

Commissioner Lee referred to benefits of the project with greenhouse gases not increasing, and he asked how this was relative to the chart in the EIR that discusses the 900,000 tons of greenhouse gases. Mr. O'Hare said the mitigation measures put in place would mitigate to a net zero effect, so there would be offsetting reductions in greenhouse gases made. If there is an exporting of hydrogen from the facility, there could be an increase in greenhouse gases, but when the hydrogen plant comes on line, there is a 219,000 metric ton reduction. If the hydrogen plant was to continue to produce more and greenhouse gases were to increase, there would be mitigations put in place to ensure that the emissions never went above zero.

Commissioner Lee confirmed with Mr. O'Hare that if Praxar did not build the pipeline and did not export additional hydrogen over and above the refinery's needs, there would not be any increase in greenhouse gases.

Commissioner Lee referred to the slide on VOC emissions and the description that they are below a significant level, and he confirmed that BAAQMD determines what "significant" is. When the refinery goes off of the PG&E grid, he asked if it had any effect on the amount of utility users tax Chevron would pay, and Mr. O'Hare said they expect there will be a push for this; there will be increased energy usage which will be offset by the energy efficiencies.

Commissioner Lee said there was talk about limiting the crude slate which Chevron does not want to do, and he questioned why if it would not change. Mr. O'Hare said they cannot refine heavy crudes at the refinery because their crude unit is not capable of handling them and secondly, they have a base oil facility which is the only one on the west coast, which makes them different from other refineries. They have focused on the things that will allow the refinery to do things it can do and make the refinery better from a public policy standpoint and he said heavy crude has nothing to do with the project. **Commissioner Lee** felt then it would be easier to agree not to do this so the issue is off of the table. Mr. O'Hare said if they were ever to consider heavy crude, they would be required to return for permits, update their crude unit and other facilities.

Vice Chair Rao said to rest citizens' fears, he asked if the refinery could state tonight that they will not be using heavier crude, and Mr. O'Hare said the EIR does state this in a number of areas, they will continue to refine the same types of crude after this project as they do now with light and medium crude and they will not be processing heavy crude because they cannot for reasons mentioned before.

Vice Chair Rao confirmed they were importing lighter and medium crude from the Middle East and he asked if they would need to import from a different nation with a different crude level. Mr. O'Hare said it would still need to meet the light/medium crude characteristic in order for the refinery to be able to refine it. If they were to modify their equipment, they would need to modify their crude unit and return to the Commission for a permit and also make the decision that they would not produce base oils.

Vice Chair Rao said the EIR indicates much more hydrogen will be produced and he questioned if there were any associated hydrogen emission risks. Mr. O'Hare said they will be

producing hydrogen now with existing equipment as well as with state-of-the-art technologies. **Vice Chair Rao** questioned how many jobs would be of a permanent nature, and Mr. O'Hare said there are 10 permanent jobs associated with the project.

BREAK

Chair Finlay called for a five-minute break and thereafter reconvened the meeting at 8:48 p.m.

Dr. Henry Clark, Executive Director of the West County Toxics Coalition, CCC Hazardous Materials Commission member, ICLEI members, said they are not opposed to the project in the sense for its ability to produce a cleaner-burning gasoline but because it does not meet the spirit and requirements of the law of environmental justice. He said they were involved in the environmental move that worked to achieve standards, spoke of environmental racism and injustice, said the EIR does not address this fact and said Planning staff was the only body that mentioned environmental justice in the staff report. He said the project increases greenhouse gases which he believes is significant, he said the Commission should not make a decision on the project until it understands what environmental justice means, as well as the project's cumulative and synergistic effects, he spoke of health risks, the high rates of cancer and asthma in Richmond, asked to re-circulate the EIR due to its inadequacy, asked there be no increase in emissions, and asked the Planning Commission not approve the EIR.

NOTED PRESENT

Commissioner Williams was noted present.

Greg Karras, Senior Scientist for CBE, spoke of his many years of experience in Richmond, expertise in industrial pollution prevention largely involving oil refineries and other energy facilities including Chevron. He said he disagrees with much of the analysis of the project and acknowledged staff for admitting today that they were wrong and they changed their recommendation to recommend that the Planning Commission re-circulate the EIR. He said in the 8 or 9 months since the draft EIR hearing, staff and the Attorney General's Office has been asking Chevron repeatedly the same questions the Commission has asked regarding the crude slate quality and the information is still unavailable.

Mr. Karras thanked the Commission for the time to speak on technical issues, distributed materials to staff and the Commission, said the project equipment, if built, has an expected operating life of 30-50 years, said Chevron declines to answer direct questions about changing the quality of their crude input, he believed it did matter as to how much pollution increases or decreases, said 5 to 50 times greater in selenium, mercury, greenhouse gas, flare sulfur emissions and other pollutants will occur, the City does not know if the BAAQMD even has a machine that will capture all of it and experts have said it cannot be done at that scale.

He said an EIR is supposed to identify these types of things before a decision is made and none of that occurred in this case. Regarding emissions increases on figure 7 of mercury, mercury is being studied and Chevron is reserving the right to litigate against the study, the Regional Water Board wants to know how much mercury there is and where it goes. It might go into the gases in the flare systems or heavy oil processing and it is unknown as to how much of it ends up in water or air; however, mercury that comes in eventually comes out and the amount of release increases with the amount coming in. The selenium story is the same with one difference; this has been monitored and it is known to go mostly into the Bay through wastewater discharges and has been measured. Selenium caused mass birth effects in water fowl in the 1980's, it has caused some bird birth defects, it violates water quality standards in San Francisco Bay, and Chevron has an effluent limit that is not met yet, and any increase would be significant.

Regarding flaring, the highest concentration of metals in the new crude oil end up in the catalyst, they poison the catalyst, the process does not run right and gases are formed. There are more acids and corrosion, and more upset, spills, fires or explosions could get more frequent. There are more catalyst fouling which require shut downs of process units for changing out the catalysts, and this occurs a lot at Chevron. He believed flaring would increase by 4 to 11 times, he discussed a peer review paper which was done and reviewed by CBE on greenhouse gases and processes and they found gases would increase 3-9 times more, as well as other pollutants.

He also said the Attorney General's staff asked an industry expert to review the question as an independent opinion and CBE was right—he referred to paragraph 26; “This project would certainly increase the capacity for heavier oil refinery at this refinery for the same reason that CBE has reported it would.” In his opinion, the EIR describes some refinery project but not this one, and the one described could pollute drastically, he did not believe it was legal and if the information is not exposed, many people could get hurt.

Mr. Karras then presented the second document's last two pages which are a proposed condition that would give exactly what Commissioner Rao, Lee (and Harris at a previous meeting) asked about crude oil; the condition that the City would impose on Chevron which was developed by CBE and other experts which should include a total Mercury limit: 8 parts per billion, types of oil refined, how much sulfur is actually going through their unit, and suggested Chevron's actual baseline crude slate be enforced, suggested implementing conditioned limits to hold Chevron accountable per information in the columns of the document. He noted that Chevron had said the magnitude of the emissions is already disclosed in the EIR and there would be no change in capacity to more contaminated or heavier oil, and two expert opinions say this is not so. Chevron also showed how low Richmond's air pollution on the scale of the Bay Area based on annual averages and the EIR does not analyze the short term exposure changes caused by episodic events like flaring at the refinery. He and BAAQMD both found there is a significant elevation of ambient air quality pollution levels at the fence line and as far as the major monitoring station downtown when Chevron flares.

Regarding Chevron's statement that there is no relationship between sulfur, heavier crude and higher metals, Mr. Karras said any reputable standard oil industry textbook will say this is not so. They put some of this information in the document, they did their own analysis of samples which shows a highly significant and statistically significant association and Chevron's statement was incorrect. Regarding metals which stay in the catalyst, this only means more fire and flaring. Regarding all outputs being monitored, he said thousands of chemicals come out of the refinery, there are hundreds of thousands of vents and release points and not a single flow vent is directly measured which is highly misleading. He also said Chevron has said they cannot use dirty crude for base oil, which is not true because they blend oils, store them in tanks, and they can get around this in many ways. Chevron said there will be no increase in cracking, no increase in heavy oil processing, they do not have the capacity to do it, but the independent expert's opinion says this is not true and CBE can prove this is not true as well. He said obviously, the EIR did not evaluate the project, and if the Commission is not sure about whether it has enough information, it still has the legal obligation to protect everyone's right to know.

Victoria Sawicki, dedicated her words to Ethel Dodson who died of cancer at 65, said she is scared after listening to the prior speaker, spoke of the possibility of extinction by global warming, people are swiftly removing their dependence on fossil fuels, reduce greenhouse gases, yet the City will determine whether or not Chevron can expand and she is opposed to it. The City has never studied the amount of numerous cases of various cancers in her

neighborhood, said in Europe they passed the precautionary principle where before any company can introduce a chemical, the company must prove it is safe for the community and in Norway and Sweden, breast milk is tested and chemicals found are regulated out of the community. She asked to be able to live in a healthy environment, agreed there was environmental racism, glaciers are receding at a more rapid than predicted rate, and read a report that states, during three decades of drilling in the Ecuador Amazon, Chevron dumped more than 18 billion gallons of toxic wastewater and impoverished communities are suffering a wave of cancer, still births, birth defects and other severe health problems. She asked the commission to drive from the east to the west on I-580 at about 11:00 p.m. at night and look at the stacks and pollution coming out.

Tarnel Abbott, spoke on behalf of the more than 350 SCIU Local 1021 Richmond Chapter Members, said they voted a resounding no vote on the so-called energy and hydrogen renewal project. She said many employees spend hours breathing the air in Richmond, are worried about the impact of more greenhouse gases and more VOC's on our health, they have seen too many colleagues die before their time, she has lost 12 employees in her building to various forms of cancer, said read a summary statement from the letter from the Attorney General; "In summary, the FEIR is inadequate under CEQA because it does not contain sufficient information for decision-makers and the public to evaluate the project and its impact, especially the mitigation measures for GHG's, VOC's and flaring."

Reverend Kenneth Davis, Associate Minister, North Richmond Baptist Church, said many of his neighbors are seniors and cannot come to the meeting, said Chevron can talk of insignificant levels and people can try to understand the impacts of the project, but the decision the Commission makes may hurt him and many others. He said he can see fires at the refinery, said people's injustices must be protected, said he assesses his own health everyday and questioned why people's health conditions have not been addressed or studied.

Janie Anker, said when she pulls her weeds, her hands are black, she has COPD, asthma, chronic bronchitis, early in the morning she can see the mist that she is breathing that comes over from the refinery and she feels empathetic for staff who has a very difficult job. Immediately after the last meeting on February 13, she emailed Jim Smith, PIO, to get what he promised he would send out to residents, which was a report of that meeting. She has not received this to date. She also emailed Jack Broadbent of the BAAQMD for a disk of the meeting and she has not yet received it. Also, she was told they would get 10 days notice of this meeting, which she did not receive. She does not trust Chevron and has seen what they have done in Ecuador.

Chair Finlay said there was a condition which Mr. Karras wanted the Commission to look at and possibly consider and asked where it was located. Mr. Karras said the condition was located on the last two pages of the Proposed Feedstock Quality Conditions, page 1 of 2 and 2 of 2.

Commissioner Lee asked if Mr. Karras feels Chevron's current feedstock is more like 1% versus 1.7%, and Mr. Karras said yes, and in fact the FEIR states it is about 2%, which has shifted since the draft. He said this information should be easily to know about, as Chevron is generally more technologically advanced than the typical refinery and they would measure the sulfur in their feedstock pretty constantly in order to control their processes. Their consultants say they do not have any and the EIR should have it. He said more information is needed and deserved to answer the question more specifically. In the absence of having direct measurements, a math balance can be done because there is data on how much sulfur is being produced in the recovery units. 99% of it gets recovered as sulfur, but 1% is enough to make

people really sick. If it were 2%, it would have to be twice as much and one would have to wonder where the extra 350 tons of sulfur goes every day.

Commissioner Lee said if Mr. Karras feels that the current crude slate would meet the criteria given, he confirmed then that there would not be any imposition to Chevron to accept this crude slate. Mr. Karras said Chevron has not provided data for its recent years and this is appalling, as the FEIR should have them. Staff informed them that Chevron did not give that information to staff either, so he knows for sure that the refinery during and after the last FCC project, they reported to agencies about those numbers and about that crude slate. The sulfur information suggests it is still true today, but the measurements have not been provided by Chevron and are not in the EIR. The intent is to keep them to the design that they are already at. He said the point is to make sure the refinery is operating with a feedstock and in a balance where it is not generating so much pollution that it is uncontrollable; 1) make sure the quality coming in is not too dirty and 2) make sure the refinery design fits the quality.

Commissioner Lee questioned how the output sulfur data was obtained, and Mr. Karras said Chevron is required to report to various government agencies their throughputs or the amount of partially processed oil that goes into and through a process unit on average.

Vice Chair Rao asked why the Commission was receiving the Proposed Feedstock Quality Conditions and Mr. Dolbar's report so late in the EIR process. Mr. Karras said they put hundreds of hours into the investigation which is an injustice, as CBE should have been out with community members, but because so much information was not where it should be, they had to look for it which created delays. This is why Part II of the report got to the Commission so late. He said they sent Part I one month ago to staff for the express purpose of getting information to the City prior to having it completed. **Chair Finlay** said that information did reach the Commission. Mr. Karras referred to the Attorney General's opinion which was not received by him until this afternoon.

Craig Solomon, BAAQMD, said he was available for questions, said he has had Chevron assigned to him full time since 1997 and his name was on some of the permits since 1991.

Commissioner Lee questioned what is Mr. Solomon's position relative to the sulfur slate Chevron is currently using; the 1% versus 1.7%. Mr. Solomon said the facility is designed to handle a certain range of crude slates and this is not going to change. What is going to happen is they will focus on a different portion of slates they can already use, which does happen to have higher sulfur. They generally deal with its regulation as it turns into emissions.

Commissioner Lee asked him to comment on the fact that CBE has data that indicates it is probably an average of 1% and Chevron is saying 1.7%. Mr. Solomon said he has not seen that data and has not looked at it; however, the data Mr. Karras referred to is BAAQMD's records because Chevron is required to submit that data to them. He said he could verify the annual update where BAAQMD asks for the actual throughput of several of the sources, but they do not ask for every source every year. He can verify the sulfur at each of the sulfur recovery units or the data he was looking at, but as far as the percentage, he does not look at the amount they receive and how much is going out in elemental sulfur or SO₂.

Vice Chair Rao questioned and confirmed that BAAQMD is the agency to report bad smells of sulfur to, and Mr. Solomon said during the week when the inspector is on-call, they go out and try to confirm every call that comes in, which is not easy to confirm them. He said on the weekend, the policy is different, but he was not familiar with it.

Public Comments (Proponents):

Michael Long voiced support for the project, asked the Commission to evaluate the project based on the facts and not allow a personal agenda of City government and special interest groups to influence the Commission's decision.

Soy Uckung said as a 20-year employee of Chevron, he emphasized the high priority the company places on safety and protection of the environment, believes if more people understood the value Chevron places on safety they would agree the project should be approved to the benefit of Chevron and the community.

Richard Lompa said he chose to live and stay in Richmond, is tired of Chevron-bashing, believes Chevron is a world-class company, we should embrace and encourage them, they have done numerous good things to the City of Richmond and he would not want someone telling him how to upgrade his business when they know nothing about it.

Walter Grundon said to hear people talk the skies of Richmond are polluted with toxic smoke, said the greatest pollution in Richmond is in people's minds, said the proposal made by Attorney General Brown would seem to indicate he knows what is better for the residents than the City's own Councilmembers.

Willie Hicks, President and Business Representative, Laborers Local 324, said he represents 150 Richmond residents and members, urged the Commission expedite the planning process and said their members are dependent upon the renewal work over the next 4-5 years.

Dennis Tuma, contractor at Chevron, supported the renewal project and the details in the FEIR, he believes the proposal would place the refinery in a world-class status.

Matt Kelly, Fire Chief at Chevron and Assistant Fire Chief of Emergency Services, said their dedication to safety is world-class, discussed their firefighting work in and out of the community and supported the renewal project.

Greg Bosworth, 16 year employee of Chevron, 20 years fire suppression, said he is well aware of what petrochemical corporations on a whole must go through in order to meet government regulations, said Chevron goes out of its way to provide the safety facility for its employees and the surrounding community and supported the project.

Anthony Kirby said he worked at Chevron for 21 years in fire service, said when they receive calls from local agencies and citizens about odors, they go out and investigate them, the work they do in the fire department is about 95% in prevention, and supported the project.

Tom Waller said he is the Chair of the Richmond Chamber of Commerce and the Board of Directors has voted to approve and support the project, said there is tremendous emotion and lack of trust in the project, to him it would be thoroughly irresponsible to not take aging and outdated equipment and processes and upgrade and incorporate new technology for the betterment of the environment and health, welfare and safety for Richmond citizens.

Vice Chair Rao questioned if the Board of Directors read through and approved the EIR itself, and Mr. Waller said not every Board member has read through the entire EIR, but he believed what makes sense is that the project takes outdated equipment and processes and upgrades it.

Records show emissions have been reduced due to a combination of many things and their approval was based on the fact that this makes sense.

Judy Morgan, President of the Richmond Chamber of Commerce, thanked the Commission for their review and work, urged the Commission to approve what will be a more reliable, efficient refinery which will create jobs and revenue for the City.

Patricia Griffith, 10 year Chevron employee, said she works in the safety department, heads up the documentation team for the oil spill, believes their safety program has drastically improved over the years, and urged the Commission to approve the project.

Daryl Johnson, 14 year Chevron employee and emergency responder, said he has seen great strides Chevron has made toward safety for the community and employees, and urged the Commission to approve the project.

Dan Moitoza, Plan Reclamation, supports Chevron in the renewal project to install new equipment, reliability and energy efficiency to ensure safe operations and an environmental safe footprint. He said the type of program is extremely important in supporting local business, community and economics of the area and asked for the Commission's approval.

Bill Boerum, private citizen living in Sonoma, Director of local Sonoma hospital, voiced concern about the reliability of fuel for the State of California and therefore in favor of the project. He sees Chevron working hard to improve its processes, believes the presentation and information given shows old equipment and processes needing update and believes Chevron's efforts should be applauded.

Jim Bates, Council of Industries, said the Board of Directors has instructed him to ask the Commission to approve the project, believe it will reduce the overall emissions of the refinery by using state-of-the-art equipment, efficient processes and controls, and he asked for its approval.

Ken Wohlegeslhaffen asked the Commission to approve the project, believes it is a great project for Richmond's future and believes there are clear environmental benefits, it replaces old equipment and secures the city's future.

Corey Simmons said he has worked for Chevron for years, voiced support for the project, said he wants something reliable and safe and building the project will assist in this.

Davis Todhunter said he is a retired engineer and lives in El Cerrito, has done business with the refinery over the last 40 years, asked the Commission to base its decision on facts and not on testimony.

Dennis Bolt said he represents the Western States Petroleum Association, said the California Energy Commission reports that the state faces a shortage of fuel in the year 2025 that will range between 1.9 billion and 4.4 billion gallons per year, petroleum infrastructure needs to be modernized, upgraded and expanded, the State's economic security depends on state-of-the-art refining facilities, and he urged the Commission to adopt the project.

John Fortson, 28 year Chevron employee, urged the Commission to pass the project.

George Smith thanked the Commission for their work throughout the process, said he is an environmental engineer, serves for the County on the Hazardous Materials Commission, is a

small business owner, cares about the environmental, safety of the workers and residents, and fully supports the project and recommends the Commission move forward.

Judy Reed said she works in Richmond and lives in Rodeo, is by a refinery 24 hours a day, does not plan on walking or riding horses and for the sake of many other people who drive cars, she asked the Commission to approve the modernization project so fuel can last as long as possible.

Michael Barfield said he supports the project and said a cleaner refinery is needed.

Rafael Madrigal, President of the 23rd Street Merchants Association and Boardmember for the Richmond Workforce Investment Board, urged the Commission to approve the upgrading and improvements at Chevron which will lower greenhouse gas emissions, make things safer in the area and bring 1200 jobs to the area.

Bob Dabney, Economic Development Commission member, said he supports the project because he sees it offering new jobs and options for young, unemployed men and believes it will support the City's training programs.

Kolin Bonet said he feels an upgrade is absolutely necessary at Chevron.

Becky Ross said she lives at ground zero, enjoys walking along the shoreline and is not disturbed with the refinery and its request for upgrades and supported the project.

Jay MacDonald, 29 year employee and Project Manager for the Co-Gen portion of the renewal project, said he has worked over two years to bring a new and improved, safer power generation system so the refinery incidents can be reduced and provide for a more reliable power system. He said he works with well-educated, committed and hard-working professionals and urged the Commission to accept the project.

Dami Okojie said she is an engineer working for Chevron on the effluent system and monitors water quality discharged to the Bay, voiced support for Chevron, spoke of the emphasis Chevron pays on the environment, said they abide by their permit and asked for support of the project and pay attention to the facts.

Barbara Smith, 20 year employee and Technical Manager at Chevron, echoed the integrity of employees, spoke of health and safety of employees and the community, and asked the Commission to endorse the project.

Craig Hiler, 26 year employee, said everyone he has ever worked with is proud to work at Chevron and believes it is the safest and best refinery they have ever worked at. He believes this project will allow them to continue in the environmental performance of the refinery and asked the Commission to approve the project.

Jo Ketner, employee of Chevron, said he has known the company to be honest, trustworthy and one of the most reputable businesses in the industry, and asked the Commission to support the project.

John Sands, 18 year employee, believes the project is a good one and strongly urged the Commission to expedite approval of the project.

Jay Yeager, employee of Chevron, believes world-class manufacturing is critical for America and for California, and believes in safe, reliable, efficient, environmentally sound operations on a daily basis, dignity and respect of employees, offering of top notch training, and he supported the project.

Archie Contreras urged the Council to approve the EIR expeditiously, said the economy is waiting for this and said there are 1200 jobs which will create \$19 million a month and \$200-\$240 million a year.

Ken Mertes said he is a Chevron engineer currently working on the renewal project, said he has reviewed many industrial facilities throughout the U.S. and Richmond Refinery is one of the cleanest and safety refineries in the world. He believes Chevron raises the environmental bar for the rest of the industry, said he would not work for a company he thought was purposely doing harm to the environment or to the community and supported the project.

John F. Chiozza said he worked for Chevron for 28 years and urged the Commission to approve the project because it will improve safety, reliability and will benefit the environment.

Tom Taylor, 36 year Chevron employee, supported the project, is pleased Chevron wants to make such a large investment to improve its reliability and make more gasoline for the local market and urged the Commission to approve the project.

Don Kinkela, 19 year Chevron employee, said he has a lot invested in the refinery and in the City, is committed to health, safety and environment, said Chevron is a top-notch organization with top-notch people and urged the Commission to approve the project.

Robert Campbell, said he has worked all over the world for Chevron and said the Richmond Refinery is one of the cleanest, safest and most heavily regulated facilities in the entire world. Its workforce is dedicated to keeping the refinery safe and minimizing environmental impacts and urged the Commission to approve the project.

EXTEND MEETING

It was M/S (Lee/Williams) to extend the meeting at 11:00 p.m. to 12:30 a.m.; Vote: 3-0-1 (Rao abstained).

Mark Witzke, employee of Chevron, said operations are excellent, world-class and from his perspective it would be incomprehensible to think we could run a refinery this safely and efficiently with so little impact on the environment. He asked for permission to spend Chevron's money to continue their progress, increase their efficiencies, increase their capacity to run safely and decrease the impact on the environment.

Karen Graul, 30 year employee of Chevron, is a chemical engineer and environmental engineer, said she has worked on the project for a little more than 3 years along with a diligent group of people, said it has been a challenge to come up with mitigation measures and meet the BAAQMD's requirements, but she believes in the environment and encouraged the Commission to support the project.

Bryon Stock, 8 year employee of Chevron as a Design Engineer, said the project improves reliability and safety of the refinery, and he urged the Commission to approve the project.

Richard Quiroz, 20 year employee of Chevron, said there have been strong emotions expressed against the project, respectfully asked the Commission not to base its decisions on emotion, conjecture, fear or last minute assertions and asked to use facts and data to support its decision. He asked to use the EIR fact which is integral to the 3 year permitting process of professionals.

Ramon De La Cruz, 12 year employee of Chevron, spoke of Chevron's values of integrity, trust, diversity, ingenuity, partnership, high performance and protecting people and their environment. He said the renewal project adheres to all of the core values and he asked the Commission to partner with Chevron by endorsing the upgrades.

Robin Miller said she plants her garden every year in Richmond soil, drinks water from the tap and works at the Richmond Refinery. She never has worked for a company that places her safety over every other consideration, has a stop work authority card around her neck and she can stop work if she sees unsafe conditions. She believes the refinery will keep the city and each other safe.

Robert Hart said he recently moved to Richmond last year, was surprised how clean the air is around the refinery, finds it hard that Chevron would pollute the air by approving the project and urged the Commission to approve the project.

Dan Mason said he is a 24 year employee with Chevron, he is not being paid to be present at the meeting, spoke of Chevron's safety improvements, reliability, and environmental performance, and asked for the Commission's support for the renewal project.

Drew Sorley said Chevron's intentions for the project are high, said a more reliable plant is a safer plant and less polluting and asked the Commission to approve the project.

Peter Risse said he worked for Chevron in the early 1980's, left and came back in 1993 in many capacities and have seen a marked improvement in safety, reliability, environmental compliance over the years and urged the Commission to approve the project.

Dennis Decker, 23 year Chevron employee, said better technology will make for a safer, more reliable operation and less impactful on the environment and asked the Commission to approve the project.

Mark James, 21 year Chevron employee, said Chevron has programs such as Christmas in April, Youth Summer Hire Program, are one of the largest contributors to the Richmond Rescue Mission and they are a great friend and ally to Richmond and asked the Commission to be the same.

Russell Carriere, 16 year Chevron employee, said they hold the environment, people and safety high in regard, asked the Commission to approve the renewal project and help make the facility safer and more a reliable place.

N. Brandon Hughes, 30 day Chevron employee, said he chose Chevron because of their integrity and safety of its employees and the community and urged the Commission to approve the project.

Terry Palumbo spoke of the smog in San Fernando Valley, said the air has improved because of technology, said the project will contain less sulfur and less emissions, the renewal project will improve the air and asked the Commission to improve the project.

Mark Sally said he has raised his family in the Bay area, works for Chevron as a project engineer on the renewal project, believes it has many benefits for Chevron, the environment, and it will be good for workers and residents for Richmond and the Bay area and urged the Commission to support the renewal project.

Hank Angeli, 27 year Chevron employee, said he has a 37 year career in emergency services, said Chevron runs a world-class operation, supported the project and urged the Commission to approve it.

Greg Anderson, 24 year Chevron employee, said he taught the ROP class from where he had his start with Chevron, was able to see a 60-75% success rate with Richmond students, and urged the Commission to support the project.

Mark Ayers, Chief of Emergency Services, said safety and environment are Chevron's number one priority and with the 180 companies they do business with every day, they do not deal with what-if's or what-might-be, but facts and he urged the Commission to approve the project.

Vice Chair Rao said he was listening to the radio and an incident occurred at Chevron where people died of cancer who coughed up something black and he questioned if he was aware of this. Mr. Ayers said he would absolutely know if someone in the Richmond Refinery or area had died of something like this. He said to date, they have over 1,000 contractors at the refinery, they have over 1200 employees, there has been one injury from January 1-present, safety is of major importance, and they continue to improve on their record and will look into this.

Tim Fitzpatrick said he works for Overra Construction in the community, supported the project and asked for the Commission's support.

Barbara Bechel, Executive Director, Neighborhood House, urged the Commission to support the modernization of the refinery, with the caveat to urge Chevron to engage with the community to ensure that emissions are reduced to below zero in the very near future.

Pete Figueiredo, representing 3,000 Contra Costa County Operating Engineers and offered their support of the project.

Marsha Tomasi said the Commission has a complicated issue to vote on with technical information and her bottom line is about safety. She said the project upgrades equipment and processes, expected the environmental quality is considered and emissions are well within standards. She felt the City would rather have new equipment in place than outdated equipment.

Linda Best, Contra Costa Council, said their Board urges the Commission to support the project, they are a public policy private sector organization and the project brings such benefit to the state and local communities, jobs, tax revenue, upgrade and modernization of the plant and environmental benefits.

John Anderson, CEO, Bay Area Rescue Mission, has more than 200 homeless people in the facility who need jobs, am a former Exxon employee and 25 years ago, the computer equipment

and facilities would be extremely out of date today. He urged the Commission to allow Chevron to proceed with the project.

Cheryl Maier, Director of Opportunity West, urged approval of the project.

Robert Lane, urged the Commission to re-circulate the EIR and continue the hearing to address the 900,000 tons of ghg's, how and on what schedule Chevron will implement compliance with AB32, new compliance with ozone standards which are stricter, reduction of ghg's below the baseline, and whether heavy crude can be run and which restrictions can be considered.

David Solnit, Bay Rising, urged the Commission to re-circulate the EIR and to do what the Commission can to oppose the statements made that the Planning Commission is in the pockets of Chevron.

Tony Sustak said he is in favor of an upgrade, but felt the Commission has not been given enough information, cited flare up's and citizens have fought for an anti-glaring and an industrial safety ordinances, and those were done to ensure citizens had more input over the safety of Richmond which showed there were problems.

Eduardo Martinez said Chevron has been disingenuous in being a good neighbor, said they placed a form letter on the Internet that states they will provide money into the community and they have not kept their commitments, he said they are not capable of processing crudes and wants to process them at their leisure.

Michael Beer doubts some of the sincerity of Chevron's management, said after the March rally, Mr. O'Hare said they process of mixture of oils and he believed they were oils stolen from Iraq.

Jessica Montiel, Human Rights Commissioner, said she wants to ensure government is honest and open and she does not get this feeling from Chevron, said many citizens do not understand the technical jargon as well as Commissioners and she asked if more time could be dedicated in the review of the EIR.

Sylvia Hopkins said she knows mercury and other heavy metals change the body and brain, cited violence, inattention, hyperactivity disorders and she believed there was a correlation between these pollutants and disorders. She believed there is a greater responsibility by Chevron.

Jane Mills said she respects employees of Chevron, but they keep people dependent on them because they are not interested in fossil fuels.

Juan Reardon urged the Commission to re-circulate the EIR and for all missing information to be completed, and asked the Commission and public to remember that not all of Richmond is represented in this Commission, and this important action has biased this Commission and the outcome, and he urged that this be taken into account.

Ruth Gilmore said this is a moral and ethical decision the Commission must make, citizens want upgrades to equipment and facilities, but she felt it should be of alternative energy and cited the Inconvenient Truth and the crisis all over the world. She spoke of many neighbors who have cancer as well as herself and asked the Commission to re-circulate the EIR.

Doria Robinson she grew up living by Chevron and asked the Commission re-circulate the EIR and she realized how little power citizens have in this situation, which she believed resembled an execution.

Jerome Smith spoke against Chevron, pollution, said he does not stand to gain anything, and asked the Commission not to approve the project and 900,000 metric tons is substantive.

Jessica Bell does not support the expansion, opposed to Chevron's contributions to oil wars, asked Richmond to support a green economy and 10 permanent jobs are not worth approving the project. She said Chevron is killing people locally, in Iraq and other countries and steals Iraq oil.

Marie Harrison, Green Action for Health and Environmental Justice, distributed her statement and said she opposed the project and felt the Commission has a moral obligation to re-circulate the EIR.

Diane Bloom, Design Review Board member, urged the Commission to take the time they need to get questions answered, felt the project is amazingly complex, there is confusion and they struggled with the information as well. She asked to look at the original DRB recommendations which did not get through regarding flammability of hydrogen and seismic stability of the areas.

Vyna Restell said over her 20 year residency she has come across students with dreadful respiratory conditions, said cancer is a fact as well as health problems that can only live with asthma medication.

BREAK

Chair Finlay called for a break and thereafter reconvened the meeting at 11:50 p.m.

Torm Nomprasert referred to redoing 80 year old equipment due to safety, and he believed it should have been done every few years. The renewal program is benefiting Chevron, said they invested \$10.2 billion in tar sands development in Canada and we will be back fighting to keep heavy crude out of the refinery.

Leila Salazar said she has traveled and has been working in Ecuador with indigenous communities and health and safety is not the number one priority for Chevron. The company dumped 18 billion gallons of toxic waste, denies its responsibilities, makes billions of profits and has no intention of cleaning up its mess here at home and in other countries before expanding.

Corky Booze said Chevron as a "world class" business does not pay taxes, does not speak to those who have no voice, takes and turns their backs on young kids' sports and hires people outside of Richmond.

Chair Finlay apologized for the lateness of the hour and the shortness of speaker times and said there have been a number of speakers who have left, there are 84 in favor who spoke and 48 speakers who spoke against the project and 12 speakers who are neutral.

Tony Thurmond, Councilmember, spoke as a citizen and as a father, said he wished he could understand all of the complexities of the project, but 900,000 metric tons of anything deserves more time and consideration. He is an advocate of AB32, said the City should reduce greenhouse gases, he wants more jobs in Richmond that are safe, and he felt we have a chance to promote environmental justice.

Chair Finlay questioned whether to hear rebuttals and voiced concerns about having a discussion amongst Commission members given the late hour. She therefore recommended a motion be made by a Commissioner to continue the public hearing, when we convene in the future, we have completed the public portion of the meeting, that we will begin the meeting with the applicant's 10-minute rebuttal, then with the opponent's rebuttal, and then go to the staff summation, Commission discussion and decision.

Assistant City Attorney Privat recommended that the Commission announce the exact date of the public hearing in their motion. **Chair Finlay** suggested Thursday, April 3, 2008 agenda and Ms. Harbin said notices were sent out today and the agenda has several items on it. **Chair Finlay** suggested Thursday, April 17, 2008, and **Commissioner Lee** said the meeting did not need to be on a Thursday and questioned staff as to the earliest date available. Mr. Thompson said if the meeting is held after 24 hours, it will need to be re-noticed. Mr. Privat said the notice would need to be posted immediately for the meeting of April 10, 2008 which is the second Thursday. Staff confirmed their availability as well as the entire Commission.

ACTION: It was M/S (Williams/Rao) to continue the public hearing to April 10, 2008 to begin the meeting with the applicant's 10-minute rebuttal, then with the opponent's 10-minute rebuttal, hear staff summation, Commission discussion and then a decision; unanimously approved.

Adjournment

The meeting was adjourned at 12:30 a.m.
