

PETROLEUM REFINERY TRANSITION TO RENEWABLE FUEL PRODUCTION - *DRAFT*

INTERAGENCY REFINERY TASK FORCE (IRTF)

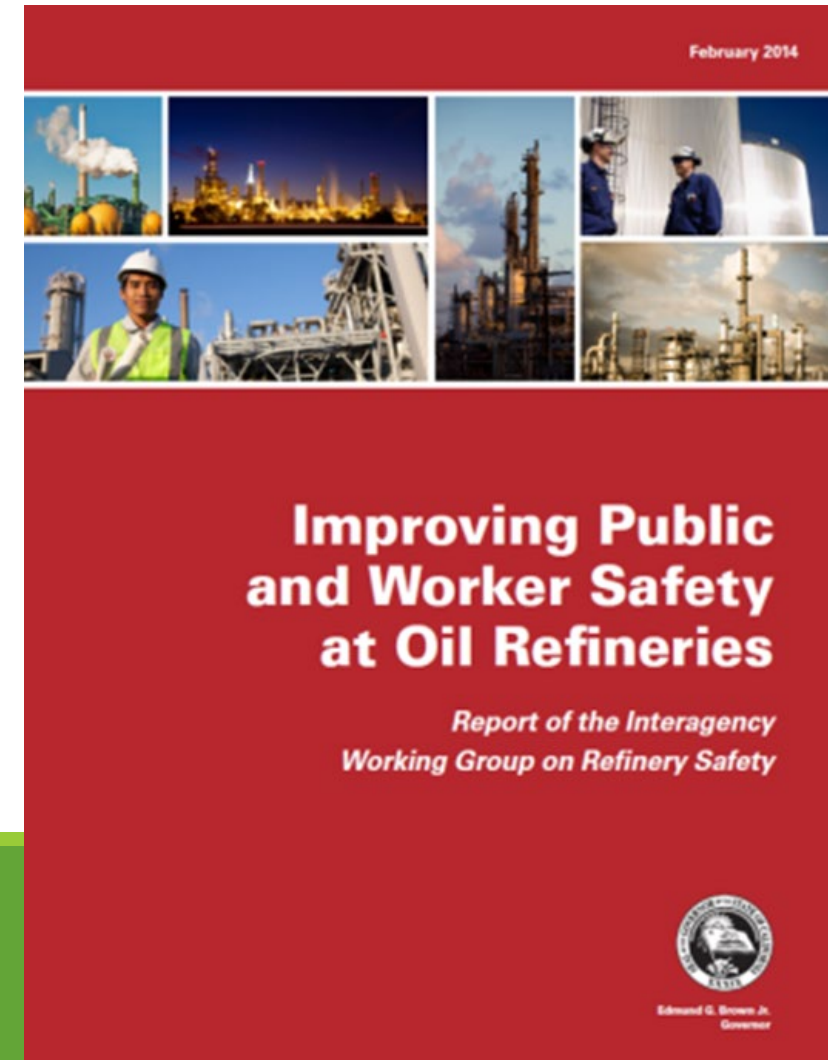
PUBLIC MEETING

JULY 8, 2021

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A fire at the Chevron refinery in Richmond in August 2012 raised public questions and concerns about refinery safety and emergency response in California.

Following a directive from the Governor's July 2013 report on "Improving Public and Worker Safety at Oil Refineries," CalEPA formed an Interagency Task Force on Refinery Safety in August 2013.



IRTF Goals

Implement the recommendations in the Governor's Interagency Working Group on Refinery Safety's report, Improving Public and Worker Safety at Oil Refineries.

Enhance coordination of oversight, enforcement, outreach and response activities by regulatory agencies.

Establish refinery safety forums in northern, central and southern California for ongoing dialogue among industry, labor, community, environmental groups and regulators to enhance public and worker knowledge and safety.

IRTF Members

State and Federal Agencies

California Environmental Protection Agency
California Air Resources Board
Department of Toxic Substances Control
State Water Resources Control Board
Department of Industrial Relations
Division of Occupational Safety and Health
Governor's Office of Emergency Services
California Department of Public Health
California Emergency Medical Services Authority
Office of the State Fire Marshal
U.S. Environmental Protection Agency Region 9

Certified Unified Program Agencies With Refineries

Contra Costa County Environmental Health
El Segundo Fire
Kern County Environmental Health
Los Angeles County Fire
City of Los Angeles Fire
San Luis Obispo County Environmental Health
Solano County Environmental Health

Local Air Pollution Control Districts With Refineries

Bay Area Air Quality Management District
San Joaquin Valley Air Pollution Control District
San Luis Obispo County Air Pollution Control District
South Coast Air Quality Management District

Governor's Executive Order (EO) N-79-20

On Sept. 23, 2020, Governor Newsom signed EO N-79-20 and issued the following order:

- (#8) To support the transition away from fossil fuels consistent with the goals established in this Order and California's goal to achieve carbon neutrality by no later than 2045, the California Environmental Protection Agency and the California Natural Resources Agency, in consultation with other State, local and federal agencies, shall expedite regulatory processes to repurpose and transition upstream and downstream oil production facilities, while supporting community participation, labor standards, and protection of public health, safety and the environment. **The agencies shall report on progress and provide an action plan, including necessary changes in regulations, laws or resources, by July 15, 2021**

Creation of Report

Discussions at IRTF meetings

Discussions with Regulatory Agencies having refinery oversight

Meetings with companies currently transitioning from petroleum refining to renewable fuel production

Meetings with Non-Government Organizations

Findings

The transition from refining petroleum to renewable materials involves significant changes in a refinery's existing processes and equipment leading to changes in the required permits with regulatory agencies such as the Certified Unified Program Agencies (CUPAs) and local air districts. **Changes in production process may trigger alterations in Hazardous Materials, Hazardous Waste, California Accidental Release Program (CalARP), and Aboveground Petroleum Storage Act (APSA) permits. In addition, there may be modifications required to permits obtained through local air districts or local governments that may require an environmental analysis under the California Environmental Quality Act (CEQA).**

Findings

The transition from refining petroleum to renewable materials **may result in the production facility changing from a CalARP Program 4 (Petroleum Refinery) stationary source and Cal/OSHA PSM §5189.1 (refinery) designation to a CalARP Program 3 (Chemical Processing) stationary source and Cal/OSHA PSM 5189 (non-refinery) designation, if the facility is no longer identified as a petroleum refinery according to the North American Industry Classification System (NAICS)** which was developed as the standard for use by Federal statistical agencies in classifying business establishments for the collections, analysis, and publication of statistical data. **This determination requires site specific evaluation of the hazardous properties and volume of fuels produced by the facility.**

Findings

The changes in permitting described above require regulatory agencies to determine the appropriate regulatory scheme for the modified processes at each refinery before specific permit decisions can be made. **While there have been no specific reports of delays in the review and determination process for these permits, the process can be lengthy. There is currently no prioritization process for the review of permits related to renewables or transitions away from traditional oil refining relative to other permits.**

Findings

Communities that live and work adjacent to the refineries are key stakeholders in any transition process. A balance should be struck between expediting permitting of these renewable facilities and the ability of impacted groups to review and provide input.

Draft Recommendations

The IRTF will be utilized as the mechanism to inform and update all participating agencies and stakeholders (including but not limited to: community representatives, non-governmental organizations, labor organizations, etc.) on any refinery in the process of converting from petroleum refining to renewable fuel production. This will allow all participating agencies and stakeholders the ability to:

- Stay informed on all current issues
- Ask clarifying questions on areas of concern
- Comment on areas of concern

Draft Recommendations

All regulatory agencies alerted of a transition by a refinery from petroleum to renewable should:

- Discuss the notification with all IRTF participating agencies and stakeholders.
- Create a workgroup of agencies having jurisdiction over the specific refinery for information exchange and general oversight.

Draft Recommendations

All regulatory reviews and processes should be followed to ensure:

- Protection of public health and safety, worker safety, and the environment
- All law and regulation standards and requirements have been attained.
- Public consultation has been requested for permit decisions.

Draft Recommendations

All regulatory reviews and permitting should be made in a timely manner to expedite the process in accordance with Executive Order N-79-20. CalEPA will work with the Governor's Office of Business Development (Go-Biz) to identify opportunities to work with facilities on permit streamlining or prioritized processing.

Draft Recommendations

CalEPA routinely meets with public and community groups to discuss pertinent issues and concerns that arise concerning refineries. CalEPA shall continue this practice and reach out to more refinery fence-line communities for engagement.

Draft Recommendations

Cal/OSHA to review the anticipated hazardous properties and volume of fuels and develop recommendations regarding the facility's compliance with either PSM §5189.1 (refineries) or §5189 (non-refineries). This will inform the decision regarding the application of either Cal/ARP Program 4 or Cal/ARP Program 3.

Action Plan

To ensure continued progress, CalEPA will lead the collaborating agencies in the Action Plan

	Lead Agency	Collaborating Agencies	By When
1. The IRTF will be utilized as the forum to inform and update all participating agencies and stakeholders of any refinery in the conversion process	CalEPA	Members and stakeholders of the Interagency Refinery Task Force (IRTF)	Ongoing
1. Creation of regulatory agency workgroup to support refinery transition	Cal EPA	IRTF	Upon notification of transition
1. Coordination with the Governor's Office of Business Development on ongoing permit streamlining	Cal EPA	Go-Biz	October 2021
1. Provide opportunities for public engagement through the IRTF	Cal EPA	Members of IRTF	Ongoing
1. Review and update report and action plan findings	Cal EPA	Members of IRTF California Natural Resources Agency Go-Biz	Bi annually beginning in October 2021

Next Steps

Comments from all Stakeholders due to CalEPA by 5 p.m. on 8/9/21.

CalEPA will finalize the Report with Comments from all Stakeholders reflected. Finalized Report will be sent to the Governor's Office as an update to the Draft Report.

Report will held as a "Living Document" and will be updated with new information bi-annually .

Timeline for Comments

Written comments are due to CalEPA by 5 p.m. on 8/9/21.

Please submit written comments in one of the following ways:

- Email: Refinery@calepa.ca.gov.
- Standard Mail: 1001 I Street, MS 2D, Sacramento, CA 95814, Attn: John Elkins CalEPA