



August 22, 2017

Dr. Philip Fine
Deputy Executive Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Carson
Catalina Island
El Segundo
Gardena
Los Angeles Gateway
Hawthorne
Hermosa Beach
Inglewood
Lawndale
LAX Coastal
Lomita
Long Beach
Manhattan Beach
Palos Verdes Peninsula
Redondo Beach
San Pedro
Torrance
Wilmington

Dear Dr. Fine,

Thank you for the opportunity to submit this letter on behalf of the South Bay Association of Chambers of Commerce. We are concerned about the South Coast Air Quality Management District's proposed ban of modified hydrofluoric acid and appreciate this opportunity to provide comment.

The presentations made by Gordon Schremp of the California Energy Commission and Stillwater Associates from the July 6th California Energy Commission meeting both elaborate on the impacts that Southern California would face should this policy move forward. We hope Board Members will review these presentations and explore some of the issues that they raise.

Both presentations have found that we can expect price spikes should refineries have to modify their processes and undergo extensive construction. In fact, Gordon Schremp, Senior Fuel Analyst for the California Energy Commission has estimated that the incremental costs of a forced conversion could amount to billions of dollars in higher prices for Southern California consumers and businesses. We are concerned about what these price spikes would mean for regional businesses and their employees.

After nearly five years of development, the state recently enacted the most stringent refinery regulations in the nation. These Process Safety Management (PSM) and Accidental Release Prevention program (CalARP) regulations have been applauded by national and state regulators, labor leaders, environmental groups, and community organizations for making California a world leader in refinery safety and response. Economic impacts and state policies such as these safety regulations should be part of this discussion.

We all want safe communities, but we must make smart policies that will also protect a reliable and affordable fuel supply for Southern California's working families and small businesses.

Sincerely,

Dan Hoffman, Chair