



May 18, 2017

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

Dear Dr. Fine:

I am writing to express concern regarding the conduct of the HF Working Group convened by the South Coast Air Quality Management District ("District") as part of the regulatory development process for proposed Rule 1410. As a regulated entity in the District, Ultramar has participated in numerous rulemaking proceedings over the years. In our experience, rulemaking working groups convened by the District typically consist of well-qualified participants with specific expertise who participate in a serious and professional manner to support the rulemaking process. Based on our observations, the initial Rule 1410 Working Group meeting represented a departure from this process to one that appears to be politically driven and designed to support a predetermined outcome. Following are some specific observations, concerns, and recommendations.

- ***The objectives of the Working Group should be clearly defined.*** At the initial meeting, District representatives opened with the remark that "We all know why we are here." This remark belies an assumption that some regulatory action is needed to address a problem, yet the District has not clearly articulated what that problem is, nor the objectives to be attained by the rulemaking. The HF alkylation unit at the Wilmington Refinery has a thirty-four year history of successful and safe operations, and Valero has operated this unit for the last nine years using an Alky ReVAP (Reduced Volatility Alkylation) system. There are numerous potential advantages with existing technologies and collateral concerns with changing. Yet it appears from this first meeting that the need for a rulemaking has been a foregone conclusion, which is particularly concerning when there are such tremendous potential impacts from making a change. We believe that there should be serious consideration as to whether any rulemaking is necessary. Further, if the Working Group's objectives are not clearly defined, the Working Group meetings are not likely to be a productive or meaningful exercise.
- ***Agendas should be provided well in advance.*** The public and all attendees of the Working Group deserve proper notice of the agenda for each Working Group meeting, and certainly more than the one day of notice provided for the initial Working Group meeting. The agenda development should also have input from members of the Work Group. An agenda should be circulated well in advance of each Working Group meeting in order to allow participants time to prepare and to arrange for experts in particular topics to be available.
- ***The format of the Working Group meetings should be organized.*** In order to provide an environment conducive to open exchange of information, the meeting format should be organized in a way that facilitates presentation of accurate, factual information. Specifically:
 - A specific agenda item should be provided for public comment either at the beginning or end of the agenda, rather than allowing presentations and discussions of specific topics to be interrupted throughout the proceedings. Individual public comments should be limited to a reasonable period of time—for example, three minutes per speaker—to respect all participants' time and patience.
 - The refineries that will be subject to regulation under any proposed regulation should be allowed to present on particular topics, to suggest appropriate agenda items, and to provide subject matter experts to present at Working Group meetings.



- Information presented must be factual. Information should be disregarded if it is not verified or at least capable of being substantiated by providing references. The proceedings from the initial Working Group meeting were rife with incorrect and unsupported statements. Valero will address these in detail in separate correspondence to follow, but as a general principle, an expectation should be set that the Working Group proceedings should not be based on rumor and speculation.
- ***The Working Group should include qualified, objective participants with relevant expertise.*** The Working Group currently has no representation from Cal-OSHA or from the California Energy Commission. Instead, in selecting participants for the Workgroup, we understand that the District proactively solicited the participation of at least one individual purporting to represent an environmental organization who had previously not expressed any particular interest in or understanding of this issue for the sake of “balance.” This approach presumes that all participants do not share a common goal of ensuring community safety, and it is likely to create a dynamic in which factions oppose one another instead of creating an atmosphere conducive to open exchange of information. While it is appropriate for the District to involve public and citizen organizations who are already involved and interested in the subject matter, it is completely inappropriate for the District to purposely incite public opposition to support a predetermined outcome.

We look forward to working with the District to make the Working Group effort successful.

Very truly yours,

Mark Phair FOR MARK PHAIR

Mark Phair
Vice President and General Manager

cc: Mr. Wayne Nastri, Executive Officer
Ms. Susan Nakamura, Assistant Deputy Executive Officer
Mr. Mike Krause, Planning & Rule Manager
South Coast Air Quality Management District Governing Board:
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