



Benicia Refinery • Valero Refining Company - California

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May 31, 2018

Dear Mayor Patterson and Honorable Council Members:

While we have not had any follow-up discussions related to our letter submitted to you on June 16, 2017, we feel it is important to establish a way for your office, city staff, the community and Valero's Benicia Refinery to work collaboratively to improve communication efforts and increase awareness about our operations and safety programs. I would like to meet with city staff at your earliest convenience to lay the groundwork for a discussion about some important changes that have occurred since Contra Costa County's Industrial Safety Ordinance (ISO) was adopted in 1998 involving refinery safety regulations, audits and air monitoring. Once that meeting occurs, we recommend that city staff meet individually with representatives from the state of California's Accidental Release Prevention Program (CalARP), regulators from the state's Division of Occupational Safety and Health (Cal/OSHA), staff from the Bay Area Air Quality Management District (BAAQMD) and personnel with Solano County's Hazardous Materials Department (Solano HazMat) to discuss specific issues within each agency's expertise and jurisdiction. Topics that deserve in-depth discussion include:

- Recently adopted statewide Refinery Process Safety Management (PSM) Regulations (Regulation 5189.1) and recent revisions to the California Accidental Release Program regulations
- BAAQMD's fence line monitoring program (Regulation 12-15)
- Benicia's emergency response and communications systems
- Valero Benicia Refinery's qualifications as a CAL/OSHA VPP Star Site

To set the stage for our discussions, each of these topics is previewed briefly below.

2016 Refinery Safety Regulation Revisions.

Over the last five years, Governor Brown's 'Refinery Task Force' spent close to five years developing the most stringent standards for refinery safety in the United States. The task force's goal was to ensure the continued safety of refinery operations, our workers, and the surrounding community. This effort culminated in 2016 with the adoption of a suite of cutting-edge regulations, implemented and enforced by CalOSHA and CalEPA, that are the product of years of collaboration by state agencies, industry

safety experts, refinery workers, labor unions, community based-organizations and the public. Valero would like to have a discussion with the Council and city staff to ensure that the sweep and scope of the new regulatory regime is thoroughly understood before any action is taken to create or adopt duplicative efforts through a city-wide ISO.

Fenceline air monitoring.

BAAQMD Regulation 12, Rule 15 requires fenceline monitors to be installed at our facility that will measure ambient air quality and post the data to a publicly accessible website in near real-time. Separately, AB 617 requires the Air District to identify communities heavily burdened by air emissions, such as West Oakland and Richmond, to explore whether they require an emission reduction plan and community monitoring. The Benicia community will benefit from the Regulation 12-15 fenceline monitoring system without having to wait for a second monitoring system sponsored by AB 617. Valero submitted its fenceline monitoring plan in April 2017 to the Air District and we await approval to implement. The system is expected to be operational within one year of plan approval by the District.

We also would like to discuss the ambient air monitoring tools that are available to city residents through the state and local air district.

Emergency response and communication systems.

We maintain a strong commitment to the safety of our community, refinery workers and facility. It is important to ensure that the processes for reporting incidents that occur at the refinery and the roles and responsibilities for ensuring appropriate communications and notifications to the public are clearly understood. When reflecting on last year's May 5, 2017 event, Valero promptly notified Cal/OES (Office of Emergency Services), the City of Benicia Fire and Police Departments, Solano County, and BAAQMD of the releases that impacted air quality; nevertheless, frustration was expressed regarding how notifications were communicated to the public. We feel it would be worthwhile to clarify the various entities' roles and responsibilities for ensuring our community is properly notified of any releases.

As the City is aware, Benicia and Solano County's emergency notification system is linked to over 5,500 residents. Valero is interested in working with the City to help increase the participation level with the current 'AlertSolano' notification system.

Separately, California's Office of Emergency Services (CAL/OES) publishes reports on all releases or spills that meet certain environmental reportable quantity (RQ) thresholds to a public website ([https://w3.calema.ca.gov/operational/mal haz.nsf/\\$defaultview](https://w3.calema.ca.gov/operational/mal haz.nsf/$defaultview)), once they are reported by a facility. These reports are posted once the appropriate Certified Unified Program Agency (CUPA) has been notified. We are willing to collaborate with city staff to augment event reporting by examining what additional information would be helpful/appropriate beyond what is already available to the public.

The refinery remains interested in assisting the city of Benicia and the Benicia Industrial Park with their emergency response coordination plans. We feel that collaboration with the City, Industrial Park companies, incident response experts, labor unions, community based-organizations and the public will ensure that the community receives proper notification and that systems have been established to strengthen emergency response plans.

If an incident occurs, Valero encourages all Benicia residents to contact our refinery by utilizing our 24-hour Community Relations phone number at 707-745-7534. If a resident calls this phone number during non-business hours, a shift superintendent or security personnel will receive the phone call and contact a member of the Community Relations Department.

Significance of the Benicia Refinery's Cal-OSHA VPP Star Site Designation.

We have pointed out on many occasions that the Benicia Refinery is one of only two refineries in the state recognized by CAL/OSHA as a CAL/OSHA Voluntary Protection Program (VPP) Star Site, which is Cal-OSHA's highest safety designation for safety practices and procedures that go above and beyond regulatory requirements. However, we do not believe the significance of this designation is well understood by the public. The refinery would like to provide city staff with an overview about the Department of Industrial Relation's CAL/OSHA Voluntary Protection Program (VPP) process. Cal/OSHA has the legal authority, resources, and subject matter experts to regulate complex industrial facilities, specifically each of the 12 California refineries. Cal/OSHA's VPP auditing program has the resources to deploy four to five inspectors to spend over 2,000 hours inspecting the Benicia Refinery during each triennial recertification cycle. We believe the degree of safety excellence required to qualify for the VPP Star surpasses the requirements set by the Contra Costa County ISO. It is worth noting that when the Contra Costa County ISO was adopted in 1999, the Cal/OSHA VPP programs were in place; however none of the refineries in Contra Costa County were certified as Cal/OSHA Voluntary Protection Program (VPP) Star sites. In fact, to date, no Contra Costa County refinery has earned a Cal/OSHA VPP Star designation. Valero's Benicia Refinery began preparing for VPP status in 2001, submitted our application in 2005, and we earned our first VPP Star designation in 2006. We have been successfully recertified for each of the subsequent three-year terms, 2010, 2013 and 2017, each time to a higher standard.

Our refinery has been a member of the Benicia community since 1969. We are proud of the safety culture that we have created and that we meet and exceed the toughest refinery safety regulations in the nation. We are committed to working with the City of Benicia in improving our relationship and understanding around facility operations, emergency communications and the extensive regulatory environment in which we operate, including process safety and air monitoring.

Mayor Patterson and
Honorable Council Members

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May 31, 2018

As a community member, we request an opportunity to work together to examine existing state and local regulations for industrial facilities. If we are given that opportunity, we believe you will see there will be no need to pursue a duplicative and divisive Benicia Industrial Safety Ordinance.

Sincerely

A handwritten signature in black ink, appearing to read "Donald Cuffel". The signature is fluid and cursive, with the first name "Donald" written in a larger, more prominent script than the last name "Cuffel".

Donald Cuffel
Director – Healthy, Safety, Environmental &
Regulatory Affairs

c - Lorie Tinfow, City Manager
Josh Chadwick, Chief - Benicia Fire Department
Eric Upson, Chief of Police
Don Wilson, VP and General Manager – Valero Benicia Refinery