

KAMALA D. HARRIS
Attorney General

State of California
DEPARTMENT OF JUSTICE



1300 I STREET, SUITE 125
P.O. BOX 944255
SACRAMENTO, CA 94244-0550

Public: (916) 445-9555
Telephone: (916) 322-1802
Facsimile: (916) 322-5609
E-Mail: Sally.Magnani@doj.ca.gov

June 20, 2014

Via U.S. and Electronic Mail

Lina Velasco
City of Richmond
Planning Department
450 Civic Center Plaza
P.O. Box 4046
Richmond, California
Lina_Velasco@ci.richmond.ca.us

RE: Final Environmental Impact Report for the Chevron Refinery Modernization Project (SCH #2011062042)

Dear Ms. Velasco:

I write to follow up on the Attorney General's Office's (AGO's) comment letter of June 6, 2014, submitted prior to release of the Final EIR.¹ The AGO appreciates the significant changes the City has made in the Final EIR, and the additional changes in the project that the City is proposing to adopt, to address the issues raised in the AGO's comment letter.

Most significantly, in response to input from this office and others, the Final EIR proposes an additional alternative which combines the existing reduced sulfur processing alternative with no physical increase in greenhouse gas (GHG) emissions from Refinery operations (Alternative 6.5.11). Based on our review of the Final EIR and as confirmed by our discussions with the City, Alternative 6.5.11 would require that Chevron keep physical emissions of GHGs from Refinery operations at no higher than baseline levels, require no net increase in GHG emissions from any production of hydrogen for export, and require that Chevron implement all of the Final EIR's GHG mitigation measures, including the funding for community-based GHG reduction programs. This alternative is environmentally superior to the proposed Project.

By limiting GHG emissions, Alternative 6.5.11 addresses our concerns with the climate change related impacts of the proposed Project. In addition, we understand that Alternative 6.5.11 also holds emissions of criteria air pollutants (CAP) and health risk from toxic air

¹ See Letter from R. Fua and D. Zonana to L. Velasco, dated June 6, 2014.

contaminants (TAC) to below baseline levels, while also requiring Chevron to implement all of the Final EIR's CAP and TAC health risk mitigation measures. This will result in a significant improvement over the proposed Project with respect to air quality impacts.

In addition, because the Reliability Program would be a required element of the alternative, by capping the quantity of sulfur processing Alternative 6.5.11 reduces the safety risk from corrosion, as compared to the proposed Project. We also appreciate that the Final EIR includes additional mitigation measures for monitoring the acid levels in the feed stocks and process temperatures (provisions we understand will be further improved²), and accelerates the timing of completion of the Risk Management Plan.

Based on our review of the Final EIR and the above understandings, the AGO supports the adoption of Alternative 6.5.11. Adoption of this alternative, along with other improvements made in the Final EIR and the improvements referenced in footnote 2, would resolve the AGO's concerns associated with the City's review and approval of this project.

Thank you for your consideration.

Sincerely,



SALLY MAGNANI
Senior Assistant Attorney General

For KAMALA D. HARRIS
Attorney General

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² Based on our discussion at the meeting held on June 19, 2014.