

# IN THE NEWS

---



## Richmond approves massive Chevron refinery project with \$90 million in community benefits

*By Robert Rogers  
Contra Costa Times*

POSTED: 07/30/2014

RICHMOND -- Chevron's five year-plus quest to initiate a \$1 billion upgrade of its refinery, the largest in Northern California, was approved by a divided City Council after the company and city staff hammered out a last minute deal upping community investments and installing safety and piping upgrades as part of the project.

The vote passed 5-0, with two abstentions, and triggered a raucous applause from the crowd.

Last minute concessions by the oil company appeared to pave the way for approval. Changes, which were distributed to the council hours before the meeting, were community investments over the next decades and agreements to upgrade all piping in the refinery's crude unit that could be susceptible to higher sulfur crude by adding more sensors and air monitors.



A tanker truck passes the Chevron oil refinery in Richmond in 2010. (Paul Sakuma/AP file)

"It became clear we would need to do this," refinery General Manager Kory Ju

concessions. "We knew the city and the community would hold us to a higher puts a significant constraint on our operations."

Pressure has mounted in recent weeks in favor of the project. Councilman Jim George Miller, D-Martinez, called him and his colleagues to express his favor refinery modernization.

"First time George Miller called me in 30 years," Councilman Tom Butt wrote during the meeting.

After months of anticipation, the City Council was set Tuesday to rule on the Chevron Corp.'s \$1 billion refinery modernization project.

A split City Council weighed whether to uphold the oil giant's appeal or side with the Planning Commission, which ruled last month that Chevron's project should include additional conditions. Those include requirements for new piping throughout the city and \$1 million per year until 2050 in community investments in green energy programs and emissions reductions on a range of emissions.

Chevron appealed the commission's recommendations to the council, and the city and consultants sided with Chevron.

Tuesday's meeting was a continuation of a July 22 hearing, at which over 200 people signed up to speak about the project. More than 100 were still waiting when the meeting recessed.

Like the July 22 hearing, Tuesday's meeting was held at the Richmond Memorial Center because of the large expected crowd. More than 600 turned out.

Jennifer Hernandez, the lead environmental review attorney retained by the city for Chevron's project, said health risks in the community would decrease with the project.

"The risks go way down," Hernandez said.

But environmental groups disagreed, noting that some categories of emissions would not be capped, although overall greenhouse gases will be capped.

"We don't agree that the health risks will decrease, there is disagreement on that," said Lin, lead attorney for Communities for a Better Environment. "Some toxic air pollutants are not capped."

The main project components include replacing a 1960s-era hydrogen plant with a new one.

technology. The modernization would give the refinery flexibility to process crude oil, including those with higher levels of sulfur, according to Chevron.

Opponents say the project does not go far enough in limiting pollution and upgrading the facility, and say the company should give more than the planned \$90 million in community investments.

Chevron officials, employees and many residents implored the City Council to approve the project without the Planning Commission's additional conditions.

Chevron officials last week reversed their previous position and agreed to a compromise Alternative 11, that caps greenhouse gas emissions and reduces sulfur-processing. The office of state Attorney General Kamala Harris, which originally complained that the project did not go far enough to limit emissions, has stated its support of Alternative 11.

Chevron also announced that it would increase its community investments in education and green jobs programs from \$30 million to \$60 million over the next decade. When the council approved Tuesday, the number swelled to \$90 million, including money for child care for local kids and donating land for a solar panel field.

In its agenda report, city staff and consultants supported Alternative 11 and recommended that the council reject the Planning Commission's recommendations on grounds that they are "factually contradicted by substantial evidence on record."

But activist groups and others urged council support of the commission's recommendations. They also cautioned the council to remember the refinery's history of accidents and environmental consequences, including a massive fire in August 2012 that injured several residents in search of medical treatment.

More than 70 speakers addressed the council Tuesday, ranging from calling for the council to stop meddling in its affairs.

Several expressed dissatisfaction that no money was included for Doctors Medical Center, the largest emergency room in the area and the one that treated most of the injured after the 2012 fire. The hospital is expected to close or be downsized due to financial troubles.

Vice Mayor Jovanka Beckles floated a motion to give DMC \$27 million and support the Planning Commission's more stringent emission requirements, seconded by Mayor Gayle. Hernandez said there was no "legal nexus" to require the refinery to fund the project would make the facility safer. The motion failed with the other five

dissenting. Both McLaughlin and Beckles abstained from the final agreement. Beckles called the lack of money for the hospital, "horrible."

Butt said in his negotiations with Chevron, the company was unwilling to infuse immediate funds to stave off closure.

"Too little too late," Butt said. "Only Chevron could change that, and they are willing to go there."

McLaughlin challenged Judd to do more to reduce emissions.

"It's within your means, isn't it, to do this as a goodwill gesture?"

"This project demonstrates a significant step forward in our willingness to address the issues raised by the community," Judd said. "We go far beyond the legal requirements."

City Council approval does not clear the way for Chevron to begin construction, the company said it will have to return to a Contra Costa County court that halted the project in 2009 to get that judgment lifted.

Contact Robert Rogers at 510-262-2726. Follow him at [Twitter.com/sfbaynews](https://twitter.com/sfbaynews)