Calif. Oil Refineries Sue Over Emissions Rules
By MATTHEW RENDA

SAN FRANCISCO (CN) - A trade organization representing the oil and gas industry in the American West pushed back against new regulations seeking to cut emissions at refineries in the Bay Area.

The Western States Petroleum Association, or WSPA, sued the Bay Area Air Quality Management District in Contra Costa Superior Court last week, claiming the agency acted arbitrarily when it installed new rules aimed at curtailing emissions at five Bay Area refineries by 20 percent.

"The district has not justified the need for any new regulations targeting the pollutants at issue here, much less the 20 percent reduction mandated from refineries," WSPA says in its May 25 complaint.

WSPA — along with Valero Refining, Tesoro Refining & Marketing and Phillips 66 — say the district did not perform the necessary environmental review, known as a CEQA analysis, when it implemented the new rules. It further asserts the mandate unfairly targets the oil and gas industry as the emissions reduction was not implemented in any other industry.

Furthermore, WSPA says the five refineries that comprise the Contra Costa-Solano refinery belt — the largest in California — account for less than three percent of air pollutants in the area. WSPA points to the air quality management district's own study performed in 2014 as a source.

Ralph Borrmann, public information officer for the air quality management district, said the three percent number is misleading. The refineries are responsible for anywhere from four to 41 percent of the pollutants in the area, depending on which pollutant is identified, he said.

"There are a lot of them," Borrmann said.

Borrmann said the agency has no comment on the actual allegations as the district does not comment on matters of pending litigation. WSPA’s lawsuit further asserts that emissions have dropped dramatically at the five refineries in recent years and believes the decline will continue and accelerate without regulations. The refineries include Chevron in Richmond, Tesoro outside of Convord, Phillips 66 in Rodeo, Valero in Benicia and Shell in Martinez.

Furthermore, the air district is currently in conformance with all emissions goals, the complaint says.

A 2012 fire at the Richmond refinery that sent hundreds to the hospital for health problems associated with the enormous amount of smoke that came from the fire has brought increasing scrutiny to pollution problems caused by the refineries.

The five refineries process about 800,000 barrels of crude oil per day and, along with other oil and gas companies, generate about $4.3 billion in local tax revenue, according to a 2014 study performed by Los Angeles County Economic Development Corporation and commissioned by WSPA.

Environmental groups such as the Bay Area Refinery Corridor Coalition say the economic benefits are not enough to outweigh the environmental hazards presented by the five refineries, which they say "not only pollute our communities, but are leading the way to catastrophic climate change on a global scale."

The plaintiffs want the court to order the Bay Area Air Quality Management District to set aside the rules aimed at curtailing emissions at the five locations, as well as an injunction that prohibits the agencies from implementing certain provisions in the future.

WSPA is represented by Gary Smith of Beveridge & Diamond in San Francisco. A phone call to WSPA was not immediately returned Friday.