

CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000
 SAN FRANCISCO, CA 94105-2219
 VOICE AND TDD (415) 904-5200
 FAX (415) 904-5400

**Th 21****ENERGY, OCEAN RESOURCES, AND WATER QUALITY DIVISION REPORT**

FOR THE

MARCH 15, 2007 MEETING OF THE CALIFORNIA COASTAL COMMISSION

TO: Commissioners and Interested Parties

FROM: Alison Dettmer, Manager
 Energy and Ocean Resources Unit

DE MINIMIS WAIVER

APPLICANT	PROJECT	LOCATION
E-07-003-W Ultramar, Inc. Valero Wilmington Refinery	Install one new electrostatic precipitator (ESP) downstream of its two existing ESPs to further control PM10 and ammonia slip emissions from the Fluid Catalytic Cracking Units (FCCU)	Valero Wilmington Refinery Los Angeles County



CALIFORNIA COASTAL COMMISSION

45 FREMONT, SUITE 2000
SAN FRANCISCO, CA 94105-2219
VOICE AND TDD (415) 904-5200
FAX (415) 904-5400

**NOTICE OF COASTAL DEVELOPMENT PERMIT WAIVER - DE MINIMIS**

DATE: March 8, 2007 **PERMIT NO. E-07-003-W**

TO: Coastal Commissioners and Interested Parties

SUBJECT: Waiver of Coastal Development Permit Requirements

Based on the plans and information submitted by the applicant for the development described below, the Executive Director of the Coastal Commission hereby waives the requirements for a coastal development permit pursuant to Section 30624.7 of the California Coastal Act.

Applicant: Ultramar, Inc., Valero Wilmington Refinery
2402 E. Anaheim Street
Wilmington, CA 90744

Background: The Ultramar Refinery processes crude oil and other feedstocks into gasoline, diesel, jet fuels and other low sulfur distillate fuels. It is located in an area that has been subject to more than a century of port, industrial, and oil and gas development and is near a number of other heavy industrial facilities, including another refinery, marine cargo transport facilities, and a hydrogen plant. The site is bisected by a freeway and is adjacent to the Dominguez Channel, which flows to Los Angeles Harbor. Railroad tracks service the area along the western boundary of the refinery and along Alameda Street.

Project Description: On November 7, 2003, the South Coast Air Quality Management District (SCAQMD) adopted *Rule 1105.1 – Reduction of PM10 and Ammonia Emissions from Fluid Catalytic Cracking Units (FCCU)*, which establishes new emission limits that become effective on December 31, 2006, or if an extension is granted, on another date no later than December 31, 2008. On August 4, 2006, SCAQMD gave the refinery until December 31, 2008, to meet Rule 1105.1's new emission limits.

To comply with Rule 1105.1, Ultramar proposes to install one new electrostatic precipitator (ESP) downstream of its two existing ESPs to further control PM10 emissions. The operational emissions from the proposed project will result in a decrease in PM10 and ammonia slip emissions from the Fluid Catalytic Cracking Units (FCCU). Therefore, the proposed project is expected to provide an overall emission benefit to the surrounding population, including sensitive receptors.

The construction of the new ESP will require new or modified ancillary equipment. The project consists of the following principal components:

- Install a new dry ESP downstream of the two existing dry ESPs;

- Modify, remove, or relocate the existing wastewater equipment that lies in the footprint of the new ESP;
- Modify the existing abandoned API oil/water separator area to replace the essential wastewater equipment slated for demolition;
- Install a new electrical transformer within an outdoor fenced area and a new modular shelter housing the ESP load center; and
- Relocate/replace the existing shelter housing the Continuous Opacity Monitoring System (COMS) and Continuous Emissions Monitoring System (CEMS) analyzers from the existing stack to the new stack.

The proposed new and modified equipment will be constructed entirely within the property boundaries of the refinery.

Other Required Approvals: The project requires a Permit-to-Construct by the SCAQMD, which Ultramar expects to obtain in April 2007. Only building permits will be required from the City of Los Angeles. In February 2007, Ultramar obtained from the City of Los Angeles Planning Department an Approval in Concept.

Waiver Rationale: For the following reasons, the proposed project will not have a significant adverse effect, either individually or cumulatively, on coastal resources, nor will it conflict with policies of Chapter 3 of the Coastal Act.

- The project involves adding additional equipment, and re-locating existing equipment, within an existing, large-scale refinery site. All construction activities will occur within the boundaries of the existing refinery. The project will be consistent with the heavy industrial zoning for the site.
- The installation of the new ESP and the new add-on control equipment will not appreciably change the visual profile of the entire facility. The refinery is in an area where visual quality is already heavily dominated by large industrial facilities.
- The project will result in a long-term net emission benefit for air quality in the surrounding area. There will be short-term increases in CO, NO_x, and PM10 from the construction activities. However, the estimated total construction air emissions for CO, NO_x, and PM10 will be below SCAQMD significance thresholds.
- The entire site has been previously graded and developed, and is essentially void of native habitats and any vegetation (with the exception of some landscape vegetation near administration buildings). Therefore, there will be no adverse effects to biological resources of the coastal zone.
- There are no known cultural resources within the site or adjacent areas.

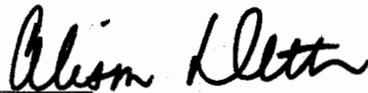
- The project will not affect public access or recreational users of the coast.
- The project site is in a fault zone area and is subject to earthquakes. The City of Los Angeles building permit requires that installation of the new equipment comply with the Uniform Building Code requirements, which include requirements for building within seismic hazard zones.
- Surface water runoff and storm water runoff is controlled by the refinery in order to prevent direct runoff into the Dominguez and Cerritos Channels. The project is located in an area in which surface water and storm water runoff are managed by a Storm Water Pollution Prevention Plan. Soils will be managed in accordance with Ultramar's Los Angeles Regional Water Quality Control Board interim waste discharge permit for soil management in connection with excavation. The project will be carried out in a manner that does not adversely affect coastal water quality.
- Currently, there is no evidence that soil contamination is located within the areas proposed for grading, trenching or excavation. However, construction activities could uncover contaminated soils given historical use of the site. Any required soil remediation will be handled under a plan approved by SCAQMD under Rule 1166 plan.

Important: This waiver is not effective unless the project site has been posted and until the waiver has been reported to the Coastal Commission. This waiver is proposed to be reported to the Commission at the meeting on March 15 in Monterey. If four or more Commissioners object to this waiver, a coastal development permit will be required.

Sincerely,

PETER M. DOUGLAS
Executive Director

By:



ALISON J. DETTMER
Manager
Energy and Ocean Resources Unit