

PIPELINE

NEWS ABOUT CONTRA COSTA COUNTY'S REFINERY INDUSTRY

WINTER SPRING SUMMER FALL 2015

PROUD OF WHAT WE DO "WE'RE BAY AREA REFINERY WORKERS"

Bay Area refinery workers are teaming up and speaking out about the economic, environmental and community benefits provided by their refineries, to bring balance to a discussion that so far has been dominated by a small but vocal chorus of people who want to shut down the refineries and eliminate fossil fuels.

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Martinez, " and we're not going to stay silent any longer as a small group of environmental zealots try to put us out of business.

"The refineries are important to the Bay Area's economy, our communities, and to our families. What we do is important, and we want to make sure people understand that, so decisions are based on the facts, not fiction and fallacy."

Calling themselves "Team Proud," the workers have been attending meetings of the Bay Area Air Quality Management District, where they're speaking up in defense of their refineries and their jobs. A key goal is to provide board members with

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PROUD

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information about the refineries and the jobs they provide, and a new perspective on how proposed regulations could affect them.

“A small group of people want to shut us down,” says Aimee M. Lohr, a Community Relations/Public Affairs Representative at the Phillips 66

refinery in Rodeo, “and they couldn’t care less about the impact that would have on our families, on the price of gasoline, and on our communities, which would lose millions of dollars in tax revenue. They say our jobs have no value, but the vast majority of Bay Area citizens disagree and stand with us.”

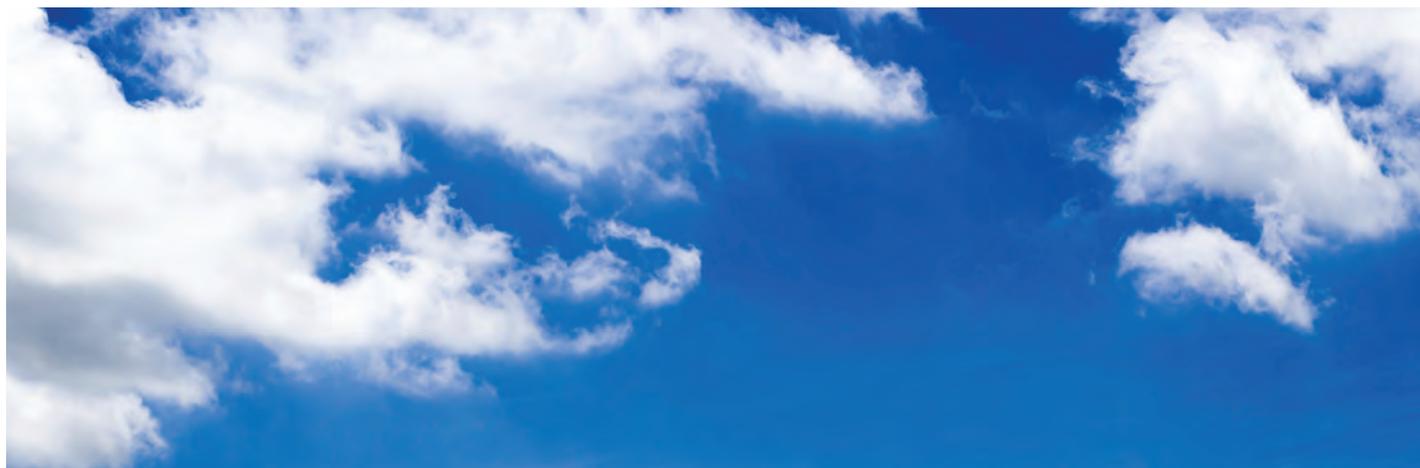
According to a recent poll, 79% of Bay Area respondents say the refineries are important, while 72% agree that the California-grade gasoline produced at the refineries has been a major factor in reducing smog.

“The California-grade gasoline we refine has helped improve air quality substantially over the last decade,” says Kathy Wheeler, a Senior Staff Environmental Engineer at the Shell refinery in Martinez. “Emissions have gone down dramatically at our

Bay Area refineries, and we’re always researching new ways to make our operations cleaner, safer and more efficient. We’re doing our part, and we take pride in that.”

“We make the fuels that get people to work and school and home again,” says Steve Ardito, a Loss Prevention System Advocate at the Chevron refinery in Richmond. “We’re an important part of their lives. Without us, gas supplies would be limited and thousands of workers and their families would be hurt. Local government would suffer, and so would the hundreds of small businesses and the thousands of their workers who depend on us. We’re not going to let that happen.”

Team Proud includes more than 150 workers from the Chevron, Phillips 66, Shell and Tesoro refineries operating in the East Bay. ■



CALIFORNIA-GRADE GASOLINE HELPING CLEAR THE AIR

□ California has the most stringent gasoline formulation requirements in the nation — a key reason why the state’s air quality has been steadily improving, thanks in part to the California-grade gasoline produced by the Bay Area refineries.

“Since 1996, California gasoline has been the cleanest in the world,” according to the California Air Resources Board. “California’s cleaner-burning gasoline regulation is one of the cornerstones of the state’s efforts to reduce air pollution and attain healthful air quality for all Californians.”

And it’s working, says the Air Resources Board. “An independent

study by the University of California, Berkeley found a decrease in motor vehicle emissions following cleaner-burning gasoline’s introduction in Spring 1996. ARB analyses of weather data and air pollution levels also indicate that the use of cleaner-burning gasoline has reduced peak smog levels. Benzene levels in California’s air decreased by approximately 50 percent in 1996 following the gasoline’s introduction.”

As the *Los Angeles Times* reported last year, “Overall, California has seen a big improvement in air quality in the last decade, according to a state evaluation of smog and soot levels.”

“Of the state’s five biggest urban areas,” reported the *Times*, “only the San Francisco Bay Area meets all federal standards for ozone — the worst component of smog — and fine particulate matter or soot.”

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California Air Resources Board

A recent poll of Bay Area voters found that 60 percent of respondents agree that closing California’s refineries would hurt the environment, while only 25% of respondents think the state should restrict the amount of gasoline for sale. ■



PROPOSED AIR BOARD RULES WOULD SLOW CLEAN AIR PROGRESS

□ Working with the Bay Area Air Quality Management District, the Bay Area refineries have significantly reduced air emissions in recent years, and fully support efforts to continue this progress.

But two proposed BAAQMD rules lobbied by refinery opponents, whose ultimate goal is to drive the refineries from the Bay Area, would slow the progress being made, while increasing costs and disrupting operations.

“What I am aiming at is closing a refinery by 2020, and having at most one refinery operating in 2030,” said a member of the environmental group 350 Bay Area in July 2014. “These things should be going away.”

The first proposed Rule is 12-15. While its intent is to improve the tracking of refinery emissions, which the refineries support, it would in practice create a tracking system that no other state or federal regulatory agency uses. Creating a separate system would make data comparison difficult and force the refineries to keep two sets of records, needlessly increasing costs and adding yet another layer of bureaucracy.

Rule 12-15 should be amended so its proposed tracking system meshes with other state and federal tracking systems, and to ensure that the emissions data collected is used to guide science-based rulemaking that results in real emission reductions. In addition, Rule 12-15 should be rewritten so the new system would use the same emissions data that the refineries already provide to the California Energy Commission and the U.S. Energy Information Administration as required by the Petroleum Industry Information Reporting Act.

The second proposed Rule, 12-16, would throw refinery operations into chaos. The proposed rule would set a cap on refinery emissions that is lower than the cap already authorized by the BAAQMD, forcing the refineries to navigate a costly and time-consuming effort to regain approval for an emissions cap that has already been approved by the district. The rule is unfair and unreasonable and should be rejected.

Refineries are already making great efforts to reduce refinery emissions in a way that protects jobs and ensures a reliable and affordable supply of fuel for Bay Area motorists. Significant progress has already been made in clearing the air. Together as written, these rules would completely undermine these efforts. ■



SPARKING JOBS AND THE ECONOMY

□ Picture the Bay Area without the four refineries — Chevron, Phillips 66, Shell and Tesoro.

Immediately, more than 4,500 high-skilled, high-wage jobs paying over \$100,000 a year would be lost, mostly union. Local governments would suffer millions of dollars in lost tax revenue now used for schools, roads, public safety and other needed services. Local contractors would lose millions of dollars of work, costing local governments even more in lost revenue. And hundreds of local businesses employing thousands of local workers would lose their revenue streams, hitting local government budgets once again.

California-grade gasoline would have to be imported from outside the area, driving up pump prices for hundreds of thousands of Bay Area commuters, taking a bigger and bigger share of low-income and middle-income budgets. With no local supplies of jet fuel, the price of airline tickets would fly higher, and the cost of trucking goods and services would increase, increasing consumer prices and the cost of living, again hitting low- and middle-income families especially hard.

Also lost would be funding for vocational training at area high schools and community colleges, robbing students of high-tech careers that fund homes, families and secure retirements. Dozens of community service projects and organizations would lose funding support, and the dedicated support of hundreds of volunteer workers.

The Bay Area without the refineries? A spark plug with no spark. ■



COMMITTEE FOR
INDUSTRIAL SAFETY



 **TESORO**

P.O. Box 711
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SPEAKING OUT

□ *Testimonies and stories from Team Proud members*

"I am a proud 34 year employee of the Chevron Richmond refinery. I was raised in Richmond by a single mother who worked 10 hours a day in the food service industry, 10 hours a day 7 days a week. She was barely able to pay rent and basic needs. The oil industry provided the opportunity for training and a career that has allowed me to provide a good living for my wife and two kids."

JACK SILVA
Chevron

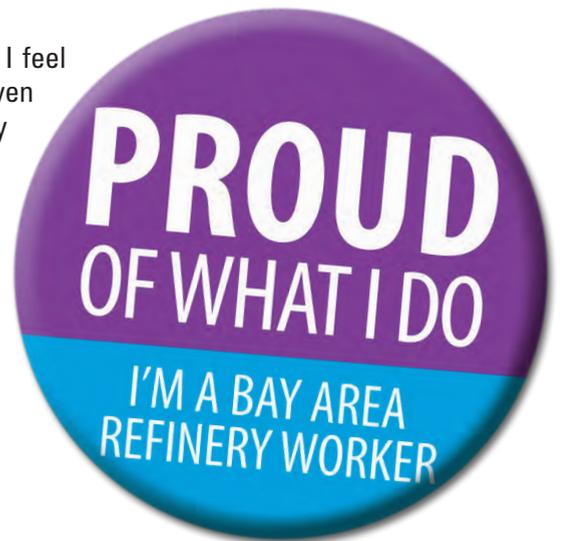
"I have worked at Shell for 18 years. I began in operations and now work in an environmental position. My company cares about its people, its

neighbors, and its environment. I feel valued at Shell. I have been given an opportunity to combine my unique knowledge and skills. I admire the level of competence of my co-workers. I am equally impressed by the exacting procedures and guidelines that we work within to produce the highest quality products in the industry."

SHARON McNALLY
Shell Martinez

"I graduated from college three years ago with a degree in chemical engineering. I was the first person in my family to earn a bachelor's degree ... Without well-established companies like Phillips 66 and other refineries having a presence in the area, local kids from middle class families may not take risks like I did [taking out student loans to earn a college degree] ... The jobs they provide give people like me the opportunity to take risks and work hard for a better future."

LINDSAY EPPERLY
Phillips 66



"I moved from Houston to the Bay Area to pursue my engineering career in the refinery. Working in a different state, I know California refineries definitely make the cleanest fuel in the U.S., and have strict regulation, training programs and environmental compliance."

RAJWINDER GILL
Tesoro