

# PIPELINE

NEWS ABOUT CONTRA COSTA COUNTY'S REFINERY INDUSTRY

WINTERSPRINGSUMMERFALL 2015

## THE REFINERIES DRIVING THE BAY AREA ECONOMY

□ The five Bay Area refineries give a major boost to the region's multi-billion dollar economy, providing good-paying local jobs, generating tax revenue for local services, and producing the fuel that keeps people and consumer goods moving.

An important part of the local economy for more than a century, the refineries employ more private sector union workers than any other Bay Area employer.

"All told, the refineries provide more than 4,500 high-skilled jobs paying an average of \$100,000 a year in salary and benefits," says Kory Judd, who manages the Chevron refinery in

Richmond. "That's twice the median pay for other local workers. We're very proud of the jobs we provide."

Faced with a shortage of qualified local workers with the technical skills demanded by today's high-tech refinery work, the refineries have helped launch and sponsor a number of job training programs in local high schools and community colleges in recent years, including the highly successful Electrical & Instrumentation Technology Program and the Process Technology Program at Los Medanos College in Pittsburg, where about 75 percent of students in the programs get jobs in their fields shortly after graduation.

Likewise, John Swett High School's Career Academy is "one of the broadest and most sophisticated industrial arts programs in the region," according to the *Contra Costa Times*. Major funding for the academy comes from the Phillips 66 refinery in Rodeo and other local businesses.

"We're working to develop a more technologically advanced and qualified work force so we can hire locally,

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which is always our first priority," says Dave Parker, the Learning and Development Manager at the Shell refinery in Martinez. "We sponsor job fairs and internships, and bring high school counselors into the see **DRIVING**, page 2





## DRIVING

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refineries to show them what we do here.”

In addition to the 4,500-plus workers employed directly, the refineries generate paychecks for another 2,400 contract workers and support hundreds of small Bay Area businesses employing thousands of local workers, from food trucks and grocery stores, to retailers, restaurants and service providers.

“Without question, the refineries are an important source of local tax revenue,” says Martinez Mayor Rob Schroder. “In addition to operating at the highest level of safety for their employees and community neighbors, they add billions of dollars in assessed valuation to the region’s property tax rolls, which generates millions of dollars annually for our schools, roads, public safety and other local services. Indirectly, the salaries they pay and the money they spend with local vendors also generate revenue for services.”

“Richmond’s Chevron refinery directly provides about a third of Richmond’s municipal revenue,” says Richmond Mayor Tom Butt. “And there’s additional indirect revenue from companies that provide labor and materials for projects at the refinery. When Chevron does well, Richmond does well.”

The refineries spend about \$215 million a year with local contractors and suppliers for maintenance and other services, which produces an estimated \$28 million more in tax revenue for local governments, in addition to the millions in taxes the refineries pay directly.

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## “THE REFINERIES ARE AN IMPORTANT SOURCE OF LOCAL TAX REVENUE”

Martinez Mayor Rob Schroder

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“Without the refineries, we’d be scrambling to find other sources of tax revenue to pay for police and other vital community services,” says Concord Mayor Tim Grayson. “Our region continues to benefit from job creation and services that refineries provide to our local economy.”

### Fueling the Way

In addition to helping fuel the Bay Area’s economy, the refineries provide nearly all of the gasoline used by local motorists, the diesel fuel used by regional trucking companies and the cargo ships at the Port of Oakland, and the jet fuel that keeps planes moving at San Francisco International and other local airports.

Though not produced at Bay Area refineries, natural gas from suppliers like Shell and Chevron is used by natural gas-fired generating facilities in the Bay Area to produce electricity that helps power BART and charge electric cars.

“There are more Bay Area motorists driving more miles than ever before,” says Tom Rizzo, the new manager of the Shell refinery in Martinez. “But thanks to new technologies and improved operations, we’re all keeping pace with the rising demand for cleaner and more efficient fuels.”

“The Bay Area refineries are the safest and cleanest refineries in the world,” says Ron Banducci, who heads the Committee for Industrial Safety, which includes the Chevron, Phillips 66, Shell and Tesoro refineries. “These refineries are making the cleanest fuels in America, which are used every day here in the Bay Area by people, government and business. But they never stop looking for new and better ways to increase their safety, improve their operations, and reduce their impact on the environment. On every front, they continue making progress.”

Together, the Bay Area refineries generate three percent of all Bay Area emissions, while cars, trucks and other vehicles are responsible for 88 percent of local emissions.

### Clearing the Air

The refineries have invested hundreds of millions of dollars in new technologies and pollution control equipment to produce even cleaner fuels and reduce their impact on the environment.

“Overall, the Bay Area refineries have reduced our combined NOx emissions by 88 percent since 1985, and we’re still not finished,” says Tom Lu, who manages Tesoro’s Martinez refinery. “Together, we’re proposing projects that, if approved by regulators, will further reduce refinery emissions significantly.”

“This is our home,” says Lu. “It’s where our employees live and raise their children. We want the cleanest air and the strongest economy possible — just like everyone else.” ■

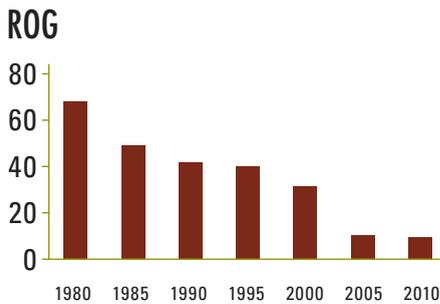


## PROGRESS REPORT THE AIR WE BREATHE

□ The Bay Area refineries have significantly reduced their “nitrogen oxide” (NOx) and “reactive organic gas” (ROG) emissions in recent years.

Together, NOx and ROG are the gases behind creation of ozone in the atmosphere, a greenhouse gas that impacts both the environment and respiratory health.

According to data from the Bay Area Air Quality Management District, refinery ROG emissions have been reduced 88 percent since 1980, and NOx emissions have been cut 88 percent since 1985.

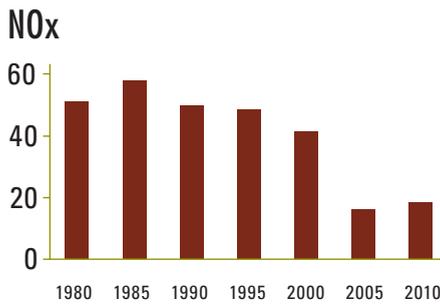


Sulfur dioxide (SO<sub>2</sub>) emissions have been reduced 95 percent since 2000.

These dramatic reductions have been attained by monitoring and fixing equipment and storage leaks, reducing refinery “flaring,” and installing new pollution control equipment.

## NOx EMISSIONS HAVE BEEN REDUCED 88% SINCE 1985

Overall, the refineries account for just two percent of the Bay Area’s ROG emissions and three percent of its NOx emissions. Meanwhile, cars, trucks, ships and trains generate 88 percent of Bay Area NOx emissions. ■



## ABOVE AND BEYOND

□ The Bay Area refineries have been active community partners for decades, providing funding and volunteering time for scores of worthwhile local service projects and causes. A sampling:

- The Chevron Refinery in Richmond is funding Project Lead the Way, which exposes local students to science, technology, engineering and math through project-based learning, exposing them to high-demand fields like computer programming, robotics, and electrical engineering.
- Every year, workers at the Phillips 66 Refinery in Crocket host an

annual “Walk of Honor,” which raised \$40,000 this year for the Crocket Veterans Memorial and the Vietnam Veterans of Diablo Valley.

- The Shell Refinery in Martinez led recent efforts to replace the Mount Diablo Beacon, so it can continue shining each year on Pearl Harbor Night — one reason the refinery was awarded this year’s “East Bay Medal” for being the region’s leading corporate citizen.
- For more than 40 years, the Tesoro Refinery in Martinez has provided 15 sports fields for local youth soccer and Little League teams — charging them just one dollar a year.
- The Phillips 66, Shell and Tesoro refineries also provide major funding and equipment for the East Bay Regional Park District’s “Volunteer Trail Safety Patrol.” ■

## BY THE NUMBERS

**4,500**

Number of workers employed directly by the Bay Area refineries

**\$100,000**

Average yearly salary and benefits earned by Bay Area refinery workers

**2,400**

Number of contract workers employed by the refineries each year

**\$215,000,000**

Amount refineries pay local contractors and suppliers each year for maintenance and other services, generating some \$28 million a year in tax revenue for local government — in addition to the millions in local taxes the refineries pay directly

**72%**

Percentage of people who oppose shutting down the Bay Area refineries, in a recent poll of Contra Costa County voters

**3%**

The percent of Bay Area NOx emissions generated by the refineries. Meanwhile, 88% of NOx emissions come from Bay Area cars, trucks, ships and trains

PROFILE  
**KAREN MITCHOFF**

□ A Contra Costa County Supervisor since 2011, Karen Mitchoff also serves on the board of the Bay Area Air Quality Management District (BAAQMD), where her 28 years of experience dealing with local refinery issues are helping inform her decisions and bring balance to the board.

Appointed to the BAAQMD in January, Mitchoff says her goal is “to listen to the public, learn from the staff, consider the issues from everyone’s perspective, and then reach a balanced decision that’s responsive to the needs of all my Bay Area constituents.”

Mitchoff began her public service career working in the office of former Contra Costa County Sheriff Richard Rainey. She later worked as a fiscal and administrative analyst for the



county’s Employment and Human Services Department, and also served as Chief of Staff for former Supervisors Sunne Wright McPeak and Mark DeSaulnier.

In addition to serving on the BAAQMD, she serves on other regional boards and commissions, including the Contra Costa Transportation Authority and the Contra Costa County Mental Health Commission.

Before her election to the Board of Supervisors, she served on the Pleasant Hill City Council from 2008 to 2010, and was the city’s Mayor in 2010. Prior to that, she served on the city’s park district board of directors, its redevelopment committee, and its planning commission.

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**“LISTEN TO THE PUBLIC,  
LEARN FROM THE STAFF,  
CONSIDER THE ISSUES FROM  
EVERYONE’S PERSPECTIVE”**

County Supervisor Karen Mitchoff

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Born in Portland, Oregon, her family moved to Pleasant Hill in 1965, where she attended local public schools, and earned degrees in business and human development from Diablo Valley College and Cal State East Bay. ■