

California Environmental Quality Act (CEQA)

NOTICE OF EXEMPTION

TO: Solano County
Clerk of the Board's Office
675 Texas Street, Suite 6500
Fairfield, CA 94533

FROM: Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105

SUBJECT: FILING OF NOTICE OF EXEMPTION PURSUANT TO CEQA § 21152(b) AND CEQA GUIDELINES § 15062.

PROJECT TITLE: Valero Refining Company – Issuance of an Alteration Permit to Operate for the installation of piping and fugitive components at S-1010 Hydrogen Plant (Air District Application 714083).

Public Agency Approving Project (Lead Agency): Bay Area Air Quality Management District (Air District), 375 Beale Street, Suite 600, San Francisco, CA 94105; Contact Person: Eric Grulke, Senior Air Quality Engineer, Telephone: (415) 749-8672; Email EGrulke@baaqmd.gov

Project Applicant and Entity carrying out Project: Valero Refining Company (Valero).

Project Applicant Mailing Address: 3400 E Second Street, Benicia, CA 94510.

Project Applicant Contact Person: Taryn Goodwin, Manager, Environmental Engineering, Valero Refining Company, 3400 E Second Street, Benicia, CA 94510; Telephone: (707) 745-7475, Email: taryn.goodwin@valero.com

Project Location: 3400 E Second Street, Benicia, Solano County, CA 94510. Nearest Cross Street: Rose Drive.

Project Description:

This permit action was to issue a Permit to Operate for alterations to S-1010 (Hydrogen Plant). The application scope includes the installation of tie-in connections (piping and fugitive components) to route the atmospheric vents from the S-1010 to the base of the existing North Flare (S-19) to comply with Air District Regulation 13, Rule 5.

S-1010 continues to have the capability to process petroleum-based feedstocks and the hydrogen production rate remains the same at 164 million standard cubic feet per day. The application did not involve any changes resulting in pump capacity increases, changes to compressors, or changes to upstream or downstream equipment that would result in any increases in capacities or emissions (other than fugitive component emissions at S-1010).

Fugitive emissions from S-1010 will increase by less than 10 pounds per day and fugitive toxic air contaminant (TAC) emissions will not exceed Regulation 2, Rule 5 trigger levels. This level of emissions increase fits within the exemption provided by Regulation 2, Rule 1, Section 128.21. Due to the change in the method of operation and

the corresponding increase in fugitive component emissions that are not considered a modification per Regulation 2, Rule 1, Section 234, S-1010 is considered altered.

The fugitive emissions from this project are not subject to BACT or Offsets within the bounds of this application under Regulation 1, Section 115, but the facility will be required to implement BACT Technology for the fugitive components per Regulation 2, Rule 1, Section 128.21. Changes to the facility's overall Potential to Emit will be accounted for in future applications.

Finding of Exemption:

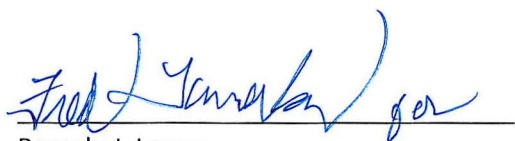
The Air District has determined that this approval is exempt from CEQA per the following:

1. The Air District's action is ministerial and exempt from CEQA under Public Resources Code § 21080(b)(1) and CEQA Guidelines Section 15268(a).
2. This project is categorically exempt per the Class 1 Alteration (also known as "No or Negligible Expansion of Existing Use" or "Minor Alterations to existing facilities") per CEQA Guidelines Section 15301:

Basis for Exemption:

This permit decision is not subject to CEQA because the Air District's evaluation is a ministerial action conducted using the fixed standards and objective measurements in the Air District's rules and regulations. Therefore, the Air District does not have the discretion to deny the requested changes.

This permit application is categorically exempt from CEQA. CEQA Guidelines, Section 15301, exempts projects that involve negligible or no expansion of use. The alteration will not expand the facility's normal operation and will result in no increase or only a negligible increase in use of the facility. The changes did not result in increased capacities or emissions from any source, except fugitive emissions from S-1010. S-1010 is considered altered. These additional fugitive components do not modify or debottleneck S-1010 or any other source at this facility. Further, based on the review of the permit application materials, including Appendix H, environmental information form, the project will not have any significant environmental impacts, and cumulative impacts from successive projects of the same type in the same place will not result in significant environmental impacts. Accordingly, approval of Application 714083 is not subject to CEQA review.



Pamela J. Leong
Director of Engineering
Bay Area Air Quality Management District



Date