

California Environmental Quality Act (CEQA)

NOTICE OF EXEMPTION

TO: Contra Costa County
County Clerk-Recorder
555 Escobar Street
Martinez, CA 94553

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: Phillips 66 Company – Issuance of a modified Permit to Operate for Three External Floating Roof Tanks, Sources 180, 341 and 342 (Air District Application 724166)

Public Agency Approving Project (Lead Agency): Bay Area Air Quality Management District (Air District), 375 Beale Street, Suite 600, San Francisco, CA 94105; Attn: Ali Roohani, Senior Air Quality Engineer; Telephone: (415)-749-4707; Email: aroohani@baaqmd.gov

Project Applicant and Entity Carrying Out Project: Phillips 66 Company

Project Applicant Mailing Address: 1380 San Pablo Avenue, Rodeo, CA, 94572

Project Applicant Contact Person: Brent Eastep, Environmental Specialist, Phillips 66; Telephone: (510) 245-4672; Email: Brent.P.Eastep@p66.com

Project Location: 1380 San Pablo Ave., Rodeo, Contra Costa County, CA 94572. Cross Street: Internal Road 8 and Road J

Project Description: The Air District has issued a modification to the Permit to Operate for the following existing sources:

- S-180 Tank # 292
External Floating Roof Tank, Maximum Capacity: 1,974 thousand Gallons; Diameter:100 feet Materials Stored: Renewable Jet; Maximum Throughput: 22,500 barrels per day, 8,212,500 barrels per year; Maximum True Vapor Pressure \leq 2.5 psia
- S-341 Tank # 208
External Floating Roof Tank, Maximum Capacity: 4,326 thousand Gallons; Diameter: 120 feet; Materials Stored: Renewable Jet; Maximum Throughput: 20,750 barrels per day, 7,573,750 barrels per year; Maximum True Vapor Pressure \leq 2.5 psia
- S-342 Tank # 209
External Floating Roof Tank, Maximum Capacity:4,326 thousand gallons, 120 feet diameter, Materials Stored: Renewable Jet; Maximum Throughput: 20,750 barrels per day, 7,573,750 barrels per year; Maximum True Vapor Pressure \leq 2.5 psia

Phillips 66 has proposed increasing the permitted daily and annual throughput limits for tanks S-341 and S-342, as described above. In addition, tank S-180, previously classified as exempt, will be permitted to function as a backup storage tank during maintenance outages of S-341 and S-342.

Although the proposed changes are expected to increase precursor organic compound (POC) emissions, Phillips 66 has stated that gasoline will no longer be stored in tanks S-341 and S-342. The potential POC emissions of S-341 will increase from 1.38 to 1.55 tpy and for S-342, the potential POC emissions will increase from 0.39 to 1.55 tpy. S-180 does not have any permitted emissions because it was previously exempt but it will see an increase in potential emissions from 0 tpy to 1.41 tpy as it changes to a permitted source. The tanks will comply with the best available control technology (BACT) requirement for POCs by complying with Regulation 8, Rule 5, which establishes standards for storage tanks containing organic liquids, including external floating roof tanks. The rule requires primary and secondary rim seals, controlled deck fittings, and routine inspection and maintenance to minimize gaps, leaks, and evaporative losses, thereby reducing POC emissions.

While the POC emissions are expected to increase, the overall toxic air contaminants (TACs) are expected to decrease because the previous TAC emissions were based on gasoline. However, since gasoline will no longer be stored and will be replaced with renewable jet fuel TACs are projected to decrease post project. The proposed modifications do not exceed the acute and/or chronic thresholds established under Regulation 2, Rule 5 for TACs.


No physical modifications will be made to the tanks, and the throughput increase will not result in the addition of new fugitive emission components. Phillips 66 will provide 3.14 tpy of POC emission reduction credits (ERC) from banking certificate # 1706 to offset the POC emission increase in this application.

Finding of Exemption: The issuance of the Permit to Operate is categorically exempt, so it is not subject to CEQA. The project involves only a minor modification to existing facilities that is subject to the "Class 1" categorical exemption (CEQA Guidelines § 15301).

Reasons for Exemption: This permit action is exempt from CEQA because the project involves negligible or no expansion of use for the existing facility. The existing use of the facility is as a refinery processing renewable feedstocks, with considerable on-site storage. The three sources at issue in this permit decision are existing storage tanks. This permit action is exempt from CEQA because the throughput increase for the three tanks will not expand the facility's normal operation significantly and will result in an increase of, at most, 2.7335 tpy of POC emissions, which is well below the 10 tpy significance threshold that the Air District has set for POCs and less than 3% of the facility's potential POC emissions. Further, the permit decision does not permit any alterations to the tanks themselves—the permit decision relates only to what is stored in the tanks.



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



Date