

California Environmental Quality Act
NOTICE OF EXEMPTION

FILED

JUL 05 2022

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
Contact: Eric Grulke, 415-749-8672
Bill Emmer, Clerk of the Board of Supervisors of the County of Solano, State of California
Deputy *Adrian*

SUBJECT: FILING OF NOTICE OF EXEMPTION PURSUANT TO SECTION 21152 OF THE PUBLIC RESOURCES CODE AND CEQA GUIDELINES SECTION 15061(b)(3).

PROJECT TITLE: VALERO REFINING COMPANY – Issuance of an Alteration to the Permit to Operate for the Installation of bypass pipeline from 1900 psig header to 330 psig hydrogen gas distribution header at Source S-1010, Hydrogen Plant (Application 30166)

ORIGINAL

Public Agency Approving Project (Lead Agency): Bay Area Air Quality Management District
Project Applicant and Entity carrying out Project: Valero Refining Company
Project Applicant Address: 3400 E. Second Street, Benicia, Solano County, CA 94510
Project Applicant Contact person: Taryn Wier, Manager Environmental Engineering, (707) 745-7475
Project Location: 3400 E. Second Street, Benicia, Solano County, CA 94510

Project Description: This permit action is to issue an Alteration to the Permit to Operate for the following equipment:

S-1010 Hydrogen Plant; Maximum Product Rate: 165 MMscf/day

After discovery of the excess continuous hydrogen vent to atmosphere from S-1010 Hydrogen plant, Valero installed a bypass pipeline on the existing hydrogen distribution grid at Source S-1010 Hydrogen Plant on October 17, 2019. This bypass pipeline allows the hydrogen gas that was previously vented from Emission Point P-1010 (also referred to as ST-302 continuous hydrogen vent) to be directly routed to 330-psig header to reduce or mitigate emissions with the Bay Area Air Quality Management District's (Air District's) Temporary Permit to Operate approved under this same application. The hydrogen bypass pipeline is the intermediate solution for routine operation to reduce emissions at Emission Point P-1010. Valero will be submitting a future application in accordance with the Stipulated Order of Abatement (SOA) issued by the Hearing Board of the Air District on March 15, 2022 for a permanent solution to address the emissions related issue at Emission Point P-1010 during normal operation, shutdown, start-up, malfunction, and upsets. This project is an Alteration per the "Alter" definition set forth in Air District Regulation 2, Rule 1, Section 233, because the process flowrate data for Source S-1010 and emissions data at Emission Point P-1010 did not lead to an emission increase at Source S-1010 or at any of the downstream or upstream sources, and thus the project has no potential for an increase in emissions.

Finding of Exemption: The Air District's permit action is categorically exempt from CEQA because it permits a minor modification of an existing use and does not authorize any expansion of that existing use, permits a minor alteration of existing facilities and does not authorize any expansion of that existing use (California Environmental Quality Act (CEQA), Calif. Public Resources Code § 21084; Guidelines for CEQA, 14 California Code of Regulations Chapter 3 (Guidelines) § 15301). The Air District has determined that this action is also exempt from CEQA review as an action by a regulatory agency for protection of natural resources (CEQA § 21083; Guidelines § 15307). In addition, the project is being undertaken for the sole purpose of bringing an existing facility into compliance with newly adopted regulatory requirements and the "Common Sense" exemption applies (Guidelines § 15061(b)(3)).

Basis for Exemption: The Air District determined that this project will not result in an increase in air pollutant emissions, and it has no potential for resulting in any additional or different environmental impacts beyond what is already entailed in the applicant's existing use. As explained in the above Project Description, this project is the intermediate solution to comply with a Stipulated Order of Abatement issued by the Hearing Board of the Air District. The project also qualifies for the "Common Sense" exemption because there are no anticipated air emissions increases from the project. In addition, the permit action is categorically exempt from CEQA because it permits a minor alteration of existing facilities and of an existing use and does not authorize any expansion of that existing use. (Guidelines § 15301). The applicant has included in its permit application CEQA-related information (CEQA Appendix H) that demonstrates with certainty that the project has no potential for resulting in any significant environmental impacts, and thus comes within the "Common Sense" exemption (Guidelines § 15061(b)(3)).

Pamela J. Leong
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Bay Area Air Quality Management District

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Deputy Clerk of the Board