Comment 1 for Public Workshop to Discuss Allowance Allocation to Refineries (aug-13-refinery-ws) - 1st Workshop.

First Name: David
Last Name: Campbell
Email Address: davidc@sjr.com
Affiliation: SAN JOAQUIN REFINING CO., INC.

Subject: Cap & Trade Workshop on Refineries and Related Industries
Comment:

See attachment.
Ecofys Refineries – Preliminary Work Product dated 8/20/12, page 45 lists San Joaquin Refining as a potentially atypical refinery.
Solomon Associates Complexity-Weighted Barrels Methodology for California Refineries (CA-CWB) for CARB Refinery Workshop August 13, 2013, Slide 13 states: “Atypical” refiners may be handled separately
• Extremely small sizes – SJR refines approximately 14,000 bbls of crude/CD
• Performing predominantly specialized functions (such as bitumen production or lube oil manufacture – SJR refines only Kern River crude with an API Gravity of 12-14. Very heavy crude that yields 50% of every barrel as asphalt. The daily refinery yield is approximately 6,000 bbls/CD for asphalt and 3,000 bbls/CD lubes.
• Atypical product slate (such as <40% light products including motor gasoline, aviation gasoline, kerosene, and diesel/heating oil) – SJR does not refine any motor gasoline, aviation gasoline, or kerosene. SJR does manufacture Ultra Low CARB diesel at approximately 1,700 bbls/CD. This computes to about 12% diesel yield from daily crude production of 14,000 bbls/CD.
SJR has been recognized by both CARB and Federal EPA as a small independent refiner. For this reason, CARB Low Carbon Fuel Regulations (LCFS) have provided that small refiners may have a longer period of time to meet the LCFS Regulations at the onset of the current regulations. Also, CARB Mandatory GHG Reporting Regulations have recognized SJR and others as small refiners and have been allowed to analyze our gases at a less frequent rate as the large refiners. Additionally, CARB LCFS Regulations are being proposed to the CARB Board in October providing for small refiners who have Low Complexity and Low Energy-Use to receive different Carbon Intensity values within the LCFS Program.
The Ecofys Report was developed as part of a larger assignment by ARB to a consortium of Ecofys and UC Berkeley. Ecofys shows the refinery as a potential atypical refinery. Solomon Associates with over 30 years as a leader in Benchmarking and Performance Improvement Services is recognized by ARB as experts in this field also provide that “Atypical” refiners may be handled separately.
And yet, the CARB Cap & Trade Refiners and Related Industries staff makes no offer to “atypical” refiners to help reduce the burden of these proposed regulations.
The California Greenhouse Gas Cap & Trade Program Final Regulation went into effect January 1, 2012. The program includes three compliance periods in which the covered entities need to balance emissions with allowances. The first compliance period started on January 1, 2013 and ends in December, 2014. For the first

compliance period, the amount of free allocation to refineries is determined using a product based benchmark. In the second compliance period for years 2015-2017, the product-based benchmark will be replaced by a uniform complexity-adjusted approach for all refineries known as the Carbon Dioxide Weighted Tonne (CWT). The CWT contains multiplying factors for each type of unit within a refinery developed by Solomon Associates. In order to comply with the second compliance period CWT requirements, SJR during 2012, at a great expense for a small independent refiner, replaced many of the metering instruments in each of its units so that the measuring instruments could measure liquid densities of certain feedstock's and production products by January 1, 2013 as required by current regulations. Additionally, using the CWT equations, SJR made certain business decisions for future years through the second compliance period. We purchased nearly $1.5 MM worth of allowances at the CARB Auctions.

The CWT and CWB Factors were provided to CARB by Solomon Associates. Solomon Associates developed the CWB approach in 2008. CARB had the CWT and CWB methodologies in hand while work shopping the Cap & Trade Program since its onset. CARB chose the CWT over the CWB to put into the current regulations for the second compliance period.

Now CARB wants to back pedal and change the second compliance period to a different basis for allowance allocation to the Complexity Weighted Barrel (CWB) approach instead of the CWT approach. With this proposed change to CWB their will also be an increase in the multiplying factor used. This in turn will increase the amount of future auction allowances purchased by SJR. Let alone that the measuring instrument upgrades completed in 2012 to meet liquid density criteria for the CWT method will no longer be needed to compute barrels of feedstock/product.

SJR suggests to the CARB staff that they communicate with Ecofys and Solomon Associates to determine how the small refiners with low complexity, low energy use, heavy asphalt production, lube production and low fuels production have been treated in the EU countries. SJR and other small refiners should not be treated the same as the large refiners in Cap & Trade allowance allocation. As I indicated above, this is not a new precedent. CARB has recognized small refiners in the past while promulgating regulations.

Attachment: www.arb.ca.gov/lists/com-attach/2-aug-13-refinery-ws-UDFWJFYuBCcHaAFi.docx

Original File Name: Atypical Refinery - SJR.docx

Date and Time Comment Was Submitted: 2013-08-20 11:23:06

No Duplicates.

Comment 2 for Public Workshop to Discuss Allowance Allocation to Refineries (aug-13-refinery-ws) - 1st Workshop.

First Name: Craig
Last Name: Moyer
Email Address: cmoyer@manatt.com
Affiliation: Western Independent Refiners

Subject: WIRA Comment to Staff Refinery Benchmarking Proposal
Comment:

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Attached are WIRA's comments.
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Attachment: www.arb.ca.gov/lists/com-attach/3-aug-13-refinery-ws-ViEGaVMgADIKUwlr.pdf

Original File Name: WIRA Benchmarking Comments 8-26-13.pdf

Date and Time Comment Was Submitted: 2013-08-26 13:02:20

No Duplicates.

Comment 3 for Public Workshop to Discuss Allowance Allocation to Refineries (aug-13-refinery-ws) - 1st Workshop.

First Name: Gary
Last Name: Grimes
Email Address: GGrimes@ppcla.com
Affiliation: Alon Energy, Inc

Subject: Paramount/Alon Refinery Benchmarking Comments
Comment:

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Please find our comments attached.
```

Attachment: www.arb.ca.gov/lists/com-attach/4-aug-13-refinery-ws-WipSNQd0V2UEbwBv.pdf

Original File Name: Paramount Alon Refinery Benchmarking Comments 8-26-13.pdf

Date and Time Comment Was Submitted: 2013-08-26 14:06:33

No Duplicates.

Comment 4 for Public Workshop to Discuss Allowance Allocation to Refineries (aug-13-refinery-ws) - 1st Workshop.

First Name: Chris
Last Name: Chandler
Email Address: Chris.R.Chandler@p66.com
Affiliation: Phillips 66

Subject: Comments on Staff Proposals for Refinery Benchmarking and Allocation
Comment:

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Submitted on behalf of Phillips 66.  If you have any questions or
comments, please contact us at (310) 952-6002.
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Attachment: www.arb.ca.gov/lists/com-attach/5-aug-13-refinery-ws-UiJcbFxrVFgDdwJn.pdf

Original File Name: P66 Refinery Benchmarking Comments.pdf

Date and Time Comment Was Submitted: 2013-08-26 15:26:08

No Duplicates.

Comment 5 for Public Workshop to Discuss Allowance Allocation to Refineries (aug-13-refinery-ws) - 1st Workshop.

First Name: Keith
Last Name: Adams
Email Address: adamskb@airproducts.com
Affiliation:

Subject: Air Products Comments in Response to the 8/13/13 Workshop on Refinery/Hydrogen Benchmarks
Comment:

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Air Products Comments in Response to the August 13th Workshop on
Refinery and Related Industry Benchmarks/Allocations
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Attachment: www.arb.ca.gov/lists/com-attach/6-aug-13-refinery-ws-VzYCbVMgVlpVIwV3.pdf

Original File Name: Air Products - Workshop Comments - Refinery and Related Industries Benchmarks.pdf

Date and Time Comment Was Submitted: 2013-08-26 16:22:17

No Duplicates.

Comment 6 for Public Workshop to Discuss Allowance Allocation to Refineries (aug-13-refinery-ws) - 1st Workshop.

First Name: Dwayne
Last Name: Phillips
Email Address: dwayne.phillips@airliquide.com
Affiliation: Air Liquide Large Industries U.S. LP

Subject: Proposed Complexity-Weighted Barrel Benchmarking Methodology for Hydrogen Production
Comment:

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Please see the attached comment letter.
```

Attachment: www.arb.ca.gov/lists/com-attach/7-aug-13-refinery-ws-VWcBN1BgUzMGLQU1.pdf

Original File Name: 2013-08-26 Air Liquide Comment Letter.pdf

Date and Time Comment Was Submitted: 2013-08-26 16:39:47

No Duplicates.

Comment 7 for Public Workshop to Discuss Allowance Allocation to Refineries (aug-13-refinery-ws) - 1st Workshop.

First Name: Melinda
Last Name: Hicks
Email Address: mhicks@kernoil.com
Affiliation:

Subject: Comments on August 13 Workshop Re: Refineries and Related Industries
Comment:

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Please see attached comment letter on behalf of Kern Oil & Refining
Co.

Thank you,
Melinda Hicks
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Attachment: www.arb.ca.gov/lists/com-attach/8-aug-13-refinery-ws-B2xQM1QnVGkCW1M8.pdf

Original File Name: Kern Oil Comments on Aug 13 Workshop 082613.pdf

Date and Time Comment Was Submitted: 2013-08-26 16:47:38

No Duplicates.

Comment 8 for Public Workshop to Discuss Allowance Allocation to Refineries (aug-13-refinery-ws) - 1st Workshop.

First Name: Grant
Last Name: Aguinaldo
Email Address: gaguinaldo@worldoil.net
Affiliation: Lunday-Thagard Company

Subject: Public Comments Re Benchmarking
Comment:

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Public comments related to the recent workshop on refinery
benchmarking.
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Attachment: www.arb.ca.gov/lists/com-attach/9-aug-13-refinery-ws-Am5QIlckVVlXY1Rk.pdf

Original File Name: LTR 2013-08-26 CARB Public Comments Re Refinery Benchmark.pdf

Date and Time Comment Was Submitted: 2013-08-26 16:45:00

No Duplicates.

Comment 9 for Public Workshop to Discuss Allowance Allocation to Refineries (aug-13-refinery-ws) - 1st Workshop.

First Name: Stefanie
Last Name: Tanenhaus
Email Address: stanenhaus@nrdc.org
Affiliation:

Subject: NRDC Refinery Workshop Comments
Comment:

See attached

Attachment: www.arb.ca.gov/lists/com-attach/10-aug-13-refinery-ws-WzVUIANmU2NVDAA4.pdf

Original File Name: NRDC 8_13_13 Refinery Workshop comments.pdf

Date and Time Comment Was Submitted: 2013-08-26 17:00:53

No Duplicates.

Comment 10 for Public Workshop to Discuss Allowance Allocation to Refineries (aug-13-refinery-ws) - 1st Workshop.

First Name: Catherine
Last Name: Reheis-Boyd
Email Address: cathy@wspa.org
Affiliation: WSPA

Subject: Comments on August 13, 2013 Workshop Regarding Amendment Options to Cap and Trade an
Comment:

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Dear Ms. Scheehle:

Please see attached Western States Petroleum Association (WSPA)
Comments on August 13, 2013 Workshop Regarding Amendment Options to
Cap and Trade and MRR Regulation for Refineries. If you have any
questions, please contact
Cathy at (916) 498-7752 or email: cathy@wspa.org.

Thank you.
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Attachment: www.arb.ca.gov/lists/com-attach/11-aug-13-refinery-ws-UyQHclYnWGoHXlc0.pdf

Original File Name: WSPA Comments on August 13 Workshop Cap and Trade MMR Regs.pdf

Date and Time Comment Was Submitted: 2013-08-28 09:24:54

No Duplicates.

There are no comments posted to Public Workshop to Discuss Allowance Allocation to Refineries (aug-13-refinery-ws) that were presented during the Workshop at this time.