

## Coalition for Fair and Equitable Allocation

VIA ELECTRONIC MAIL and refinerybenchmark-ws

March 10, 2014

Rajinder Sahota  
California Air Resources Board  
1001 I Street  
Sacramento Ca, 95814

Dear Rajinder:

Following up on the all-refiner meeting last week, the Coalition for Fair and Equitable Allocation (Coalition) hereby submits its comments on the February 26, 2014 Cap and Trade Regulation” Proposed Benchmarks for Refineries and Related Industries document (Benchmark Document). The Coalition appreciates the release of the Benchmark Document. It provides additional transparency and clarity on the issues. Establishing a new set of refinery benchmarks is a significant step in the development of the Cap and Trade Program (Program) that will impact facilities for years to come, and determines the baseline competitive position (both intrastate and interstate) for California refiners. It is under this umbrella of importance that Coalition was formed to protect the interests of smaller refinery operations in California. The Coalition includes Kern Oil & Refining Co., Alon USA, Inc., San Joaquin Refining Co. Inc., Lunday-Thagard Refining Co., and Phillips 66.

### Atypical Benchmark Designation

Formal recognition and separate benchmarking of “atypical” refineries in the Cap and Trade Program is a key policy recommendation the Coalition supports. As the Board has acknowledged, not all refineries in California are large and complex; the atypical category appropriately recognizes this reality. Additionally, as the concept of an atypical refinery is regional in nature—comparing apple to apples, it is entirely appropriate to establish criteria for an “atypical California refinery” based on the state’s existing inventory of facilities. ***The Coalition continues to support the proposed California-specific atypical criteria metrics of less than 12 process units and 20 million barrels of crude throughput per year.***

### CWB Benchmark Changes

The Benchmark Document again revised the Atypical Benchmark. Though this change is not as significant an adjustment downward, its ultimate value is of paramount importance to Coalition members. The additional data and calculations provided are a useful and welcome addition to the public record.

A major point of this year-long regulatory exercise was to establish viable benchmarks heading into the next compliance period. It is apparent CARB is getting close to the end of this process, which the Coalition supports. We also understand that final calculations and data review are occurring. ***The Coalition recommends that staff provide as much information as possible to the public on the final benchmark calculation and methodology as possible.***

Thank you for your attention to this important matter. Any questions or follow-up comments can be directed to Jon Costantino at 916-552-2365 or at [jcostantino@manatt.com](mailto:fcostantino@manatt.com).

Sincerely,

/s/

Jon M. Costantino  
Coalition Director

cc: CARB Board Members  
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