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March 10, 2014

VIA ELECTRONIC SUBMITTAL

Ms. Rajinder Sahota
California Air Resources Board
1001 "I" Street
Sacramento CA, 95814

**Subject: LTR's Comments on "Benchmarks for Refineries and Related Industries"
Dated February 26, 2014**

Dear Ms. Sahota:

Lunday-Thagard Company ("LTR") appreciates the opportunity to comment on the Proposed Benchmarks for Refineries and Related Industries guidance document ("guidance document") dated February 26, 2014.

LTR is a small privately-owned refinery located in Southern California with a processing rate of 10,000 barrels per day. LTR employs over 66 employees, with approximately 55% of our workforce residing within 5 miles of the refinery. LTR has been in operation for the past 75 years producing a variety of roofing and specification-grade paving asphalts using only a minimal amount of process units.

The comments presented herein reflect the following:

1. Continued support for the proposed "atypical refinery" definition; and
2. The need for increased oversight and accuracy when calculating the final benchmark value.

Continued Support for the Proposed Atypical Refinery Definition

As defined in the guidance document, LTR continues to support the California Air Resources Board's ("CARB") proposed size and complexity criteria that describe an "atypical refinery." Due to the independent nature of our organization, the mere absence of an atypical benchmark will undoubtedly translate into impacts that our business will not be able to tolerate. We commend the work that Staff has done to respond to our concerns throughout the benchmarking process. As one of the few remaining asphalt producers in the state, the proposed atypical refinery definition ensures that LTR can continue to produce asphalt products for the entire state of California.

Increased Oversight and Accuracy in Calculating the Final Benchmark Value

The guidance document describes the changes to two previous benchmark proposals. In addition, the guidance document also proposes another benchmark value that is *lower* than

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the previous two. While LTR does understand that these changes were attributed to “non-reviewed preliminary throughput data” and the omission of “off sites and non-crude sensible heat,” these errors call the accuracy of these calculations into question going forward.

In that regard, LTR recommends that the CARB take the necessary steps to assure stakeholders that the final benchmark values are not only calculated correctly, but are based on reliable data. Due to the small sample size of the atypical refinery group, any error in a benchmark value can have unwanted consequences to the allocation of an atypical refinery. To eliminate these consequences, the CARB must maintain full transparency during the calculation process, while still honoring the confidential nature of the data used in these calculations.

In summary, LTR continues to support the proposed size and complexity criteria that describe an atypical refinery. We also encourage the CARB to increase the amount of transparency and calculation checks to assure stakeholders that the final benchmark values are correct. Again, we appreciate the opportunity to comment on the guidance document.

Please feel free to contact me with any questions.

Sincerely,

/s/

Grant T. Aguinaldo
Environmental Manager