

APPENDIX E

RESPONSE TO COMMENTS ON DRAFT NEGATIVE DECLARATION

APPENDIX E

FINAL NEGATIVE DECLARATION

PARAMOUNT PETROLEUM REFINERY

NO_x REDUCTION PROJECT

RESPONSE TO COMMENTS

INTRODUCTION

This Appendix, together with the Draft Negative Declaration constitutes the Final Negative Declaration for the Paramount Petroleum Refinery NO_x Reduction Project.

The Draft Negative Declaration was circulated for a 30-day public review and comment period, which started on December 12, 2006, and ended January 10, 2007. The Draft Negative Declaration is available at the SCAQMD Headquarters located at 21865 Copley Drive, Diamond Bar, California 91765 or by phone at (909) 396-2039.

The Draft Negative Declaration included a detailed project description, the environmental setting for each environmental resource, and an analysis of the each environmental resource on the California Environmental Quality Act (CEQA) checklist including all potentially significant environmental impacts. Based on the Draft Negative Declaration, no significant adverse environmental impacts were identified associated with the proposed project.

The SCAQMD received one comment letter on the Draft Negative Declaration during the public comment period. Responses to the comment letter are presented in this Appendix. The comments are bracketed and numbered. The related responses are identified with the corresponding number and are included in the following pages. Pursuant to CEQA Guidelines §15073.5(c)(2), recirculation is not necessary since the information is provided in response to written comments on the project's effects does not identify any new, avoidable significant effects.

January 10, 2007

James Koizumi
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, California 91765-4182

Subject: Comments on the Negative Declaration for the Proposed Paramount Petroleum Refinery NOx Reduction Project

Dear Mr. Koizumi:

The purpose of this letter is to provide comments on the Negative Declaration for the proposed Paramount Petroleum Refinery NOx Reduction Project. The City appreciates the opportunity to comment on the Negative Declaration, recognizing its role as a Responsible Agency in the review of the proposed project. Below is a discussion of the issues that we believe should be addressed.

Aesthetic Impacts

The discussion of potential aesthetic impacts summarizes the equipment that is being proposed as part of the new project. The before and after images of the stack were useful in aiding in our understanding of how the stack would appear from a variety of perspectives. We do not concur that there would not be any significant aesthetic impact or that the impact would be less than significant. Some form of mitigation should be required to reduce the visual impact of the stack. We request that mitigation be added requiring that the stack and associated equipment, which is visible off-site, be painted with a color scheme that would lessen the visual impact. In addition, we recommend that a mitigation measure be included that requires the applicant to work with the City on providing adequate screening of the stack and associated equipment.

1-1

Air Quality Impacts

We found the air quality analysis to be well done and generally thorough. Our primary concern is related to the potential for toxic air contaminants from a release of ammonia. The Initial Study indicated that the impacts would be less than significant with respect to the potential for exposure of sensitive receptors to toxic air contaminants. The risk assessment, provided as an appendix, indicated the downwind distance for each ammonia hazard zone. The proposed ammonia vapor line would result in an overall vulnerability zone with a radius of 340 feet. It is recommended that mitigation, such as an alarm, closed circuit monitoring cameras, and/or other measures, be added to reduce the risk of upset.

1-2

Geology and Soils

The analysis for this issue is largely a compendium of baseline data concerning the location and extent of earthquake faults in the region. The analysis largely concludes that there will not be any significant adverse impacts because none have presented themselves during past seismic events. The discussion correctly points out that the refinery is located within an area that is subject to potential liquefaction. In addition, the site will be subject to strong ground motion in the event of a major earthquake, especially from the nearby Newport-Inglewood fault. The discussion indicates that soil studies have determined that groundwater levels are greater than the minimum 30-feet below the ground surface where liquefaction typically occurs. Mitigation measures should be added that specifically require the applicant to meet seismic safety codes adopted by the City.

1-3

Hazards and Hazardous Materials

Please refer to the previous comment regarding the potential for ammonia release from the proposed ammonia vapor line.

1-4

Noise Impacts

It is recommend that mitigation be added that commits the applicant to adhering to the City's noise standards for both temporary (construction) noise and operational noise.

1-5

Solid/Hazardous Waste

The discussion indicates those actions that will be implemented should hazardous and/or contamination be encountered. It is recommended that these measures be specifically identified as mitigation measures.

1-6

Thank you again for the opportunity to comment on this project. If you have any questions, please contact John Carver of my staff at 562-220-2048.

CITY OF PARAMOUNT

Joe Perez
Community Development Director

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COMMENT LETTER NO. 1

**Joe Perez, City of Paramount
January 10, 2007**

Response 1-1

The proposed project requires a Conditional Use Permit (CUP) from the City of Paramount. Paramount and the City have had discussions and are working on measures to screen the stack including the provisions for additional landscape vegetation and painting the stack in a manner and color acceptable to the City. The details of the screening measures will be developed as part of conditions to the CUP, which must be approved by the City Planning Commission. The Planning Commission is expected to consider the project in mid-February 2007. Paramount will continue to work with the City to develop a plan to help screen the stack in a manner acceptable to the City.

As discussed in the Negative Declaration, although the proposed new stack will be visible, none of the above significance criteria would be exceeded, so no significant aesthetic impacts have been identified and no mitigation measures are required. The conclusion that aesthetic impacts are not significant is also based on the following factors. From most views, the stack is barely perceptible offsite by the public. In a few views, although the stack is visible, it does not stand out to any greater extent than other similar stacks and columns. As a result, before and after views are very similar, showing industrial equipment at an industrial facility.

In addition to the above considerations, the proposed new stack will be built within the confines of the existing industrial refinery, not off-site in a location that would block or in any way affect scenic views or introduce a new light source that would create glare impacts. As a result, the aesthetic impacts of the new in-stack SCR were considered to be less than significant because the proposed project impacts did not exceed the applicable significance criteria, which were identified as follows (see Negative Declaration page 2-4):

- The project will block views from a scenic highway or corridor.
- The project will adversely affect the visual continuity of the surrounding area.
- The impacts on light and glare will be considered significant if the project adds lighting which would add glare to residential areas or sensitive receptors.

Based on these factors, aesthetic impacts were concluded to be less than significant and mitigation measures were not required. CEQA Guidelines §15126.4(a)(3) indicates that “Mitigation measures are not required for effects which are not found to be significant.”

Response 1-2

As discussed in the Draft Negative Declaration, the installation of additional ammonia piping will not increase the hazards of an accidental ammonia release at the Refinery because the hazards of a release from the existing storage tank is much larger than any release from new piping. An accidental release from the new ammonia pipeline to the new SCR would have substantially lower consequences than an accidental release from the existing ammonia storage tank. Based on the hazard analysis, no new hazards are associated with the proposed project and no significant hazard impacts are expected from the proposed project. Therefore, mitigation measures are not required (CEQA Guidelines §15126.4(a)(3)).

The Negative Declaration includes a description of the various safety laws and regulations that serve to minimize the hazards associated with accidental releases of chemicals at industrial facilities, including the Paramount Refinery (see pages 2-33 through 2-34). A variety of safety laws and regulations have been in existence for many years to reduce the risk of accidental releases of chemicals at industrial facilities. The Occupational Safety and Health Administration (OSHA) passed the Process Safety Management of Highly Hazardous Chemicals rule in 1992 (29 CFR 910.119). This rule was designed to address the prevention of catastrophic accidents at facilities handling hazardous substances, in excess of specific threshold amounts, through implementation of Process Safety Management (PSM) systems for protection of workers. A major PSM requirement is the performance of process hazard analyses to identify potential process deviations and improved safeguards to prevent accidents.

A federal EPA Risk Management Program (RMP) and a more stringent state RMP, the California Accidental Release Program (CalARP), were developed for the Paramount Refinery and most recently submitted to appropriate agencies in 2005. The RMP's contain hazard assessments of both worst-case and more credible accidental release scenarios, a five year accident history, an accident prevention program, and an emergency response program. The Los Angeles County Fire Department Hazardous Materials Division administers the RMP for the Refinery. Since the preparation of the RMP there have been no changes to the accident release scenarios and the proposed project will not change the potential accident release scenarios. There have been no accidents associated with anhydrous ammonia at the Refinery and the Refinery has implemented the accident prevention program and emergency response program. The proposed project will not require any modifications to the RMP because there will be no change in the inventory of anhydrous ammonia stored on-site. In addition, operators of the Refinery have prepared an emergency response manual, which describes the emergency response procedures that would be followed in the event of any of several release scenarios, including an ammonia release, along with the responsibilities of key personnel.

The Paramount Refinery adheres to the following safety design and process standards:

- The California Health and Safety Code Fire Protection specifications.

- The design standards for petroleum refinery equipment established by American Petroleum Institute, American Society of Mechanical Engineers, the American Institute of Chemical Engineers, the American National Standards Institute, and the American Society of Testing and Materials.
- The applicable Cal-OSHA requirements.
- The Paramount Refinery maintains its own emergency response capabilities, including onsite equipment and trained emergency response personnel who are available to respond to emergencies anywhere within the Refinery.

In addition to the above, Paramount inspects, reviews, and records the gauge readings at the anhydrous ammonia tank once a shift (twice a day) for usage and ordering, which helps to identify leaks.

Finally, the proposed project includes safety equipment including excess flow valves that stop the flow of ammonia in the event of a high flow through the line (e.g., in the event of a pipe rupture or leak) (see page 2-30 of the Negative Declaration). In addition, Paramount will install a low flow alarm on the ammonia flow meter into the SCR, which will alert the operators in the event of a loss of line pressure or flow. The excess flow valve provides physical protection and the alarm will provide notification to the Paramount operators of potential releases. Cameras would not help in reducing the risk of a rupture or assist in identifying a rupture should it occur because ammonia would leak in gaseous form which would not be visible.

Response 1-3

The comment that “The analysis largely concludes that there will not be any significant adverse impacts because none have presented themselves during past seismic events” is incorrect. As discussed in the Draft Negative Declaration, “no significant impacts from seismic hazards are expected since the project will be required to comply with the Uniform Building Codes” (see page 2-25 of the Negative Declaration). Compliance with the Uniform Building Codes, which is part of the proposed project, is required and is expected to minimize the geological hazards to less than significant. The City of Paramount indicates that they follow the 2001 State Uniform Building Code with the 2002 Los Angeles County Amendments. Therefore, the language requested in this comment is already included in the Negative Declaration as part of the proposed project (see pages 2-25 and 2-26).

Response 1-4

With regard to the potential for an accidental release of ammonia from new piping, see Response 1-2.

Response 1-5

As discussed in the Draft Negative Declaration (see pages 2-42 through 2-44), no significant noise impacts were identified for the proposed project, so no mitigation measures are required (CEQA Guidelines §15126.4(a)(3)). Paramount is required to comply with the City's noise standards and the City has the power to enforce these standards already so mitigation measures requiring compliance with such standards are not required.

Response 1-6

As discussed in the Draft Negative Declaration (see pages 2-49 through 2-50), no significant solid/hazardous waste impacts were identified for the proposed project, so no mitigation measures are required (CEQA Guidelines §15126.4(a)(3)). Paramount is required to comply with air quality and hazardous waste regulations if contaminated soil is encountered so mitigation measures enforcing such regulations are not required. As discussed in the Negative Declaration (see pages 2-49), Paramount has implemented institutional procedures that govern soil excavation, spill clean-up, trenching, and earthwork to ensure that soil excavation, including soil removal due to spills, is carried out in conformance with applicable regulations. When excavating soils, the Refinery uses excavation contractors that have a soil mitigation plan for impacted soils pursuant to SCAQMD Rule 1166 (the "Rule 1166 Plan"). The plans are approved by the SCAQMD. Copies of the plans are on file with the SCAQMD, and are kept on-site by the excavating contractor during the excavation. In general, the Rule 1166 plan requires advance notice to the SCAQMD prior to excavating, monitoring for VOCs during the excavation, and covers and/or vapor suppressants on the excavated soil if the VOCs are measured in excess of 50 ppm. Following the excavation, the soil is analyzed by a State-certified laboratory to determine if it is hazardous or non-hazardous.