

California Environmental Quality Act (CEQA)

NOTICE OF EXEMPTION

**TO: Contra Costa County
Clerk Recorder's Office
555 Escobar Street
Martinez, CA 94553**

**FROM: Bay Area Air Quality
Management District
375 Beale Street, Suite 600
San Francisco, CA 94105**

**SUBJECT: FILING OF NOTICE OF EXEMPTION PURSUANT TO CEQA § 21152(b) AND CEQA
GUIDELINES § 15062**

**PROJECT TITLE: Air Liquide Large Industries – Issuance of Permits to Operate Altered Sources
and a Certificate of Exemption for Renewable Feed
and Fuels Project (Application 32127)**

Public Agency Approving Project (Lead Agency): Bay Area Air Quality Management District, 375
Beale Street, Suite 600, San Francisco, CA 94105, Attn: Jimmy Cheng, Supervising Air
Quality Engineer, (415) 749-5022, jcheng@baaqmd.gov

Project Applicant and Entity Carrying Out Project: Air Liquide Large Industries (Air Liquide)

Project Applicant Address: 1380 San Pablo Avenue, Rodeo, CA 94572

Project Applicant Contact Person: Eric Kleinschmidt, Senior Environmental Specialist, Air Liquide
Large Industries, (510) 825-0950, eric.kleinschmidt@airliquide.com

Project Location: 1380 San Pablo Avenue, Rodeo, Contra Costa County, CA 94572, Near A Street

Project Description:

The Air District has issued Permits to Operate Altered Sources and a Certificate of Exemption to Air Liquide for changes to feedstocks, fuel gas, and hydrogen product resulting from its transition from a petroleum to a renewables facility. Air Liquide is a hydrogen plant located within the Phillips 66 San Francisco Refinery in Rodeo, CA. It supplies the refinery with hydrogen, electricity, and steam. Air Liquide's application was to make changes to its methods of operation only; the project does not require any physical changes to the facility. The changes do not increase the potential to emit (PTE) from any source. The Air District has determined that the changes are alterations. Permit conditions were imposed to ensure that the changes authorized by these Permits to Operate and Certificate of Exemption will not result in a New Source Review modification and will not result in an increased PTE from any source.

The project is summarized as follows:

- Begin to receive and process feedstock and fuel gas and combust fuel gas from Phillips 66 that are renewable-based instead of petroleum-based; this new renewable-based feedstock and fuel gas will be provided by Phillips 66 upon startup of the Phillips 66 Rodeo Renewed Project (under Application 31157).
- Begin to supply hydrogen product to Phillips 66 that is partially renewable-based.
- Become a support facility to an "industrial organic chemicals" plant (SIC code 2869) instead of a "petroleum refinery" (SIC code 2911).
- Continue to process Pacific Gas and Electric (PG&E) natural gas as feedstock.
- Continue to combust PG&E natural gas as fuel gas.

- Continue to operate within the currently permitted hydrogen production rate (of 120 million standard cubic feet per day (MM scf/day)), maximum furnace firing rate (of 1072 MM Btu/hr and 8,541,000 MM Btu/yr), and all other permit limits (including existing hourly, daily, and annual emissions limits). Note that the maximum firing rates also serve as a fuel usage limit.

The project's sources are shown in the table below.

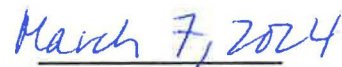
Source/ Abatement No.	Source Description/Capacity	Pre-changes Status	Permit Exemption	Post-changes Status
S-1	Hydrogen Plant, 120 MMscf/day	Permitted, NSR	NA	Permitted, Alteration; no increased PTE
S-2	Hydrogen Plant Furnace (also known as Steam Methane Reformer Furnace), 1072 MMBtu/hr, abated by A-1 Selective Catalytic Reduction Unit	Permitted, NSR	NA	Permitted, Alteration; no increased PTE
S-3	Hydrogen Plant Flare, 2200 MMBtu/hr	Permitted, NSR	NA	Permitted, Alteration; no increased PTE
S-4	Cooling Tower	Exempt	Regulation 2-1-128.4 (No Change)	Exempt, Alteration; no increased PTE

Finding of Exemption:

The issuance of the Permit to Operate is ministerial, so it is not subject to CEQA (Public Resources Code § 21080(b)(1); CEQA Guidelines § 15268(a)).

Reasons for Exemption: S-4 is exempt from the Air District's permitting requirements. The changes to S-1, S-2, and S-3 reflected in Application 32127 are alterations, which are ministerially exempt from CEQA. The Air District's regulatory requirements that governed the approval of those changes did not allow for any subjective judgement related to whether or how the changes may be carried out. The project must comply with objective numerical standards using only standardized sources, such as, but not limited to: emissions factors from published governmental sources and established formulas from published engineering and scientific handbooks, including BAAQMD Permit Handbook Chapters 2.1 (Boilers, Steam Generators & Process Heaters) and 11.4 (Cooling Towers). These fixed standards do not allow for or require any subjective judgment or discretion to interpret or apply. Additionally, the Air District is legally compelled to approve the application where it complied with these standards. Furthermore, the changes will not result in increased capacities or PTE from any source. Thus, this project did not trigger Best Available Control Technology (BACT) or BACT for toxics (T-BACT). Therefore, the Air District's action was ministerial.


 Pamela J. Leong
 Director of Engineering
 Bay Area Air Quality Management District


 Date