



Legislation Text

File #: 18-0117, **Version:** 1

TO:

Honorable Mayor and Members of the City Council

THROUGH:

Bruce Moe, City Manager

FROM:

Anne McIntosh, Community Development Director
Dana Murray, Environmental Programs Manager
George Gabriel, Management Analyst

SUBJECT:

Request by Mayor Howorth and Mayor Pro Tem Napolitano to Discuss Sending a Letter to the South Coast Air Quality Management District Regarding a Rule Prohibiting Use of Modified Hydrofluoric Acid at the Torrance Refinery (Community Development Director McIntosh).

DISCUSS AND PROVIDE DIRECTION

RECOMMENDATION:

Staff recommends that City Council discuss and provide direction on sending a letter to the South Coast Air Quality Management District regarding a rule prohibiting use of modified hydrofluoric acid (MHF) at the Torrance Refinery.

FISCAL IMPLICATIONS:

There are no fiscal implications associated with the recommended action.

BACKGROUND:

The Torrance Refinery has been in operation under various ownership groups since 1907. The Torrance Refinery covers 750 acres in North Torrance and is located 2.46 miles away from the City of Manhattan Beach. The Refinery is in close proximity to residential and large commercial areas.

The Refinery was recently purchased in July 2016 by PBF Energy (PBF). Prior to that, it was owned by ExxonMobil for 16 years. PBF's website states that, "[PBF] is one of the largest independent petroleum refiners and suppliers of unbranded transportation fuels, heating oil, petrochemical feedstocks, lubricants and other petroleum products in the United States." PBF has more than 600 employees and another 400-500 contractors working on-site daily. The refinery produces approximately 149,000 barrels of crude oil per day. Modified hydrofluoric acid (MHF) is used at the Torrance Refinery as an alkalizing agent in the oil refining process.

Following an explosion at the Refinery in 2015, the U.S. Chemical Safety Board released a report stating:

"As a result of this incident, a near miss event occurred in the modified hydrofluoric acid (MHF)

alkylation unit when explosion debris nearly hit tanks in close proximity to the ESP, each containing hydrofluoric acid (HF), water, hydrocarbons, and a chemical additive intended to reduce the amount of HF vaporized during a loss of containment event. HF is a highly toxic chemical that can seriously injure or cause death at a concentration of 30 parts per million (ppm)."

At the May 16, 2017 City Council meeting, Mayor Howorth requested placing an item on the future agenda items list for discussion regarding State Assemblymember Al Muratsuchi's proposed bill (Assembly Bill 1645) to phase out the use of MHF at the Torrance Refinery. Following the request, staff researched the matter and discovered that legislation was pending a decision by the existing regulatory authority, the Southern California Air Quality Management District (AQMD). The matter was placed on the agenda forecast on an uncertain date pending AQMD's deliberation upon a proposed rule (PR1410), "Hydrogen Fluoride Storage and Use at Petroleum Refineries."

At the AQMD's meeting on January 20, 2018, the AQMD Refinery Committee with assistance from the California Occupational Safety and Health Administration (CALOSHA), began considering operational changes to increase the level of safety at the Torrance Refinery. Part of the deliberation is to either consider an eight-year phase out of MHF or a non-phase out option by providing added levels of safety to the Refinery's operations.

At the February 6, 2018 City Council meeting, Mayor Pro Tem Napolitano requested to agendize a discussion on sending a letter to the South Coast Air Quality Management District regarding the proposed rule prohibiting use of MHF at the Torrance Refinery.

DISCUSSION:

Following the U.S. Chemical Safety Board report on the 2015 explosion, members of the community have advocated for the removal of MHF from use at the Torrance Refinery and urged the City of Manhattan Beach to weigh in on the issue.

Thus far, the Los Angeles County Board of Supervisors has taken a position supporting a variety of safety reforms for the Refinery and sent a letter to AQMD supporting a ban on the use of MHF. On March 6, 2018, the Redondo Beach City Council approved sending a letter to the AQMD requesting that the use of MHF be banned. In a letter to the City of Redondo Beach on February 28, 2018 (Attachment 1), PBF Energy stated:

"The Torrance Refining Company is confident that the many layers of protection safety systems and mitigation measures built into our MHF alkylation unit allows the Refinery to operate safely, reliably, and in an environmentally responsible manner. MHF is the newest, most advanced alkylation catalyst technology available today and the Torrance Refinery's MHF alkylation unit with its current safety systems is the best and safest alkylation process for Torrance Refinery...we encourage the City to not adopt a Resolution or Letter of Support that would support a phase-out of MHF. However, if the City feels that it must take some action, we ask the City to take a position similar to the City of Torrance and support the AQMD's PR 1410 rulemaking."

Existing law authorizes the State Air Resources Board or the air district, AQMD in this instance, to require the owner or the operator of an air pollution emission source to take any action that the State

Board or the air district determines to be reasonable for the determination of the amount of air pollution emissions from that source. Therefore AQMD is continuing discussions on the proposed rule, PR 1410, and has tentatively scheduled their meeting for April 28, 2018.

Should the Manhattan Beach City Council decide to take a position on the issue, City Council may authorize the Mayor to sign a letter stating the City Council's position and work with staff on developing the letter to the AQMD prior to the tentatively scheduled meeting on April 28, 2018.

PUBLIC OUTREACH/INTEREST:

After analysis, staff determined that public outreach was not required for this issue.

LEGAL REVIEW

The City Attorney has reviewed this report and determined that no additional legal analysis is necessary.

Attachments:

1. U.S. Chemical Safety Board Report on Torrance Refinery Explosion (Executive Summary)
2. PBF Energy Letter to City of Redondo Beach
3. LA County Amended Motion from March 8, 2017 Board Meeting
4. PowerPoint Presentation (AQMD)