



STATE OF CALIFORNIA  
OFFICE OF THE ATTORNEY GENERAL  
EDMUND G. BROWN JR.  
ATTORNEY GENERAL

March 6, 2008

Honorable Tom Butt  
Council Chambers  
City of Richmond  
235 East Scenic Ave.  
Richmond, CA 94801

RE: Chevron Energy and Hydrogen Renewal Project

Dear Councilman Butt:

As you may know, my office has submitted comments concerning Chevron's Energy and Hydrogen Renewal Project (Project) and the City's Final Environmental Impact Report (FEIR). We send you this letter to highlight some very positive aspects of the FEIR as well as some remaining concerns. The public and the City Council are rightfully very concerned about this Project's environmental impacts.

We are pleased to learn that Chevron will be required to mitigate greenhouse gas emissions from the Project to a net of zero emissions. This requirement sets an important precedent and helps address the growing problem of global warming. We very much appreciate the City's leadership on this matter.

We are concerned, however, about five important deficiencies in the FEIR. First, while the Project is required to mitigate greenhouse gas emissions, there is no commitment to any specific mitigation measures or for actions in the local Richmond area. Local mitigation has the potential for co-benefits, by reducing localized air pollution impacts as well. Under the current terms of the FEIR, Chevron does not have to mitigate the GHG emissions in Richmond or at its refinery. It could, conceivably, mitigate its GHG emissions in any part of California, except Richmond. There is currently no requirement that Chevron mitigate the Project's GHG emissions by making its refinery more energy efficient by replacing old polluting equipment with more efficient and less polluting equipment, for example. While the FEIR requires consideration of these types of mitigation measures, it does not require them. Nor does it require any particular mitigation measure or set criteria for determining whether a particular mitigation measure will be acceptable. By failing to identify specific mitigation measures and criteria that Chevron must



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follow, the City is relinquishing its opportunity (and obligation) to shape those mitigation measures and where they will take place.

Second, the FEIR fails to identify and include an enforcement plan for actions to be taken if Chevron fails to meet its mitigation obligations. Currently, the FEIR only requires that Chevron submit an annual report to the Planning Department describing its progress. The FEIR does not state what must be included in the annual report, what will happen if the mitigation measures are not working as expected, and what penalties, if any, will be imposed for failure to meet its commitment of net zero emissions.

Third, the FEIR fails to discuss in any detail the conclusion that air pollutants (volatile organic compound emissions) from the Project are no longer considered significant. This requires specific explanation.

Fourth, the FEIR does not explain the Project's flaring impacts and mitigation.

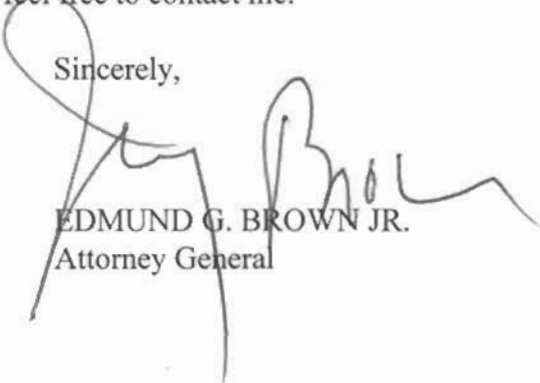
Fifth, although Chevron has stated publicly that it is not changing its crude slate from the current profile, the FEIR does not include crude slate conditions to ensure that result. Because of the relation of the crude slate to overall pollution from the Project, such conditions are important.

While the FEIR indicates that the GHG mitigation plan must be approved by the City, it would be better at the outset to set forth the conditions the City wants. Otherwise, the City would be left with the choice of either accepting the proposed plan it does not want or starting all over again, wasting valuable time and money.

We urge the City Council to address these issues by requiring specific and enforceable mitigation and ensuring a full discussion of impacts in the FEIR.

If you have any questions, please feel free to contact me.

Sincerely,



EDMUND G. BROWN JR.  
Attorney General