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Global Marketing



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September 30, 2005

California Energy Commission
Dockets Office, MS-4
Re.: Docket No. 02-P11-01
1516 Ninth Street
Sacramento, CA 95814-5512

Re. PIIRA 15-Day Language

Docket No. 02-P11-01:

Chevron Products Company is a major manufacturer and marketer of petroleum products in the State of California. As such, we are directly and significantly affected by the subject rulemaking and appreciate the opportunity to comment.

We are a member of good standing in the Western States Petroleum Association and support fully the comments submitted by that organization.

However, we want to emphasize one issue of particular interest to us, the requirement to submit detailed Refinery Flow Diagrams and Site Maps, Appendix C (VII and VIII). Chevron continues to object to the production and submission of such documents:

The CEC has not made an adequate case for this requirement. There are no specific statutory requirements that CEC obtain this information, so the CEC is acting purely at its own discretion. Under these circumstances, the Commission needs to establish that the public interest in its possession of such business confidential and security-sensitive information outweighs the public risk plus the cost and inconvenience placed upon the obligated parties. We do not believe that adequate justification for these requirements was presented to the Commission at the April 15, 2005 adoption hearing nor was it provided at the adoption hearing itself.

The only stated rationale we've found for these requirements in CEC documentation is as follows:

"This information is critical in the case of energy emergencies, particularly if damage has occurred at a facility. Refinery and pipeline operators' flow diagrams and site maps should be readily available for emergency response and public safety purposes." (Comment #31, Summary and Response to Comments Received During the 45-day Comment Period of December 3, 2004 through January 18, 2005)

The information needed for emergency response and public safety purposes in the event of any emergency at one of Chevron's two California refineries is the subject of regular communications between Chevron and local government health and safety agencies. We are not aware of any incident in the history of our two refineries where the lack of such information contributed to health or safety concerns. In fact, there exist California and Federal regulations that require creating and maintaining strong relationships to deal with emergencies at the local level, e.g., CalARP (Accidental Release Prevention) and EPA's RMP (Risk Management Program). The latter requires hazard assessment, prevention programs, and a full dialog with the affected community on emergency response. CalARP requires review and approval of each facility's emergency scenarios by local emergency agencies such as fire departments. We are unaware of any role that CEC plays on this process and don't perceive a need for CEC involvement. So the issue is what the CEC believes it contributes to "emergency response and public safety" such that it needs Refinery Flow Diagrams and Site Maps and what conceivable purpose it would serve for CEC to have them.

The connection between the CEC's mission and the stated need for Refinery Flow Diagrams and Site Maps is tenuous at best. The Legislature did not intend that the CEC become involved in on-site response to industrial emergencies. That is the mission of local public safety agencies and, as indicated, we maintain close working relationships with such agencies and share the information needed to respond to emergencies. And, based on these long-standing relationships, we cannot think of a local agency need that would be served by the collection and dissemination of this information by the CEC. Nor are we aware of any CEC activity that would be served. On the contrary, the CEC appears to have established a requirement without having considered whether there truly is a need.

Moreover, the Refinery Flow Diagrams and Site Maps in the form envisioned by CEC regulations do not exist at our company so they would have to be created from a number of existing data sources. It would require many hours of labor to create the diagrams as specified and they would have to be updated with each and every modification. The diversion of resources would adversely affect our current efforts to ensure and improve reliability and implement capital projects, both of which are needed to help us keep up with customer demand, to address community concerns, and to meet our environmental performance obligations. We fail to understand why the production of Refinery Flow Diagrams and Site Maps should command a higher priority.

The requested information is also highly technical in nature, fully understandable only to experienced refinery engineers. Since the CEC is not in the business of operating and maintaining refineries, we question whether CEC staff would have the time or resources to make the considerable effort that would be required to understand the information, let alone put it to good public use. This leads us to question, once more, whether Commission staff has thoroughly considered what they would do with this information. The requirement that the Flow Diagrams be submitted as editable electronic files adds to this concern.

The information requested is extremely sensitive and that sensitivity transcends the traditional concerns about trade secrets. We have come to respect the CEC for its ability to preserve the confidentiality of trade secret information and appreciate the protections that PIIRA offers. However, the information being required in the refinery flow diagrams, should they fall into the wrong hands, could have potential consequences far beyond those of the revelation of trade secret information. Following the September 11, 2001 tragedies, refinery security at Chevron was reviewed and a large amount of similar detailed information about industrial operations was removed from public access due to security concerns. Thus, not only would the CEC take on a greater responsibility in protecting such information from public

access, it would also need to overcome a higher hurdle to justify compelling the submission of such information and the increased risk that it will fall into the wrong hands.

We would welcome direct discussions with CEC staff concerning the CEC's perceived need for the Refinery Flow Diagram and Site Map information and work out a mutually agreeable means to achieve the CEC goals. While we have had that opportunity with regard to most of the overall rulemaking, these specific requirements have escaped discussion. This is not the way we have typically worked with the Commission. In our observation, staff/industry dialogue—while not always easy--has produced outcomes that better serve all stakeholder interests. We urge the Commission to revisit the rules requiring Refinery Flow Diagrams and Site Maps and, through a collaborative process, to find a more suitable solution for whatever need it perceives it has for such information. Failing that, antagonism over this issue is likely to continue.

Sincerely,

A handwritten signature in cursive script, appearing to read "Al Jessel".

Al Jessel