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NEWS RELEASE

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ENVIRONMENTAL GROUP ASKS U.S. ENVIRONMENTAL PROTECTION AGENCY TO OBJECT TO TWO BAY AREA REFINERY PERMITS

New Rules Eliminate Requirement that Industry Monitor its Pollution Output

San Francisco, CA. — Our Children's Earth filed a petition with the U.S. Environmental Protection Agency (EPA) asking Administrator Michael Leavitt to object to the operating permits for two Bay Area refineries due to their failure to assure compliance with the Clean Air Act.

The federal operating permits, issued by the Bay Area Air Quality Management District, (BAAQMD) to the Valero Refining Company in Benicia, Calif., and the Tesoro Refining Company's Golden Eagle Refinery in Martinez, Calif., are deficient and do not do enough to protect the public from the harmful effects of air pollution emitted from the refineries.

"The laws requiring integrity in permitting were enacted to make sure that permits that govern the daily operations of these large pollution sources correctly reflect the laws they are bound by," said Tiffany Schauer, Executive Director of Our Children's Earth. "The Bay Area communities breathing the air deserve no less, particularly when the refineries are such large emitters of pollution."

The petition, filed by Golden Gate University's Environmental Law and Justice Clinic on behalf of OCE, asks that Leavitt object to the refinery permits issued by the BAAQMD in their current form until the permits assure compliance with all applicable federal legal requirements set forth in the Clean Air Act.

The refineries emit more than 21,000 tons of criteria pollutants each year, such as nitrogen oxides, which create ozone, the number one contributor to smog. Ozone is created when nitrogen oxides and other volatile organic chemicals react to sunlight. A large body of scientific studies have shown that exposure to ozone can cause respiratory problems, including reduced lung function, and death.

*Background on the Refineries' recent compliance history
(Compliance data obtained from BAAQMD records)*

Tesoro Refining Company's Golden Eagle Refinery in Martinez, California

Between January 1, 2001 and October 1, 2004, Tesoro's Golden Eagle refinery in Martinez, CA was issued at least 165 notices of violation (NOVs) by BAAQMD for violations of air pollution regulations, at least 99 of which were issued in 2003 and 2004 and are still "pending" (not resolved).

The Tesoro refinery has also experienced a substantial number of episodes, including broken monitors, equipment breakdowns and other problems resulting in excess emissions. Between January 1, 2001 and October 7, 2004, the facility had at least 335 episodes, with 196 episodes in 2003 and 2004 alone.

Finally, the facility had six major incidents in 2004, including three significant flaring events (2/20, 7/4 and 10/30), and two fires within a one-month period (9/16, 10/14), all of which prompted "level 2" community alerts.

Valero Refining Company in Benicia, California

Between January 1, 2001 and October 1, 2004, Valero's refinery in Benicia, CA was issued at least 85 notices of violation (NOVs) by BAAQMD for violations of air pollution regulations, at least 51 of which were issued in 2003 and 2004.

The Valero refinery has also experienced a significant number of episodes, including equipment failures and other problems resulting in excess emissions. Between January 1, 2001 and October 7, 2004, the facility had at least 199 episodes, with 88 episodes in 2003 and 2004 alone.

The facility had two major incidents in 2002 and 2003, including a significant flaring event (6/3/02) and large crude oil spill (1/29/03).

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