BY ELECTRONIC MAIL

11/20/2020

Candace Anderson, Diane Burgis, John Gioia, Karen Mitchoff, and Federal D. Glover Contra Costa County Board of Supervisors 651 Pine Street, Room 107 Martinez, CA 94553

Dear Chair Anderson, Vice-Chair Burgis, and Supervisors Gioia, Mitchoff, and Glover,

The undersigned organizations applaud your recent Declaration of a Climate Emergency in Contra Costa County, which underlines the need to "plan for a 'Just Transition' away from a fossil-fuel dependent economy." In furtherance of this goal, we seek your immediate action to ensure just transitions for workers and communities threatened with sudden abandonment by refineries located in the County. We believe climate protection must go hand in hand with environmental and economic justice. All of this is now at risk in the Contra Costa County oil belt.

As you know, Marathon abruptly announced in August the immediate permanent end to crude processing at its Martinez refinery. Phillips 66 followed suit with notice of the impending partial closure of its San Francisco Refinery Complex facilities in Rodeo, Franklin Canyon, and Arroyo Grande. Both companies proposed switching to significantly downsized production of non-petroleum fuels, which will involve fallowing of large portions of the refineries. Neither announcement identified any explicit commitment to full cleanups of the contaminated industrial sites. Of even more immediate concern, neither company committed to support the wages, health care, or pensions of all whose jobs these facility closures threaten.

These refinery downsizings—which may well be a harbinger of additional closures in the future—will jeopardize not just the livelihoods of the refinery employees, but those of thousands of families in the surrounding communities whose jobs are indirectly dependent upon the existence of the refineries. Refinery downsizing and shutdown also threaten a significant portion of the tax base upon which community government and essential services depend. Ultimately at risk are future prospects for environmentally healthy and economically sustainable development in communities hosting the decommissioned plant sites.

Accordingly, we strongly urge you to take three immediate actions:

First, we urge you to use your local land use authority to secure commitments from Marathon and Phillips 66 to cover direct and indirect costs associated with downsizing and ultimate decommissioning; and to pay their fair share of the cost for just transitions for workers and communities. At this critical juncture, when the companies are submitting permit applications seeking your approval of unprecedented land use changes in your jurisdiction, you should establish permit conditions setting stringent cleanup standards, requiring financial accountability for meeting those standards, and assessing fees to fund a just transition. Specifically, permit conditions should require that decommissioned refinery sites be remediated to a level allowing unrestricted use. Your decisive action in this regard would echo in concept the requirement under California state law (Public Resources Code §§ 3204–5) that owners of oil wells and other fossil fuel facilities post bonds or otherwise establish financial accountability up front to cover costs of decommissioning and remediation. The County should take like steps to ensure that Marathon and Phillips 66 demonstrate up-front accountability for closure-related costs.

Second, to prepare for the anticipated rising tide of future decommissioning, we urge you to pass an ordinance or resolution similar to those passed in King County (Seattle) and Multnomah County (Portland) that aim to establish financial accountability requirements for refineries and other fossil fuel infrastructure as part of a holistic risk management and just transition strategy. The new plans by Marathon and Phillips 66 to transition from oil to biofuels production highlight the financial shakiness of California's fading oil industry, and the risk that further downsizing of oil refining capacity—which will ultimately be essential in any case for a livable climate—may leave the County and its taxpayers holding the bag for decommissioning-related costs and economic losses.

Third, we urge you to strongly advocate for state action supporting just transitions for fossil fuel workers and communities, as well as full site cleanups to unrestricted use. Governor Newsom's Executive Order N-79-20 provides for your consultation on state oil facility transition policy. Your Climate Emergency Declaration, Resolution 2020/256, calls for "urgent action by all levels of government" to address our climate emergency, while committing the County to develop just transition strategies locally. And as shown by the County's landmark Industrial Safety Ordinance, upon which statewide refinery process safety management policies are now largely modeled, your leadership is important.

The large oil companies who have for so long made their profits in our communities ought to be the ones to pay the steep cost associated with their departure. All levels of government should consider taking action akin to the State of Colorado's Draft Just Transition Plan to assist dislocated coal workers and affected communities. California also reached a Collaborative agreement with workers, PG&E and the community for the safe and responsible closure of the Diablo Canyon Nuclear Plant. Governments around the world provide additional examples of just transition strategies, having supplemented unemployment or paid full salaries to workers laid off due to COVID, and, in some cases, supported COVID-idled workers at full salary.

We look forward to your response to this request for worker and community protection and stand ready to further support immediate action to address these urgent environmental and economic needs.

Sincerely,

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¹ King County, https://tinyurl.com/y2pd6d58

² Multnomah County, https://tinyurl.com/y569d4x3

³ State of Colorado House Bill 19-1314, May 28, 2019, https://tinyurl.com/y476scfx; Draft Colorado Just Transition Plan, https://tinyurl.com/y6crujwa

⁴ Diablo Canyon Nuclear Power Plant, https://tinyurl.com/zegu5p7

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