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Officials: CENCO won't open

Robertson dropping plans for refinery

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SANTA FE SPRINGS -- Television evangelist Pat Robertson is expected to announce within days that he is abandoning a plan to open the CENCO refinery, oil industry and Santa Fe Springs city officials said Wednesday.

In an e-mail announcement to oil companies Wednesday, the Oil Price Information Service of New Jersey quoted CENCO company President Lowell Morse as saying the company would soon announce it is dropping plans to open the refinery at the former Powerine Refinery, which closed in 1995. The Pat Robertson Trust, which owns CENCO Refining Co., bought the plant in August 1998.

CENCO most likely will develop the 93-acre site on Lakeland Road as an industrial complex, although details of any future development plans were not immediately available, according to OPIS and Santa Fe Springs City Manager Fred Latham.

The change in plans was not a complete surprise. As early as October, CENCO and Santa Fe Springs officials were in discussions about possible alternative projects for the old Powerine plant, including developing that land, Latham had said in December.

"It appears CENCO is now in a position to finalize that decision and make a public announcement," the city manager said Wednesday.

"The change considers abandoning the concept to restart the refinery and evaluating alternative uses, including development of an industrial or business park," Latham said.

The announcement, expected to come as early as today, would end CENCO's long, uphill struggle to open a \$140-\$150 million "state-of-the-art" refinery. When company officials announced their plans in 1998, they asserted the refinery would be equipped with a multitiered safety system that would provide ample warning to the community in the event of any emergency.

As it turned out, residents living near the closed plant were more concerned about the potential for foul smells from a new refinery than from possible explosions.

Within a month after CENCO bought Powerine, residents at Fulton Village, a mobile home park of mostly senior residents, wrote to the city to protest CENCO's plans for opening, gathered 150 signatures in petitions sent to the South Coast Air Quality Management District and eventually persuaded the AQMD to conduct a review of CENCO's permit application.

On Tuesday, after learning CENCO might not open after all, residents expressed relief.

"That's great for us," said Dale Sanchez, whose home on Norwalk Boulevard is the nearest single-family house to the old Powerine plant.

"I don't think anybody here wanted it to open. People still remember when Powerine was here and that smell that would go through the whole neighborhood. It was bad, like sulfur or rotten eggs."

By October 1998, CENCO had been sued by the city of Huntington Beach, which opposed CENCO's plans to pump oil from Huntington Beach to the refinery (the suit was later dropped when CENCO agreed to find another source of crude oil), and by Citizens for a Better Environment, which took up the cause of residents.

Several other lawsuits and legal actions against CENCO followed, including violation notices issued by the U.S. Environmental Protection Agency, the AQMD, the regional Water Quality Control Board and the state Department of Toxic Substance Control, which accused CENCO of illegally storing hazardous wastes on the site.

Financing also played a major role in keeping CENCO from opening. Officials last year said they were struggling to lure investors in a bid to raise more than \$100 million to open the refinery.

Then, last summer, Robertson accused big oil and gas producers of conspiring to thwart CENCO's reopening in a scheme to drive up the price of gasoline. Robertson said the companies had pressured banks and other potential investors to stay away from CENCO. An investigation into the charges did not turn up evidence of criminal wrongdoing, however.

Whether it was community opposition, the pending legal actions, or the company's lack of financing -- or a combination of these -- that prompted Robertson to drop the project was not clear Wednesday.

But Bob Van der Valk of Cosby Oil Co. in Santa Fe Springs believes CENCO's problems began early on, after it was denied access to pipelines that could bring crude oil from tankers docked offshore at Huntington Beach to the Santa Fe Springs plant.

"You can't bring in crude in trucks. It's got to be a steady stream and it's got to be scheduled weeks in advance," Van der Valk said. "To me, that was the crowning blow."

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