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March 9, 2016

VIA ELECTRONIC MAIL AND OVERNIGHT MAIL

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Re: Summary of Comments on the Final Environmental Impact Report for the Phillips 66 Company Rail Spur Extension Project

Dear Honorable Members of the San Luis Obispo County Planning Commission and Ms. Hostetter:

We are writing on behalf of Safe Fuel and Energy Resources California ("SAFER California"), Ian Ostrov, and Gene Sewall to provide comments on the Final Environmental Impact Report ("FEIR") for the Phillips 66 Rail Spur Extension Project ("Project"). Our comments, which are included in full in this packet, highlight many deficiencies in the FEIR. This cover letter provides a brief summary of several important points made in our comments.

- The FEIR unlawfully piecemeals environmental review of the Project from review of the San Maria Refinery Throughput Increase Project and the Rodeo

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Refinery Propane Recovery Project; these three components of Phillips 66's plan to import and refine North American crude are inextricably linked and should have been evaluated as a single project under CEQA.

- The FEIR substantially underestimates the Project's operational off-site and on-site emissions of criteria pollutants and precursors, including reactive organic gases ("ROG") and nitrogen oxides ("NOx") (ozone precursors) and diesel particulate matter ("DPM").

- The FEIR fails to adequately disclose, analyze, and mitigate the Project's highly significant health risks off-site and on-site.

- The FEIR fails to adequately disclose, analyze, and mitigate the Project's significant impacts due to changes in crude slate.

- The FEIR fails to evaluate the air quality impacts from significant unmitigated ROG emissions from on-site railcar fugitive leaks for both the originally proposed Project and the Reduced Rail Deliveries Alternative ("Alternative").

- The FEIR fails to evaluate significant on-site hazards from Project's increased potential for catastrophic releases due to higher corrosivity of Canadian tar sands crudes compared to existing crude slate.

- The FEIR fails to adequately consider and recommend feasible and available options to mitigate highly significant off-site hazards.

- The FEIR fails to evaluate all of the Alternative's significant impacts with respect to air quality, health risks, and greenhouse gas emissions. Approval of the Alternative would not reduce the Project's impacts to less than significant levels.

- The FEIR fails to properly establish existing conditions for biological resources, which is critical to adequately analyzing the Project's significant impacts on those resources.

- The FEIR fails to adequately disclose, analyze, and mitigate the Project's significant impacts to biological resources, particularly rare plants,

burrowing owls, legless lizards, coast horn lizards, American badger, and other sensitive species.

- The FEIR fails to include a mitigation management plan or a funding mechanism that would ensure the long-term success of mitigation land.

- The Project would permanently destroy over 20 acres (and likely much more) of Environmentally Sensitive Habitat Area.

- The Project is inconsistent with various land use plans, laws, and policies covering the Project area, including the County's General Plan, the Coastal Zone Land Use Ordinance, the Local Coastal Plan, the South County Coastal Area Plan, and the Coastal Act.

- Mitigation measures evaluated in the FEIR are unlawfully deferred, vague, unenforceable, or otherwise inadequate.

- The County is not preempted from imposing many available, feasible and enforceable mitigation measures.

For these reasons, we urge the Commission to deny this Project based on the Staff Report findings for denial, as well as these and other public comments. Until the violations, flaws, and omissions described in these documents are resolved, the County may not lawfully approve the Project.

Furthermore, should the Commission decide to move forward with review of the Alternative, the Commission must first direct staff to prepare a revised EIR that fully discloses, analyzes, and mitigates all significant impacts resulting from the Alternative, as required by CEQA.

Thank you for your attention to this important matter.

Sincerely,

Laura E. Horton

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