Our Vision Clean Air

Santa Barbara County
Air Pollution Control District

November 24, 2014

Murray Wilson
San Luis Obispo County Department of Planning and Building
976 Osos Street, Room 200
San Luis Obispo, CA 93408-2040

Re: SBCAPCD Review of Recirculated Draft Environmental Impact Report for Phillips 66 Company Rail Spur Extension Project

Dear Mr. Wilson:

The Santa Barbara County Air Pollution Control District (APCD) has reviewed the Recirculated Draft Environmental Impact Report (REIR) for the Phillips 66 Company Rail Spur Extension Project. The project entails a 6,915-foot eastward extension of an existing rail spur off of the Union Pacific rail mainline, a crude oil railcar unloading facility, pipeline, emergency access road, and other support infrastructure at the Phillips 66 Santa Maria Refinery in Nipomo, CA. The project site lies approximately 4 miles northwest of Santa Barbara County. Due to prevailing winds, local impacts from the Extension Project will affect Santa Barbara County. Therefore, onsite mitigation is also critical for our air district. SBCAPCD-01

The Recirculated Draft EIR indicates that operation of the proposed rail spur extension will result in Class 1 (significant and unavoidable) impacts to air quality, greenhouse gas emissions, and health risk (Impacts AQ-3, AQ-5, AQ-6, and AQ-8). However, the EIR states that local mitigation requirements may be pre-empted by federal law. The possibility of pre-emption creates significant uncertainty in the mitigation approach documented in the Draft EIR, and runs counter to requirements under CEQA. We recommend that the mitigation measures for all of these air quality impacts be revised to reflect the following:

- For each of these air quality mitigation measures (AQ-3, AQ-5, AQ-6, and AQ-8), require as a condition of approval that a detailed mitigation, monitoring, and reporting plan be developed by the applicant, for review and approval by the San Luis Obispo Planning and Building Department in consultation with the air district, prior to the project receiving land use clearance. SBCAPCD-02
- Requiring air quality mitigation through obtaining Oxides of Nitrogen (NOx), Reactive Organic Compounds (ROC), and diesel PM (DPM) emission reduction credits through the local air districts' "emission reduction programs" for the life of the project, prior to issuance of the Notice to Proceed, would likely be very costly and perhaps infeasible. However, requiring the applicant to contribute to a new or existing program that achieves cost-effective reductions of ROC, NOx, and DPM may be a feasible and effective way to reduce the stated impacts in the near-term and throughout the project life. If an annual mitigation, monitoring, and reporting program is established and administered through a central agency, real reductions in these impacts are more likely to occur. Moreover, this approach would build in the ability for the required mitigation obligation to be tracked more accurately and adjusted over time for the following reasons:

Louis D. Van Mullem, Jr. • Air Pollution Control Officer
260 North San Antonio Road, Suite A • Santa Barbara, CA • 93110 • 805.961.8800
OurAir.org • twitter.com/OurAirSBC

1) Impacts from diesel locomotives are anticipated to be reduced gradually as the locomotive fleet turns over and more tier 4 engines are put to use.

2) The number of train trips in each geographical area could fluctuate. Records of the number of train trips that actually occurred along with the tier engine information would be used to determine actual emissions and required mitigation for each geographical area.

SBCAPCD-02 cont

- Requiring contributions to a program that aims to reduce DPM emissions specifically, instead of requiring the purchase of PM emission reduction credits through an air district emissions reduction "registry", will allow mitigation to best target localized impacts. This is in line with CEQA principles of "nexus" and "proportionality" of the mitigation to the project impacts.

In summary, we strongly recommend that the lead agency establish a more concrete mechanism for monitoring and reporting of air quality mitigation through a centralized process, in order to achieve real reductions of project air quality impacts. SBCAPCD-03

We also offer the following specific comments on sections of the Recirculated Draft EIR:

1. **Section 4.3.1.1, Air Quality Monitoring, Table 4.3.1, Page 4.3-4:** On December 14, 2012, the USEPA lowered the annual $PM_{2.5}$ primary standard from 15 µg/m^3, to 12.0 µg/m^3. Please correct Table 4.3-2 to reflect this information. SBCAPCD-04

2. **Section 4.3.1.4, Current Emission from Refinery Operations, Page 4.3-24:** Please provide the basis regarding the throughput limits for the Santa Maria Pump Station (SMPS) that are listed within the text of page 4.3-24. The text states, *"...the SMPS has a permit truck unloading throughput limit of 26,000 barrels per day (bpd) as well as limits on the boiler heat inputs (502 mmbtu/day.)"* It should be noted that the SMPS's latest operating permit (SBCAPCD Permit to Operate 08218-R9) provides an oil throughput of 21,859 barrels per day (calculated as monthly production divided by the number of producing days), and a total heat input of 502.08 MMBtu/day. SBCAPCD-05

3. **Section 4.3.4.2, Operational Air Emissions, Table 4.3-18, Page 4.3-53:** The portion of Table 4.3-18 that is contained within page 4.3-53 lists the following text, *"Peak Day Emissions, lbs/day."* Based on other sections of Table 4.3.18, and review of calculations contained within Appendix B, it appears that this text should be modified as follows, *"Annual Emissions, tons/year."* SBCAPCD-06

4. **Section 4.3.4.2, Operational Air Emissions, Table 4.3.21, Page 4.3-57:** The listed thresholds of significance are attributable to Santa Barbara County Planning and Development. For SBCAPCD's thresholds of significance, please refer to Page 6 of the SBCAPCD's *"Scope and Content of Air Quality Sections in Environmental Documents"* publication, available online at http://www.ourair.org/wp-content/uploads/ScopeContentMarch2014.pdf. This item also requires attention on page B-246 of Appendix B (Air Emission Calculations). SBCAPCD-07

5. **Section 8.5, Mitigation Monitoring Table, Table 8.1, Mitigation Measures AQ-3, AQ-6, and AQ-8, Pages 8-10, 8-11, & 8-12:** As stated above, a comprehensive monitoring, mitigation, and reporting program should be developed that identifies details regarding the time period, monitoring, reporting, and required mitigation for the life of the project. These requirements should be included within the EIR's Mitigation Monitoring Plan section, and should be reflected in the conditions of approval for the project. This comprehensive plan would need to be reviewed and approved by the lead agency prior to granting permission to proceed with the project. SBCAPCD-08

6. **Appendix B – Air Emissions Calculations, Page B-253:** The text following the yellow highlighted cells indicates that the values listed are attributable to Los Angeles County. After additional review, it appears that the data values are correct as listed for Santa Barbara County, but "*Los Angeles County*" should be corrected to "*Santa Barbara County*" to avoid unnecessary confusion. SBCAPCD-09

If you or the project applicant have any questions regarding these comments, please feel free to contact me at (805) 961-8838 (email: mmp@sbcapcd.org), or Brent Kraushaar at (805) 961-8831 (email: bdk@sbcapcd.org).

Sincerely,

Molly Pearson

Molly Pearson
Planning and Grants Supervisor
Technology and Environmental Assessment Division

cc: TEA Chron File

SBCAPCD-01	Impacts related to local effects, including health risk, are discussed in Section 4.3, Air Quality and Greenhouse Gases, in the RDEIR. Health risks from activities at the SMR site are shown to have nominal effects on areas of Santa Barbara County (SBC). Emissions of criteria pollutants could be transported to areas within Santa Maria (northern SBC), contributing to potential exceedances of air quality standards in this area. However, thresholds established by the SLOCAPCD are intended to address air quality in the region, as are thresholds established by the SBCAPCD.
SBCAPCD-02	Mitigation measures AQ.2, AQ.3, AQ.6 and AQ.8 have been modified to require a monitoring and mitigation plan that includes the use of both credits and other programs, and it implemented on an annual basis.
SBCAPCD-03	Mitigation measures AQ.2, AQ.3, AQ.6 and AQ.8 have been modified to require a monitoring and mitigation plan that includes the use of both credits and other programs, and it implemented on an annual basis.
SBCAPCD-04	The $PM_{2.5}$ federal standard has been revised in Table 4.3.1 to 12 ug/m3.
SBCAPCD-05	The description of the Santa Maria Pump Station (SMPS) throughput limits are based on the SBCAPCD permits. The throughput limit has been updated as indicated per the most recent permit.
SBCAPCD-06	An effort will be made in the FEIR to ensure that the tables remain on a single page and headers do not repeat incorrectly.
SBCAPCD-07	Emissions thresholds have been corrected for the SBCAPCD in Table 4.3.22 to reflect the SBCAPCD thresholds instead of the SB County thresholds.
SBCAPCD-08	Mitigation measures AQ.2, AQ.3, AQ.6 and AQ.8 have been modified to require a monitoring and mitigation plan that includes the use of both credits and other programs, and it implemented on an annual basis.
SBCAPCD-09	Appendix B spreadsheets for ozone mortality and morbidity have been corrected to remove the reference to Los Angeles County.