Phillips 66 Continuance Letter Request

Ramona Hedges

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1 attachment (481 KB)

Phillips 66 Continuance Letter Request.pdf;

Planning Commissioners:

Please see the attached letter submitted to the Planning Department by Phillips 66 dated August 10, 2016. Staff is reviewing the information in the letter with County Counsel and will be prepared to advise the Commission during your September 22nd Planning Commission hearing. If there are any questions please feel free to contact Ryan Hostetter rhostetter@co.slo.ca.us or via phone at (805) 788-2351.

Ramona Hedges
SLO County Planning Commission Secretary
Custodian of Records
805-781-5612

Phillips 66 Company
Santa Maria Refinery
2555 Willow Road
Arroyo Grande, CA 93420

August 10, 2016

Members of the Planning Commission
Department of Planning and Building
San Luis Obispo County
976 Osos Street, Room 200
San Luis Obispo, CA 93408-2040

Re: Phillips 66 Rail Spur Extension Project / Coastal Development Permit DRC2012-00095: Request for Continuance of Planning Commission Hearing

Dear Commissioners:

Your commission commenced the public hearing on Phillips 66's request for approval of the Rail Spur Extension Project on February 4, 2016. We appreciate the time you have taken to learn about our proposal and to listen to all interested parties. At the conclusion of the most recent day of hearings on May 16, 2016, the Commission continued the matter to September 22, 2016, to allow Planning staff time to prepare documents that the Commission would need to reach a final decision. At the hearing, the Commission also asked County Counsel to provide additional guidance regarding the extent to which federal law regulating railroads preempts the Commission's authority relating to the mainline rail activity that will result from the Phillips 66 project.

Phillips 66 respectfully requests that the Commission extend the continuance for an additional six months, until March 2017. On May 31, 2016, Valero petitioned the Surface Transportation Board to commence an expedited proceeding to review a decision by the City of Benicia in Valero's crude-by-rail project proposed for that city. Valero's petition raised questions regarding the extent of local government authority to regulate interstate rail transportation in the context of local land use permits and CEQA review. These questions are similar to preemption issues that have arisen in the context of Phillips 66's Rail Spur Extension Project. Valero requested that the Surface Transportation Board handle the matter as an expedited proceeding, culminating in a decision prior to a hearing scheduled before the Benicia City Council on September 20, 2016. Thus, on an expedited schedule, the decision of the Surface Transportation Board also would have provided greater insight into the preemption issues raised by the Phillips 66 project in time for the September 22, 2016 continued hearing on our project.

As of today, however, the Surface Transportation Board has not yet set a schedule for the proceeding requested by Valero's petition. Under the circumstances, it is unlikely that the Surface Transportation Board will issue a decision prior to September 22, 2016. In the interest of efficiency of the Commission as well as Planning staff, we believe it would be prudent to further continue the hearing on Phillips 66's Rail Spur Extension Project until March 2017, so that all parties in this matter can benefit from the direction expected from the Surface Transportation Board.

This request for continuance is not in any manner a withdrawal of the application. Phillips 66 will submit the information requested in staff's email of May 23, 2016 (list of mitigation measures; updated project description; and list of project "overrides") by August 15, 2016, as specified by staff.

Finally, in conjunction with Commission's approval of this request for continuance, Phillips 66 consents to an extension of the deadline for County certification of the EIR through March 2017 as well. (See Pub. Res. Code § 21151.5(a)(4).)

Thank you for consideration of this request.

Regards,

S. Heath Wanamaker

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Site Manager
Phillips 66 Santa Maria Refinery

JOA:bes

cc: Ellen Carroll, Environmental Coordinator