

From: Charles Davidson <charlesdavidson@me.com>
To: p66-railspur-comments@co.slo.ca.us
Cc: Charles Davidson <charlesdavidson@me.com>
Date: 11/24/2014 01:31 PM
Subject: Fwd: p66-railspur-comments@co.slo.ca.us Subject: Phillips 66
Santa Maria Refinery Company Rail Spur Extension Project
Recirculated Draft Environmental Impact Report (RDEIR) - SCH#
2013071028

T: To: Murry Wilson; San Luis Opispo County, Environmental Resource Specialist,
County Planning and Building DepartmentReforwarding previous RDEIR comment.

Otherwise, the content of RDEIR comment is exactly the same.

My address is:

2108 Drake Lane in Hercules CA.

Only post home address if required.

Charles Davidson

Begin forwarded message:

From: Charles Davidson <charlesdavidson5280@gmail.com>
Subject: p66-railspur-comments@co.slo.ca.us Subject: Phillips 66
Santa Maria Refinery Company Rail Spur Extension Project Recirculated
Draft Environmental Impact Report (RDEIR) - SCH# 2013071028
Date: November 24, 2014 at 1:25:07 PM PST
To: "p66-railspur-comments@co.slo.ca.us" <
p66-railspur-comments@co.slo.ca.us>
Cc: Charles Davidson <charlesdavidson@me.com>

(See attached file: Propane is extremely flammable CCC.doc)

From: Charles Davidson. Hercules CA charlesdavidson@me.com

To: Murry Wilson; San Luis Obispo County, Environmental Resource Specialist, County Planning and Building Department
p66-railspur-comments@co.slo.ca.us

Subject: Phillips 66 Santa Maria Refinery Company Rail Spur Extension Project
Recirculated Draft Environmental Impact Report (RDEIR) – SCH# 2013071028

Re: Phillips 66 Rodeo and Santa Maria Refineries' Expansion of Combined Production Capacity, Tar Sands Refining Capability and Propane Production

The first major problem with Phillips 66's Santa Maria Railroad Spur Extension Project RDEIR, is that it is a piecemealed project since the Santa Maria Refinery is connected by a 200-mile pipeline to the San Francisco Refinery in Rodeo. In turn, the Rodeo Refinery accept heavy gas oil derived from semi-refined Santa Maria heavy crude feedstock and then completes the refining processes in order to make higher-valued products, such as gasoline, diesel and jet fuel. Project EIR piecemealing is illegal in California under CEQA.

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A second major problem with Phillips 66's Santa Maria Refinery *Railroad Spur Extension Project* REIR is that it fails to disclose the fact that the refineries' *most* likely source of crude oil would be a type of high-sulfur, extra heavy crude oil derived from Canadian Tar Sands, called bitumen. To confirm, Phillips' REIR states that light, low sulfur "sweet" Bakken North Dakota crude would *absolutely not* be the primary type of crude carried by rail into Santa Maria. The combined Santa Maria-Rodeo Refinery Projects dependence on bitumen refining would make it, cumulatively, a high greenhouse gas-producing project that is also capable of emitting increased levels of

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toxic pollutants.

When making gasoline, a marked decrease in crude oil quality is no small matter for the health and safety of communities, refinery workers and the planet.

On behalf of the Crocket Community Foundation, Communities for a Better Environment (CBE) senior scientist presented compelling evidence in his commentary to Phillips' Rodeo Refinery Propane Recovery Project EIR that Phillip's delayed coking of heavy crudes produces more propane and butane than can be recovered from simple distillation. This proposed increase in combined propane and butane production to over 11% of the refineries crude capacity and is several-fold higher compared to simple distillation.

On behalf of the Rodeo Citizens Association, the refinery engineer and scientist working for Shute, Mihaly and Weinberger, attorneys-at-law, noted that the Rodeo U200 Delayed Coker Unit is central to the Propane Recovery Project. The Rodeo coker will directly receive, via their 200-mile pipeline, semi-refined, heavy crude from Phillips' Santa Maria Refinery for upgrading into product. CBE asserts that the project's dependence on propane and butane sales revenue would lock the refinery into coking of low-quality crude feeds and foreclose future, cleaner options. In fact, Phillips has already signed a long-term multi-100-million dollar propane contract with the Chinese-owned hydrocarbon exporter, SinoPec.

Conoco-Phillips is the largest importer in Canadian Tar Sands bitumen crude oil into the U.S., while Phillips' Chairman and CEO Greg Garland notes that within the next few years, 100 percent of their crude will be advantaged crude that "sells at a discount relative to crude oils tied to the global benchmark ... [and] include[s] heavy crude from

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Canada'.

Furthermore, the Phillips 66 refinery's Nelson Complexity Factor of 13.6, is one of the highest in the world, indicating that this refinery is designed to refine the very heaviest crudes in order to maximizing the production of the highest valued products, such as gasoline.

In addition to the planned 10 percent increase in Santa Maria crude throughput, that was not mentioned in the Rodeo Draft EIR, this 11.2 percent refinery product expansion in Phillips total refinery output, is dependent on a new source of refinery energy. Specifically, Phillips' planned, nearly complete switching to an external natural gas energy supply, instead of using propane and butane for refinery process gases, would increase natural gas usage by 225%, mostly for generating heat and also the 20 percent more refinery hydrogen now needed to help liquify bitumen and remove the inordinate amounts of sulfur from Tar Sands.

Tar Sands bitumen is mined, not drilled as with traditional oil production. Two of the largest man-made lakes in the world are tar sands tailing ponds in Alberta Canada, that are completely laden with toxic heavy metals. Tar Sands is unusually high in sulfur content and heavy by world crude oil standards, it requires up to three times the energy to refine into gasoline than traditional, average U.S. refinery feed and locally, it produces up to three times the greenhouse gases and other co-pollutants that would need to be mitigated.

As noted by the EPA in 2012, Phillips 66 is the most polluting refinery in California. Moreover, perhaps on account of the advent of Tar Sands generally coming into California since 2010. Recently, the EPA noted a 40% increase in water born refinery pollution, largely due to heavy metals.

Semi-solid Tar Sands crude or bitumen is commonly blended with 30 percent light weight diluent to facilitate transporting it by rail or pipeline and is called "DilBit." Much of

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the DilBit diluent is lightest weight fractions of light shale oil that is recovered in Texas from “stabilized” crude and sent to Canada via a special pipeline. This diluent in DilBit would be recovered, in part, as propane and butane in Rodeo.

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Lastly, propane has an expansive vapor pressure 600 times more than that of gasoline, a boiling point that is 300 degrees F lower than gasoline and a flammability flashpoint 250 degrees F. below that of gasoline, lending itself as an ideal source for a thermobaric explosion when mixed with air, in the case of a breach of containment, such as an earthquake on the nearby Hayward fault, that could potentially damage the pipes that connect the propane storage tanks to the rail yard that is on a liquifaction zone.

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