

November 24, 2014

Murry Wilson, Environmental Resource Specialist
County Planning and Building Department
976 Osos Street, Room 300
San Luis Obispo, CA 93408-2040
p66-railspur-comments@co.slo.ca.us

RE: Phillips SMR Rail Project (SAC201401520)

Mr. Wilson,

The Sacramento Metropolitan Air Quality Management District (District) thanks the County of San Luis Obispo for the opportunity to comment on the proposed project to build and operate an off-loading crude-oil rail terminal at the Santa Maria Refinery. The District is required by law to "represent the citizens of the Sacramento district in influencing the decisions of other public and private agencies whose actions may have an adverse impact on air quality within the Sacramento district."¹ We offer our comments in that spirit.

Disclosure of Operational Emissions in the Sacramento Federal Nonattainment Area

The Draft Environmental Impact Report (DEIR) demonstrates that operating the project will result in significant Oxides of Nitrogen (NO_x) emissions within the District.² However, the analysis fails to take into account the full impact the proposed project will have on the District as well as the entire Sacramento Federal Nonattainment Area (SFNA).

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- Transit Losses: The project will utilize 1232 Tank cars³, which are unpressurized and contain pressure release valves.⁴ As the tank cars pass through the SFNA transit losses will occur when loaded with product and returning with vapor,

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¹ California Health and Safety Code §40961

² Page 4.3-76 of the DEIR

³ Page 1-4 of the DEIR

⁴ Electronic Code of Federal Regulations, Title 49: Transportation, Part 179–Specifications for tank cars, §179.15 Pressure relief devices

releasing Reactive Organic Gas (ROG) and toxic air contaminants⁵ into the air basin. The EIR should quantify these emissions, analyze their significance and mitigate any significant impacts identified.

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While the DEIR identified that operational activities with the Rail Spur Project are a potential source of objectionable odors⁶, the DEIR fails to discuss odor impacts along the main line in the District from diesel exhaust and from transit losses. As the oil tank cars and locomotives will pass through populated areas with sensitive receptors, the EIR should conduct an odor analysis, analyze potentially significant impacts, and mitigate any significant impacts identified.

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- Locomotive Emissions: The DEIR estimates locomotive emissions south of the Roseville Railyards⁷, but substantial locomotive emissions will also occur north and east of Roseville and within the SFNA. While the precise route used by the trains may vary, all routes to the Roseville Railyards are located within the SFNA⁸, the range of potential routes is small and readily identifiable, and the associated emissions are reasonably foreseeable. The EIR should quantify these locomotive and evaporative emissions, analyze their significance, and mitigate any significant impacts identified.

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Mitigation

The DEIR asserts that mitigation for air quality impacts (particularly the requirement of Tier 4 locomotives) in the SFNA may not be feasible because the County of San Luis Obispo has no authority to impose emission controls on the main line locomotives.⁹ While regulating the main line locomotives may be federally preempted, mitigating the emissions of the project is not. The District has existing programs that provide off-site mitigation for CEQA purposes, and the County can require the project proponents to fund cost-effective mitigation to reduce the impact of the project to less than significant levels. The District routinely collects mitigation fees from projects and uses the fees to fund mitigation projects throughout the entire SFNA. These projects involve promoting clean technology for use in locomotive engines, on-road heavy-duty trucks, farm equipment and wood stoves. We also promote other cost-effective mitigation projects, and all of these efforts reduce ROG and NO_x emissions in the SFNA. District staff is available and would be happy to work with the County and Phillips 66 to develop appropriate mitigation for this project.

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⁵ MEG Energy Material Safety Data Sheet for Dilbit: Diluted Bitumen; AWB - Access Western Blend; Pipeline Sales Oil. Prepared August 31, 2011. The California Proposition 65 warning identifies the toxic air contaminants Benzene, Toluene, Benzene, ethyl- and Polycyclic Aromatic Hydrocarbons.

⁶ Page 4.3-71 of the DEIR

⁷ Page 1-7 of the DEIR

⁸ Figure ES-3 of the DEIR, Mainline Rail UPRR Routes to the Santa Maria Refinery

⁹ Page 4.3-50 of the DEIR

With respect to transit loses, the tanker cars will be owned or leased by the project proponent,¹⁰ which gives the County flexibility in determining what types of federally-compliant cars and equipment will be used. The County should investigate measures that could be imposed on the project proponent to minimize emissions from transit loses, such as using only tank cars approved for crude oil transport, using only newer cars to minimize overall system leakage, maintaining and inspecting vacuum and pressure relief valves above standard requirements, and transporting bitumen with lower concentrations of diluent to minimize evaporative emissions.

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General Comments

To summarize, the District requests that the EIR analyze and, where appropriate, mitigate the emissions anticipated from the tank cars and the locomotive emissions generated within the full SFNA.

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The SMAQMD thanks the County of San Luis Obispo for the opportunity to comment on this project. If you have additional questions or require further assistance, please contact me or Paul Philley at pphilley@airquality.org or (916) 874-4882.

Sincerely,



Larry Greene
Executive Director/Air Pollution Control Officer
Sacramento Metropolitan Air Quality Management District
777 12th Street, 3rd Floor
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¹⁰ Page ES-5 of the DIER