

## CALIFORNIA COASTAL COMMISSION

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PLANNING &amp; BUILDING

November 24, 2014

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

Re: **Revised Draft Environmental Impact Report for the Phillips 66 Santa Maria Refinery Rail Spur Extension Project**

Dear Mr. Wilson:

Thank you for considering the following input from Coastal Commission staff (Commission) on the revised draft Environmental Impact Report (EIR) for the proposed Phillips 66 Santa Maria Refinery Rail Spur Extension and Coastal Access Projects.

Phillips' proposed Rail Spur Extension Project is located within San Luis Obispo County's certified Local Coastal Program (LCP) jurisdiction and therefore requires a coastal development permit (CDP) from County. The County's decision on this project (approval or denial) is appealable to the Commission under Coastal Act section 30603(a) at least because the project is located between the first public road and the sea, is not the principally permitted use on this parcel, and is a "major energy facility" as defined in the Commission's regulations.<sup>1</sup>

In addition, the Coastal Access Project will also require a CDP from the County. Because this project would be located between the sea and the first public road paralleling the sea, a County approval of the project is also subject to appeal to the Commission, pursuant to Coastal Act Section 30603(a). Therefore, if either or both projects are appealed, the Commission will use the information contained in the EIR in its evaluation of the appealed project's conformity with the San Luis Obispo County LCP. Our comments and requests for additional information are as follows:

CCC-01

**Coastal Commission Appeal Jurisdiction**

1. Please include information about the Commission's appeal jurisdiction in Section 1.2 (Agency Use of the Document for the Rail Spur Project) of the EIR.

<sup>1</sup> Coastal Act Section 30107 defines "energy facility" as "any public or private processing, producing, generating, storing, transmitting, or recovering facility for electricity, natural gas, petroleum, coal, or other source of energy. 14 Cal. Admin. Code Section 13012(a) defines, in relevant part, "major energy facilities" as those energy facilities "that cost more than one hundred thousand dollars (\$100,000)..."

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## Project Descriptions

### *Rail Spur Extension Project*

2. **Public Service Capacity:** Please describe and quantify any proposed demand increases to municipal water and sewer resources that would result from the proposed project. In addition, please describe the existing excess capacity that is available to meet these demand increases, and whether applying such capacity to this project would adequately meet requirements for reserving capacity for Coastal Act and LCP priority uses. CCC-02
3. **Disturbance Area:** Please specify how much of the proposed 48.9 acre disturbance area would be within the existing footprint of the refinery facility and coke storage area. CCC-03
4. **Existing Uses:** Please describe the existing operations at the refinery facility and coke storage area, including the activities that are carried out at these sites as well as the equipment that is used and the vehicle and train traffic generated by this use. CCC-04
5. **Proposed Operations:** Please describe any and all increased activities, operations, or traffic that would result from the proposed project. CCC-05

### *Coastal Access Project*

6. **Accessway Design:** Please provide a detailed description of the proposed design of the accessway and the factors that contributed to the selection of this design. Please include a description of the materials to be used, the dimensions of the accessway, and any ancillary facilities that would also be developed to support its use (i.e. parking areas, restrooms, emergency services, etc.). CCC-06
7. **Construction and Maintenance:** Please provide a detailed description of the proposed method of constructing and installing the accessway, including any excavation, grading, or landform alteration that would be carried out. Please also describe the proposed maintenance activities that would be carried out to ensure that the accessway is open and available for safe operation. Please also describe how often sand and vegetation removal activities would be carried out from within and adjacent to the accessway footprint. CCC-07

## Biological Resources

Regarding the presence and classification of dune habitat areas within the proposed Rail Spur Extension project's disturbance and development footprints, the discussion on page 4.4-4 states, "Under the current classification system, the Dune-Heather Alliance (and observed associations) would not be considered sensitive as dune-heather is a common plant species and has no sensitivity ranking." However, this assertion relies on the assumption that stands of dune vegetation that support *Ericameria ericoides* (mock heather) without *Lupinus chamissonis* (silver dune lupine) should be classified as distinct from those that support both of these dominant shrub species together. Based on Commission staff's review of the Manual of California Vegetation (Second Edition), and consultation with the California Department of Fish and Wildlife Vegetation Specialist, Dr. Todd Keeler-Wolf, the current guidelines for classifying vegetation in California do not support this assumption. In fact, these guidelines specify that stands of dune vegetation that support these species either together or separately should be classified as part of the *Lupinus chamissonis*-*Ericameria ericoides* Alliance, a vegetation alliance recognized both globally and statewide as rare and highly imperiled. Specifically, the membership rules in the Manual of California Vegetation (Second Edition), for the *Lupinus chamissonis*- *Ericameria ericoides* Alliance state that *Lupinus chamissonis* and/or *Ericameria ericoides* are conspicuous. CCC-08

In addition, the characteristic species paragraph for this Alliance states that “*Ericameria ericoides* and *Lupinus chamissonis* occur characteristically together or alone in the shrub canopy...” [emphasis added].

8. We therefore recommend you correct the classification of dune vegetation within the proposed project site to reflect the California Department of Fish and Wildlife vegetation classification guidelines and amend the corresponding analysis of project impacts to sensitive biological resources to reflect the recognized rarity and imperiled status of dune vegetation within the proposed project footprint. CCC-09
9. Please provide the biological survey reports developed by SWCA as an appendix to the EIR. These reports are described on page 4.4-22: “The survey area reviewed by SWCA is referred to herein as the Biological Study Area (BSA) and accounts for a 100-foot buffer beyond the applicant’s proposed limits of disturbance near the rail spur and the proposed Emergency Vehicle Access road (EVA) to the southeast.” CCC-10
10. Mitigation Measure BIO-1 on page 4.4-27 notes that a focused survey for Nipomo mesa lupine shall be carried out prior to initiation of project activities during a “normal rainfall season.” Please provide the criteria that would be used to define when a normal rainfall season is occurring. Please also clarify how discovery of this sensitive plant species during a focused survey would affect the designation of sensitive habitat. CCC-11

#### **Agricultural Resources**

11. Please review internal citations to sections, figures, and appendices and correct as needed. Review by Commission staff suggests that a number of these internal references are not accurate. For example, the discussion in Section 4.2 includes references to the “Policy Consistency Analysis” in Appendix E. However, Appendix E is a document titled, “Preliminary Fire Protection Plan.” Additionally, discussion also in Section 4.2 refers to the land use designations depicted in Figure 4.8-1. However, it appears that this discussion should instead refer to Figure 4.8-2, as it is the figure providing the relevant information. CCC-12
12. Based on the information provided in Section 4.2.1.2 and Figure 4.8-2, the south-eastern corner of the project site is within the Agriculture land use category and currently supports ongoing agriculture activities. In addition, Figure 4.8-2 appears to indicate that a portion of this agriculture area is within the proposed project footprint. Please specify how much of this area is within the proposed project development and disturbance footprints and provide a discussion of the specific activities proposed for these areas. CCC-13
13. Please provide additional support for the conclusion in Section 4.2 that the proposed conversion of agricultural land of local significance, loss of land currently used for agricultural activities, and land within the Agriculture land use category would not result in significant impacts to agricultural resources. For any proposed conversion of agricultural land, please provide a conversion analysis based on Coastal Act Sections 30241, 30241.5, and 30242. CCC-14
14. Part of LCP Agriculture Policy 1 requires that non-prime lands suitable for agriculture be maintained in or available for agricultural production unless certain requirements are met. These requirements include the finding that “continued or renewed agricultural use is not feasible.” As indicated in Figure 4.8-2 and the discussion in Section 4.2.1.2, a portion of the proposed project footprint appears to be within the Agriculture land use category. CCC-15

Referring to portions of the project site that do not currently support industrial uses, both the discussion on page 4.2-34 and in Appendix G note that existing constraints would make “future agricultural use of this area unlikely...” However, information provided in Sections 4.2 and 4.8 indicates that this area currently supports agricultural activity. No analysis appears to have been provided demonstrating that continuation of this activity would be infeasible. Please provide such an analysis in the DEIR or acknowledge the proposed project’s apparent inconsistency with LCP Agriculture Policy 1.

CCC-15

15. The discussion in Appendix G appears inconsistent with the discussion on page 4.2-34. Specifically, the discussion on page 4.2-34 notes that “Due to the Rail Spur Project’s location on an Industrial-zoned parcel and the presence of multiple site conditions and regulatory constraints that would make future agricultural use of this area unlikely, conversion of these farmlands to industrial use consistent with existing land uses and zoning is considered a less than significant impact on agricultural resources.” However, Figure 4.8-2 and the discussion in Section 4.2.1.2 appear to demonstrate that an area within the proposed project disturbance and development footprint (the south-east corner) is within the Agriculture land use category. Consistent with this land use designation, this area is described as currently supporting agricultural uses. This information suggests that contrary to the assertion on page 4.2-34, “conversion of farmland to industrial use” on at least a portion of the project parcel would not be “consistent with existing land uses and zoning.” Please clarify this apparent discrepancy in the DEIR’s analysis of the project’s potential impacts to agricultural resources.

CCC-16

### **Project Alternatives**

16. *Train Size and Frequency Alternatives:* Based on information provided in Section 2.3.1 of the project description, the size, configuration and location of the proposed rail spur is influenced primarily by the length of supply trains that would visit the refinery facility and the frequency and duration of these visits. This information suggests that a rail spur with a smaller overall footprint would be needed for shorter and/or less frequent trains. Please revise the evaluation of the three trains per week alternative (Section 5.1.4.1) to include a discussion of how this reduced delivery schedule would affect the size and design of the proposed rail spur. In addition, please also evaluate alternative crude oil supply train size/length alternatives (for example, supply trains with 20, 40, or 60 tanker cars instead of the proposed 80 car trains) and discuss how these shorter trains would affect the design and footprint of the proposed rail spur as well as the adverse impacts identified in the revised draft EIR.
17. *Pipeline Transport Alternative:* Several significant rail transport projects are currently being planned or permitted in California, including several that propose to supply crude oil directly to the statewide pipeline network for transport to refineries. For example, the Plains All American Pipeline and the Alon rail terminals in Bakersfield are expected to come online in late 2014/early 2015 with a joint offloading capacity of 220,000 barrels of crude per day and are planned to supply refineries throughout the state by pipeline. Please evaluate the feasibility and impacts associated with pipeline transport of crude to the Santa Maria Refinery from existing and pending rail terminals.

CCC-17

CCC-18

Thank you for your consideration of the comments included above. If you have any questions, please feel free to call me (415) 904-5502.

Sincerely,

A handwritten signature in black ink, appearing to read "Cassidy Teufel". The signature is written in a cursive style with a large initial "C" and a long, sweeping underline.

CASSIDY TEUFEL  
Senior Environmental Scientist  
Energy, Ocean Resources and Federal Consistency Division