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Date: 11/24/2014 03:27 PM  
Subject: DEIR for the Phillips 66 Rail Spur Extension Project

Attached. Thanks!

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(See attached file: VCAPCD - Phillip 66 Rail Spur Extension Project DEIR.pdf)



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Michael Villegas  
Air Pollution Control Officer

November 24, 2014

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

SUBJECT: Ventura County APCD Comments on the Recirculated Draft Environmental Impact Report for the Phillips 66 Company Rail Spur Extension Project

Dear Mr. Wilson,

Ventura County Air Pollution Control District (VCAPCD) staff has reviewed the recirculated draft environmental impact report (RDEIR) for this project, which is a proposal to modify the existing rail spur at the Santa Maria refinery to receive crude oil at the refinery via train. The project would include unloading of up to five trains per week, with an annual maximum number of 250 trains. The trains consist of approximately 80 tank cars, three locomotives, and two buffer cars that stay together as one assembly. We wish to submit the following comments regarding the rail transport aspect of the project:

Train Routes to the Santa Maria Refinery

Section 2.5.1 of the RDEIR addresses train routes to the refinery. This discussion indicates that one route being considered would come from Colton, California, to San Luis Obispo County, traveling through Ventura County. Ventura County has an interest in this train route to the Santa Maria refinery because it would pass through Ventura County and would transit through some of the most densely populated areas of the county - Simi Valley, Moorpark, Camarillo, Oxnard and Ventura. Ventura County is a federal and state ozone non-attainment area and the project could impede our efforts and ability to attain those standards. The additional nitrogen oxides (NOx) and reactive organic compounds (ROG) from the trains transiting Ventura County could cause or contribute to exceedances of the federal and state ozone standards in the county. In order to attain the ozone standards, it might be necessary for the District to identify and implement additional emissions reductions to offset the increase from this project. Thus the project could put additional burdens on local sources of emissions without providing any benefit to those sources or to local communities.

VCAPCD-01

### Ventura County Air Emissions

Table 4.3.18, *Mainline Rail Emissions, Peak Day and Annual*, includes peak day emissions that would occur in Ventura County as a result of project-related rail traffic passing through the county to the refinery. The *Ventura County Air Quality Assessment Guidelines* has a 25 lbs/day threshold for ROG and NOx for evaluating potential air quality impacts under the California Environmental Quality Act (CEQA). Projects with emissions exceeding this threshold are considered to have a significant impact on Ventura County's air quality. Table 4.3.18 indicates that the project would generate 298.8 lbs/day NOx. Based on our thresholds of significance (25 lbs/day), this project would have a significant impact on regional air quality in Ventura County and thus subject to mitigation under CEQA.

VCAPCD-02

### Mitigation of Air Quality Impacts

The Air Quality and Greenhouse Gases chapter of the RDEIR addresses air quality mitigation for the project. Specifically, Mitigation Measure AQ-3 states:

Prior to issuance of the Notice to Proceed, the Applicant shall investigate methods for reducing the locomotive emissions through contracting arrangements that require the use of Tier 4 locomotives or equivalent emission levels. If the mainline rail emissions of ROG + NOx and DPM with the above mitigations (as described on Page 4.3-47 of the RDEIR) still exceed the applicable Air District thresholds, the Applicant shall secure emission reductions in ROG + NOx and DPM emissions within each applicable Air District, similar to the emission reduction program utilized by the San Luis Obispo County APCD, to ensure that the mainline rail ROG + NOx and DPM emissions do not exceed the Air District thresholds for the life of the project. The Applicant shall provide documentation from each Air District to the San Luis Obispo County Planning and Building Department that emissions reductions have been secured for the life of the project prior to issuance of the Notice to Proceed.

VCAPCD-03

We do not believe that Tier 4 locomotive engines can be relied upon to mitigate project-related locomotive emissions. The RDEIR bears this out by stating in Mitigation Measure AQ-3 that Tier 4 locomotive engines may not be implemented due to Federal preemption. Moreover, Tier 4 locomotive engines are not yet available and may not constitute a large part of the fleet until at least 2040. Hence, using Tier 4 locomotive engines as mitigation is an unreasonable expectation and thus not viable as mitigation for this project.

Mitigation Measure AQ-3, recognizing Tier 4 locomotive engines as unlikely mitigation for the project, states that the applicant shall secure ROG and NOx emission reductions within each applicable Air District similar to the emissions reduction program utilized by the San Luis Obispo County APCD to ensure that mainline rail ROG and NOx emissions do not exceed the Air District thresholds for the life of the project. We fully support such

an approach for mitigating project-related locomotive emissions in Ventura County. We, in fact, have employed a similar approach for industrial projects in this county.

In instances when air quality impacts from project operations cannot be mitigated to insignificant levels with the available air pollution mitigation measures recommended for the project, the VCAPCD, in its Air Quality Assessment Guidelines, recommends an Emissions Reduction Program (ERP) to ensure sufficient mitigation of air quality impacts. An ERP would require the project proponent to contribute funds for programs that reduce air pollutant emissions from non-project sources commensurate with the amount of emissions that need to be mitigated.

VCAPCD-03  
(Cont.)

In this case, a legally enforceable agreement between the County of San Luis Obispo, VCAPCD, and the applicant could be executed such that funds would be provided by the applicant to the VCAPCD for emission reduction programs in Ventura County. The amount of the funding provided by the applicant would be based on the estimated project-related locomotive emissions in Ventura County in excess of standards and the cost-effectiveness of the VCAPCD's Carl Moyer Memorial Air Quality Standards Attainment Program. The funds would be used by the VCAPCD to fund emission reduction projects in Ventura County. Projects that could be funded include, but would not be limited to, project types eligible for funding under the VCAPCD's Carl Moyer Memorial Air Quality Standards Attainment Program.

#### Health Impacts Analysis

The technical appendices in Appendix B should be expanded to include supporting documentation and input assumptions so that District staff may fully review and evaluate the modeling run of the Health Risk Assessment. Moreover, as with the health risks assessment at the refinery, the RDEIR proposes overall project health risk mitigation through use of locomotive idling reductions and Tier 4 locomotives. As stated on Page 4.3-63, requirements to use only Tier 4 locomotives may not occur, making this an infeasible and speculative mitigation measure. Relying on reductions that may not occur for years does not reduce immediate health risk. We recommend that the RDEIR identify locations along the mainline rail where the HRA threshold will be exceeded, and for those locations, mitigation measures other than Tier 4 locomotives should be implemented to reduce risk from DPM along the mainline rail.

VCAPCD-04

The compliance verification method for Mitigation Measure AQ-3 states that the Applicant would provide a letter from Air Districts stating that emissions reductions have been secured for the life of the project. Given that Tier 4 locomotives cannot be ensured, the conclusion for Impact 4.3 that health impacts would be reduced to a level of less than significant within most air districts is invalid. We therefore recommend that other available mitigation measures be evaluated and included. Each district should be considered in arranging agreements to develop additional on/off site mitigation measures.

### Conformity

Although not a CEQA issue, this project may be subject to the requirements of the federal General Conformity regulation. Conformity is defined in the Clean Air Act as conforming with an air quality implementation plan's purpose of eliminating or reducing the severity and number of violations of the national ambient air quality standards, and not exacerbating existing violations or interfering with timely attainment or required interim emission reductions towards attainment. Section 176(c) of the Clean Air Act requires the EPA to develop criteria and procedures for determining the conformity of transportation and non-transportation (general) projects that require federal agency approval or funding with the applicable air quality plan. If applicable, the RDEIR should include a summary of the federal general conformity rule, which actions(s) related to the project may require a conformity analysis to be performed, and which agencies will likely be involved with the conformity determination(s).

VCAPCD-05

### Cumulative Analysis

Section 15125(d) of the CEQA Guidelines stipulates that Environmental Impact Reports (EIR) shall discuss “any inconsistencies between a proposed project and applicable general plans and regional plans. Such regional plans include, but are not limited to, the applicable air quality attainment or maintenance plan (or State Implementation Plan)...” Moreover, pursuant to Appendix G, “Environmental Checklist Form,” of the CEQA Guidelines, a project that would “conflict with or obstruct implementation of the applicable air quality plan” may have a significant adverse air quality impact. The lead agency proposing to approve or implement the project is responsible for making the Air Quality Management Plan (AQMP) consistency determination.

According to the Ventura County Air Quality Assessment Guidelines, a project with estimated emissions two pounds per day or greater of ROC, or two pounds per day or greater of NOx that is inconsistent with the Ventura County AQMP will have a significant cumulative adverse air quality impact. In general, consistency with the Ventura County AQMP is determined based on population growth. Since the Project does not affect population growth in Ventura County, the increase in NOx emissions from Project-related trains transiting the county was compared to the projected growth in NOx emissions from trains in the Ventura County AQMP.

VCAPCD-06

The Ventura County 2007 Air Quality Management Plan, adopted May 18, 2008, includes estimates for emissions from trains as shown in Table 1.

Table 1 – AQMP Projected NOx Emissions from Trains

Emissions Category Name	NOx tons per summer day			
	2002	2008	2011	2012
Other Mobile Sources: 820 – Trains	2.46	1.72	1.30	1.32

As noted above, peak daily NOx emissions from trains transiting Ventura County are projected to be 298.8 lb/day, or 0.149 tons per day. This is potentially an 11% increase in NOx emissions from trains not accounted for in the Ventura County AQMP. Since the project will increase NOx emissions greater than two pounds per day of NOx and the increase is inconsistent with the estimated NOx emissions from the source category in the Ventura County AQMP, it will cause a significant cumulative impact on air quality in Ventura County.

VCAPCD-06  
(cont.)

The RDEIR states “the Rail Spur Project mitigation measure has been provided that would require the Applicant to obtain emission credits for all main line rail NOx emissions. If these emission credits were obtained then the Rail Spur Project’s contribution to the cumulative NOx and ROG/VOC emission impacts would be less than significant.” The VCAPCD agrees with this assessment, but only if the shortcomings of mitigation measure AQ-3 discussed above are fully addressed.

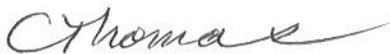
#### Miscellaneous

Table 4.3.18, *Mainline Rail Emissions, Peak Day and Annual*, appears to contain a typographical error. The portion of the table on Page 4.3-53 lists peak day emissions in lbs/day, however, this table reflects Annual Emissions shown in tons/year.

VCAPCD-07

Thank you for the opportunity to comment on this project. If you have any questions, please call me at (805) 645-1427 or by email at [chuck@vcapcd.org](mailto:chuck@vcapcd.org).

Sincerely,



Chuck Thomas, Manager  
Planning, Rules and Incentives Division