From: Greg and Laurie Schwaller <sierra@sierraclub.org>
To: p66-railspur-comments@co.slo.ca.us
Date: 11/23/2014 09:41 PM
Subject: Public comment on the Phillips 66 Santa Maria oil terminal proposal
Sent by: Sierra Club <information@sierraclub.org>

Nov 23, 2014

Mr. Murry Wilson

Dear Mr. Wilson,

We are extremely concerned about the proposed crude-by-rail project at the Phillips 66 Santa Maria Refinery. This project presents significant and unacceptable risks to communities across California. SCG-01

The toxic air emissions resulting from these rail shipments, which would travel daily through many California communities, create an unacceptable risk to public health. SCG-02

These communities and their emergency responders are not prepared for these hazardous trains and current safety standards are not adequate to protect the public. SCG-03

The recirculated DEIR is inadequate: it uses outdated information and does not adequately assess the risks of disaster of an oil train carrying millions of gallons of explosive crude oil. SCG-04

The EIR must also fully analyze the potential worst-case scenario of a spill near each of the many watersheds crossed en route to the Santa Maria refinery, including the San Francisco Bay-Delta watershed and California's central coast. A derailment near a river, stream, reservoir, or above a groundwater aquifer could contaminate drinking water for millions of Californians. During a time of extreme drought, SLO must not approve this project and create contamination risk for the rest of our state. SCG-05

The climate impacts of Canadian tar sands crude must also be taken into account. Tar sands are more carbon intensive than any other source of oil, and bringing tar sands to California will hugely set back our state's efforts to address climate change. SCG-06

Please examine the Santa Maria and Rodeo proposals as a single project.
The proposed oil train terminal in Santa Maria is linked by pipeline to the Phillips 66 refinery in Rodeo, CA. Phillips 66 is proposing to modify these facilities to allow them to refine tar sands, thus creating more toxic air and water pollution for families along the rail line and near the Santa Maria refinery. San Luis Obispo cannot approve the Santa Maria project in isolation. SCG-07

We implore the San Luis Obispo County Planning Commission and Board of Supervisors to reject the Phillips 66 proposed rail spur because it creates significant, unavoidable, and unnecessary risks for our communities, our economy, our health and safety, and our climate.

Thank you. We are counting on you. (We live in Tulare County and regularly vacation in SLO County; we got married there, too. Please protect SLO County!) SCG-08

Sincerely,

Mr. Greg and Laurie Schwaller
43857 S Fork Dr
Three Rivers, CA 93271-9615

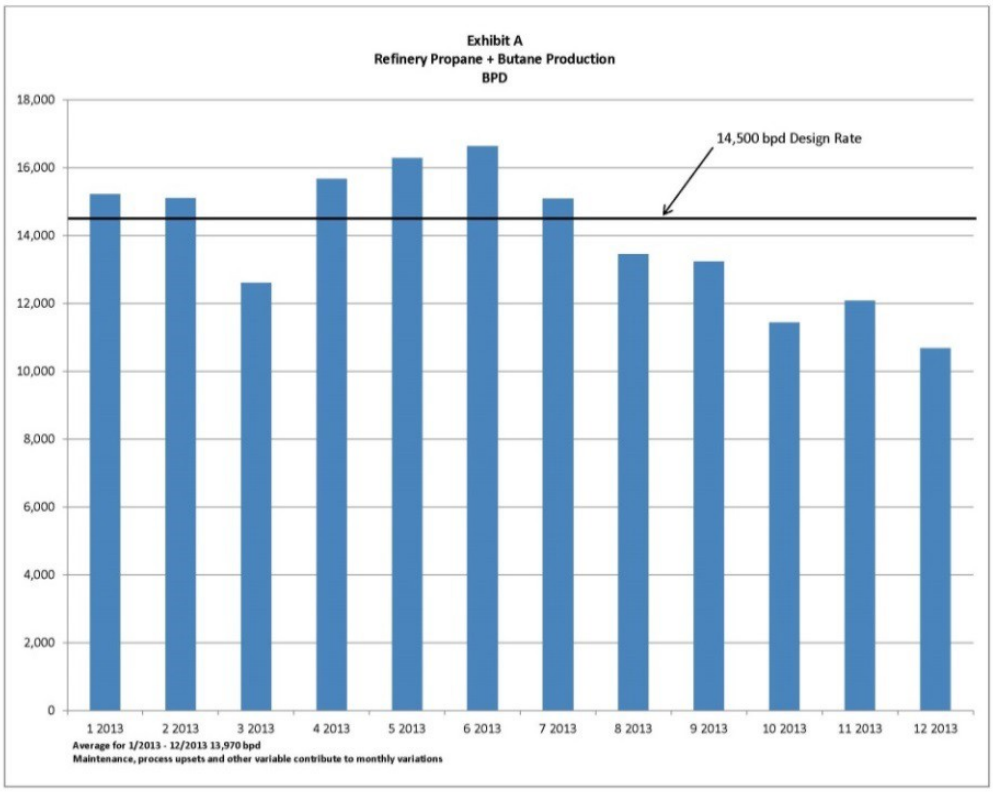
Responses to Greg and Laurie Schwaller Comments

SCG-01	This comment does not identify a specific environmental analysis or CEQA issue relative to the EIR and compliance with CEQA. The commenter's concerns about hazards and risk are included in the FEIR for the decision-makers' consideration as part of the County's deliberations on the proposed project.
SCG-02	The RDEIR addresses the potential impacts and recommends mitigation measures for the proposed Project consistent with the requirements of CEQA. Section 4.3 (Air Quality and Greenhouse Gases) addresses GHG emissions, criteria air emissions and health risks. The EIR concludes that emissions of criteria, GHG and toxic pollutants would exceed the SLOCAPCD thresholds and would be a significant impact.
SCG-03	This comment does not identify a specific environmental analysis or CEQA issue relative to the EIR and compliance with CEQA. The commenter's concerns about the safety and environmental impacts of the project are included in the FEIR for the decision-makers' consideration as part of the County's deliberations on the proposed project.
SCG-03	The RDEIR contains mitigation measures PS-3a through PS-3i (see Section 4.11, Public Services and Utilities) to ensure that the SMR Fire Brigade and the Cal Fire resource are sufficient before the project proceeds. These include; 1) an updated Fire Protection Plan for the Rail Spur Project that meets all the applicable requirements of API, NFPA, UFC, and Cal Fire/County Fire; 2) an updated Emergency Response Plan to include the rail unloading facilities and operations; 3) an updated Spill Prevention Control and Countermeasure Plan to include the rail unloading facilities and operations; 4) requirements that the SMR fire brigade meets all the requirements outlined in Occupational Safety and Health Administration 29 CFR 1910.156, and NFPA 600 & 1081; 5) updated fire brigade staffing/training requirements and Cal Fire funding requirements; 6) funding of a qualified Cal Fire inspector to conduct the annual fire inspections at the SMR; 7) funding of training for Cal Fire personnel, including field training, as per the Security and Emergency Response Training Center Railroad Incident Coordination and Safety (RICS) meeting Department of Homeland security, NIIMS, OSHA 29 CFR 1910.120 compliance. These extensive requirements would reduce the impacts of the rail spur project on fire resources at the SMR to less than significant with mitigation (Class II). In addition, for transportation of crude oil along the mainline tracks, mitigation measures PS-4a though PS-4c) (see Section 4.11, Public Service and Utilities) include 1) Only rail cars designed to Option 1: PHMSA and FRA Designed Tank Car shall be allowed; 2) requires annual funding for first response agencies along the mainline rail routes; 3) require annual emergency responses scenario/field based training; and 4) notification requirements. Impacts to fire protection and emergency response would remain significant and unavoidable (Class I) along the mainline routes.

	The RDEIR addresses the inadequate capabilities of remote areas and their response facilities through the application of mitigation measures discussed above.
SCG-04	The commenter expresses a general opinion that the RDEIR is inadequate since it used out dated information and does not adequately assess the risk of a disaster. As discuss in Section 4.7, Hazards and Hazardous Materials, the risk of an oil train accident was significant and unavoidable (Class I). The comment provides no specifics about the perceived deficiencies so no further response can be provided.
SCG-05	Potential impacts to the state's watersheds were addressed in Section 4.12.4, Water Resources of the RDEIR. The RDEIR found that the risk of a crude oil train accident and spill into watersheds along the rail line was considered a Significant and Unavoidable (Class I) impact.
SCG-06	The refining of the different crude slate associated with this project would not produce different GHG emissions at the SMR than the normal range of crude oils refined at the SMR. Note that some Canadian crude oils are currently being processed at the SMR, transported by rail to Bakersfield, then by truck to the SMPS. GHG emissions are attributable to removal of the heavier ends, such as at the SMR, and associated with the cracking and formulation of lighter ends, such as gasoline, at the Rodeo Refinery. These activities would be within the range of normal activities at each refinery. The main difference in GHG emissions occurs at the extraction point, where extracting the tar sands generally produces substantially higher GHG per bbl of crude oil than convention methods, depending on the level of associated gas and the use of that gas. Some fields in California for example, extract the crude oil and just burn the associated gas in flares, which actually can produce a higher GHG intensity than even Canadian Tar Sands crude oils. The additional GHG emissions associated with mining the tar sands would occur no matter the destination of the crude oil, whether the crude oil is destined for the SMR, or other locations within the U.S. The main difference in GHG emissions occurs at the extraction point, where extracting the tar sands generally produces higher GHG per bbl of crude oil than convention methods, depending on the level of associated gas and the use of that gas. Some fields in California for example, extract the crude oil and just burn the associated gas in flares, which actually can produce a higher GHG intensity than even Canadian Tar Sands crude oils. Current CARB requirements (LCFS) already require refineries to disclose the carbon intensities of the crude oil they refine.
SCG-07	Operations at the Rodeo Refinery are not anticipated to change with the processing of Rail Spur Project crude oil. The refinery currently handles heavy crude oil and the characteristics of the Rail Spur Project crude oil are similar to current heavy crude oils. Section 4.3, Table 4.3.13 summaries the different

	characteristics of the crude oils. BTEX levels may increase (although some tar sands crude oils have lower percentages of BTEX than the heavy crudes currently being processed. The SMR refinery ships naphtha and gas oils via pipeline to the Rodeo Refinery. Both of these are semi-refined products. The composition of these two products is not expected to change with the Rail Spur Project. As discussed in the Project Description (Chapter 2.0) the SMR currently processes a range of crude oils from different sources, and the crudes vary from time to time. In addition, the refinery often blends crudes from multiple sources prior to processing. A comparison of crude oils and their characteristics demonstrates that the crudes likely to be received by unit train would be comparable to those currently or recently processed at the SMR. The SMR is not requesting any changes or modifications to its crude unit or other processing units that would allow it to process any crude types that it can't be process currently. The only proposed change to the Rodeo Refinery is the Propane Recovery Project. The Rodeo Refinery (SFR) produces gases as a byproduct of the refining process, and these gases are used as fuel in various refinery processes (referred to as "refinery fuel gas" or "RFG"). Currently, the propane and part of the butane generated at the SFR is used as RFG. Instead of using the propane and butane as fuel at the SFR, the Propane Recovery Project will allow Phillips 66 to recover, store, and ship propane and additional butane via rail to outside customers. Therefore, the primary project objective is to recover liquid petroleum gases ("LPGs" *i.e.*, propane and butane) that already exist in the RFG. The Propane Recovery Project will not cause or require an increase in the amount of recoverable LPG present in the RFG; it will simply allow recovery of the LPGs that already are present in the RFG. The Propane Recovery Project is designed to remove up to 14,500 barrels of LPGs per day. Data regarding actual LPG content of the RFG is consistent with the design basis for the project. The figure below shows that, for the twelve month period from January through December 2013, the average LPGs in the Rodeo RFG was 13,970 barrels per day. The equipment design is a limiting factor on the amount of propane and butane that can be captured and stored, regardless of how much propane and butane can be produced by the SFR in the future or what type of crude oil is processed. Phillips 66 specified this design basis in the application to the Bay Area Air Quality Management District for an authority to construct the Propane Recovery Project, and it has been translated into an enforceable condition included in the draft permit prepared by the air district. Therefore, the amount of propane and butane to be extracted once the Propane Recovery Project is operational will be constrained by the physical design of the equipment and the permit limits.

Most of the LPG produced at the SFR does not arrive as propane and butane in crude oil or in the semi-refined products received from the Santa Maria Refinery (SMR). Rather, the vast majority of LPG produced at the SFR is created through the refining process itself. As explained above, the design capacity of the Rodeo Propane Recovery Project was sized to recover LPGs that are currently being produced and burned as part of the refinery fuel gas at the SFR. No changes in the crude delivery system, type of crude or operations at the SMR are needed in order to fully utilize the propane recovery unit in Rodeo.



The commenter's have overlooked the fact that the refining process at the SFR itself accounts for 90% of the propane and butane currently produced and proposed to be recovered by the Rodeo Propane Recovery Project. As described at pages 3-8 to 3-9 of the Recirculated Draft Environmental Impact Report for the Propane Recovery Project, the refining process incorporates four primary functions: separation, conversion, purification and blending. Crude oil and other incoming feed streams contain mixtures of various hydrocarbon compounds that can be separated using distillation and fractionation in the first step of the refining process. At the SFR, a small amount of butane and propane is separated from the crude oil in these first stage processes. However, butane and propane are also created from other hydrocarbon compounds during the conversion phase of the refining process.

	Overall approximately ten percent of the LPG (combined butane and propane) arrives as identifiable fractions of the crude oil, and the balance of approximately ninety percent is created in the refining processes (cracking units). Since LPG in the crude oil accounts for only a very small fraction (approximately ten percent) of the total LPG produced at the SFR, a change in crude oil LPG content in Santa Maria or in Rodeo would have very little effect on the volume of LPG available for recovery at Rodeo. As discussed in the Recirculated Draft Environmental Impact Report for the Propane Recovery Project Section 3.4.2.1, and shown in Figure 3-7, the proposed Project's design basis was derived from data taken at the Refinery in August, 2011. In the same section, the RDEIR for the Propane Recovery Project also provides an update to substantiate this 2011 design basis with the most recent full year (2013) of RFG data from the Refinery in Figure 3-8. This figure shows that for 2013 an average of 13,970 barrels per day (BPD) of propane and butane were available and that monthly this quantity of propane and butane varies. Note that between the 2011 design basis and the 2013 data, no change to crude feedstock, such as those of concern to commenter's, had been made. These data provide the substantial evidence to support the "independent utility" of this Project and further support that the EIR has not inappropriately piecemealed or segmented this Project.
SCG-08	These comments do not identify a specific environmental analysis or CEQA issue relative to the EIR and compliance with CEQA. The commenter's concerns about hazards, health, climate and economics are included in the FEIR for the decision-makers' consideration as part of the County's deliberations on the proposed project.