Comment

I am writing to express deep concern about the proposed oil by rail project at the Phillips 66 Santa Maria Refinery. The Phillips 66 project puts communities throughout California at risk. This project presents significant and unacceptable risks to our communities across California.

First and foremost, emergency responders are not prepared for these heavy, dangerous trains and current safety standards will not protect the public. The recirculated draft EIR dangerously misinforms first responders because it does not adequately assess the risks of an oil train disaster.

The draft EIR's analysis of potential accidents and spills is flawed because it only evaluates rail accident rates from 2003 to 2012 and spill release rates between 2005 and 2009, and omits important data about crude rail accident frequency and magnitude in 2013 and 2014. This is troubling because we know that more crude spilled from trains in 2013 than spilled during the past four decades. The EIR must look at recent data, including accident data from Canada which has also experienced increased crude by rail incidents. This data reflects the increased quantities of dangerous crude being transported in old and unsafe tank cars and will provide a more accurate assessment of accident risk and magnitude along the rail lines that would serve this project.

Moreover, the EIR's worst case scenario spill analysis estimates a spill of approximately 180,000 gallons, that's approximately six tank cars of crude. This must be an error because we know that most crude trains are comprised of 100 or more tank cars. Indeed, a worst case scenario spill would be on the order of millions of gallons of crude. Such a spill could devastate our scarce water resources, property and our local economy, and would pose a significant threat to public health and safety. This project cannot be approved without analyzing and mitigating its true impacts.

Second, the toxic air emissions resulting from this problem pose an unacceptable risk to public health. The Phillips 66 project will create unacceptable levels of toxic air emissions that will impact my community. Volatile toxic chemicals leak out of tank cars into the air poisoning communities along rail routes. In its latest environmental review Phillips 66 admits that its proposed oil train facility will create “significant and unavoidable” levels of air pollution, including toxic sulfur dioxide and cancer-causing chemicals. The report cites increased health risks -- particularly for children and the elderly -- of cancer, heart disease, respiratory disease, and premature death.

Third, the EIR must fully analyze the potential worst-case scenario of a spill near each of the many watersheds crossed en route to the Santa Maria refinery. The proposed rail route brings oil trains through the San Francisco Bay-Delta watershed and along California’s treasured central coast. Each oil train carries more than three million gallons of explosive, toxic crude oil. 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.

Fourth, the planning department must examine the Santa Maria and Rodeo proposals as a single project. it is clear that Phillips 66 wants to bring toxic Canadian tar sands to California. 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 it to refine the most toxic crude oil on Earth: Canadian tar sands. Transporting and refining tar sands will create more toxic air and water pollution for families along the rail line and near the Santa Maria refinery. San Luis Obispo cannot approve this project in isolation.

Fifth, Phillips 66 must disclose crude quality information in order for decision makers to fully understand the climate impacts of the proposed rail project. Tar sands means more carbon pollution: At every stage of the mining, transportation, and refining process, Canadian tar sands are more carbon intensive than any other source of oil. Bringing tar sands to California will undermine the state's efforts to be a global leader addressing climate disruption.

For all the aforementioned reasons, I urge the San Luis Obispo County Planning Commission and Board of Supervisors to reject the Phillips 66 proposed rail spur. This project creates significant, unavoidable, and unnecessary risks for our communities and our climate.

Response

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 EIR makes it very clear that first responders along the mainline route are not currently equipped to handle crude oil train incidents. As discussed in impact PS.4 (see Section 4.11, Public Services and Utilities), an analysis by the State Office of Emergency Services (OES) clearly indicates that fire and emergency responders lack resources, training and information in order to adequately respond to a crude oil train incident along the mainline tracks.

The historical accidental data used in the RDEIR is not limited to trains shipping crude oil in recent years, but the long term historical train accident data for all freight. The use of data from all freight train movements nationwide provides a very robust database for estimating rail accidents and derailments.

Average U.S. train derailment rates over the 5-year period 2005 – 2009 have previously been estimated using data from the U.S. Department of Transportation, Federal Railroad Administration (FRA) Rail Equipment Accident (REA) database combined with traffic data from

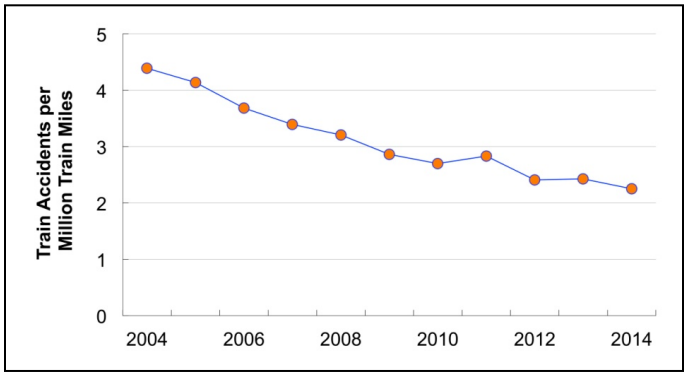
the rail industry (Liu et al, 2014). This dataset was used to develop detailed derailment rates as a function of three factors: FRA Track Class, traffic volume (which appears to be correlated with additional maintenance above basic federal requirements) and Method of Operation (i.e., signaled or non-signaled trackage). All three of these factors have a significant effect on freight train derailment rate. These factors were used to calculate segment-specific derailment rates thereby enabling a fine grained calculation of derailment probability for any particular route. As discussed below, the overall accident rate has declined since this data was recorded and analyzed, thereby resulting in an overestimate of the present-day risk, and future risk. For example the average accident rate for the five-year period 2010-2014 was 27% lower than the average for the five-year period from 2005-2009, and the preliminary estimate of the accident rate for 2014 was 35% lower than the five-year period from 2010-2014.

The reason data from 2005-2009 was used is because that dataset contained additional information that allowed for the estimated effect of FRA Track Class, Traffic Density and Method of Operation (Signaled or Unsignaled) on derailment rate. This additional granularity is needed for more precise segment-specific accident rate used in the analysis.

The derailment rates calculated were based on 1,420 Class 1 railroad mainline derailments. Inclusion of a few more crude oil train derailments in recent years would have virtually no effect on the estimated rates. The suggestion that because these recent accidents were not included in our dataset somehow invalidates the results reflects a lack of understanding of the analytical technique and how it was used. The data needed for this analysis are less complete than for overall accident rate but all other things being equal, there is no reason to believe that crude oil trains derail at a rate different than other freight trains. Using what data are available and making certain assumptions, the EIR consultant conducted an analysis in 2014 and observed no significant difference in the derailment rate for crude oil trains then for other freight trains.

The railroad accident rate has been steadily trending downward for over a decade. The accident rates in the past few years were the lowest since the FRA started recording the data in the mid-1970s. In the period from 2004 to 2014 the rate declined by 49% (almost half) (see Figure 1 below). Most derailments receive little or no attention from the public or media. Railroads are required by regulation to report all accidents that exceed a certain monetary threshold in damage to track, signals and rolling stock (currently $9,600). Proper estimation of train accident rates involves analysis of all accidents, divided by the total amount of traffic. The reason that some perceive an increase in the railroad petroleum crude oil accident rate is because of the more than 50-fold increase in this traffic since 2009. Estimates are that 233,698 tank cars of crude oil were moved by rail in 2012. This increased to over 435,000 tank cars moved by rail in 2013 (the full year of data is not yet available for 2014). With this increase in crude by rail traffic, the derailment and spill probability data would suggest that multiple crude by rail accidents would happen each year.

Figure 1. Railroad Accident Rate 2004 – 2014



Data Source: US DOT Federal Railroad Administration
http://safetydata.fra.dot.gov/officeofsafety/publicsite/summary.aspx
(Data for 2014 include January through November)

Using the accident and spill probability data from the RDEIR the DEIR would have estimated that between 2012 and 2013 there would have been two to five derailments that had spills of 100 gallons or more in the U.S. Based upon the United States Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA) incident data base, there were three crude oil train derailments with spills of 100 gallons or more.

This does not contain the accident and spills that have occurred in Canada over this period since the accident and spill probability data is for mainline rails within the United States only.

The methodology for estimating crude oil unit train accidents and spill probabilities is also consistent with the methodology outlined by the American Institute of Chemical Engineers, Center for Chemical Process Safety (AIChE CCPS) document *Guidelines for Chemical Transportation Risk Analysis* (CCPS, 1995), which is the definitive reference on the methodology for estimating hazardous materials transportation risk.

The RDEIR analysis is also in full agreement with this comment regarding the probability of future oil spills that would be associated with increased crude oil rail shipments. The RDEIR found that the risk of a crude oil train accident and spill was a significant and unavoidable (Class I) impact.

In the event of a train derailment and accident, only a limited number of rail cars actually derail and spill oil. In no case has a rail accident resulted in all rail cars derailing and failing. The median number of cars derailed per FRA-reportable, freight-train derailment on Class I mainlines was six (Liu et al., 2013). In this analysis, we assumed that all derailed cars were crude oil tank cars. The conditional probability of release (CPR) represents tank car safety performance in accidents and was estimated based on the latest statistics developed by the Railway Supply Institute (RSI) – Association of American Railroads (AAR) Railroad Tank Car Safety Research and Test Project. The RSI-AAR Tank Car Project analysis accounts for tank car safety design

features and accident characteristics. The RSI-AAR Project has also calculated a similar statistic, CPR(>100), which is the conditional probability of release of more than 100 gallons from an individual tank car involved in an FRA-reportable accident. Releases smaller than this amount are not believed to pose a substantial threat, so this is the principal metric being used by the rail and tank car industries in their consideration of different tank car safety designs. CPR(>100) is used in the risk analysis described here to be consistent with other documents related to this subject. Please note that trains associated with the Phillips 66 Project would generally have 80 tank cars due based on the space available for the new rail spur.

The EIR conducted a detailed health risk assessment for the SMR operations as well as for the trains traveling along the mainline rail routes. The EIR concludes that diesel emissions from locomotives could produce significant and unavoidable cancer risks to the community. Note that the emissions and modeling related to health risks did not change for the revised EIR, only the criteria for determining cancer impacts were revised based on revisions that were being finalized by OEHHA (although the most recent OEHHA model was used for the Final EIR. The HARP2 model was released by OEHHA after the RDEIR was released). Chronic and acute impacts did not change, but were updated in the FEIR based upon the new HARP2 model. See Appendix B.2.

Potential worst-case water quality impacts related to a rail accident and subsequent oil spill has been addressed in Impact WR.3 (See Section 3.13). Individual waterways that could be affected are shown on Figures 4.13-4 through 4.13-9 and in Tables 4.13-1 and 4.13-2. Water quality impacts were concluded to be significant and unavoidable (Class I).

The refinery already treats a wide variety of crude oil from different sources, many of which are of similar quality to tar sands. The refinery is specifically designed to treat heavy, low quality crude oil.

The RDEIR examined changes in emissions associated with a change of slate, as indicated in Section 4.3.4.2, Air Quality and Greenhouse Gases, which states" For the SMR, key crude slate parameters that could impact air emissions include the percent of BTEX, vacuum resid, sulfur and metals in the crude oil. " The BTEX was analyzed in the health risk assessment to determine the increased health risk. Increased sulfur was assessed as to the increased sulfur truck trips that would be required. None of the other components would alter the emissions at the refinery as the heavy metals would not be emitted into the air from the SMR. Note that as the API gravity would be similar, the emissions of volatile components (ROG) from fugitive emissions would be similar with the change in crude slate. The EIR also addressed the issue of increase GHG emissions from processing Canadian crude at the SMR.

The use of higher sulfur crude oils would increase the amount of sulfur produced at the SMR. This increase in sulfur and the associated truck trips are addressed in the RDEIR in Section 4.3, Air Quality and Greenhouse Gases. Emissions of sulfur dioxide are not anticipated to increase

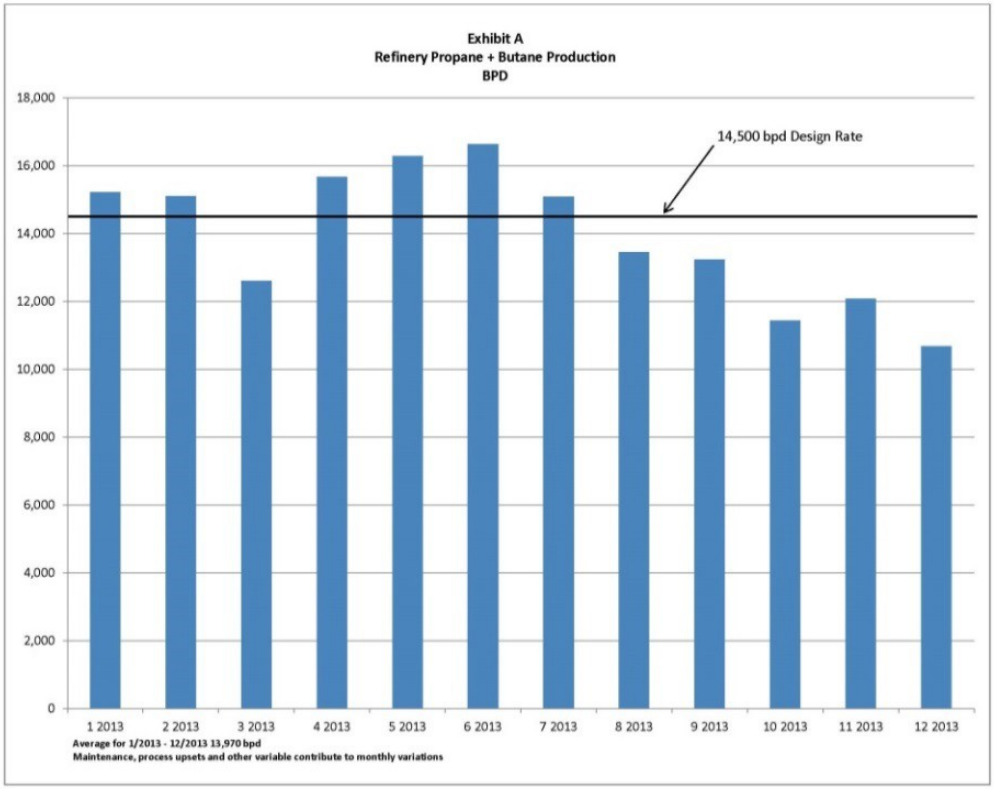
as most of the sulfur in the crude is removed as elemental sulfur and trucked from the site and the SLOCAPCD has limits on the emissions of sulfur dioxide from the refinery processing equipment.

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 this quantity of propane and butane varies monthly. 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.

As the SMR already processes heavy crude oils, and the tar sands crude oils would have a similar proportion of heavier materials, the production of coke is not expected to change with the project. Additional information on the make up the projected crudes compared with the current crude slate at the SMR is provided in Chapter 2.0, Project Description.

The additional GHG emissions associated with mining the tar sands, such as steaming or excavations, 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. or world-wide, as is acknowledged in the Keystone Pipeline EIR " The proposed [Keystone Pipeline] Project is not likely to impact the amount of crude oil produced from the oil sands" (Keystone Final EIS, page ES-15) indicating that the crude oil would be produced and refined even without the new pipeline system or the elimination of California refineries to process the crude oil.

Refineries are equipped to handle a specific type of crude oil, generally a refinery equipped to handle a heavy crude oil could not switch to a lighter crude oil and efficiently and economically conduct refining. Switching amongst heavy crudes would not substantially change the GHG emissions from a refinery. NETL (2009) conducted studies on a range of crude oils for a wheel-to-tank and wheel-to-wheel GHG lifecycle analysis associated with the Keystone Pipeline FEIS. The majority of differences between tar sands and other heavy crude oils was the Raw Material Acquisition (mining and extraction) stage of the lifecycle process, where the raw material acquisition GHG intensity ranged from 14 to 128 kg CO2e per bbl crude oil acquired, with Canadian Tar Sand at the upper end with 111. Conventional Canadian crude produced 36 kg and the US average produced 24 kg. This is in contrast to the refining stage of the lifecycle process which, between heavier crude oils, was similar.