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DISTRICT**

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January 14, 2014

Telma Moreira, Principal Planner
Contra Costa County
Department of Conservation and Development
30 Muir Road
Martinez, CA 94533

Subject: Phillips 66 Company Propane Recovery Project FEIR

Dear Ms. Moreira,

Bay Area Air Quality Management District (Air District) staff has reviewed the County's Final Environmental Impact Report (FEIR) prepared for the Propane Recovery Project (Project) located at the Phillips 66 Refinery in Rodeo. The Project proposes constructing and operating new facilities to recover propane from refinery fuel gas and increase the volume of butane for sale off-site. Staff appreciates the County's responses to the issues raised by the Air District in its August 6, 2013 letter and has the following comments.

Health Risk Assessment

Air District staff reviewed the additional technical information provided in the FEIR. This included a Public Health Supplement that the Air District previously requested and received during the public comment period for the Draft EIR. However, the additional documents still do not provide the information that is necessary to verify emission estimates of toxic air contaminants (TACs) and results of the health risk assessment (HRA). Staff recommends the FEIR include:

- Attachment 1 of the Public Health Supplement that provides calculations of TAC emissions.
- Attachment 2 of the Public Health Supplement that provides output files for AERMOD & HARP modeling.
- All assumptions used to estimate the increase in health risks from the Project to the maximum exposed sensitive receptor.
- A cumulative analysis of health risks to the maximum exposed sensitive receptor that includes other sources of air pollution that contribute to health risks. Staff recommends including TAC emissions from rail activity, refinery modifications, Highway 80, and permitted stationary sources.

The Air District's comments on the Draft EIR dated August 6, 2013 have further recommendations on the evaluation of the Project's potential cumulative risk and hazard impacts. Additional guidance provided by the Air District on conducting an HRA is also available at <http://www.baaqmd.gov/Divisions/Planning-and-Research/CEQA-GUIDELINES/Tools-and-Methodology.aspx>.

Greenhouse Gas Analysis

Air District staff recommends the FEIR fully explain how the projected decrease in GHG emissions is real, permanent, quantifiable, and enforceable because an unknown quantity of sold butane and propane gas can reasonably be expected to be combusted. If the FEIR does not demonstrate a GHG decrease, fully explain how any GHG increases are less than significant or are mitigated.

Air District staff is available to assist the County in addressing these comments. If you have any questions, please do not hesitate to contact Ian Peterson, Environmental Planner II, at (415) 749-4783 or ipeterson@baaqmd.gov.

Sincerely,



Jean Roggenkamp
Deputy Air Pollution Control Officer

cc: BAAQMD Director John Gioia
BAAQMD Director David Hudson
BAAQMD Director Mary Piepho
BAAQMD Director Mark Ross