



**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

January 27, 2021

Gary Kupp
Contra Costa County
Department of Conservation & Development
30 Muir Road
Martinez, CA 94553

RE: Phillips 66 Rodeo Renewed Project – Notice of Preparation for a Draft Environmental Impact Report (County File Number: LP20-2040)

Dear Mr. Kupp,

Bay Area Air Quality Management District (Air District) staff has reviewed the Notice of Preparation (NOP) of a Draft Environmental Impact Report (DEIR) for the Phillips 66 Rodeo Renewed Project (Project). The Project proposes to transform the existing Rodeo Refinery into a facility that would process renewable feedstocks into renewable diesel fuel, renewable components of other transportation fuels, and renewable fuel gas. The modified facility would mostly use existing process units, converted to handle the new feedstocks, and existing storage facilities, supplemented by a new renewable feedstocks pre-treatment unit and limited other new equipment. Several of the existing refinery tanks would be converted to the storage of renewable feedstocks, finished distillates, and gasoline blendstocks to meet customer demand.

The Project also includes decommissioning and potential demolition of an existing facility in Santa Maria, California, that currently supplies semi-refined crude oil to the Rodeo Refinery via pipeline, as well as a decommissioning and potential demolition of a petroleum coke processing facility (also known as the Carbon Plant) in nearby Franklin Canyon. Once the Project is implemented, crude oil and other petroleum pipelines that span from the Central Coast to Rodeo would remain in place, but no longer used by the Project.

During construction of the Project and shut down of the Santa Maria facility pipeline, the Project proposes to temporarily increase crude oil and gas oil throughputs at the Marine Terminal.

Once the Project is complete, the Rodeo facility would receive renewable feedstocks via tanker vessel, railcar, and truck to process the renewable feedstocks into renewable diesel fuel, jet fuel, gasoline blendstock components, and fuel gases. At full operation, the project could produce approximately 105,000 barrels per day on an annual basis for all its products, similar to pre-project production quantities.

ALAMEDA COUNTY

John J. Bauters
(Secretary)
Pauline Russo Cutter
David Haubert
Nate Miley

CONTRA COSTA COUNTY

John Gioia
David Hudson
Karen Mitchoff
(Vice Chair)
Mark Ross

MARIN COUNTY

Katie Rice

NAPA COUNTY

Brad Wagenknecht

SAN FRANCISCO COUNTY

VACANT
Shamann Walton
Tyrone Jue
(SF Mayor's Appointee)

SAN MATEO COUNTY

David J. Canepa
Carole Groom
Davina Hurt

SANTA CLARA COUNTY

Margaret Abe-Koga
Cindy Chavez
(Chair)
Rich Constantine
Rod G. Sinks

SOLANO COUNTY

Erin Hannigan
Lori Wilson

SONOMA COUNTY

Teresa Barrett
Lynda Hopkins

Jack P. Broadbent
EXECUTIVE OFFICER/APCO

Connect with the
Bay Area Air District:



Air District staff recognizes that renewable fuels are a component of California's near-term strategy to meet our climate goals, and that conversion of petroleum refining to renewable feedstocks is part of this transition. It is imperative, however, that this conversion not adversely impact air quality and community health. We are concerned about the Project's potential air quality impacts on neighboring communities. Communities neighboring refineries have historically been disproportionately impacted by poor environmental and socioeconomic conditions. For example, many of the neighborhoods in Rodeo are at the 98th percentile for asthma emergency hospitalizations within the State of California and have been identified as disadvantaged and low-income under Senate Bill 1000 and by CalEPA's CalEnviroScreen tool. The Air District has worked for many years to improve air quality and health in these communities and these efforts continue today. Accordingly, increased emissions in the neighboring communities would be concerning and would make it more challenging in achieving the States' Community Health Protection Program goals and targets.

Air District staff recommends the EIR include the following information and analysis:

- **The EIR should establish a conservative significance threshold to evaluate impacts.** Communities neighboring refineries are currently cumulatively impacted with air pollution, which makes additional air pollution a potentially significant localized impact. We recommend that the EIR use a very conservative significance threshold to evaluate impacts and mitigation requirements for this Project. This includes establishing a baseline of current air quality emissions and toxic air contaminants surrounding the facility.
- **The EIR should compare the air quality impacts from the Project and the No Project alternative.** In addition to evaluating the Project's air quality impacts, staff recommends that an evaluation be conducted for the No Project alternative. This will provide full disclosure of current versus anticipated impacts from the Project.
- **The EIR should include an analysis of the temporary increase in crude oil and gas oil throughput at the Marine Terminal.** Air District staff recommends that the EIR include an analysis of the air quality impacts of anticipated temporary increase of crude oil and gas oil at the Marine Terminal during construction and closure of the Santa Maria Facility.
- **The EIR should include an analysis of the expected criteria pollutants, toxic air contaminants, and health impacts resulting from marine, rail, or truck traffic modifications.** The Project expects to continue pre-project delivery quantities after closure of the Santa Maria pipeline. Air District staff recommends that the EIR include an analysis of the criteria pollutants, toxic air contaminants, and health impacts resulting from increases in marine, rail, or truck traffic due to the decommissioned transmission pipeline.
- **The greenhouse gas (GHG) impact analysis should include an evaluation of the Project's consistency with the most recent draft of the AB 32 Scoping Plan by the California Air Resources Board (CARB) and with the State's long-term climate goals.** The current recommended GHG thresholds in the Air District's 2017 CEQA Guidelines are based on the State's 2020 GHG targets, which are now superseded by the 2030 GHG targets established in SB 32. The EIR should demonstrate how the Project will be consistent with the Scoping Plan

as well as the State's long-term climate goals of reaching carbon neutrality by 2045 and achieving GHG emissions reductions equivalent to 80 percent below 1990 levels by 2050.

- **The EIR should estimate and evaluate the potential health risk to sensitive populations near the Project area from toxic air contaminants (TAC) and fine particulate matter (PM_{2.5}) as a result of the Project's construction and operations.** Air District staff recommends that the EIR evaluate potential cumulative health risk impacts of TAC and PM_{2.5} emissions on sensitive receptors near the Project area.
- **The EIR should evaluate all feasible measures, both onsite and offsite, to minimize air quality and GHG impacts, including measures recommended by the communities that may be impacted by the Project.** The EIR should prioritize onsite mitigation measures, followed by offsite mitigation measures, within the Project area. We urge the County to conduct community outreach and engagement to receive input on mitigations, additional controls, and potential community benefits. Examples of potential emission reduction measures that should be evaluated and considered include, but are not limited to:
 - Require zero-emissions trucks for all facility operations, on-site and off-site;
 - Require construction equipment to be zero-emissions when available, operate on renewable fuel, or at a minimum, use the highest tier engines commercially available;
 - Require all ocean-going vessel calls to meet the highest engine tier commercially available;
 - Accelerate compliance with CARB's 2027 At-Berth Regulation;
 - Comply with voluntary vessel speed reduction zones established by National Oceanic and Atmospheric Administration
 - Require tugboats to meet U.S. Environmental Protection Agency (EPA) Tier 3 and 4 engines;
 - Comply with CARB's proposed Air Toxic Control Measure for Commercial Harbor Craft regulation (anticipated to be adopted in 2021);
 - Require locomotives to meet U.S. EPA Tier 4 engine standards; and
 - Require zero-emissions switcher locomotives.
- **The EIR should evaluate the Project's consistency with the Air District's 2017 Clean Air Plan (2017 CAP).** The EIR should discuss 2017 CAP measures relevant to the Project and show the Project's consistency with the measures. The 2017 CAP can be found on the Air District's website: <http://www.baaqmd.gov/plans-and-climate/air-quality-plans/current-plans>.
- **The EIR should evaluate new odor sources resulting from the Project.** Air District staff recommends that the EIR qualitatively evaluate potential odor impacts from the Project to off-site receptors and include a detailed description of an odor control plan.

- **The EIR should include a discussion of compliance with the following Air District and State regulations as it applies to the Project:**
 - Regulation 11, Rule 2, Asbestos Demolition, Renovation and Manufacturing, which entails, but is not limited to, a thorough asbestos survey by a certified asbestos consultant, removal of all regulated asbestos if present, and make a renovation and/or demolition notification.
 - Regulation 6, Rule 6: Prohibition of Trackout for construction sites where the total land area covered by construction activities and/or disturbed surfaces at the site are one acre or larger.
 - Portable Equipment Registration Program (PERP) Air Toxic Control Measure (ATCM) enforced for the California Air Resources Board by the Air District for all proposed portable equipment to be used for the Project.
 - Off-Road Equipment ATCM enforced for the California Air Resources Board by the Air District for diesel powered equipment greater than 25 horsepower.
- **The Air District's CEQA website contains tools and resources to assist lead agencies in analyzing air quality and GHG impacts.** These tools include guidance on quantifying local emissions and exposure impacts. The tools can be found on the Air District's website: <http://www.baaqmd.gov/plans-and-climate/california-environmental-quality-act-ceqa/ceqa-tools>.
- **Certain equipment and operations of the Project will require a permit from the Air District.** Please contact Barry Young, Senior Advanced Projects Advisor, at (415) 749-4721 or byoung@baaqmd.gov to discuss permit requirements. Any applicable permit requirements should be discussed in the EIR.

We encourage the City to contact Air District staff with any questions and/or to request assistance during the environmental review process. If you have any questions regarding these comments or would like to schedule a meeting, please contact Areana Flores, Environmental Planner, at (415) 749-4616, or aflores@baaqmd.gov.

Sincerely,



Greg Nudd
Deputy Air Pollution Control Officer

cc: BAAQMD Chair Cindy Chavez
BAAQMD Vice Chair Karen Mitchoff
BAAQMD Director John Gioia
BAAQMD Director David Hudson
BAAQMD Director Mark Ross