



**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

December 17, 2021

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

Re: Phillips 66 Rodeo Renewed Project Draft Environmental Impact Report

Dear Mr. Kupp:

Bay Area Air Quality Management District (Air District) staff has reviewed the Draft Environmental Impact Report (DEIR) for the Phillips 66 Rodeo Renewed Project (Project). The Project location in Contra Costa County (County), called the Rodeo Refinery, is located at 1380 San Pablo Avenue in Rodeo, and comprises approximately 1,100 acres of land. The main components of the Project would be located within the 495-acre developed area of the property northwest of Interstate 80 (I-80). This area is referred to as the Rodeo Site. The Rodeo Site is currently covered by a mixture of impervious surfaces associated with process equipment, parking areas, and roads. The remaining portion of the Rodeo Refinery, southeast of I-80, consists of a tank farm, the Carbon Plant Site, and undeveloped land that serves as a buffer zone.

As part of the Project, the Rodeo Site will stop processing crude oil, but will receive, blend, and ship up to 40,000 barrels per day (bpd) of gasoline and gasoline blendstocks. In addition to gasoline, the Rodeo Site will blend renewable diesel, propane, naphtha, and potentially aviation fuel, for a total of up to 55,000 bpd. In addition, the Carbon Plant Site, located southeast of I-80 at 2101 Franklin Canyon Road in Rodeo within the 1,100-acre Rodeo Refinery, will cease to be used and will be demolished.

Project construction activities are planned in two phases. The first phase includes construction activities only. The second phase includes construction and “transitional” activities. Transitional activities are described as a period of approximately seven months when there will be a temporary increase in marine vessel traffic while Project construction activities continue. At the end of the construction and transitional phase, Project operations will begin.

The Project also includes the demolition of the Santa Maria Refinery, located in San Luis Obispo County. Pipelines 100, 200, 300, and 400, which transport crude oil from the Santa Maria Refinery to the Rodeo Refinery, will cease to be used under the Project.

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The Air District has the following comments on the Project's DEIR.

Air Quality Impacts and Mitigation Measures

1. Please note that Project construction activities will be subject to District Regulation 6-6: Prohibition of Trackout. In addition, Mitigation Measure AQ-1 Implement Air District Basic Control Measures (MM AQ-1) (Page 4.3-63) includes the Air District's recommended Basic Construction Mitigation Measures but not the Air District's Advanced Construction Mitigation Measures. MM AQ-1 should commit to the following additional best practices during both phases of construction:
 - a. All exposed surfaces shall be watered at a frequency adequate to maintain minimum soil moisture of 12 percent. Moisture content can be verified by lab samples or moisture probe.
 - b. All excavation, grading, and/or demolition activities shall be suspended when average wind speeds exceed 20 mph.
 - c. Wind breaks (e.g., trees, fences) shall be installed on the windward side(s) of actively disturbed areas of construction. Wind breaks should have at maximum 50 percent air porosity.
 - d. Vegetative ground cover (e.g., fast-germinating native grass seed) shall be planted in disturbed areas as soon as possible and watered appropriately until vegetation is established.
 - e. The simultaneous occurrence of excavation, grading, and ground-disturbing construction activities on the same area at any one time shall be limited. Activities shall be phased to reduce the amount of disturbed surfaces at any one time.
 - f. All trucks and equipment, including tires, shall be washed off prior to leaving the site.
 - g. Site accesses to a distance of 100 feet from the paved road shall be treated with a 6-to-12-inch compacted layer of wood chips, mulch, or gravel.
 - h. Sandbags or other erosion control measures shall be installed to prevent silt runoff to public roadways from sites with a slope greater than one percent.
 - i. Using only Tier 4 engines for all construction equipment and using zero-emission equipment as available.

2. Mitigation Measure AQ-2 Implement a NO_x Mitigation Plan (MM AQ-2 or NM Plan) (Page 4.3-65) requires a mitigation plan to address nitrogen oxides (NO_x) from construction and construction and transitional activities phases. The NM Plan would be submitted to the Air District and Contra Costa County prior to issuance of the construction-related permits and would prioritize mitigations in this order: on-site, off-site but within the Air District's jurisdiction, and finally, through relinquishment of Emission Reduction Credits. The Air District has the following comments on the proposed NM Plan:
 - a. The Air District does not agree with the conclusion that with MM AQ-2 (NM Plan) NO_x emissions are less than significant with mitigation (LTSM) because the NM Plan has not been completed and made public and, thus, its effectiveness cannot be evaluated.

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- b. The Project Sponsor must commit to specific actions in the EIR as part of the public review process for the NM Plan to be acceptable as a mitigation measure.
 - c. The NM Plan must include specific emission reduction actions that are enforceable, quantifiable, and supplemental to actions required by any law or regulation.
 - d. The Air District has not agreed to review the NM Plan nor to review NM Plan Annual Reports during the construction and transition phases.
 - e. Before any off-site NO_x mitigation is acceptable, the NM Plan must exhaust all on-site opportunities to reduce emissions during both the construction and transitional phases, for example, by using or installing:
 - i. All on-road heavy-duty trucks traveling to the construction site shall be model year 2014 or later.
 - ii. All off-road equipment shall use the highest tier engines available when zero-emissions equipment is not available (e.g., Tier 4 construction, rail, marine equipment, including for any dredging activities). In place of Tier 4 engines, off-road equipment can incorporate retrofits such that emission reductions achieved equal or exceed that of a Tier 4 engine.
 - iii. In advance of California Air Resources Board (CARB) requirements, the site will provide shore power to all vessel fleets and require all fleets to be shore power compatible.
 - iv. Off-road equipment with a power rating below 19 kilowatts (e.g., plate compactors, pressure washers) shall be battery powered.
 - v. Renewable diesel shall be used for all truck fleets.
 - vi. Diesel back-up generators shall not be used on the property unless absolutely necessary. If necessary, generators shall have Best Available Control Technology (BACT) that meets CARB's Tier 4 emission standards or meets the most stringent in-use standard, whichever has the least emissions.
 - f. The Air District does not support the relinquishment of Emission Reduction Credits to mitigate construction and transitional activity emissions, because this would not result in contemporaneous emissions reductions benefiting nearby communities.
3. Mitigation Measure AQ-4 Implement Odor Management Plan (MM AQ-4 or Odor Plan) (Page 4.3-81) states that during the 2-year construction phase of the Project, an Odor Plan shall be developed and implemented upon commencement of the renewable fuels processes. The Air District has the following comments on the proposed Odor Plan.
- a. The Air District does not have sufficient information to agree or disagree with the determination that with MM AQ-4 (Odor Plan) that operation and maintenance odors are less than significant with mitigation (LTSM) because the Odor Plan has not been completed and made public and, thus, its effectiveness cannot be evaluated.
 - b. The Project Sponsor must commit to specific actions in the EIR as part of the public review process for the Odor Plan to be acceptable as a mitigation measure.

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- c. The Air District recommends more robust discussion of enforcement measures to address odors from processing renewable feedstock.
 - d. Include a discussion in the Odor Plan of odors from mobile sources carrying odorous materials.
 - e. Additional details are needed to document how the County will enforce the Odor Plan to ensure the expected management and control strategies are achieved, such as what actions will be taken if an odor is suspected.
 - f. When odor complaints are reported, the Odor Plan should require immediate action to prevent repeat complaints. In addition, the Odor Plan should include an annual evaluation of the overall system performance, identifying any trends to provide an opportunity for improvements to the plan, and updating the odor management and control strategies, as necessary.

The Air District is available to help the County address the Odor Plan's potential compliance and enforcement issues by including odor control conditions on new, altered or modified stationary source permits, and by assisting with the development of a robust Odor Plan to mitigate potential odors.

Project Renewable Feedstocks

Section 3.8 Project Renewable Feedstocks discusses use of lipids (such as fats, oils, and grease) but does not mention cellulosic material commonly used in the production of renewable fuels (such as crop residues and woody biomass). The Air District recommends that the County investigate requiring that the Project Sponsor procure a percentage of organic waste from local sources for use as feedstock at the facility. Local governments in California are required to meet SB 1383 organic waste diversion requirements to reduce statewide disposal of organic waste by 75 percent from 2014 levels by 2025. The procurement and utilization of this organic waste as potential feedstock could result in benefits for associated transportation impacts and costs, greenhouse gas emissions, and land use.

Health Risk Assessment & Emissions Estimates Methodology

1. The DEIR methodology and calculations should reflect the most health protective analysis and therefore all future scenarios should include the Project's potential to emit under existing Air District permits. In addition, for the most health protective analysis, Appendix B, Attachment A, Stationary Source Table 12, page 144 of 4191 should include an additional 25,000 bpd of gasoline material to reflect the amount of throughput that is allowed to be processed under current Air District permits.
2. The DEIR should clarify if butane is a feed material for Unit 110, as butane is not included in the New Source Review (NSR) permit application for this unit (Appendix B, Attachment A, Stationary Source Table 9, page 140 of 4191).
3. Provide documentation that Air District permits issued to the Project Sponsor include Unit 250. If no documentation is available, please include Unit 250's throughput of 12,000 bpd of renewable fuel in the Project's emissions calculations.

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4. The Air District recommends that for the construction and operations truck analysis, the methodology use the more conservative local silt loading factor to estimate resuspended road dust (DEIR page 4.3-54).
 5. For the HRA methodology associated with entrained road dust emissions, use PM2.5 particle size multiplier (k) of 0.25 grams per mile from US. EPA AP-42. (DEIR Appendix B, Construction Table 6, p. 33 of 4191).
 6. DEIR Appendix B Section 3.4.1.1 Marine Vessel Transiting should analyze marine emissions from the Marine Terminal to a distance of 11 nautical miles to be consistent with Air District transiting estimation purposes per Regulation 2-2-610 (Appendix B p. 14 of 4191).
 7. For Marine Terminal Loading Emissions, explain why DEIR Appendix B uses a 0.2 saturation factor rather than the 0.35 factor submitted for stationary sources in the New Source Review application (Appendix B, Attachment A, Stationary Source Table 12 p. 144 of 4191).

If you have any questions regarding the Air District's permits, please contact Barry Young, Senior Advanced Projects Advisor, at byoung@baaqmd.gov or (415) 940-9641 to discuss permit requirements.

We encourage the County to contact Air District staff with any questions and to request assistance during the environmental review process. If you have any questions regarding these comments, please contact Alison Kirk, Principal Environmental Planner akirk@baaqmd.gov, Matthew Hanson, Environmental Planner at (415) 749-8733 mhanson@baaqmd.gov, or Lily MacIver, Environmental Planner I at lmaciver@baaqmd.gov.

Sincerely,



Greg Nudd
Deputy Air Pollution Control Officer – Policy

Cc: BAAQMD Director John Gioia
BAAQMD Director David Hudson
BAAQMD Vice Chair Karen Mitchoff
BAAQMD Director Mark Ross