COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PLANNING & BUILDING
TREVOR KEITH, *DIRECTOR*

Notice of Preparation and Notice of Scoping Meeting

Phillips 66 Santa Maria Refinery
Demolition and Remediation Project
ED23-054 / C-DRC2022-00048

Date: May 4, 2023
To: Interested Agencies, Organizations, and Individuals
Lead Agency: San Luis Obispo County
Applicant: Phillips 66 Company

I. INTRODUCTION

This is a notice for solicitation of agency, organization, and public input and initiation of scoping for the preparation of an Environmental Impact Report (EIR) for the Phillips 66 Santa Maria Refinery Demolition and Remediation Project (SMR Demolition Project or the "Project").

San Luis Obispo County (County) is the Lead Agency under the California Environmental Quality Act (CEQA) for the preparation and review of the SMR Demolition Project EIR. Pursuant to Section 15082 of the State CEQA Guidelines, the County is soliciting the views of responsible, trustee, and interested agencies, organizations, and individuals on the scope and content of the environmental analysis in the EIR. Agencies should comment on the elements of the scope and content of the EIR that are relevant to the agencies' statutory responsibilities, as provided under State CEQA Guidelines Section 15082(b). A summary of the Project and environmental effects that may result from implementation are provided below. Additionally, information about the SMR Demolition Project may be accessed via the County's website: https://www.slocounty.ca.gov/Departments/Planning-Building/Grid-Items/Community-Engagement/Active-Planning-Projects/Phillips-66-Santa-Maria-Refinery-Demolition-and-Re.aspx

Comment Period: Written comments or questions regarding the scope and content of the EIR can be sent anytime during the Notice of Preparation (NOP) public comment period. The comment period begins May 4, 2023, and ends June 5, 2023 (30 days) at 5:00 p.m.. Please include the name of the contact person for your agency or organization, if applicable. Please send all comments via U.S. mail or email to:

Susan Strachan
Decommissioning Project Manager
San Luis Obispo County
Department of Planning and Building
976 Osos St. #300, San Luis Obispo, CA 93408

Email: p66refinery@co.slo.ca.us
Subject Line: SMR Demolition Project NOP Comments

Scoping Meetings: The County will hold two virtual scoping meetings using Zoom, and one in-person meeting (presented at a local venue), to give the agencies, organizations, and the public an opportunity to learn about the Project, to ask questions regarding the Project, and provide oral comments on the scope and content of the EIR. These meetings will be transcribed and posted on the County's website (see link above) for later viewing. Each meeting will include the same presentation. Comments received at each meeting will become part of the public record for the Project.

The meeting times and login details are as follows:

Saturday May 13, 2023 at 10:00 a.m.	**Wednesday May 17, 2023 at 10:00 a.m.**
Zoom link: https://swca.zoom.us/j/98440487828 or by Phone: (669) 900-6833 then enter Webinar ID: 984 4048 7828	Zoom link: https://swca.zoom.us/j/93248269924 or by Phone: **(669) 900-6833** then enter Webinar ID: 932 4826 9924
Wednesday May 17, 2023 at 7:00 p.m.	
In person Black Lake Golf Course Banquet Room 1490 Golf Course Lane, Nipomo	

II. DESCRIPTION OF THE PROJECT

Phillips 66 proposes to demolish the Santa Maria Refinery and remediate the site. The Project is located at 2555 Willow Road (State Route 1) in an unincorporated area of San Luis Obispo County, near Arroyo Grande and Nipomo, and approximately five miles west of U.S. Highway 101. The SMR site is located within the coastal zone.

The Project site consists of refinery facilities that occupy approximately 245 acres within portions of two adjoining parcels: Assessor's Parcel Number (APN) 092-401-011, and APN 092-401-005. Phillips 66 also owns contiguous undeveloped properties that are not part of the Project (see Figure 1 below).

The SMR was built in 1955. The SMR includes petroleum storage and processing facilities, primarily for high-sulfur heavy crude oil. The crude oil was delivered primarily from offshore platforms along the California coast and oil fields in and near the Santa Maria Valley. The majority of crude oil was delivered to the SMR by pipeline. The remainder, which was approximately 2,000 barrels per day of petroleum-based products, was delivered by truck. Semi-refined liquid products from the SMR were transported by pipeline as feedstocks to the Rodeo Refinery in Contra Costa County, California, for upgrading into finished petroleum products. Other SMR products included petroleum coke (a byproduct of oil refining), which was shipped to off-site market destinations by rail and truck, and granular sulfur (recovered from the crude oil), which was shipped to off-site market destinations by truck.

Phillips 66 recently obtained approval to transform the Rodeo Refinery, located in the community of Rodeo, in Contra Costa County, into a repurposed facility that will process renewable feedstocks into renewable diesel fuel, renewable components for blending with other transportation fuels, and renewable fuel gas. Because the Rodeo Renewed Project will

discontinue the processing of crude oil at the Rodeo Refinery, the SMR is no longer necessary to provide feedstock to the Rodeo Refinery. Consequently, Phillips 66 has ceased operations of the SMR in January 2023.

The California Coastal Act (CCA) is the principal planning and regulatory program for the coastal zone of California. Section 23.01.031 of the County's Coastal Zone Land Use Ordinance (CZLUO) requires a Coastal Development Permit (CDP) for development projects in accordance with the CCA and the above-referenced section of the CZLUO. In addition, Section 23.02.034 of the CZLUO requires a CDP to enable public review of significant land use proposals and to ensure consistency with local ordinance and policy. The area of the site in the coastal zone is located within the California Coastal Commission (CCC) appeal jurisdiction, meaning that County decisions on the project may be appealed to the CCC.

Project Summary. The Project involves demolition of aboveground and belowground refinery facilities, equipment, and associated infrastructure except for certain infrastructure or utilities proposed to be kept in place for potential use by subsequent site occupants.

Refinery decommissioning (i.e., facility shut-down) is currently underway under existing permits; these activities are not a part of this CDP application. During facility shut-down, the SMR will cease operations, isolate process-related equipment and piping, remove bulk materials, and decontaminate process equipment and piping. Once these activities are completed, the SMR will remain in an idled condition until demolition and remediation can proceed under the CDP.

The project activities involve removal of aboveground facilities; removal of belowground facilities and remediation/restoration of the site. The main activities during aboveground demolition include:

- Demolition of buildings and refinery structures to ground level;
- Segregation and stockpiling of demolition materials; and
- Loading and hauling of demolition materials by truck and rail to offsite facilities and landfills for proper handling, management, or disposal.

Belowground demolition and remediation will begin in individual sub-areas as the aboveground demolition is completed in those sub-areas. The main activities during belowground demolition and remediation include:

- Site characterization to determine areas of contamination and soil remediation (soil clean up);
- Soil remediation (soil excavation, stockpiling, testing, and offsite hauling);
- Removal of belowground infrastructure not supporting retained facilities (e.g., roads, parking areas);
- Grading and restoration of impacted land; and
- Restoration monitoring.

Conventional demolition and remediation equipment will be used. Aboveground demolition is anticipated to take place over a period of six to eight months. Existing access, staging, and material stockpiling areas will be used.

Anticipated waste types that would be generated during the combined demolition and remediation activities include asbestos and other regulated building materials, mixed metals, treated wood, mixed debris, concrete, asphalt, and impacted soil. Mixed metals and other recyclable materials will be hauled to regional recycling facilities, and non-recyclable materials such as mixed debris (e.g., insulation, wood framing, ceiling tiles, carpet, vinyl tile, ceramic tile, stone tile, and drywall) will be hauled to regional landfills or other waste facilities, as appropriate (see Figure 2 below).

Belowground demolition, characterization of soil conditions, and excavation of impacted soil will begin in one area at a time after completion of aboveground demolition in that area. Belowground demolition will include excavation and removal of concrete sub-structures and other belowground infrastructure. Hardscapes (concrete, asphalt, compacted base/gravel, or asphalt emulsion coating) may remain for potential future development by others where ground disturbance is not required for belowground demolition or remediation.

The timing, sequence, and duration of belowground demolition and remediation will vary within each functional area depending on site conditions. A substantial amount of the remediation work will be completed in the first three years. Remediation will likely continue, but at a slower pace, over additional years (potentially up to 10 years), to finalize remediation depending on site conditions and work plans.

Impacted soil will be remediated to a level that meets applicable risk-based industrial standards in a cost-effective manner. Impacted soil will be excavated and stockpiled onsite at an existing rail spur, loaded into rail cars, and then hauled by rail to an approved landfill. For planning purposes, it is assumed that a small percentage of the waste soil, and potentially other wastes such as asbestos, will be hauled by truck to a regional waste management facility such as Waste Management, located at 56533 Highway 58 West in McKittrick. Asphalt and concrete that is removed during demolition will be crushed and reused onsite.

Demolition- and remediation-related equipment and material delivery vehicles and waste hauling trucks will use the existing designated haul route between the refinery entry/exit points and the Willow Road/U.S. Highway 101 interchange.

Grading and restoration of impacted land will occur directly after belowground demolition and remediation. Grading will target a balance of on-site cut and fill (final grade will be achieved with available soil). Existing drainage patterns, soil absorption, and surface runoff patterns will generally be retained. Restoration measures will include a combination of short-term and long-term erosion and sediment control measures, dust control measures, and revegetation.

Demolition and remediation activities will occur within the refinery fence line (Figure 1 below). No physical work is planned on the contiguous parcels owned by Phillips 66 or on other parcels. Outside the refinery fence line, a bundle of pipelines (8-inch gas fuel line, 8-inch oil line, and 4-inch diluent line) that extends approximately 1,200 feet southwesterly from the western fence line to the Phillips 66 property line will be abandoned in place. This area is a designated sensitive

habitat. The lines were previously nitrogen purged and capped in compliance with regulatory requirements. Therefore, these pipelines are already abandoned and safe, and no additional demolition efforts are needed.

No physical work is planned on the wastewater treatment system ocean outfall pipeline. This line originates at the wastewater plant and runs west through the Oceano dunes for two miles to the shoreline and then terminates at a seafloor diffuser located 0.5 mile offshore. Phillips 66's lease with the California State Lands Commission is valid through October 2028. Phillips is not proposing to remove the outfall line at this time. Disposition of the outfall will ultimately be determined by the California State Lands Commission.

Disposition of offsite pipelines is not a part of the Project. The existing Common Carrier pipelines will continue to be regulated by the U.S. Department of Transportation and the California Office of the State Fire Marshal.

Potential future uses of the SMR site are unknown and are speculative at this time; therefore, future uses of the site are not considered in this Project. Facilities that would remain in place per regulatory authorities (for groundwater monitoring wells, for example) or for potential future use include:

- Rail spurs;
- Truck scale;
- Main substation and Pacific Gas and Electric (PG&E) power poles and lines to the substation;
- Perimeter security fencing and solar-powered perimeter lighting;
- Guard shacks;
- Groundwater production wells #2, #4, #5 and #6 (used for potable water, fire water, and industrial water at the SMR);
- Groundwater monitoring wells;
- Slop oil line release remediation system (remediation is in progress under separate permit);
- Pig receivers/launcher at north boundary for maintenance of off-site pipelines;
- Maintenance roads for maintenance of remaining facilities;
- Hardscapes (concrete, asphalt, compacted base/gravel, or asphalt emulsion coating) beyond 100 feet of County-designated sensitive habitat where ground disturbance is not required for belowground demolition or remediation;
- Wastewater outfall line;
- Natural gas lines and crude and product lines (four lines total); these lines will remain in place from the pig receiver/launcher to the property line; and
- Belowground pipelines (former 8-inch gas fuel line, 8-inch oil line, and 4-inch diluent line) previously abandoned in place in an approximately 1,200-foot segment extending southwesterly from within the refinery fence line near the wastewater treatment plant to the Philips 66 property line.

These facilities are shown in Figure 3 below. Phillips 66 would continue to manage the structures that would remain onsite. After demolition and remediation/restoration, activities would be limited to site restoration and general maintenance of the remaining facilities.

III. AREAS OF POTENTIAL IMPACT FOR THE PROJECT

The County has determined that an EIR will be required to satisfy environmental review for the Project. Therefore, as allowed under CEQA Guidelines Section 15060(d), the County has not prepared an Initial Study and will instead begin work directly on the EIR. The EIR will focus on the potentially significant effects of the Project, discuss any effects found not to be significant (CEQA Guidelines Section 15128) and will assess the direct, indirect, and cumulative impacts, as well as growth-inducing effects.

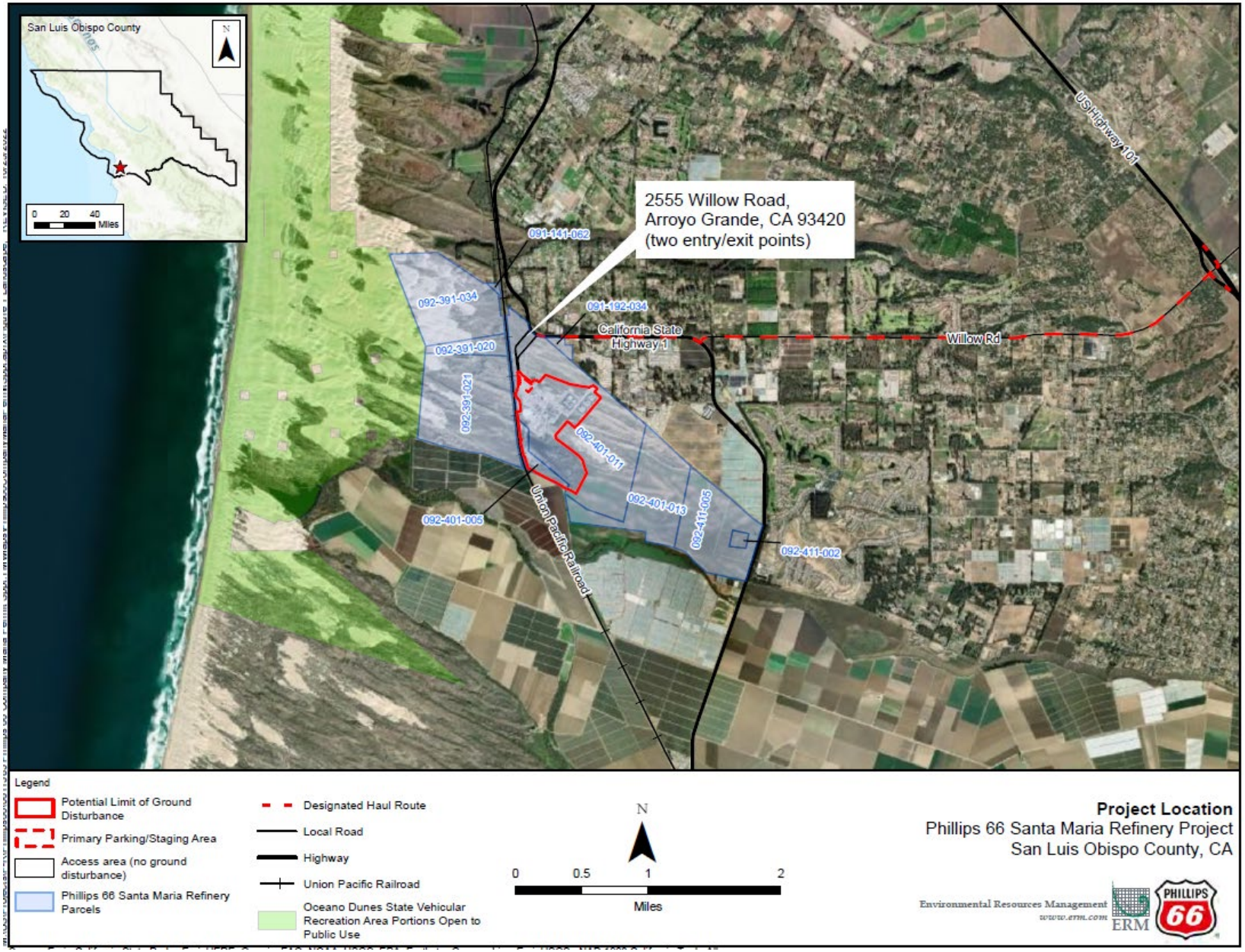
The EIR will include an evaluation of the following environmental issues:

- Aesthetics
- Agricultural Resources
- Air Quality
- Biological Resources
- Cultural and Tribal Cultural Resources
- Energy
- Geology and Soils
- Greenhouse Gas Emissions
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use and Planning
- Noise
- Public Services, Utilities, Service Systems
- Recreation and Coastal Access
- Transportation
- Wildfire

Other issues areas to be considered will include climate change and sea level rise, growth inducing impacts, and issue areas determined to have no impact, and findings of significance.

No determinations have been made as to the significance of these potential effects, or the final listing of alternatives to be evaluated. Such determinations will be made in the EIR after the issues are thoroughly analyzed. The County invites interested parties, and all affected, responsible, and trustee agencies, to suggest specific areas of analysis to be addressed within these general categories, or other issues not included above, to be considered in the EIR.

Figure 1 Santa Maria Refinery Demolition and Remediation Project Location



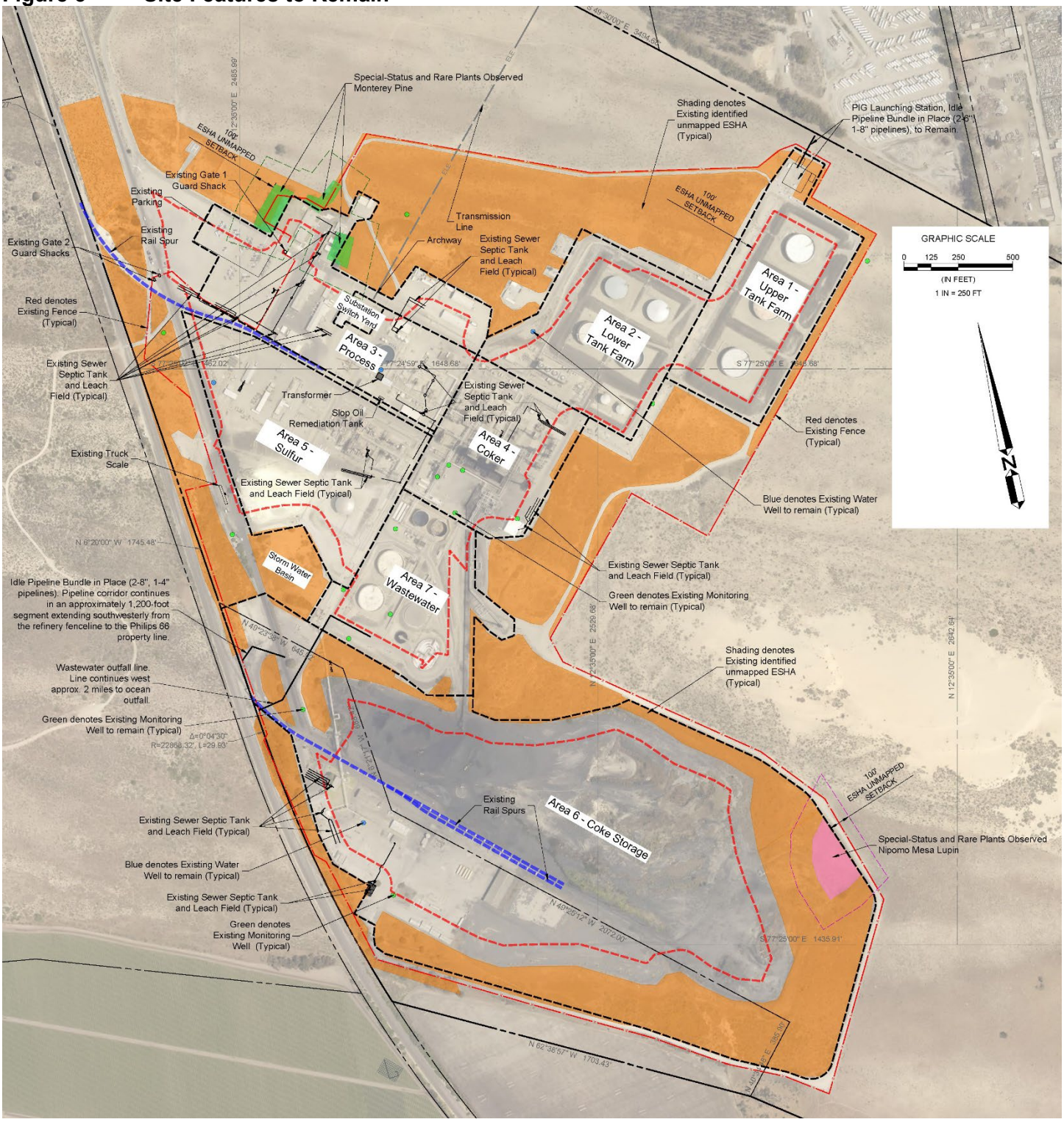
Source: Applicant, 2023.

Figure 2 Offsite Haul Route and Potential Disposal/Transfer Locations



Source: Applicant, 2023.

Figure 3 Site Features to Remain



Source: Applicant, 2023.