

# 1 Introduction

---

The California Environmental Quality Act (CEQA) of 1970 (Public Resources Code [PRC] Sections 21000 et seq.) and the CEQA Guidelines (California Code of Regulations Title 14, Section 15000) require a public agency with discretionary authority to issue a permit or other approval to evaluate the environmental impacts of its action. Phillips 66 submitted a Land Use Permit (LUP) application for its proposed Rodeo Renewed Project (Project) with the Contra Costa County Department of Conservation and Development in 2020. Approval or denial of the LUP is a discretionary action requiring review under CEQA (PRC Section 21080). As such, Contra Costa County has the principal responsibility for approving the proposed Project and is therefore the Lead Agency under CEQA (PRC Section 21067; California Code of Regulations Title 14, Section 15367).

## 1.1 Project Background

The applicant proposes the Phillips 66 Rodeo Renewed Project (County File# CDLP20-02040) to modify the existing Rodeo Refinery into a repurposed facility that would process renewable feedstocks into renewable diesel fuel, renewable components for blending with other transportation fuels, and renewable fuel gas. The Rodeo Refinery would eventually discontinue the processing of crude oil. Repurposing of the Rodeo Refinery would assist California in meeting its stated goals of reducing greenhouse gas (GHG) emissions and ultimately transitioning to carbon neutrality.<sup>4</sup> Because the Project would discontinue processing crude oil at the Rodeo Refinery, other sites owned and operated by Phillips 66 located throughout the state would be affected. Therefore, the Project consists of activities at the following four sites:

- **Rodeo Site** is within the Rodeo Refinery where the proposed modifications would occur.
- **Carbon Plant** is within the Rodeo Refinery in nearby Franklin Canyon and would no longer be necessary. It would be demolished.
- **Santa Maria Refinery** is located in San Luis Obispo County and would no longer be necessary to provide semi-refined feedstock to the Rodeo Refinery. It would be demolished.
- **Pipeline Sites** these collect crude oil for the Santa Maria Refinery and deliver semi-refined feedstock to the Rodeo Refinery and, therefore, would not be necessary. The pipelines would be taken out of service (decommissioned) or sold.

Chapter 3, *Project Description*, presents a complete description of the Project.

## 1.2 Purpose of the EIR

In enacting CEQA, the California State Legislature declared its intent regarding the purposes of an environmental impact report (EIR) in Section 21002.1 of the CEQA statute, as follows:

1. Serve as an informational document to inform Contra Costa County's decision-makers and the public generally of the significant environmental impacts of the Project;

---

<sup>4</sup> Governor Newsom's Executive Order N-79-20 states: "clean renewable fuels play a role as California transitions to a decarbonized transportation sector" and "to support the transition away from fossil fuels consistent with the goals established in this Order and California's goal to achieve carbon neutrality by no later than 2045, the California Environmental Protection Agency (CalEPA) and the California Natural Resources Agency, in consultation with other state, local and federal agencies, shall expedite regulatory processes to repurpose and transition upstream and downstream oil production facilities..." The Governor's Order also directs CARB to "develop and propose strategies to continue the state's current efforts to reduce the carbon intensity of fuels beyond 2030 with consideration of the full life cycle of carbon. Additionally, the California Air Resources Board's November 19, 2020, "California's Greenhouse Gas Goals and Deep Decarbonization" presentation anticipates that biofuels will comprise 19 percent of the transportation 'fuel' sector by 2045."

2. Identify possible ways to minimize the significant effects and consider reasonable alternatives that could avoid or reduce one or more of the significant environmental effects that may be identified with respect to the Project;
3. Obligate Contra Costa County to impose measures identified in the EIR to avoid or mitigate potentially significant effects, whenever it is feasible to do so;
4. Grant Contra Costa County the right to approve the Project, despite identification of potential significant effects on the environment that cannot be mitigated due to economic, social, or other conditions; and
5. Provide meaningful public disclosure, in a timely and cost-effective manner, of the potential environmental effects that Contra Costa County's considers to be significant.

CEQA Guidelines Section 15382 defines a significant effect to the environment as

*A substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project, including land, air, water, minerals, flora, fauna, ambient noise, and objects of historic or aesthetic significance. An economic or social change by itself shall not be considered a significant effect on the environment. A social or economic change related to a physical change may be considered in determining whether the physical change is significant.*

### 1.3 CEQA Process

The CEQA process includes the following steps.

1. **Notice of Preparation (NOP):** After deciding that an EIR is required, the lead agency must file an NOP soliciting input on the EIR scope to the State Clearinghouse, other concerned agencies, and parties previously requesting notice in writing (CEQA Guidelines Section 15082; Public Resources Code Section 21092.2). The NOP was released on December 28, 2020, for a 30-day public scoping period.
2. **Draft EIR:** The Draft EIR must contain (a) table of contents or index; (b) summary; (c) project description; (d) environmental setting; (e) discussion of significant impacts (direct, indirect, cumulative, growth-inducing and unavoidable impacts); (f) a discussion of alternatives; (g) mitigation measures; and (h) discussion of irreversible changes.
3. **Notice of Completion:** Upon completion of a Draft EIR, Contra Costa County must file a Notice of Completion with the State Clearinghouse and prepare a Public Notice of Availability of a Draft EIR. Contra Costa County must place the Notice in the County Clerk's office for 30 days (Public Resources Code Section 21092) and send a copy of the Notice to anyone requesting it (CEQA Guidelines Section 15087).
4. **Final EIR:** Following the close of the Draft EIR review period, a Final EIR is prepared. The Final EIR must include (a) the Draft EIR; (b) copies of comments received during public review; (c) a list of persons and entities commenting; and (d) Contra Costa County's responses to comments
5. **Final EIR Certification:** Prior to making a decision on a proposed project, Contra Costa County must certify that (a) the Final EIR has been completed in compliance with CEQA; (b) the Final EIR was presented to the decision-making body; and (c) the decision-making body reviewed and considered the information in the Final EIR prior to approving the project (CEQA Guidelines Section 15090).
6. **Lead Agency Project Decision:** Upon certification of an EIR, Contra Costa County makes a decision on the Project analyzed in the EIR. A lead agency may (a) disapprove the Project because of its significant environmental effects; (b) require changes to the Project to reduce or

avoid significant environmental effects; or (c) approve the Project despite its significant environmental effects, if the proper findings and statement of overriding considerations are adopted (CEQA Guidelines Sections 15042 and 15043).

7. **Findings/Statement of Overriding Considerations:** For each significant impact of the project identified in the EIR, Contra Costa County, based on substantial evidence, that either (a) the Project has been changed to avoid or substantially reduce the magnitude of the impact; (b) changes to the Project are within another agency's jurisdiction and such changes have or should be adopted; or (c) specific economic, social, or other considerations make the mitigation measures or Project alternatives infeasible (CEQA Guidelines Section 15091). If Contra Costa County approves a project with unavoidable significant environmental effects, it must prepare a written Statement of Overriding Considerations that sets forth the specific social, economic, or other reasons supporting the decision and explaining why the Project's benefits outweigh the significant environmental effects.
8. **Mitigation Monitoring/Reporting Program:** When significant effects identified in the EIR, a reporting or monitoring program for mitigation measures that were adopted or made conditions of project approval to mitigate significant effects must be adopted.

### **1.3.1      Notice of Preparation**

To initiate the public scoping for this EIR, Contra Costa County prepared an NOP in compliance with CEQA Guidelines Section 15082. The NOP for the EIR was sent to all federal, state, responsible, and trustee agencies involved in approving the Project, as well as relevant local agencies and special districts with jurisdiction in the Project area. The distribution list also included organizations, members of the public, and local, regional, and state agencies who have expressed interest in participating in the CEQA process. The NOP was also made available at local libraries and was published in local newspapers and legal advertisements. Refer to Appendix A, *Notice of Preparation and Public Comments*, for additional information.

### **1.3.2      Scoping**

Scoping is the process of early consultation with the affected agencies and public prior to completion of a Draft EIR. The comments provided by the public and agencies during the scoping process helped Contra Costa County identify pertinent issues, methods of analyses, and level of detail that should be addressed in the EIR. The scoping comments also assisted Contra Costa County in developing a reasonable range of feasible alternatives to be evaluated in the EIR. The scoping comments augmented the information developed by the Project applicant and Contra Costa County, which includes specialists in each of the environmental subject areas covered in the EIR. This combined input results in an EIR that is both comprehensive and responsive to issues raised by the public and regulatory agencies and that satisfies all CEQA requirements.

Scoping is not conducted to resolve differences concerning the merits of a project or to anticipate the ultimate decision on a proposal. Rather, the purpose of scoping is to help ensure that a comprehensive EIR is prepared, providing an informative basis for the decision-making process.

Contra Costa County held one scoping meeting on January 20, 2021. During the scoping meeting, 14 participants commented on the proposed Project. Twenty-six written letters were received during the public comment period. County staff reviewed all of the scoping comments and prepared a summary of each comment to provide an overview of the range of comments provided and facilitate consideration of the comments by analysts during preparation of the EIR. Commenting parties, summaries of the comments received, and the County's responses to those comments are provided in Appendix A, *Notice of Preparation and Public Comments*.

### **1.3.3 Areas of Known Controversy**

The following key issues were raised during the public scoping process:

- Increased hazards from marine, rail, and truck imports/exports;
- Renewable feedstock identification, sources, and availability;
- Air quality and GHG impacts and the effect on the Rodeo Refinery's carbon footprint;
- Continued use of crude oil and hydrogen throughput;
- Appropriate baseline for analysis; and
- Operational effects of the Project on the Santa Maria Facility, Franklin Canyon Carbon Plant, and pipelines.

### **1.3.4 Scope of Analysis**

The scope of analysis of this EIR is based on the public and agency comments received during the scoping process. Potentially significant impacts were identified in regard to the following topics, which are examined in detail in this EIR:

- Aesthetics
- Air Quality
- Biological Resources – Terrestrial and Marine
- Cultural Resources
- Energy Conservation
- Geology and Soils
- GHG Emissions
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use and Planning
- Noise and Vibration
- Transportation and Traffic
- Tribal Cultural Resources
- Wildfire

Initial analysis determined that several environmental resource topics would not be significantly or adversely affected by the proposed Project. The following resource areas would result in a *No Impact* determination under CEQA and are eliminated from more detailed analysis as discussed in Section 4.1, *Resources Areas Eliminated from Further Analysis*:

- Agriculture and Forest Resources
- Mineral Resources
- Population and Housing
- Public Services

- Recreation
- Utilities and Service Systems

### **1.3.5 Other Issues of Concern**

#### **1.3.5.1 *Environmental Justice***

California state law recommends environmental justice analysis under certain conditions, but does not require it; therefore, analysis under CEQA generally does not include specific environmental justice analysis. However, when preparing an EIR, there is an opportunity to determine whether any environmental justice community exists (or whether the project itself is within an environmental justice community) and provide that information within relevant EIR sections. Adding selected environmental justice metrics can provide additional insights into the characteristics of a project area.

Because air quality is an environmental justice area of concern, and because recent case law has emphasized the need to explain the connection between poor air quality and health impacts, an environmental justice analysis is included in Section 4.17, *Environmental Justice*.

#### **1.3.5.2 *Sea Level Rise***

The Intergovernmental Panel on Climate Change (IPCC) has determined emissions of GHGs in excess of natural ambient concentrations are responsible for intensifying the GHG effect and leading to a trend of unnatural global warming. Statewide and local initiatives to reduce the state's contribution to GHG emissions have raised awareness that although the various contributors to and consequences of global climate change are not yet fully understood, global climate change is under way, and there is a real potential for adverse environmental, social, and economic effects in the long term.

As stated in the *Contra Costa County Sea Level Rise Vulnerability Report* (Contra Costa County 2016), industrial sites face a variety of vulnerabilities to sea level rise, both directly to their facilities as well as offsite issues that can impact their operations. Even though sea-level rise is an impact of the environment on the Project (i.e., reverse CEQA), and court decisions indicate that an EIR need not address reverse CEQA issues, Contra Costa County has included a sea-level rise analysis in this EIR. The analysis is provided in Section 4.8, *Greenhouse Gas Emissions*.

## **1.4 Approach to Environmental Analysis**

### **1.4.1 Level of Analysis**

Under CEQA, a “project” subject to environmental review must be the “whole of an action” (CEQA Guidelines Section 15378(a)). This CEQA rule of analysis serves to ensure that a large project is not chopped up into many smaller ones, resulting in piecemeal or segmenting of environmental review and masking the full scope of project impacts. Courts have determined that an EIR must include analysis of the environmental effects of a future action if:

1. it is a reasonably foreseeable consequence of the initial project; and
2. the future action will be significant in that it will likely change the scope or nature of the initial project or its environmental effects.

This standard involves determining whether the EIR has left out of the environmental analysis a “crucial element” or “integral part” of the project, without which the project cannot go forward (National Parks & Conservation Association v. County of Riverside [1996] 42 Cal. App. 4th 1505, 1519).

#### **1.4.1.1 Project Level Approach**

A project-level EIR is described in Section 15161 of the CEQA Guidelines as one that examines the environmental impacts of a specific development project. A project-level EIR must examine all phases of the project, including construction, demolition, and operation and maintenance. Contra Costa County has determined that a project-level EIR fulfills the requirements of CEQA and is the appropriate level evaluation to address the potential environmental impacts of the proposed actions at the Rodeo Site and Carbon Plant Site, collectively called the Rodeo Refinery, the Santa Maria Site (as explained further below), and at the Pipeline Sites. Direct and indirect impacts of the Project are addressed in this EIR.

#### **1.4.1.2 Santa Maria Site Approach**

Demolition at the Santa Maria Site would be a direct consequence of the proposed Project. Therefore potential impacts of the demolition at the Santa Maria Site are addressed in this EIR. Demolition of the Santa Maria Site will undergo CEQA review by San Luis Obispo County because it has the primary discretionary authority to determine whether or how to approve demolition and issue required county permits. The analysis is intended to provide both San Luis Obispo County and Contra Costa County, other governmental agencies, and the public with information necessary to understand the type of environmental impacts that could occur.

In addition, the specific types and sources of renewable feedstock to be used by the Project cannot be determined at this time (refer to Chapter 3, *Project Description*, for detailed discussion). Therefore, the EIR addresses categories of renewable feedstocks that could be used by the Project, but not the sources.

While the Santa Maria Refinery demolition activities are included in the EIR, future use and required level of remediation of the Santa Maria Site is unknown, and therefore not addressed in this EIR. Any potential future development of the Santa Maria Site, and the associated level of required remediation, is speculative at this time, and would be a separate project and evaluated in a separate CEQA process by San Luis Obispo County. The EIR acknowledges this uncertainty and incorporates these realities into the methodology to evaluate the environmental effects of demolition of the Santa Maria Refinery.

### **1.5 Organization of the EIR**

This EIR is organized into the following chapters:

- **Executive Summary:** Provides an overview of the Proposed Project and the alternatives evaluated in the EIR, and a summary of the environmental impacts and mitigation measures.
- **Chapter 1, Introduction:** Provides an overview of the EIR and CEQA process, identifies agency responsibilities, and identifies areas of controversy.
- **Chapter 2, Summary of Environmental Impacts:** Provides a summary of impacts and mitigation measures identified in Chapter 4.
- **Chapter 3, Project Description:** Provides the description of the proposed Project and background information.
- **Chapter 4, Environmental Setting, Impacts, and Mitigation Measures:** Contains descriptions of the environmental and regulatory setting for each resource topic and provides an assessment of the proposed Project's environmental impacts. If required, mitigation measures are identified.
- **Chapter 5, Alternatives Analysis:** Provides a description of the process used by the Contra Costa County to identify and select alternatives to be considered, describes each alternative, provides the analysis of alternatives, assesses the consistency of each alternative with the proposed Project objectives, and identifies the Environmentally Superior Alternative.

- **Chapter 6, CEQA Statutory Sections:** Provides a discussion of other CEQA considerations related to the proposed Project, including cumulative impacts, impacts found not to be significant, significant irreversible environmental changes, and growth-inducing impacts.
- Chapter 7, Report Preparation.
- Chapter 8, References.
- Appendices.

## 1.6 Public Review of the Draft EIR

Consistent with Section 15205 of the CEQA Guidelines, the Draft EIR for the Project is subject to a public review period. Section 21091(e) of the PRC specifies if an EIR is submitted to the State Clearinghouse for review, the review period shall be a minimum of 45-days. This Draft EIR is being released for a 60-day public review period.

During the 60-day review period the Draft EIR is available at the following locations:

- Contra Costa County Department of Conservation and Development located at 30 Muir Road Martinez, between 8:00 a.m. and 5:00 p.m., Monday through Friday.
- County website: <https://www.contracosta.ca.gov/3383/Conservation-Development>
- Pleasant Hill Library, 100 Gregory Ln, Pleasant Hill, CA
- Rodeo Library, 220 Pacific Avenue, Rodeo, CA
- San Pablo Library, 13751 San Pablo Avenue, San Pablo, CA
- Crockett Library, 991 Loring Avenue, Crockett, CA

### 1.6.1 How to Submit Comments on the Draft EIR

To comment on the Draft EIR, please send comments to the Contra Costa County of Department of Conservation and Development, Community Development Division before the end of the comment period specified in the Notice of Availability:

- Contra Costa County  
Department of Conservation & Development Community Development Division  
30 Muir Road, Martinez, California 94553  
Attention: Gary Kupp, Senior Planner, or  
Email: [gary.kupp@dcd.cccounty.us](mailto:gary.kupp@dcd.cccounty.us)

All comments received on the Draft EIR during the public review period will be addressed in the Final EIR. The Final EIR will include all comments received and the County's responses, as well as any changes to the text, maps, or other graphics of the EIR. As Lead Agency, Contra Costa County will then consider certification of the EIR and, subsequently, consider whether to approve the Project as proposed.

## 1.7 Intended Uses of this EIR

Contra Costa County intends to rely on this EIR for consideration of denial or approval of the LUP for the proposed Project. Also required is discretionary or ministerial review and approval by a number of other public and quasi-public agencies with jurisdiction over specific aspects of the Project. Other agencies may rely on this EIR when considering approvals for the proposed Project. Table 1-1 lists the permits and approvals that may be necessary.

**Table 1-1. Permits and Approvals**

<b>Permitting Agency</b>	<b>Required Approvals or Permits</b>
San Francisco Bay Regional Water Quality Control Board	Stormwater, Groundwater and Discharge Permitting
Bay Area Air Quality Management District	Construction and Operating Permit
California State Lands Commission	Modification to Lease Marine Terminal and the Santa Maria Refinery Outfall Line
San Luis Obispo County Department of Planning and Building	Demolition and Grading Permits
Central Coast Regional Water Quality Control Board	Stormwater and Discharge Permitting for Demolition
San Luis Obispo County Air Pollution Control District	Air Emissions Source Permits for Demolition
Santa Barbara Air Pollution Control District	Air Emissions Source Permits for Demolition
San Joaquin Valley Air Pollution Control District	Air Emissions Source Permits for Demolition
Shasta County Air Quality Management District	Air Emissions Source Permits for Demolition

## **1.8 References**

Contra Costa County. 2016. Adapting to Rising Tides: Contra Costa County Sea Level Rise Vulnerability Report. Final Report. February 2016. Available at:  
[http://www.adaptingtorisingtides.org/project/contra-costa-county-adapting-to-rising-tides-project/contra-costa\\_art\\_final\\_report\\_web\\_2016-03-08/](http://www.adaptingtorisingtides.org/project/contra-costa-county-adapting-to-rising-tides-project/contra-costa_art_final_report_web_2016-03-08/).