



Valero's Crude by Rail Infrastructure Project



June 30, 2014
Ironworkers Local 378
Benicia, California

- John Hill, Vice President and General Manager, Valero Benicia Refinery
- Donald Cuffel, Environmental Engineering Manager, Valero Benicia Refinery



The Valero Benicia Refinery

- Contributes approximately 25% of Benicia's General Fund Revenues
- Employs 450 employees and 250 contractors
- \$3 billion in economic activity since 2006
- \$13.7 million to local charities in last decade
- Produces "10 percent of the clean-burning California Air Resources Board (CARB) gasoline used in California, and 25 percent of the CARB gasoline used in the San Francisco Bay Area."



What is the crude by rail infrastructure project?

Logistics project on existing refinery property

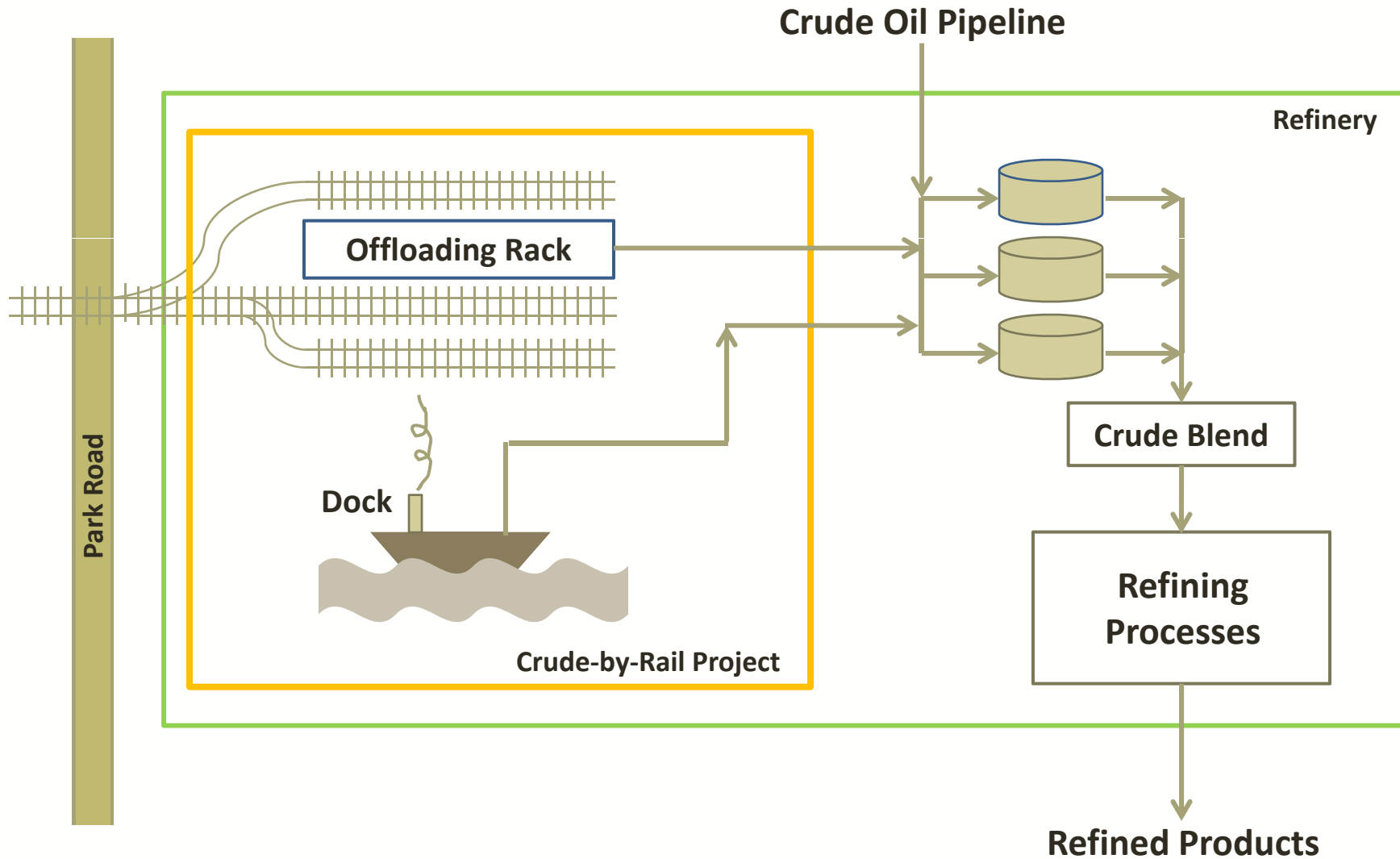
Provides 3rd means of receiving crude: Marine vessel, Pipeline, Rail

New Facilities: rail spur, offloading racks and piping to existing tanks

The project does not:

- “...involve any changes to the existing Refinery operations or process equipment, other than the construction and operation of the Project components. “
- “...increase the amount of crude oil that can be processed at the refinery, or the amounts of petroleum products that can be produced.”
- “...propose changes to the emissions limits in the current BAAQMD permits”

Infrastructure Project Diagram





Project Status

- Draft EIR released June 17, 2014
 - City of Benicia is lead agency
 - Analysis and public disclosure of environmental impacts of the project and proposed measures to mitigate impacts
 - City oversees process, engages experts to review project
 - 11 months of research, review and analysis
- Planning Commission Presentation July 10, 2014
- Comment period closes August 1, 2014 (45 days after issue)
- City considers certification of EIR and issuance Land Use Permit
- BAAQMD acts on application for authority to construct and permit to operate



CA Environmental Quality Act

- CEQA evaluates the pre-project and post-project condition to determine:
 - If significant impacts result and
 - Whether mitigation is needed
- City, as lead agency:
 - Hires experts and consultants
 - Oversees analysis and review process
 - May bill applicant for expenses



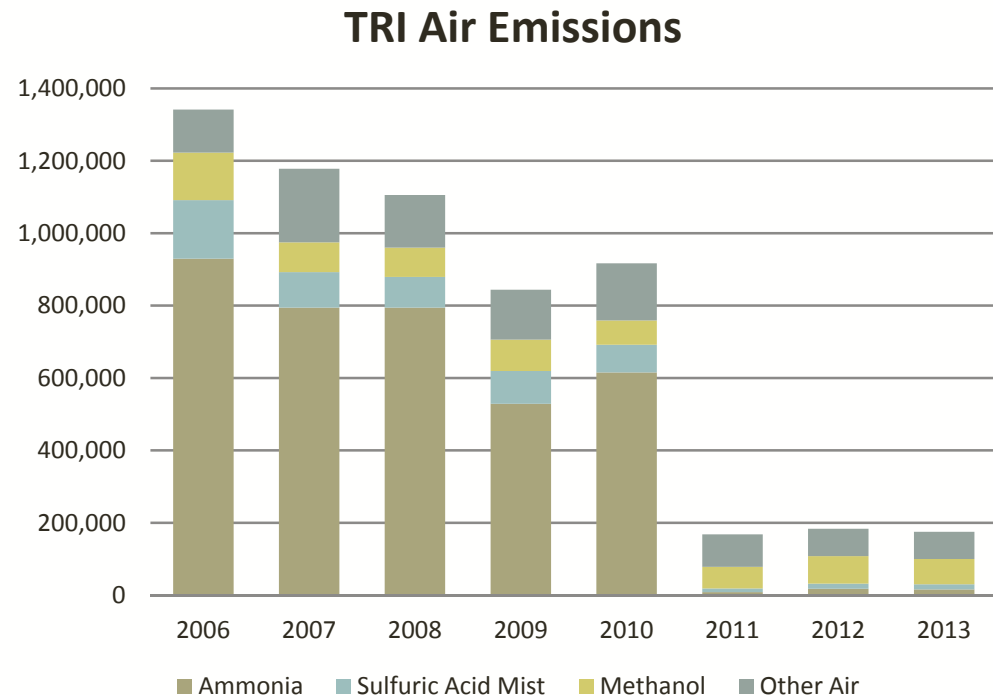
Marine vs. Rail Delivery

- Increased energy independence
- Continue producing California clean products
- Fewer miles from source of oil
- “Delivery of crude oil by large line haul tank cars would result in lower overall emissions outside of the State than delivery of crude oil by marine vessel...” (4.6-14)
- Increased NOx emissions from locomotive traffic in uprail communities
- Decreases GHG emissions by 225,825 tons globally (4.6-14)

California regulations lead the country with clean air standards

- “long-term operations of the Project would result in a beneficial impact to air quality in the BAAQMD” (4.1-19)
- “The net effect of the Project would be to reduce air emissions within the Bay Area Basin” (4.1-19)
 - No emissions increases from existing, permitted Refinery equipment or processing
 - reduce emissions from ships traveling to and from the Refinery (4.1-11)
 - No conflict with the Bay Area Clean Air Plan (4.1-13)

- Flue Gas Scrubber
 - Reduce sulfur dioxide emissions by more than 95%
 - Reduce nitrogen oxide by more than 55%
- Maintain compliance with current BAAQMD permit levels
 - No additional emissions
 - No additional particulates



The project will not jeopardize the emissions reduction benefits already received.



Robust Regulatory Structure

Over a dozen federal, state and local regulatory bodies

- US Department of Transportation
 - Federal Railroad Administration
 - Pipeline and Hazardous Materials Safety Administration
- Federal Emergency Planning & Community Right-To-Know Act
- Federal Resources Conservation and Recovery Act
- Federal Oil Pollution Prevention regulations
- US EPA Risk Management Plan
- National Fire Protection Association
- National Transportation Safety Board
- California Office of Spill Prevention and Response
- California Emergency Management Agency (OES, EPA, CHP, Fish & Wildlife, Regional Water Control and local fire departments)
- California Hazardous Materials Business Plan program
- California Accidental Release Programs
- Cal OSHA
- Department of Toxic Substance Control
- Solano County Department of Resource Management, Environmental Health Services Division Enforcement



Prevention

Safety and Accident Prevention is Valero's #1 Priority

- Federal Railroad Administration (FRA) and Association of American Railroads (AAR) Standards
 - Slower speeds
 - Increased track inspections
 - Better braking systems
 - Maximum speed limits
 - Additional training and planning for emergency response
- UPRR transportation safety standards “exceed mandatory compliance measures.” (4.7 – 15)
- Trains from Roseville to Benicia will be attended at all times

- **Model 1232 Tank cars**
 - Thicker tank shell and heads
 - Higher tensile strength
 - Protective shields at both ends
 - Consolidated top fittings
 - Reclosing pressure relief device
- **Increased State Resources**
 - Seven additional rail inspectors
 - 6.5 cent per barrel fee for crude brought into California by rail
 - 100% of the revenue for increased
 - Prevention, including training for local first responders
 - Emergency response preparedness
 - Cleanup and enforcement measures



Preparedness/Response

Regular Training/Preparedness

- On-site Fire Department, training with Benicia FD
- Petro-Chemical Mutual Aid Organization (PMAO)
- UPRR training for local first responders (local and uprail)
- UPRR – 3 emergency response contractors in Northern California
- Unified Command
 - US Coast Guard, OSPR, Fish & Wildlife, US EPA, Solano County Dept. of Environmental Management, Local Police and Fire Departments

Rail delivery has a lower risk of release than marine delivery

- Marine delivery risk- 1 in 37.5 years (without this project)
- Rail delivery risk – 1 in 111 years (**“these risk estimates are probably conservative, meaning they overstate the actual risk”) – 4.7-18



Transportation and Traffic

- Trains would not be scheduled to arrive or depart on weekdays between:
 - 6:00 AM – 9:00 AM
 - 4:00 PM – 6:00 PM
- Include installation of Park Road monitoring for emergency response
- A Project-related train crossing would not result in queuing extending back to the I-680 mainline (4.11-9)



How You Can Help

- Learn More:
 - Visit BeniciaCBR.com
 - Take materials
- Write in Support
 - Email bkilger@ci.benicia.ca.us & amillion@ci.benicia.ca.us
 - Fax to (707) 747-1637
 - Mail to 250 East L Street, Benicia CA 94510
- Show your support at the Planning Commission meeting on July 10



Questions?