

Exhibit B – Project Analysis, General Plan and Ordinance INCONSISTENCIES “Mainline”

In addition to the standards, goals and policies listed above in Exhibit A for the onsite impacts, many were specific to impacts that the proposed project would bring to lands, citizens and habitats throughout the county along the mainline, off of the refinery property, as a result of the Project.

Following is a list and summary of those goals and policies for which the project is not in compliance along the mainline within the County in addition to those listed above on the project site:

A. Coastal Zone Framework for Planning

- 1. Coastal Zone Framework for Planning, Coastal Zone Land Use Element Strategic Growth Goal 1-Preserve Resources:** The Land Use Element states that the County will “preserve open space, scenic natural beauty and natural resources” and in addition “conserve energy” and “protect agricultural land and resources.” The project has the potential to result in an increased risk of oil spills and fires that could impact natural resources, scenic areas, and agricultural land along the mainline rail routes as a result of this project. An oil spill could result in significant impacts to agricultural, biological, and water resources in the event of a spill because of the additional rail traffic from this proposed project. Because the project is anticipated to increase the oil spill risk and it is possible that in the event of an oil spill impacts to the natural resources of the county could occur, the project would not be in compliance with this goal of the Land Use Element.
- 2. Strategic Growth Goal 1: Objective 4. Agriculture & Land Use Goal 2-Preserve Agriculture:** This objective states that agricultural land for the production of food, fiber and other agricultural commodities is to be protected. This includes the protection and support of the rural economy and locally based commercial agriculture. The proposed rail spur project has the potential to result in oil spills or fires that could impact agricultural land along the mainline rail routes within the County. An oil spill could result in significant impacts to agricultural commodities and soils. Because of the increase in risk and potential for a spill which would directly impact agricultural resources the project is not consistent with this land use policy.
- 3. Strategic Growth Goal 1, Objective 2. Air Quality:** This air quality objective is put forth to maintain and protect a living environment that is safe, healthful and pleasant for all residents. The applicable goal associated with this objective seeks to ensure that development projects maintain, or exceed, the minimum state and federal ambient air quality standards. The Project would not comply with this objective and goal because it would generate toxic air emissions that exceed San Luis Obispo County APCD (SLOCAPCD) health risk thresholds of 10 in a million for mainline rail operations in areas where train speeds would be less than 30 mph. The project would also exceed the SLOCAPCD NO_x, ROG, and diesel particulate matter emission CEQA thresholds without full mitigation, leaving potential exceedances of the state and/or federal ambient air quality standards unmitigated and making the Project inconsistent with this goal. Due to Federal preemption, the County may not be able to require emissions reduction credits for the mainline rail NO_x, ROG, and DPM emissions. Refer to the FEIR, Air Quality, Section 4.3.4.2, Impacts AQ.2 and AQ.5, for additional information on these significant impacts.

B. Coastal Plan Policies

1. **Chapter 6: Environmentally Sensitive Habitats, Coastal Streams Policy 20:** Coastal streams and adjoining riparian vegetation are environmentally sensitive habitat areas and the natural hydrological systems and ecological functions of coastal streams shall be “protected and preserved”. The proposed rail spur project has the potential to result in oil spills and fires that could impact coastal streams and riparian areas along the mainline rail routes. An oil spill could result in significant impacts to coastal streams and riparian vegetation which is also discussed in section 4.4 (Biological Resources) of the FEIR. The trains would use the existing union pacific Coastal Line which is an existing transportation corridor that is currently used to transport crude oil and other hazardous materials through the County. This project however would allow for an increase of rail traffic which would increase the probability of a potential spill which could severely impact the County’s riparian areas. Because of this, the project is not consistent with this Coastal Policy.
2. **Environmentally Sensitive Habitats, Sensitive Habitats, Policy 29, Protection of Terrestrial Habitats:** This policy states that designated plant and wildlife habitats are environmentally sensitive habitat areas and emphasis for protection should be placed on the entire ecological community. The proposed Project has the potential to result in oil spills and resultant fires that could impact terrestrial habitats along the mainline rail routes. Depending upon the location of an oil spill, it could result in significant impacts to terrestrial habitats. Given the potential significant impacts that could occur to terrestrial habitats in the case of an oil spill, rail transport of crude oil along the mainline is not consistent with this policy.
3. **Chapter 7: Agriculture Policy 1:** Policy 1 states that prime agricultural land shall be maintained and protected for agricultural uses. Similar to the strategic growth goals listed above related to agriculture, the Coastal Plan Policies also outlines requirements for protection of agricultural lands which would potentially be impacted severely as a result of an accident or spill of oil on agricultural resources or soils. This is also discussed in detail under section 4.2 Agricultural Resources in the FEIR. In summary however, there is a probability of an accident or spill as a result of this proposed project which includes an increase in oil traffic via rail throughout the County. In the event of a spill or fire there would be significant impacts to agricultural resources as a result of this project therefore the project is not in compliance with this policy.
4. **Chapter 12: Archaeology, Policy 1: Protection of Archaeological Resources:** This General Plan policy states that the County shall provide for the protection of both known and potential archaeological resources. All available measures shall be explored at the time of a development proposal to avoid development on important archaeological sites. While development is not proposed on or near an archaeological site, impacts to archaeological resources would occur as a result of a spill along the mainline and impacts to these resources could not be avoided if a spill were to occur within an area where resources are located.

C. Conservation and Open Space Element

1. **Air Quality Policy AQ 3.2, Attain Air Quality Standards:** Policy AQ 3.2 states that the County will attain or exceed federal or state ambient air quality standards for measured criteria pollutants. San Luis Obispo County is in non-attainment for ozone standards as well as the state particulate matter standards. The rail spur project would be generating NO_x and ROG emissions along the mainline rail route that would lead to ozone increases and would generate DPM along the mainline rail routes that would contribute to PM₁₀ emissions within the County. Due to Federal preemption, the County may not be able to require emissions reduction credits for the mainline rail NO_x, ROG, and DPM emissions.

The addition of these NO_x, ROG, and PM₁₀ emissions would further exacerbate the ability for the County to attain the state particulate matter and ozone standards and therefore the project would not be in compliance with this General Plan policy of the Conservation and Open Space Element.

2. **Air Quality Policy AQ 3.3, Avoid Air Pollution Increases:** Policy AQ 3.3 states that the County will, “Avoid a net increase in criteria air pollutant emissions in planning areas certified as Level of Severity II or III for Air Quality by the County’s Resource Management System (RMS).” The Nipomo Mesa area is in a level of severity II for Ozone, a level of severity III for PM_{2.5}, and a level of severity III for PM₁₀. Operation of the locomotives along the mainline rail routes would result in increase in NO_x and ROG emissions that would lead to ozone increases. The locomotives would also generate DPM emissions along the mainline rail routes, which would increase PM₁₀ emissions in the County. Due to Federal preemption, the County may not be able to require emissions reduction credits for the mainline rail NO_x, ROG, and DPM emissions. The addition of these NO_x, ROG, and PM₁₀ emissions would result in air pollution increase in the County and therefore the project would not be in compliance with this General Plan policy of the Conservation and Open Space Element.
3. **Air Quality Policy AQ 3.4, Toxic Exposure:** Policy AQ 3.4 states that the County will, “Minimize public exposure to toxic air contaminants, ozone, particulate matter, sulfur dioxide, carbon monoxide, nitrogen oxides, and lead.” The Project does not comply with this Policy of the General Plan because it allows for an increase in hazardous emissions as a result the locomotives operating on the mainline rail routes in the County. Calculations in the FEIR show that the Project would exceed the cancer threshold of 10 in a million for areas where trains speeds are limited to 30 miles per hour or less and thus impacting people in the county along the routes which will see the additional rail traffic as a result of this proposed project. Therefore the project would not be in compliance with this General Plan policy of the Conservation and Open Space Element.
4. **Air Quality Goal AQ 3: Implementation Strategy AQ 3.6.1, Identify Health Risks to Sensitive Receptors:** This implementation strategy of the General Plan states that health risks are to be mitigated consistent with Air Pollution Control District standards. This is generally applicable to projects for which construction would occur near a freeway or rail line and mitigation would be required to reduce the air quality hazards to “sensitive receptors” or citizens which are sensitive to these pollutants. However, this project would increase the amount of toxic emissions as an increase in rail traffic would occur as a result of the proposed project. Toxic emissions from the locomotives operating on the mainline rail routes would exceed the cancer risk thresholds for areas where speeds are limited to 30 miles per hour or less and thus impacting people in the county along the routes which will see the additional rail traffic as a result of this proposed project.
5. **Biological Resources, Policy BR 1.15: Restrict Disturbance in Sensitive Habitats during Nesting Seasons:** This General Plan policy states that projects are to avoid impacts to sensitive riparian corridors, wetlands and coastal areas in order to protect bird-nesting activities. In addition to the impacts discussed above related to Coastal Streams in Coastal Plan Policies, impacts as a result of a spill along the mainline would negatively impact nesting birds which is in conflict with this General Plan policy. This project would increase the risk of a spill or fire which would remove and damage nesting habitats.
6. **Chapter 5 Energy, Goal E 7: Design, siting, and operation of non-renewable energy facilities:** Implementation Strategy E 7.1.1 states that new facilities will not be located in a manner which will impact the health and safety of human populations with special attention to disabled and elderly populations as they require additional resources for evacuation in

the event of an emergency. The risk analysis for the mainline rail routes found that significant hazards would exist to the public in the vicinity of the mail line rail routes in the event of a derailment and release of crude oil that could lead to a fire or explosion. This proposed project would increase crude oil rail traffic which could have potential for catastrophic impacts in the event of a derailment or explosion and would be in direct conflict with this General Plan policy as it relates to the health and safety of the citizens around the mainline within San Luis Obispo County.

7. **Chapter 4: Fire Safety Goal S-4 & S-14: Reduce the threat to life, structures and the environment caused by fire.** There is the potential for fire and explosions along the mainline rail routes due to a train derailment, which could impact life, structures and the environment depending on the location of the accident. While this could be mitigated through the implementation of conditions or mitigation measures, the Applicant has stated that the County is preempted from implementing these measures along the mainline, indicating that there are significant impacts to the safety of the populations near the rail lines within the County and that the project is not consistent with both of these policies of the General Plan.
8. **Chapter 6: Other Safety Issues Goal S-6: Reduce the potential for harm to individuals and damage to the environment from hazards.** Implementation measure Program S-68 states that commercial projects which use, store, or transport hazardous materials are to ensure necessary measures are taken to protect public health and safety. The County is likely preempted from being able to mitigate or require conditions upon the project which would ensure the safety for citizens along the main rail lines, as argued by the Applicant. The project is not in compliance with this policy because the County would not be able to ensure the safety of the residents of the County as a result of the additional probability of a derailment, spill, fire or explosion because of the proposed project.