CBE Update January 2015



Heavy Canadian Tar Sands Crude Oil



Explosive North Dakota Bakken Crude Oil

The Oil Industry is pushing large volumes of some of the world's cheapest, dirtiest crude oil to the West Coast market, to California Refineries, to Los Angeles, and to Wilmington! California makes up one of the largest parts of the Country's crude oil market, and LA makes up the largest part of the California market. Having one refinery in your community means a huge pollution source and explosion hazard, and LA has 2/3 of California's refining capacity! Refineries in Wilmington, and on its border in Carson, make up about 1/3 of the entire state's refining capacity, so this area is ground zero for West Coast refineries. The Bay Area, Bakersfield, and the Central Coast are all also being targeted for massive new dirty crude projects.

1) The Phillips 66 Carson Plant's Crude Oil Storage Capacity Project is more than a storage tank project!

- The South Coast Air Quality Management District (SCAQMD) just approved a project that would more than double the permitted crude oil "throughput" (the amount of crude oil going through the Phillips 66 Los Angeles Refinery's tanks annually), adding amounts larger than the entire refinery's current capacity!
- According to company reports, this will allow the Phillips 66 Los Angeles Refinery to refine up to 100% Canadian Tar Sands and Bakken crude oil.
- Because the ship to storage tank crude volume increase would be so huge, it could also enable Phillips 66 to sell dirty crude oil to other LA Refineries, whose corporate executives have also announced plans to greatly increase access to these crudes, which were previously isolated from the West Coast.
- In effect, through the Phillips 66 project, the company could be sneaking a new oil terminal for dirty tar sands and Bakken crude oil into LA, without proper environmental review under the California Environmental Quality Act (CEQA). Terminals in Washington state and Oregon can bring this crude to ship terminals by rail or pipeline, which would then ship to LA, according to Phillips' published map. Phillips Investor Update 3Q 2014, p12
- SCAQMD failed to require an Environmental Impact Report for this project, despite abundant and growing evidence regarding the dangers of tar sands and Bakken crudes. Instead, SCAQMD published a "Negative Declaration," claiming that the project could not have any significant impacts. This is a glaring mistake in light of Phillips 66's explicit public statements admitting that the LA Refinery's storage tanks are specifically intended to bring "advantaged crude oils" to LA, which it identified elsewhere as cheap sources from Canada & North Dakota: *"We are adding additional tankage at our Los Angeles Refinery to increase access to advantaged waterborne crudes."* Phillips 66 2014 Fact Book
- CBE filed an appeal to the SCAQMD Governing Board on January 9, 2015 to challenge SCAQMD's decision to approve a Negative Declaration for the Phillips 66 Carson Storage Capacity Project. CBE calls on you to join us in stopping this and other dirty crude projects that undermine state Greenhouse Gas reduction goals, increase harmful and toxic local air pollution, and hazards.

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2) Tesoro Refining and Marketing bought the old BP Carson Refinery, and plans to combine its Wilmington Refinery with the BP Carson facility to create one super-refinery to process 364,000 barrels/day:

- Tesoro has also tried to sneak through the environmental review process on a massive storage tank project it's proposing to bring in dirty crude oil by ship to storage tanks, and to the refinery. SCAQMD again tried to use a "Negative Declaration" for environmental review, claiming that there were no significant environmental impacts. CBE was able to stop the Negative Declaration, stop the Title V permit, and got the AQMD to agree to perform a full Environmental Impact Report (EIR). Scoping on the EIR began last fall, and we are waiting for the full EIR to be drafted.
- Tesoro now acknowledges that it is planning a major refinery integration with its newly acquired BP Carson facility, and has identified in its company literature that it also plans to bring in large volumes of Canadian tar sands and North Dakota Bakken crude oil.

What are the likely or potential environmental impacts of these projects?

► Refining high sulfur, high carbon Canadian tar sands crude oil will bring more corrosive sulfur compounds & acutely hazardous hydrogen sulfide to refineries, increasing explosion and fire danger.



1/12/15 Phillips Wilm. Flaring, photo by Sylvia Arredondo

► Higher sulfur levels in the refinery can increase SO2 emissions during flaring. Phillips 66 recently had major flaring at its Wilmington refinery. SCAQMD has told CBE that the preliminary investigation showed it was a compressor breakdown that caused the flaring.

► Bringing explosive Bakken crude oil has caused rail explosions and spills, and the U.S. Dept. of Transportation said it increases dangers in *all* transportation (including rail, ship, and pipeline). Bakken crude oil can also introduce increased toxic gases such as higher benzene levels to the refineries.



► Burning increased fossil fuel energy at oil refineries to process heavy tar sands crude oil increases greenhouse gases and smog-forming emissions, undermining previous progress in reducing air pollution. Because tar sands crude oils are so heavy and thick, they are often mixed with toxic solvents to allow the heavy crude oil to flow through pipelines and to be pumped out of containers (such as rail, ship, or storage tanks). The chemical properties of these solvents can then be emitted to the air.

▶ Mining to get tar sands crude oil in Canada also causes devastation to indigenous people, land, and waters, including mercury contamination of fish used for food, de-watering of entire rivers, strip mining the land, etc.

▶ Impacts require a tar sands moratorium and stopping explosive crude oil transport. Tar sands crude is also far heavier than the average crude oil, which requires far more energy to refine, resulting in major greenhouse gas increases at oil refineries. This is in contrast to California power plants / electricity generation, which are required to move to more renewable energy.

(Also see other CBE Fact Sheets: <u>BAD ENERGY--</u> Big Oil's Goal is the Huge West Coast Market by any means: Linking Dangerous Crude Oil by Rail, Port, or <u>Pipeline</u>, and <u>Tar Sands Impacts: Here at home in California Refineries</u>)

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