



EMBARGOED UNTIL 10 AM WEDNESDAY, MARCH 4, 2015

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Lawsuit Filed: Tar Sands Crude by Rail Project Exposed

10:00 AM WEDNESDAY, MARCH 4, 2015; MARTINEZ, CA: Communities for a Better Environment (CBE) sued Phillips 66 and Contra Costa County alleging illegal approvals of a tar sands refining project that could worsen pollution, climate, and refinery and rail explosion hazards, and an Environmental Impact Report (EIR) that hid the project from the public and failed to mitigate its significant environmental impacts.

“Phillips 66 cannot meet its propane recovery objective without switching to a lower quality feedstock, like tar sands, and without other Phillips 66 projects to assist in that overall switch: these are critical project components that the EIR should have, but failed to, disclose to the public” said CBE Attorney Roger Lin.

The action follows the February 3, 2015 approvals for Phillips’ ‘Propane Recovery Project.’ At issue is environmental disclosure and mitigation for a switch to new oil feedstocks that cause the most extreme extraction, transport, and refining impacts of any petroleum known. Phillips 66 told investors about its plan to switch over its California refineries to two of these oils—‘heavy crude’ from the Canadian tar sands region and shale oil transported by rail. However, the company sought approvals for the rail delivery, wharf delivery, processing, and byproduct propane handling changes needed to implement its plan via at least four separate environmental reviews. None of the reviews discloses the full scope of the plan, the planned change in crude feedstock quality, or the environmental impacts of this crude switch.

“Community and worker experts have shown it is the cheap-and-dirty oil project the CEO bragged about” said Greg Karras, CBE. “Lighting the fuse on this bomb could have significant impacts, and no one should be thinking about building it before that potential harm is disclosed and addressed” Karras said.

This Phillips 66 project is part of an industry-wide switch to new oil supplies that is playing out across the region as Californian and Alaskan crude supplies dwindle. Other parts include the Kinder Morgan crude by rail terminal in Richmond and new and modified facilities to deliver and refine oils from new sources planned by Valero in Benicia, Wespac in Pittsburg, Tesoro in Avon near Martinez, Shell in Martinez, and Chevron in Richmond.

“Rodeo is already on toxic overload. Who can citizens turn to for representation or protection? Calls to BAAQMD and other authorities yielded no information or reported action around recent incidents of surprise late-night flaring, booming, and noxious odor emissions. The Board of Supervisors failed us without explanation in approving this tar sands expansion project. Things can only get worse and adding further risks to our health and safety is outrageous,” said Ann Puntch, Rodeo resident.

Before it was revised extensively and approved by the City of Richmond in 2014, Chevron’s 2008 EIR for its Richmond refinery ‘Hydrogen Renewal’ project was overturned by courts in 2009 and 2010, after CBE challenged that EIR for failure to disclose the change in crude feed density the project would enable, and failure to mitigate its potential climate impacts.

The Bay Area Air Quality Management District (BAAQMD) identified a need for new regional air quality policies to ensure against increased refinery emissions from changing crude feed quality since at least 2012. But despite that admission new policy requirements have languished. A February 27, 2015 comment by 25 groups including CBE called on the BAAQMD to stop oil companies from ‘gaming’ the rules by rushing oil switch projects that could commit the region to new emissions before the needed new policy is in place. In part because of such gaps in environmental protection, EIRs are required by law to disclose and mitigate all reasonably foreseeable significant impacts of proposed projects.