

7.0 Other CEQA-Mandated Sections

The California Environmental Quality Act (CEQA) requires evaluations of irreversible or irretrievable commitment of resources and project related growth-inducing impacts. The following sections evaluate the Proposed Project in light of these requirements. Chapter 4.0 discusses potentially significant environmental impacts, as described in the State CEQA Guidelines section 15126.2(a) and (b).

7.1 Significant Irreversible Environmental Changes That Would be Caused by the Proposed Project Should It be Implemented

Section 15126.2(c) of the State CEQA Guidelines states that significant irreversible environmental changes, which would be involved with a Proposed Project, may include the following:

- Uses of non-renewable resources during the initial and continued phases of the project that would be irreversible because a large commitment of such resources makes removal or non-use thereafter unlikely;
- Primary impacts and, particularly, secondary impacts that commit future generations to similar uses; and
- Irreversible damage, which may result from environmental accidents, associated with the project.

The purpose of the Proposed Project is to increase throughput of crude oil at a refinery destined for markets in California. Thus, the Proposed Project by definition involves use of non-renewable resources. The Proposed Project would require consumption of non-renewable resources during operation (i.e., natural gas and fossil fuels). However, the main goal of the Proposed Project is to refine the non-renewable oil and gas resources using existing facility infrastructure on an established refinery. Therefore, the non-renewable resources demand by the Proposed Project is not considered to be significant since the refinery would process more non-renewable oil and gas than it would consume.

The Proposed Project would directly increase the volume of oil and gas refined locally, but would not increase the overall consumption of oil or gas. The production from the Proposed Project would be used to satisfy existing demand.

7.2 Growth-Inducing Impacts

Section 15126.2(d) of the State CEQA Guidelines states that growth-inducing impacts of the Proposed Project must be discussed in the Environmental Impact Report. In general terms, a project may induce spatial, economic, or population growth in a geographic area if it meets any of these four criteria:

- Removal of an impediment to growth (e.g., establishment of an essential public service or the provisions of new access to an area);
- Economic expansion or growth (e.g., changes in revenue base, employment expansion);
- Establishment of a precedent-setting action (e.g., an innovation, a change in zoning or general plan amendment approval); or
- Development or encroachment in an isolated area or one adjacent to open space (being different from an “infill” type of project).

Should a project meet any one of these criteria, it can be considered growth inducing. The impacts of the Proposed Project are evaluated below with regard to these four growth-inducing criteria.

7.2.1 Removal of an Impediment to Growth

Future development at the Proposed Project Site would involve increasing the crude oil throughput by up to 10 percent. Future development would not result in the establishment of an essential public service nor would it provide new access to a previously inaccessible area. As a result, future development at the Proposed Project Site would not cause significant growth inducement under this criterion.

7.2.2 Economic Growth

Increased throughput at the Proposed Project Site would not result in increased employment nor would it generate significant increases in operational activities. As a result, the Proposed Project would not create a short-term increase to the area’s existing revenue base. As such, economic growth associated with future activities at the Proposed Project Site would not be significant.

7.2.3 Precedent-Setting Action

The purpose of the Proposed Project is to increase the crude oil throughput by up to 10 percent at the existing Santa Maria Facility. The Proposed Project Site is in unincorporated San Luis Obispo County and the facility has been active since 1955. The Proposed Project would not expand beyond the limits of the existing facility and, therefore, would not be a precedent-setting action that would create significant growth-inducing impacts.

7.2.4 Development of Open Space

Development of open space is considered growth-inducing when it encroaches upon urban-rural interfaces or in isolated localities. The Proposed Project Site is in unincorporated San Luis Obispo County and is designated with an industrial land use. The facility has been active since 1955 and the Proposed Project does not include physical expansion of the existing facility despite the increased crude oil throughput. Therefore, development of the Proposed Project would not be considered growth-inducing under this criterion since future facility activities would not cause new encroachment upon current open spaces.

7.3 Energy Conservation

In order to assure that energy implications are considered in project decisions, CEQA requires that EIRs include a discussion of the potential energy impacts of proposed projects, with particular emphasis on avoiding or reducing inefficient, wasteful and unnecessary consumption of energy (see Public Resources Code section 21100(b)(3)). According to Appendix F of the State CEQA Guidelines, the goal of conserving energy implies the wise and efficient use of energy including: (1) decreasing overall per capita energy consumption; (2) decreasing reliance on natural gas and oil; and (3) increasing reliance on renewable energy sources.

The proposed project's goal is to increase the permitted volume of processed crude oil to help meet the energy needs of the State of California. As stated in Appendix F of the State CEQA Guidelines, "*Potentially significant energy implications of a project shall be considered in an EIR to the extent relevant and applicable to the project.*" The purpose of the Project is to process oil for use in California, and the throughput increase would take advantage of increases in nearby production that would otherwise be transported farther away for refining with the added energy consumption that that would imply. In addition, the throughput increase would optimize the use of the two Refinery trains and would result in the same or less electricity and gas use as detailed in Section 4.4, Public Services. The supply of crude oil is driven by the demand for refined products (gasoline, diesel and jet fuel). Currently, the demand for refined products is met through supply to California refineries of crude oil from California domestic production, foreign imports of crude oil, imports of crude oil from Alaska, and imports of refined products. There are no crude oil pipelines which bring crude oil into California. This means that the only sources of crude oil to meet refinery crude oil demand are from California production, Alaska production, or from foreign sources brought into ports by tanker ships.

California production of crude oil per year has been in decline since 1986, when production peaked at slightly over 400 million barrels. The decline has averaged about 1.7% per year since 1995. More recently, the decline has averaged over 3% annually since the year 2000. The combination of declining California and Alaska North Slope production along with a relatively constant, flat demand for crude oil in California equates to an increase in foreign crude oil imports. Foreign crude oil imports since 1995 have increased by an average of almost 38%.

The Proposed Project would conserve energy as described below:

- The SMF uses fuel gas produced from the refining operation as a fuel source, primarily to fire heaters and boilers for process heat and steam; and

- Since increased crude oil throughput would not increase the Refinery's use of electricity from the power grid, the Proposed Project would not substantially increase demand and the impacts on electrical energy resources would be less than significant.

In addition, the County's Conservation and Open Space Element (COSE) incorporates new material to address conservation issues, including energy resources. As an adopted Element of the County's General Plan, under State law the County's decision makers must consider the project's consistency with the COSE.

Applicable goals and policies of the COSE and other applicable plans, ordinances, regulations, and standards are addressed in this EIR in Section 4.5 Land Use and Policy Consistency Analysis. Compliance with all applicable building codes, as well as with County policies and the applicant-proposed measures and mitigation measures identified in this EIR, would ensure that energy use by the project is minimized.