

Myths and Facts about Valero's Crude by Rail Infrastructure Project

MYTH: The Valero Crude by Rail infrastructure project has no economic benefit to the city of Benicia

FACT: Ensuring the economic viability of the city's largest employer and contributor to its tax base is vital to Benicia's long-term prosperity. The crude by rail infrastructure project helps the city and its residents by:

- Providing the refinery needed flexibility to ensure competitiveness
- Creating over 120 construction jobs and at least 20 permanent jobs
- Ensuring stable, long-term tax revenue for city services and facilities

MYTH: The CEQA review by the city will be inadequate

FACT: As the lead agency, the City has hired an environmental consultant, numerous outside experts in various fields and an experienced California Environmental Quality Act (CEQA) attorney to develop and guide the process. The CEQA review will look at the project and its ripple effects based on current standards and required baseline evaluations to determine if the project will have any significant impact. The City's team has spent over eight months reviewing this project and examining each of its potential impacts.

MYTH: Air Emissions would increase due to changes in crude type delivered by rail

FACT: Despite efforts by opponents to confuse the issues facing the Planning Commission regarding air quality, these assertions are made on assumptions with no basis in fact. The Valero crude by rail project will not impact air quality. In fact it:

- **Seeks NO changes to the current permits from the Bay Area Air Quality Management District.** The refinery will continue to meet or exceed requirements currently in place, ensuring the local community and larger Bay area will not see air quality diminished as a result of this project.
- **Actually reduces air emissions** by providing flexibility to reduce marine delivery of crude and replace it with more efficient rail delivery.
- Will not change the operations, feedstock profile or volume of crude processed at the refinery.

MYTH: Rail delivery of crude poses a health and safety risk

FACT: The operation of railroads in California is extremely safe and the likelihood of a train derailment resulting in a spill of crude oil is very small. It is highly regulated by the federal government.

- Since 2008, liquid hazardous materials spills in California have steadily declined and in 2013, less than 4,000 gallons of material was spilled statewide.
- Valero maintains a full-time on-site emergency response team trained and capable of responding to any hazardous material incident, including one involving railcars.
- Trained to use the Unified Command Structure, the Valero emergency response team is able to coordinate the use of our resources and expertise to respond to emergencies either on-site or off-site with local, state and federal agencies.

Myths and Facts about Valero's Crude by Rail Infrastructure Project (cont.)

- Stringent Federal Railroad Administration (FRA) regulations are in place governing virtually every aspect of rail transport, including track and equipment inspections, allowable operating speeds, and employee certifications.

In February 2014, the U.S Department of Transportation, in conjunction with the Association of American Railroads, approved a **rail safety initiative for moving crude oil** including increased track inspections, lower train speeds, increased trackside technology and emergency response planning capabilities, among other things.

- The railcars used for this project will **meet or exceed all federal safety standards** to ensure safe transportation of crude. The U.S. Department of Transportation is reviewing the current standards and Valero will fully comply with any changes to those standards.

MYTH: When refined, crude delivered by rail will result in a higher likelihood of leaks and fires similar to that at another Bay area refinery in 2012

FACT: The Valero Benicia Refinery has many programs in place to manage process safety, including specific programs like Mechanical Integrity, to insure the safe operation of the refinery.

- Valero's commitment to safety is unsurpassed.
- Corrosion of piping and other equipment used to refine crude oil is not a new concern, and Valero's current safety standards exceed basic criteria.
- The Benicia refinery is one of only two refineries in the state and one of only 75 businesses in the state to have received Cal/OSHA's designation as a Voluntary Protection Program (VPP) Star Site.
- Certification under Cal/OSHA VPP means the refinery's programs, like Mechanical Integrity, go beyond minimal standards and provide the best feasible protection at the site.

MYTH: The Crude by Rail Project and the Valero Improvement Project (VIP) are related and have the potential to decrease air quality

FACT: The VIP was a long term refinery improvement project that was approved by the Planning Commission and City Council over 10 years ago and has been completed.

Notable among the improvements made with that project is the flue gas scrubber. The flue gas scrubber reduced emissions from the refinery while simultaneously permitting the refinery to process the heavy, more sour crudes that it does today.