

May 2017

SCH No. 2014091020

**TESORO
LOS ANGELES REFINERY
INTEGRATION AND COMPLIANCE PROJECT
FINAL
ENVIRONMENTAL IMPACT REPORT**

VOLUME VIII: Appendix G (Comment Letter No. G1-98 – Appendix G2)

Executive Officer

Wayne Nastri

Deputy Executive Officer

Planning, Rule Development, and Area Sources

Philip Fine, Ph.D.

Assistant Deputy Executive Officer

Planning, Rule Development, and Area Sources

Susan Nakamura

Submitted to:

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Prepared by:

ENVIRONMENTAL AUDIT, INC.

Reviewed by:

Jillian Wong, Ph.D. – Planning and Rules Manager

Danny Luong – Senior Enforcement Manager

Tran Vo – Air Quality Analysis and Compliance Supervisor

Sam Wang – Air Quality Specialist

Barbara Baird – Chief Deputy Counsel

Veera Tyagi – Principal Deputy District Counsel

Cal Enviro Metrics, LLC

Comment Letter No. G1-98

Date 6/5/14

Jillian Wong
Program Supervisor, CEQA
AQMD
21865 Copley Drive
Diamond Bar, CA 91765

RE: my input on the Tesoro Integration Project.

Dear Ms. Wong,

My name is Oileen Scott and I live at 1111 1/2 Loma Ave

I am writing to give my opinion on the Tesoro project merger since I was unable to attend the public hearing last May 17, in Carson.

Long Beach CA 90804

I would like my opinion be considered in your decision about the project. I reject the Tesoro merger. I reject new storage tanks, and I reject more pipelines for the project. We already have our share of petroleum related hazards accumulated in Wilmington. I do not want to trade some emission reductions for storage tanks which is what this project is offering. I know there are methods to reduce the emissions of offloading to capture the emissions. No need for storage tanks. We should be cutting down on more dangerous material not expanding. Tesoro will add 8 more storage tanks which is a huge expansion. In addition, those tanks may be used to stored crude that is different than the current type.

G1-98.1

I would also like to request more time for public participation. Many people in Wilmington and surrounding impacted communities are unaware about the Tesoro proposal to join the two refineries into one. I reject the additional storage capacity that Tesoro proposes, along with more dangerous pipelines. This project is near an earthquake zone which makes it even more dangerous for us who live so close to the refinery. While we do not know when an earthquake will happen, it will happen sometime. Having so much more stored crude plus pipelines underground would make an event like that even more destructive and dangerous.

G1-98.2

Since most people in our communities are not aware about this project, I request more time to notify people so that this process can receive enough public input. This larger than usual project should have more public participation before deciding on it. I myself would like you to consider denying a permit for this project because it is putting a much larger, additional threat on our lives. The quality of life in Wilmington and surrounding communities is already very poor in terms of illnesses due to the air quality from many polluting sources such as Tesoro. I reject the project.

G1-98.3

Please add my comment about this project. If possible, I would like to know that you received my comments.

Thank you,

Oileen Scott

Response to Comment Letter No. G1-98

Colleen Scott

Comment G1-98.1

Dear Ms. Wong,
My name is Colleen Scott and I live at 1111 1/2 Lama Ave
Long Beach CA 90804
I am writing to give my opinion on the Tesoro project merger since I was unable to attend the public hearing last May 17, in Carson.
I would like my opinion be considered in your decision about the project. I reject the Tesoro merger. I reject new storage tanks, and I reject more pipelines for the project. We already have our share of petroleum related hazards accumulated in Wilmington. I do not want to trade some emission reductions for storage tanks which is what this project is offering. I know there are methods to reduce the emissions of offloading to capture the emissions. No need for storage tanks. We should be cutting down on more dangerous material not expanding. Tesoro will add 8 more storage tanks which is a huge expansion. In addition, those tanks may be used to stored crude that is different than the current type.

G1-98.1

Response G1-98.1

The comment regarding the rejection of the proposed project does not raise issues related to the proposed project or the DEIR. The comment is noted and no response is necessary under CEQA.

As explained in Master Response 7, the proposed project is not a merger. Tesoro acquired the Carson Operations from BP in 2013. The Carson and Wilmington Operations have already merged. The pre-existing Carson and Wilmington Operations have been operating as one Refinery since the acquisition. As explained in Section 2.1 of the DEIR, the proposed project is designed to better integrate the Carson and Wilmington Operations, which will improve processing efficiency and reduce emissions.

The proposed project includes constructing new and replacement storage tanks, but this component of the proposed project does not increase crude oil capacity at the Refinery. The new and replacement storage tanks are proposed to provide sufficient crude oil storage capacity to allow crude oil tankers to offload more quickly at the Wilmington Operations Long Beach Marine Terminal and in one visit to the dock at Marine Terminal 1. This increase in crude oil storage capacity means that marine vessels will spend less time maneuvering, at dock, and/or at anchor in the Port because of improved offloading efficiency (i.e., quicker offloading and the elimination of or reduction of, demurrage costs and the need for anchorage while waiting for available storage tank space to finish offloading). The DEIR did not take credit for emission reductions from marine vessel operations. However, annual emission reductions from improved marine vessel offloading efficiency were estimated and can be found in Master Response 6. Based on this analysis, daily marine vessel emissions would not increase and annual emissions would be substantially reduced.

With respect to offloading emission control, the new and replacement crude oil storage tanks are connected to the marine terminals, and the marine vessels unload directly into the crude oil

receiving tanks. Because the new and replacement crude oil storage tanks will be permitted and constructed to comply with BACT, there are no associated unloading racks or unloading emissions other than fugitive emissions associated with the piping used to transfer crude oil from the marine terminals. Therefore, offloading emissions will be controlled to the maximum extent possible and there will be no additional, unutilized opportunity to reduce emissions through an offloading capture method.

Master Response 6 explains that the volume of available crude oil storage capacity has no bearing on Refinery crude oil processing capacity. The proposed project would not create a new or larger refinery or increase crude oil throughput capacity, except to the extent that the DCU H-100 heater permit revision will increase the capacity of that unit by 6,000 bbl/day; it would further integrate the Refinery's Carson and Wilmington Operations.

Sections 2.7.1.3 and 4.1.2.1 of the FEIR describe the 6,000 bbl/day potential crude oil capacity increase that could be accommodated with the DCU H-100 heater permit revision. The potential impacts of this crude oil capacity increase are fully analyzed in Chapter 4 of the DEIR. Master Response 7 further explains that the proposed project is not an expansion of the Refinery.

As explained in Master Response 4, the proposed project is not designed to facilitate a crude oil blend switch and the Refinery will not process different crude oil as a result of the proposed project beyond what was analyzed in the DEIR. Thus, because the new and replacement storage tanks are being installed to store crude oil for processing at the Refinery—not for third party sale—the tanks likewise will not store crude oil of a different type than that currently being processed at the Refinery. Additionally, as explained in Master Response 9, the DEIR fully analyzes any potential hazard impacts related to the increase in storage tanks.

Comment G1-98.2

I would also like to request more time for public participation. Many people in Wilmington and surrounding impacted communities are unaware about the Tesoro proposal to join the two refineries into one. I reject the additional storage capacity that Tesoro proposes, along with more dangerous pipelines. This project is near an earthquake zone which makes it even more dangerous for us who live so close to the refinery. While we do not know when an earthquake will happen, it will happen sometime. Having so much more stored crude plus pipelines underground would make an event like that even more destructive and dangerous.

]

G1-98.2

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Response G1-98.2

The proposed project has complied with the public process required by CEQA Guidelines § 15087. As explained in detail in Master Response 1, the DEIR was circulated for an extended length of time. The public comment period closed on June 10, 2016, after two extensions. A 94-day public review and comment period (March 8, 2016 through June 10, 2016) was provided, which exceeds CEQA requirements. A public hearing on the Title V permit and public meeting on the DEIR was held on May 17, 2016. Copies of the DEIR were made available in neighborhood public libraries. Notices were published and distributed for the original public comment period, the two extensions, and the public hearing on the Title V permit and public meeting on the DEIR.

In addition, Tesoro independently offered and provided community outreach to over 100 entities including public agencies, community organizations, neighborhood organizations, business associations, and other interested parties to explain the scope of the proposed project and the potential environmental effects of the proposed project. The community meetings were held on April 4, 11, and 14, 2016 in Carson, Wilmington, and Long Beach, respectively. Tesoro has identified that a total of 277 people attended the meetings.

The proposed project has been fully analyzed for potential hazard impacts, including those associated with pipelines, storage tanks, and process units regardless of the cause of release (e.g., human error, equipment failure, sabotage, terrorism, natural disaster, or civil uprising). Section 4.3 of the DEIR found that hazards associated with the Naphtha Isomerization Unit, new crude oil storage tanks, the SARP, and interconnecting pipelines are potentially significant due to hazards associated with worst-case release scenarios. A Worst-Case Consequence Analysis was presented in Appendix C and discussed in Section 4.3 of the DEIR. See Master Response 9 for additional information regarding the hazards analyses of pipelines and storage tanks, including impacts associated with earthquakes.

Comment G1-98.3

Since most people in our communities are not aware about this project, I request more time to notify people so that this process can receive enough public input. This larger than usual project should have more public participation before deciding on it. I myself would like you to consider denying a permit for this project because it is putting a much larger, additional threat on our lives. The quality of life in Wilmington and surrounding communities is already very poor in terms of illnesses due to the air quality from many polluting sources such as Tesoro. I reject the project.

G1-98.3

Response G1-98.3

As explained in Response G1-98.2, notice was provided to the community through the mail and in the newspaper. The proposed project was also discussed at public hearings and meetings.

As explained in Section 4.2.2.2 of the DEIR, upon completion, the proposed project will result in regional and local reductions in CO emissions and local reductions of operational NOx, SOx, PM10, and PM2.5 emissions. The increase in operational VOC emissions associated with the proposed project was found to be less than significant. The proposed project emissions are described in detail in Section 4.2 of the DEIR and are summarized in Table 4.2-4 (see pages 4-16 through 4-18). The proposed project will result in local overall reductions in GHG emissions, as described in Section 5.2 of the DEIR and summarized in Table 5.2-8 (see page 5-26).

As explained in Master Response 3, the DEIR fully analyzed and disclosed the proposed project's potential health impacts from all pollutants. The proposed project's potential cancer and non-cancer human health impacts, including asthma and other respiratory illnesses, were analyzed in the DEIR, and determined to be less than significant. The estimated cancer risk due to the operation of the proposed project was found to be less than the SCAQMD's cancer risk significance threshold of ten in one million (see Section 4.2.2.5 of the DEIR). The non-cancer chronic and acute hazard indices were found to be below the SCAQMD's non-cancer chronic and acute hazard index threshold of 1.0. Therefore, the proposed project is not expected to cause a

APPENDIX G1: RESPONSE TO COMMENTS

significant adverse health impact. Master Response 14 explains the potential localized impacts to the surrounding community.

Comment Letter No. G1-99

From: Adrian Morales Veliz [<mailto:soycurandero@gmail.com>]
Sent: Friday, June 10, 2016 5:19 PM
To: Jillian Wong <jwong1@aqmd.gov>; Danny Luong <dluong@aqmd.gov>
Subject: LETTER OF OPPOSITION TO TESORO EXPANSION

South Coast Air Quality Management Division
Office of Planning, Rule Development and Area Sources/CEQA

Dear Ms. Jillian Wong and Mr. Danny Luong,

I am Teo Veliz, and I write to you on behalf of the communities and families who hold concern against the recent announcement to expand the Tesoro facilities that would create the largest refinery on the West Coast.

G1-99.1

I write to you to voice the concern of the people of Wilmington and the greater Harbor Area. Many families living in close proximity to your facility are already impacted by high rates of asthma and allergies. The Port of Los Angeles area already suffers from mass air pollution. I would also like to mention that placing your facilities in such an area would be contributing to environmental racism, an issue often overlooked by the media and other environmental groups. The definition of environmental racism is the placement of polluting facilities in close proximity to communities with high poverty rates, often composed of mainly minorities and people of color. I'd also like to point out that California is highly susceptible to earthquakes, which could potentially damage your facilities and put several working families at risk to severe harm and injury.

G1-99.2

The Port of Los Angeles is also home to many individuals who suffer from asthma and other respiratory conditions. The vignette of a close friend of mine illustrates how someone could be impacted by your decision.

Hector grew up in a small neighborhood very close to a refinery, he grew up not able to play sports like the other kids because of his asthma. His asthma also affected his ability to go to school and he soon fell behind. This pattern repeated until his family had saved enough to move to Oregon. Hector is now asthma free. An expansion of your refinery will leave many more children susceptible to respiratory problems. I'd like to close my letter with a Cree proverb.

G1-99.3

“Only when the last tree has been cut down, the last been fish caught, and the last stream poisoned, will we realize we can’t eat money.” - Cree Proverb

Many blessings,
Teo Veliz
Student
California Academy of Math & Science
San Pedro Resident & Wilmington Stakeholder

Response to Comment Letter No. G1-99

Teo Veliz

Comment G1-99.1

I am Teo Veliz, and I write to you on behalf of the communities and families who hold concern against the recent announcement to expand the Tesoro facilities that would create the largest refinery on the West Coast.

G1-99.1

Response G1-99.1

The proposed project would not create a new or larger refinery or result in a substantial increase of crude oil throughput capacity. It would further integrate the Refinery's Carson and Wilmington Operations.

Sections 2.7.1.3 and 4.1.2.1 of the FEIR describe the potential 6,000 bbl/day crude oil capacity increase that could be accommodated with the DCU H-100 heater permit revision. The potential impacts of this crude oil capacity increase are fully analyzed in Chapter 4 of the DEIR. Master Response 7 further explains that the proposed project is not an expansion of the Refinery.

Comment G1-99.2

I write to you to voice the concern of the people of Wilmington and the greater Harbor Area. Many families living in close proximity to your facility are already impacted by high rates of asthma and allergies. The Port of Los Angeles area already suffers from mass air pollution. I would also like to mention that placing your facilities in such an area would be contributing to environmental racism, an issue often overlooked by the media and other environmental groups. The definition of environmental racism is the placement of polluting facilities in close proximity to communities with high poverty rates, often composed of mainly minorities and people of color. I'd also like to point out that California is highly susceptible to earthquakes, which could potentially damage your facilities and put several working families at risk to severe harm and injury.

G1-99.2

Response G1-99.2

As explained in Master Response 3, the DEIR fully analyzed and disclosed the proposed project's potential health impacts from all pollutants. The proposed project's potential cancer and non-cancer human health impacts, including asthma and other respiratory illnesses, were analyzed in the DEIR, and determined to be less than significant. The estimated cancer risk due to the operation of the proposed project was found to be less than the SCAQMD's cancer risk significance threshold of ten in one million (see DEIR Section 4.2.2.5). The non-cancer chronic and acute hazard indices were found to be below the SCAQMD's non-cancer chronic and acute hazard index threshold of 1.0. Therefore, the proposed project is not expected to cause a significant adverse health impact.

As explained in Section 4.2.2.2 of the DEIR, upon completion, the proposed project will result in regional and local reductions in CO emissions and local reductions of operational NOx, SOx,

PM10, and PM2.5 emissions. The increase in operational VOC emissions associated with the proposed project was found to be less than significant. The proposed project emissions are described in detail in Section 4.2 of the DEIR and are summarized in Table 4.2-4 (see pages 4-16 through 4-18). The proposed project will result in local overall reductions in GHG emissions, as described in Section 5.2 of the DEIR and summarized in Table 5.2-8 (see page 5-26).

Neither the CEQA Statutes nor Guidelines require an analysis of environmental justice impacts. The SCAQMD, however, has a strong record of addressing environmental justice issues since the SCAQMD's Environmental Justice program began in 1997. Since that time, the SCAQMD has instituted a number of community initiatives to help improve air quality for low income residents and residents of color in the Basin. The programs and initiatives have been continually reviewed and updated. As a result, the SCAQMD's Environmental Justice program goes beyond a single project, and encompasses a unified regional approach to reducing impacts to the Basin's most impacted communities. Master Response 14 addresses environmental justice regarding the proposed project.

Section 3.3.6 of the DEIR describes existing Refinery safety systems at the Tesoro Refinery. As explained in Section 4.3 and Appendix C of the DEIR and Master Response 9, the proposed project has been fully analyzed for hazard impacts based on a worst-case consequence analysis. This includes proposed project equipment, including pipelines and storage tanks, and process units regardless of the cause of release (e.g., human error, equipment failure, sabotage, terrorism, natural disaster, or civil uprising). The DEIR found that hazards associated with the Naphtha Isomerization Unit, new crude oil storage tanks, the SARP, and interconnecting pipelines are potentially significant based on worst-case release scenarios.

The hazard analysis takes a worst-case approach by assuming that the entire contents of a tank or other equipment would rapidly be released, and that no safety measures are implemented that could reduce the severity of an accidental release. It is expected that hazard impacts would be less than analyzed because the Refinery has safety measures in place and specified employees are trained regarding safety measures. Further, the DEIR imposes measures to mitigate hazard impacts (see Section 4.3.3 of the DEIR). Finally, as described in Section 3.3.7 of the DEIR, the Refinery is subject to many laws and regulations that address safety and emergency responses in the event of an accident. Nonetheless, the DEIR conservatively concluded that hazard impacts would remain significant.

Comment G1-99.3

The Port of Los Angeles is also home to many individuals who suffer from asthma and other respiratory conditions. The vignette of a close friend of mine illustrates how someone could be impacted by your decision.

Hector grew up in a small neighborhood very close to a refinery, he grew up not able to play sports like the other kids because of his asthma. His asthma also affected his ability to go to school and he soon fell behind. This pattern repeated until his family had saved enough to move to Oregon. Hector is now asthma free. An expansion of your refinery will leave many more children susceptible to respiratory problems. I'd like to close my letter with a Cree proverb.

G1-99.3

“Only when the last tree has been cut down, the last been fish caught, and the last stream poisoned, will we realize we can't eat money.” - Cree Proverb

Response G1-99.3

The comment again notes the high asthma and other respiratory conditions of the residents living in the area near the Port of Los Angeles. As indicated in Response G1-99.2, the proposed project will reduce emissions. Response G1-99.2 also responds to potential health effects associated with the proposed project.

The comment also alleges that the proposed project is an expansion of the Refinery. As noted in Response G1-99.1, the proposed project would not expand Refinery operations.

Comment Letter No. G1-100

From: Anabell Romero [<mailto:romero.anabell@gmail.com>]
Sent: Friday, June 10, 2016 5:23 PM
To: Jillian Wong <jwong1@aqmd.gov>; Danny Luong <dluong@aqmd.gov>
Subject: Re: Comments Opposing Approval of both the Draft Environmental Impact Report (DEIR) and the Title V Permit for the Tesoro Los Angeles Refinery Integration and Compliance Project (LARIC)

Hi Ms. Wong and Mr. Luong,

I have additional comments I want to add to my previous email for the open comment period. I am going to disclose that I am a reporter and I reached out to Tesoro for an interview in regards to this project and I wanted to share one of their answers with you because it supports an argument that environmental activist have been explaining in regards to flaring. This can serve as useful information for your team to have as public record. This interview was on the record. It was with Ken Dami and I am only sharing 1 question out of 10 questions I asked. (Please see below)

G1-100.1

Let me know if you have any questions.

Have a great weekend!

Best,
Anabell

Hi Anabell,

Thanks again for reaching out. Below are responses to your questions.

Ken

1. What is your role at Tesoro? Can you please provide your name and title?

Ken Dami, Director, Southern California Public and Government Affairs. I lead the team responsible for engaging the community, local government officials and other local stakeholders.

4. The DEIR also claims new emissions from flaring would be zero, despite adding many new equipment connections to flares, so how exactly will 'zero flaring emissions' be accomplished? And why hasn't this been done before?

The DEIR is focused on analyzing normal, peak day operations. As noted on page 4-53, additional flaring from normal operations is prohibited, and the project is not expected to increase flaring at the refinery.

While we work hard to minimize flaring activity, for safety reasons it's important that we ensure any new and modified units are properly connected to our vapor recovery and flare systems. While flares aren't needed during normal operations, if something causes pressure to build up unexpectedly, the systems are automatically triggered to prevent the equipment from becoming over-pressurized and to minimize environmental impacts. When the pressure relief valves open, the flares burn excess vapors that aren't

G1-100.2

recovered by the vapor recovery system. This is safer than allowing those vapors to be released directly into the atmosphere.

G1-100.2
cont'd.

On Thu, Jun 9, 2016 at 1:58 PM, Anabell Romero <romero.anabell@gmail.com> wrote:

Dear Ms. Wong and Mr. Luong,

This letter is to oppose the Draft Environmental Impact Report (DEIR) and the Title V Permit for the Tesoro LARIC Project,^[1] including construction of massive new storage tanks to hold millions of barrels of crude oil, increase crude oil going through the refinery, add a dozen new pressure relief device connections to flares, increase use of 22 large refinery heaters, import Liquefied Petroleum Gas by rail to the refinery, and more.

The DEIR and the Title V Permit (which sets permit limits) are inaccurate. They ignore Tesoro's own published plans to bring dangerous N. Dakota Bakken crude oil by rail to the Tesoro Savage Vancouver Washington ship terminal,^[2] then by ship to the Los Angeles refinery.^[3] This crude oil is particularly explosive.^[4] A Bakken crude oil rail accident blew up an entire town in 2013, killing many people.^[5] Just last Saturday another crude oil train carrying this material exploded, requiring evacuation of an elementary school, and spilling oil into the Columbia River.^[6] Bakken crude also contains high levels of volatile and toxic air contaminants and the DEIR should evaluate this threat. Tesoro's Project could also bring extreme Canadian tar sands crude oil to the LA refinery through the same Tesoro Savage ship terminal. These two crude oils cause increased greenhouse gases and harms to air, land, and water during extraction, and add explosion risks in storage and in refineries.

G1-100.3

The DEIR and Title V permit also failed to count air emissions from flaring during startup, shutdown, and maintenance, other air emissions increases, and failed to set permit conditions that would prevent these increased emissions.

Our community already suffers from too much air pollution and dangers of petroleum storage, pipelines, and refining. We want to stop the expansion of oil refineries, to start building our safe, healthy, and clean energy future, and to have a fair public process.

Sincerely,

Anabell Chavez

Wilmington Community Member



[1] <http://www.aqmd.gov/home/library/documents-support-material/lead-agency-permit-projects/permit-project-documents---year-2016>

[2] Tesoro just received a two-year extension on the lease for this terminal. <https://www.vancouverenergyusa.com/>

[3] Tesoro's map showing this is above, from: Simmons Energy Conference, *Transformation through Distinctive Performance*, February 27, 2014, <http://phx.corporate-ir.net/phoenix.zhtml?c=79122&p=irol-presentations>

Tesoro made the following and many other statements about bringing Bakken crude to LA: *"When you think about formalizing competitive advantage and fully integrating our value chain, that is really what the Los Angeles Integration and Compliance Project is about. And when we think about creating value, we are not just thinking about advantaged crude oils in front of our refineries, but we're thinking about how that supply to the west coast of advantaged crude oils can change the shape of the crude oil supply/demand dynamics for the west coast. And that's*

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what we are trying to accomplish through Vancouver Energy.” Edited Transcript TSO - Tesoro Corporation 2015 Analyst and Investor Day, December 09, 2015, p. 10, Keith Casey, Tesoro Corporation, EVP Operations

[4] U.S. Department of Transportation, 2014, available at: http://www.phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/1_2_14%20Rail_Safety_Alert.pdf

[5] http://www.earthisland.org/journal/index.php/eij/article/warning_highly_flammable/

[6] Oregon Public Broadcasting (OPB), 6/7/2016, New Spilled Crude Oil Discovered At Mosier Train Crash, <http://www.opb.org/news/series/oil-trains/oregon-oil-train-mosier-derailment-cleanup-spill/>

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Anabell

Response to Comment Letter No. G1-100

Anabell Chavez

Comment G1-100.1

I have additional comments I want to add to my previous email for the open comment period. I am going to disclose that I am a reporter and I reached out to Tesoro for an interview in regards to this project and I wanted to share one of their answers with you because it supports an argument that environmental activist have been explaining in regards to flaring. This can serve as useful information for your team to have as public record. This interview was on the record. It was with Ken Dami and I am only sharing 1 question out of 10 questions I asked. (Please see below)

G1-100.1

Response G1-100.1

The comment raises no specific issues related to the DEIR. The comment is noted and no response is required under CEQA.

Comment G1-100.2

Hi Anabell,

Thanks again for reaching out. Below are responses to your questions.

Ken

1. What is your role at Tesoro? Can you please provide your name and title?

Ken Dami, Director, Southern California Public and Government Affairs. I lead the team responsible for engaging the community, local government officials and other local stakeholders.

4. The DEIR also claims new emissions from flaring would be zero, despite adding many new equipment connections to flares, so how exactly will 'zero flaring emissions' be accomplished? And why hasn't this been done before?

The DEIR is focused on analyzing normal, peak day operations. As noted on page 4-53, additional flaring from normal operations is prohibited, and the project is not expected to increase flaring at the refinery.

While we work hard to minimize flaring activity, for safety reasons it's important that we ensure any new and modified units are properly connected to our vapor recovery and flare systems. While flares aren't needed during normal operations, if something causes pressure to build up unexpectedly, the systems are automatically triggered to prevent the equipment from becoming over-pressurized and to minimize environmental impacts. When the pressure relief valves open, the flares burn excess vapors that aren't

recovered by the vapor recovery system. This is safer than allowing those vapors to be released directly into the atmosphere.

G1-100.2

G1-100.2
cont'd.

Response G1-100.2

The Response provided by Ken Dami of Tesoro regarding flaring is consistent with what has been stated in Master Response 15. The proposed project will not increase flaring emissions. Part of the piping associated with unit modifications includes installation of new pressure relief valves that will tie into the various existing Refinery flare gas recovery systems and flares. Under normal operating conditions, pressure relief valves vent to the flare gas recovery systems.

APPENDIX G1: RESPONSE TO COMMENTS

The pressure relief valves allow gases to vent to the flares, which are safety equipment, during emergency conditions when the flare gas recovery system capacity is exceeded. There will be no routine venting to the flare system or the flare gas recovery systems from any of the modifications. As explained in Master Response 15 and Response G1-78.207, the number of pressure relief valves tied in to the flare systems is not indicative of flaring emissions. The proposed project will not increase flaring with the installation of new or modified process units because flaring from normal operations is prohibited by SCAQMD Rule 1118.

As explained in Master Response 15 and Response G1-78.207, the amount (hours) of flaring and emissions from flaring have decreased since the additional requirements in SCAQMD Rule 1118 were implemented.

Comment G1-100.3

On Thu, Jun 9, 2016 at 1:58 PM, Anabell Romero <romero.anabell@gmail.com> wrote:

Dear Ms. Wong and Mr. Luong,

This letter is to oppose the Draft Environmental Impact Report (DEIR) and the Title V Permit for the Tesoro LARIC Project,^[1] including construction of massive new storage tanks to hold millions of barrels of crude oil, increase crude oil going through the refinery, add a dozen new pressure relief device connections to flares, increase use of 22 large refinery heaters, import Liquefied Petroleum Gas by rail to the refinery, and more.

The DEIR and the Title V Permit (which sets permit limits) are inaccurate. They ignore Tesoro's own published plans to bring dangerous N. Dakota Bakken crude oil by rail to the Tesoro Savage Vancouver Washington ship terminal,^[2] then by ship to the Los Angeles refinery.^[3] This crude oil is particularly explosive.^[4] A Bakken crude oil rail accident blew up an entire town in 2013, killing many people.^[5] Just last Saturday another crude oil train carrying this material exploded, requiring evacuation of an elementary school, and spilling oil into the Columbia River.^[6] Bakken crude also contains high levels of volatile and toxic air contaminants and the DEIR should evaluate this threat. Tesoro's Project could also bring extreme Canadian tar sands crude oil to the LA refinery through the same Tesoro Savage ship terminal. These two crude oils cause increased greenhouse gases and harms to air, land, and water during extraction, and add explosion risks in storage and in refineries.

The DEIR and Title V permit also failed to count air emissions from flaring during startup, shutdown, and maintenance, other air emissions increases, and failed to set permit conditions that would prevent these increased emissions.

Our community already suffers from too much air pollution and dangers of petroleum storage, pipelines, and refining. We want to stop the expansion of oil refineries, to start building our safe, healthy, and clean energy future, and to have a fair public process.

G1-100.3

Response G1-100.3

This comment is a copy of the previously submitted Comment G1-31. See Response G1-31.1 to G1-31.4 for the response to this comment.

Comment Letter No. G1-101

June 10, 2016

South Coast Air Quality Management District (SCAQMD)
Engineering & Compliance
21865 Copley Drive
Diamond Bar, CA 91765-4178
Attn: Danny Luong
Senior Manager
dluong@aqmd.gov
909-396-2622
909-396-3855 Fax
Jillian Wong
Program Manager
jwong1@aqmd.gov
909-396-3176
<http://www.aqmd.gov/home/library/documents-support-material/lead-agency-permit-projects>

Re: Tesoro Los Angeles Refinery
Integration & Compliance Project
Draft Environmental Impact Report (DEIR)
SCH No. 2014091020
Tesoro Refining & Marketing Company
Los Angeles Refinery-Wilmington Operations
2101 E. Pacific Coast Highway.
Wilmington, CA 90744-2914
Facility ID # 800436

Los Angeles Refinery-Carson Operations
2350 E. 223th Street
Carson, CA 90810
Facility ID # 174655

Su: Submission of Public Comments Opposing The Tesoro Merger, DEIR & Title V Permit
As Proposed

AQMD:

- I am a concerned resident of Wilmington living right next to the refinery who opposes the merger of the Tesoro Wilmington and Tesoro Carson oil Refineries for the following reasons:
1. The merger will create a larger public safety risk to our lives, health and welfare when there is a major natural disaster or major accident at any of the two refinery facilities which has not been adequately assessed or mitigated. G1-101.1
 2. Tesoro will release 75 tons annually of VOC's-Volatile Organic Compounds into our community's air which cause or contribute to Leukemia, Lymphoma, Myeloma and Anemia which s unacceptable and unmitigated. G1-101.2
G1-101.3

APPENDIX G1: RESPONSE TO COMMENTS

3. Tesoro's use of pollution credits to offset emissions is unacceptable. We the public are still exposed to the same amount toxic air pollutants in our air. G1-101.4
 4. There will be an increase in Greenhouse Gases which contribute to Global Warming which will cause increased heat strokes, dehydration, insect diseases like west Nile virus, other public health problems and premature death which is not being mitigated. G1-101.5
 5. Tesoro is not using the Best Available Control Technology like Vapor Recovery Units to prevent VOC's emissions from storage tanks. G1-101.6
 6. Tesoro is not using the Best Available Control Technology like the Advanced Marine Emissions Control System (AMECS) to capture and treat oil tanker ship toxic exhaust as mitigation. G1-101.7
 7. Tesoro is not using the Best Available Control Technology like on-dock terminal electric pumps to unload petroleum products from ships. G1-101.8
 8. Tesoro does not have any tanker ships which can connect to electric shorepower to reduce air pollution like Criteria Pollutants and Toxic Pollutants while they are at-dock. G1-101.9
 9. The modifications will allow Tesoro to import more dirty crude oil and explosive crude oil which is unacceptable, the air pollution emissions will increase, the risk which has not been assessed or mitigated. Tesoro's other California facilities are currently importing these crude oil stocks. G1-101.10
 10. Tesoro has no evacuation plan for residents of Wilmington living in the direct impact zone, which is where I live. It is also a heavily populated dense zone. G1-101.11
 11. Without proper planning for evacuation when an explosion occurs (it is not if but when this explosion will take place), residents will be trapped since the only exit out of the area is through PCH HWY. Exit towards Long Beach through PCH HWY will be impossible because it crosses right between Tesoro. On the other exit, which goes towards Harbor City, will be our only option. One-way evacuation plan will not work. G1-101.12
- I will like to request more time to translate the EIR in Spanish since majority of our community who live right in the middle of the refineries speak Spanish only. Most Spanish speakers are not aware of the project. I also feel that it is not a fair process on how Tesoro purchased the Carson Refinery without presenting their intentions to the community. After Tesoro pumped over \$2 million dollars in 2015 to every non-profit organization in our community and asked for their letters of support, it is only left to residents to speak for themselves. If you have children, please consider all the points above and protect our children as if they were your own. G1-101.13

Sincerely,

Magali Sanchez-Hall

Response to Comment Letter No. G1-101

Magali Sanchez-Hall

Comment G1-101.1

I am a concerned resident of Wilmington living right next to the refinery who opposes the merger of the Tesoro Wilmington and Tesoro Carson oil Refineries for the following reasons:] G1-101.1

Response G1-101.1

The comment regarding opposition to the proposed project does not raise issues related to the proposed project or the DEIR. The comment is noted and no response is necessary under CEQA.

As explained in Master Response 7, the proposed project is not a merger. Tesoro acquired the Carson Operations from BP in 2013. The Carson and Wilmington Operations have already merged. The two pre-existing refinery operations have been operating as one Refinery since the acquisition. As described in Section 2.1 of the DEIR, the proposed project is designed to better integrate the existing Carson and Wilmington Operations, which will improve processing efficiency and reduce emissions.

Comment G1-101.2

1. The merger will create a larger public safety risk to our lives, health and welfare when there is a major natural disaster or major accident at any of the two refinery facilities which has not been adequately assessed or mitigated.] G1-101.2

Response G1-101.2

As explained in Response G1-101.1, the proposed project is not a merger.

As explained in Master Response 3, the DEIR fully analyzed and disclosed the proposed project's potential health impacts from all pollutants. The proposed project's potential cancer and non-cancer human health impacts, including asthma and other respiratory illnesses, were analyzed in the DEIR, and determined to be less than significant. The estimated cancer risk due to the operation of the proposed project was found to be less than the SCAQMD's cancer risk significance threshold of ten in one million (see Section 4.2.2.5 of the DEIR). The non-cancer chronic and acute hazard indices were found to be below the SCAQMD's non-cancer chronic and acute hazard index threshold of 1.0. Therefore, the proposed project is not expected to cause a significant adverse health impact.

The DEIR Section 3.3.6 describes existing Refinery safety systems at the Tesoro Refinery. As explained in Section 4.3 and Appendix C of the DEIR and Master Response 9, the proposed project has been fully analyzed for hazard impacts based on a worst-case consequence analysis. This includes proposed project equipment, including pipelines and storage tanks, and process units regardless of the cause of release (e.g., human error, equipment failure, sabotage, terrorism,

natural disaster, or civil uprising). The DEIR found that hazards associated with the Naphtha Isomerization Unit, new crude oil storage tanks, the SARP, and interconnecting pipelines are potentially significant based on worst-case release scenarios.

The hazard analysis takes a worst-case approach by assuming that the entire contents of a tank or other equipment would rapidly be released, and that no safety measures are implemented that could reduce the severity of an accidental release. It is expected that hazard impacts would be less than analyzed because the Refinery has safety measures in place and specified employees are trained regarding safety measures. Further, the DEIR imposes measures to mitigate hazard impacts (see Section 4.3.3 of the DEIR). Finally, as described in Section 3.3.7 of the DEIR, the Refinery is subject to many laws and regulations that address safety and emergency responses in the event of an accident. Nonetheless, the DEIR conservatively concluded that hazard impacts would remain significant.

Comment G1-101.3

2. Tesoro will release 75 tons annually of VOC's-Volatile Organic Compounds into our community's air which cause or contribute to Leukemia, Lymphoma, Myeloma and Anemia which s unacceptable and unmitigated.] G1-101.3

Response G1-101.3

It is assumed that the 75 tons figure refers to operational VOC emissions of 401.15 pounds per day, Section 4.2.2.2 Table 4.2-4 of the DEIR. The SCAQMD reports mass emissions and determines significance on a daily basis because for most pollutants, an exceedance of the applicable ambient air quality standard is based on averaging times of 24 hours or less. Assuming the Tesoro Refinery operates every day of the year, VOC emissions in the DEIR can easily be converted into tons per year ($401.15 \text{ lb/day} \times 365 \text{ days/yr} \times 1 \text{ ton}/2,000 \text{ lb} = 73.2 \text{ tons/yr}$). The table shows that applying emission reduction credits reduces calculated VOC emissions to approximately 49 pounds per day, which is less than the SCAQMD's operational significance threshold for VOC emissions of 55 pounds per day.

As explained in Response G1-101.2, the DEIR fully analyzed and disclosed the proposed project's potential health impacts from all pollutants. The proposed project's potential cancer and non-cancer human health impacts, including asthma and other respiratory illnesses, were analyzed in the DEIR, and determined to be less than significant.

Comment G1-101.4

3. Tesoro's use of pollution credits to offset emissions is unacceptable. We the public are still exposed to the same amount toxic air pollutants in our air.] G1-101.4

Response G1-101.4

The generation and use of emission reduction credits in market-based programs (i.e., ERCs and RTCs) are controlled by SCAQMD Regulations XIII and XX, both of which have undergone

CEQA review. The proposed project complies with the SCAQMD's Regulations XIII and XX. The DEIR presented the emission reductions from the proposed project as offsetting other aspects of the proposed project or as emission reduction credits being retained or generated.

Additionally, the Federal Clean Air Act requires the use of emission reduction credits as a means of offsetting emission increases from new, modified, or relocated sources. Emission reduction credits can only be granted if emission reductions are not otherwise required by rules, regulations, and control measures in the Air Quality Management Plan. SCAQMD Rule 1303 specifically requires emission increases from affected facilities to be offset by either emission reduction credits approved pursuant to SCAQMD Rule 1309 or by allocations from the Priority Reserve in accordance with the provisions of SCAQMD Rule 1309.1. Offset ratios are 1.2-to-1.0 for Emission Reduction Credits and 1.0-to-1.0 for allocations from the Priority Reserve and RECLAIM Trading Credits. Offset ratio means, for example, that for every one pound of pollutant emitted, 1.2 pounds must be offset. Further, when applying for emission reduction credits, SCAQMD Rule 1306 requires that credits for the actual emissions be reduced to an amount as if current BACT were applied. As a result, the amount of emission reduction credits granted is much less than the actual emission reductions achieved. This ensures an overall reduction in pollutants within the jurisdiction of the SCAQMD.

As explained in Section 4.2.2.2 of the DEIR, upon completion, the proposed project will result in regional and local reductions in CO emissions and local reductions of operational NOx, SOx, PM10, and PM2.5 emissions. The increase in operational VOC emissions associated with the proposed project was found to be less than significant. The proposed project emissions are discussed in detail in Section 4.2 of the DEIR and are summarized in Table 4.2-4 (see pages 4-16 through 4-18). The proposed project will result in local overall reductions in GHG emissions, as discussed in Section 5.2 of the DEIR and summarized in Table 5.2-8 (see page 5-26).

Comment G1-101.5

4. There will be an increase in Greenhouse Gases which contribute to Global Warming which will cause increased heat strokes, dehydration, insect diseases like west Nile virus, other public health problems and premature death which is not being mitigated. G1-101.5

Response G1-101.5

The proposed project will result in local reductions of GHG emissions as summarized in Table 5.2-8 on page 5-26. The cumulative impact of GHG emissions is explained in Section 5.2.2. GHG emissions produced by combusting the fuels produced by the Refinery are included in, and regulated by, the AB32 GHG Cap and Trade Program. It should be noted that the proposed project is not expected to increase production of transportation fuels, because the proposed project is designed to maintain the overall production capability of transportation fuels while achieving substantial emission reductions on-site and reducing carbon intensity.

As discussed in Response G1-101.2, the proposed project is not expected to cause a significant adverse health impact.

Comment G1-101.6

5. Tesoro is not using the Best Available Control Technology like Vapor Recovery Units to prevent VOC's emissions from storage tanks. G1-101.6

Response G1-101.6

As described in Master Response 11, all new or modified emission components of the proposed project will be subject to SCAQMD Rule 1303(a) BACT requirements. All of the new tanks that will be constructed as part of the proposed project will be internal or domed external floating roof tanks, not fixed roof tanks that could accommodate vapor recovery. Vapor recovery units are considered to be BACT for fixed roof tanks, but not for floating roof tanks. The new storage tanks will comply with BACT for floating roof tanks that include Category A Tank Seals and compliance with SCAQMD Rule 463³³¹ and SCAQMD Rule 1178. BACT compliance will be incorporated as permit conditions as part of the proposed project and enforced by SCAQMD staff.

Comment G1-101.7

6. Tesoro is not using the Best Available Control Technology like the Advanced Marine Emissions Control System (AMECS) to capture and treat oil tanker ship toxic exhaust as mitigation. G1-101.7

Response G1-101.7

The AMEC control systems suggested by the comment are not feasible for petroleum tankers. In December 2007, CARB approved the "Airborne Toxic Control Measure for Auxiliary Diesel Engines Operated on Ocean-Going Vessels At-Berth in a California Port" Regulation.³³² The purpose of this regulation is "to reduce emissions from diesel auxiliary engines on container ships, passenger ships, and refrigerated-cargo ships while berthing at a California Port". However, fleets in other ocean-going vessel categories including tankers are not subject to this regulation. In October 2015, CARB approved AMECS as an alternative control technology to cold ironing under this specific regulation.³³³ Since tankers are excluded from this regulation, CARB has not approved AMECS for use on tankers. CARB is researching amendments to the At-Berth regulation and the possible inclusion of other vessel types, in the regulation.³³⁴ The CARB research includes investigating the potential use of emission control systems, fuel switching or boiler design changes, and the use of booster pumps as possible methods of reducing emissions from tanker marine vessels. The feasibility and applicability of the additional control

³³¹ SCAQMD. 2008. Best Available Control Technology Guidelines Part D: BACT Guidelines for Non-Major Polluting Facilities. Online at: <http://www.aqmd.gov/docs/default-source/bact/bact-guidelines/part-d---bact-guidelines-for-non-major-polluting-facilities.pdf>.

³³² <https://www.arb.ca.gov/ports/shorepower/shorepower.htm>.

³³³ <https://www.arb.ca.gov/ports/shorepower/eo/ab-15-02.pdf>.

³³⁴ Personal communication with Angela Csondes, CARB, Manager Shore Power for Ocean-Going Vessels, (916) 323-4882, November 18, 2016.

methods has not yet been determined and regulation amendments have not yet been proposed. Meetings with the regulated community are anticipated to occur in 2017.³³⁵

Comment G1-101.8

7. Tesoro is not using the Best Available Control Technology like on-dock terminal electric pumps to unload petroleum products from ships. G1-101.8

Response G1-101.8

As described in Sections 2.7.2.11 and 4.2.2.2.2 of the DEIR, the proposed project will result in a decrease in transportation emissions with respect to marine vessels that deliver crude oil. Because the proposed project does not result in a significant increase of marine vessel emissions, mitigation, such as installation of additional "cold ironing" capability is not necessary. Cold ironing means that a marine vessel can completely shut down its main engine and power the vessel, including pumps used to offload crude oil with shoreside electricity.

The proposed project provides several advantages for emission reductions and offloading efficiency. The new and replacement storage tanks enable Tesoro to meet the proposed project objective of increased offloading efficiency which reduces marine vessel demurrage costs. Additionally, the proposed project would reduce maneuvering and hoteling emissions that occur while marine vessels wait for available storage space to offload into on-shore storage tanks that would not be reduced by cold ironing. The additional hoteling associated with marine vessels waiting for on-shore storage space are a substantial portion of offloading emissions (see Master Response 6), and these emissions would not be reduced with cold ironing.

The comment provides no evidence to support the claim that electrically driven on-dock pumps could function to unload a marine vessel. The on-board pumps on a marine vessel are designed to lift the crude oil out of the hold of the marine vessel, while the on-dock pumps are designed to assist or boost the flow through pipelines and into the storage tank and compensate for pressure created as the tank is filled. Currently, Tesoro's Berth 121 at Marine Terminal 1 is the only marine oil terminal in the world that has cold ironing capability. Cold ironing was installed at Marine Terminal 1 as a technology demonstration, along with two dedicated crude oil tankers. Cold Ironing is used when unloading the two crude oil tankers. Marine Terminal 1 would be used by the proposed project to offload crude oil into the new Carson Crude Terminal storage tanks. Because of the limited number of crude oil tankers with "cold ironing" capability, their expected use is the same with or without the proposed project, and the DEIR properly determined that the proposed project will reduce marine vessel emissions.

Comment G1-101.9

8. Tesoro does not have any tanker ships which can connect to electric shorepower to reduce air pollution like Criteria Pollutants and Toxic Pollutants while they are at-dock. G1-101.9

³³⁵ Personal communication with Angela Csondes, CARB, Manager Shore Power for Ocean-Going Vessels, (916) 323-4882, November 18, 2016.

Response G1-101.9

Tesoro does not own the marine vessels that transport crude oil to the marine terminal. However, Responses G1-101.7 and G1-101.8 address marine vessel emissions.

Comment G1-101.10

9. The modifications will allow Tesoro to import more dirty crude oil and explosive crude oil which is unacceptable, the air pollution emissions will increase, the risk which has not been assessed or mitigated. Tesoro's other California facilities are currently importing these crude oil stocks. G1-101.10

Response G1-101.10

As explained in detail in Sections 2.5.3 and 2.5.4 and Appendix F of the DEIR, Master Response 4, and Response G1-78.94, the Refinery is currently processing a blend of various crude oils and will continue to do so with or without the proposed project. The proposed project will not result in a substantial change in the crude oil blend processed by the Refinery.

Master Response 4 explains that the Refinery's sources of crude oils have and will continue to vary with or without the proposed project. By using worst-case crude oil properties (see Response G1-78.157), the DEIR fully analyzed the potential impacts associated with storing various crude oils in the new and replacement storage tanks and with transferring various crude oils via the associated piping. There would be no additional impacts, beyond those analyzed in the DEIR, for the new and replacement storage tanks if different light or heavy crude oil is processed at the Refinery (see Sections 4.2.2.2 of the FEIR). The proposed project does not facilitate or encourage sourcing crude oil from any particular location. In other words, the improved offloading efficiency provides a benefit regardless of the type of crude oil transported by marine vessel.

Light and heavy crude oil is currently delivered, stored, and processed at the Refinery and will continue to be delivered, stored, and processed with or without the proposed project. The impact analysis in the DEIR accounts for the variety of crude oils that have been and will be handled by the Refinery. For example, the TAC concentrations of crude oils in storage tanks associated with the proposed project were based on a worst-case hybrid analysis of the toxic content of the crude oils currently and potentially processed at the Refinery, including Bakken and heavy Canadian crude oil. The hybrid TAC speciation was prepared by selecting the highest concentration of each toxic compound from the entire speciated data set of all the crude oils analyzed.

The Refinery did not process large amounts of Bakken or Canadian heavy crude oil in the baseline period. This observation, however, is not relevant to the analysis in the DEIR. As explained in subsequent responses, which are listed in Table 78-94.1, Bakken and heavy Canadian crude oils are similar to other light and heavy crude oils currently processed by the Refinery. As described in Master Response 4, and Response G1-78.150, in the future, as now, any Bakken or heavy Canadian crude oils processed would have to be combined with other crude oils to create a crude oil blend that matches the Refinery's processing capabilities and permit limitations. This is what has occurred with Bakken, heavy Canadian, and many other heavy and

light crude oils that were utilized in the baseline period, and is what will continue after implementation of the proposed project.

Comment G1-101.11

10. Tesoro has no evacuation plan for residents of Wilmington living in the direct impact zone, which is where I live. It is also a heavy populated dense zone.] G1-101.11

Response G1-101.11

The commenter raised a concern regarding evacuation procedures for residents. The proposed project is located at an existing Refinery. The Refinery currently cooperatively works with the Unified Command from the public services from the respective City during an incident. The need for evacuations, shelter-in-place, exclusion zones, or other community requirement during an emergency is determined by public protection agencies, such as the responding fire department, police/sheriff department, or city. The proposed project does not affect the public protection agencies established procedures for responding to an emergency. As discussed in the NOP/IS (pages A-92 through A-94 and summarized in the DEIR Section 4.1.10, the proposed project will have no impact to public services.

Comment G1-101.12

11. Without proper planning for evacuation when an explosion occurs (it is not if but when this explosion will take place), residents will be trapped since the only exit out of the area is through PCH HWY. Exit towards Long Beach through PCH HWY will be impossible because it crosses right between Tesoro. On the other exit, which goes towards Harbor City, will be our only option. One-way evacuation plan will not work.] G1-101.12

Response G1-101.12

As explained in Response G1-101.11, the need for evacuations, shelter-in-place, exclusion zones, or other community requirement during an emergency is determined by public protection agencies, such as the responding fire department, police/sheriff department, or city

Comment G1-101.13

I will like to request more time to translate the EIR in Spanish since majority of our community who live right in the middle of the refineries speak Spanish only. Most Spanish speakers are not aware of the project. I also feel that it is not a fair process on how Tesoro purchased the Carson Refinery without presenting their intentions to the community. After Tesoro pumped over \$2 million dollars in 2015 to every non-profit organization in our community and asked for their letters of support, it is only left to residents to speak for themselves. If you have children, please consider all the points above and protect our children as if they were your own.] G1-101.13

Response G1-101.13

The proposed project has complied with the public process required by CEQA Guidelines § 15087. As explained in detail in Master Response 1, the DEIR was circulated for an extended length of time. The public comment period closed on June 10, 2016, after two extensions. A

APPENDIX G1: RESPONSE TO COMMENTS

94-day public review and comment period (March 8, 2016 through June 10, 2016) was provided, which exceeds CEQA requirements. A public hearing on the Title V permit and public meeting on the DEIR was held on May 17, 2016. Copies of the DEIR were made available in neighborhood public libraries. Notices were published and distributed for the original public comment period, the two extensions, and the public hearing on the Title V permit and public meeting on the DEIR. The notices of a public hearing on the Title V permit and public meeting on the DEIR and availability of CEQA documents was translated into Spanish and published in La Opinion.

In addition, Tesoro independently offered and provided community outreach to over 100 entities including public agencies, community organizations, neighborhood organizations, business associations, and other interested parties to explain the scope of the proposed project and the potential environmental effects of the proposed project. The community meetings were held on April 4, 11, and 14, 2016 in Carson, Wilmington, and Long Beach, respectively. Tesoro has informed the SCAQMD that printed information was distributed at each event in multiple languages and independent Spanish-speaking translators were on-hand to assist residents as needed. Tesoro has identified that a total of 277 people attended the meetings.

Comment Letter No. G1-102

From: Michael Busman [mbusman@opterraenergy.com]
Sent: Friday, June 10, 2016 7:27 PM
To: Jillian Wong
Cc: Danny Luong; organizer@southbay350.org
Subject: Proposed Tesoro Merger, Facility ID#s 174655 and 800436

Dear Dr. Wong:

I hereby provide my public comment on the Proposed Title V Significant Permit Revisions and the Draft Environmental Impact Report (DEIR) for Tesoro Refining & Marketing Co., LLC's Carson and Wilmington Sites, Facility ID#s 174655 and 800436.

G1-102.1

As a local resident, I am opposed to this project. The project will create the largest refinery on the West Coast in an area that already suffers from some of the worst air quality in the United States due to the existence of 6 oil refineries, two large ports, multiple major freeways and a large concentration of urban refining.

The project would include adding some 3.4 million barrels of storage, which is the equivalent of a new oil terminal. The large crude storage tanks make the project a likely source to store, refine and/or export large volumes of dangerous crude oils, including increased imports of highly explosive fracked Bakken Shale and highly corrosive, high carbon Canadian Tar Sands. The DEIR does not consider the increased environmental impacts of greenhouse gases due to extraction and transportation of these dirty crudes. Tesoro has recently obtained approval for a 2-year extension of a crude-by-rail to marine terminal in Vancouver, Washington and has bragged to its shareholders of its "West Coast Strategy" to bring cheaper crude to its refineries. At the same time, this merger would give Tesoro an even bigger share of the oil market and allow it manipulate prices.

G1-102.2

While the project would lead to a decrease in CO2 emissions, this is only the result of the required shut down of the FCCU at the Wilmington facility which the State of California required as a condition for approval of Tesoro's purchase of the facility. Tesoro should not be granted any air pollution credits to offset for other air pollution expansions that are part of the proposed project. Tesoro is intentionally misleading the public by claiming that this project is an air pollution reduction and efficiency project. In reality, the only air pollution reduction would be in CO2, which comes from the required shutdown of the FCCU, which will occur with or without the merger. In reality, the project will increase emissions in our community including VOCs and have neutral impacts on NOx, SOx, Particulate matter and toxic emissions. Moreover, the DEIR seems to overstate the existing amount of emissions while overstating the potential emissions after the Project is completed. This calls the accuracy of the DEIR into question.

G1-102.3

The project calls for the modification of many major processing units inside the refinery including building new sulfur processing units. The project would add to LPG rail car deliveries, including butane and propane, which cause a major concern for our communities because of the risk of explosion from such rail cars in what is not only a densely populated area but a major center for commerce for the entire State of California. The DEIR identifies potential explosion and toxic release risks due to the Project including BLEVE hazard (Boiling Liquid Expanding Vapor Explosion) from LPG rail unloading, and toxic release hazards from the Hydrocracker

G1-102.4

APPENDIX G1: RESPONSE TO COMMENTS

Unit, Catalytic Reforming Unit (CRU), Propane Sales Treating Unit (PSTU), and Sulfuric Acid Recovery Plant (SARP) areas. After the explosion at the Exxon-Mobil refinery in Torrance and information made public about potentially disastrous releases of poisonous gases that could kill hundreds of thousands of local residents, I was very concerned about the re-opening of the refinery. I strongly believe that safety programs and procedures at Tesoro pale in comparison to Exxon-Mobil, which is far from perfect.

G1-102.4
cont'd.

Our region is overdue for a major earthquake and the dangers from large tanks full of hazardous and explosive materials are an unacceptable risk for our community. The DEIR claims new emissions from flaring at the project would be "zero" even though many new equipment connections would be added to the flares. This does not seem accurate. This is just one of a number of deficiencies in the DEIR and Title V permit application, which failed to include alternatives that would have lesser effects.

G1-102.5

Although minor in impact to the local communities as those outlined above, I would like to note that refineries are quite energy intensive in terms of electrical and boiler fuel consumption. They are also quite intensive in the consumption of water in cooling towers and ultra-pure water as boiler feedwater. Increased production by a merged, larger refinery will negatively impact these utilities not only through increased consumption, but increased emissions at power generation plants, increased emissions from local boilers, and increased electrical consumption to produce boiler feedwater which is often produced using reverse osmosis, an electrical energy intensive process in itself.

G1-102.6

The Project is being touted as a boost to our local economy. In reality, the jobs created during the project will be temporary and there is no guarantee that they will be filled by local residents. History has shown us that mergers such as this are often designed to streamline operations by eliminating jobs, which would be a detriment to our communities.

G1-102.7

Again, I am opposed to the Merger Project and request that the Title V permit not be issued and that the DEIR be sent back for re-drafting to include potential and real expected impacts which have not been addressed.

G1-102.8

Thank you for your consideration.

Mike Busman
22489 Kent Avenue
Torrance, CA 90505

Mike Busman, *Certified Energy Manager® (CEM®) - a DOE Recognized Program*
Lead Project Engineer

765 The City Dr South Suite 475
Orange, CA 92868
T. 657-216-3261
M. 310.387.2083
mbusman@opterraenergy.com



Response to Comment Letter No. G1-102

Mike Busman

Comment G1-102.1

I hereby provide my public comment on the Proposed Title V Significant Permit Revisions and the Draft Environmental Impact Report (DEIR) for Tesoro Refining & Marketing Co., LLC's Carson and Wilmington Sites, Facility ID#s 174655 and 800436.

As a local resident, I am opposed to this project. The project will create the largest refinery on the West Coast in an area that already suffers from some of the worst air quality in the United States due to the existence of 6 oil refineries, two large ports, multiple major freeways and a large concentration of urban refining.

G1-102.1

Response G1-102.1

The comment regarding opposition to the proposed project does not raise issues related to the proposed project or the DEIR. The comment is noted and no response is necessary under CEQA.

With regard to the comment that the Refinery is the “largest on the West Coast,” Master Response 6 explains that the volume of available crude oil storage capacity has no bearing on Refinery crude oil processing capacity. The proposed project would not create a new or larger refinery or result in a substantial increase of crude oil throughput capacity. It would further integrate the Refinery's Carson and Wilmington Operations.

Sections 2.7.1.3 and 4.1.2.1 of the FEIR describe the potential 6,000 bbl/day crude oil capacity increase that could be accommodated with the DCU H-100 heater permit revision. The potential impacts of this crude oil capacity increase are fully analyzed in Chapter 4 of the DEIR. Master Response 7 further explains that the proposed project is not an expansion of the Refinery.

Air quality issues relating to the proposed project are addressed in Section 4.2 of the DEIR and are summarized in Table 4.2-4 on pages 4-16 through 4-18. Cumulative impacts of the proposed project, including cumulative air quality impacts, are analyzed in Chapter 5 of the DEIR and are further explained in Master Response 16. Local health effects have been analyzed and are described in Master Response 3. Environmental justice issues are discussed in Master Response 14.

Comment G1-102.2

The project would include adding some 3.4 million barrels of storage, which is the equivalent of a new oil terminal. The large crude storage tanks make the project a likely source to store, refine and/or export large volumes of dangerous crude oils, including increased imports of highly explosive fracked Bakken Shale and highly corrosive, high carbon Canadian Tar Sands. The DEIR does not consider the increased environmental impacts of greenhouse gases due to extraction and transportation of these dirty crudes. Tesoro has recently obtained approval for a 2-year extension of a crude-by-rail to marine terminal in Vancouver, Washington and has bragged to its shareholders of its “West Coast Strategy” to bring cheaper crude to its refineries. At the same time, this merger would give Tesoro an even bigger share of the oil market and allow it manipulate prices.

G1-102.2

Response G1-102.2

The proposed project includes constructing new and replacement storage tanks, but this component of the proposed project does not increase crude oil capacity at the Refinery. The new and replacement storage tanks are proposed to provide sufficient crude oil storage capacity to allow crude oil tankers to offload more quickly at the Wilmington Operations Long Beach Marine Terminal and in one visit to the dock at Marine Terminal 1. This increase in crude oil storage capacity means that marine vessels will spend less time maneuvering or at dock or anchor in the Port because of improved offloading efficiency (i.e., quicker offloading and the elimination of or reduction of demurrage costs and the need for anchorage while waiting for available storage tank space to finish offloading). The DEIR did not take credit for emission reductions from marine vessel operations. However, annual emission reductions from improved marine vessel offloading efficiency were estimated and can be found in Master Response 6. Based on this analysis, daily marine vessel emissions would not increase and annual emissions would be substantially reduced.

As explained in detail in Sections 2.5.3 and 2.5.4 and Appendix F of the DEIR, Master Response 4, and Response G1-78.94, the Refinery is currently processing a blend of various crude oils and the proposed project will not result in a substantial change in the crude oil blend processed by the Refinery.

The DEIR analyzed the potential increase in crude oil processing of up to 6,000 bbl/day associated with the modification of the DCU H-100 heater permit description. The increase in crude oil processing rate is not related to any specific crude oil source. Master Response 4 explains that the Refinery's sources of crude oils have and will continue to vary with or without the proposed project. By using worst-case crude oil properties (see Response G1-78.157), the DEIR fully analyzed the potential impacts associated with storing various crude oils in the new and replacement storage tanks and with transferring various crude oils via the associated piping. There would be no additional impacts, beyond those analyzed in the DEIR, for the new and replacement storage tanks if different light or heavy crude oil is processed at the Refinery (see Sections 4.2.2.2 of the FEIR). The proposed project does not facilitate or encourage sourcing crude oil from any particular location. In other words, the improved offloading efficiency provides a benefit regardless of the type of crude oil transported by marine vessel.

Light and heavy crude oil is currently delivered, stored, and processed at the Refinery and will continue to be delivered, stored, and processed with or without the proposed project. The impact analysis in the DEIR accounts for the variety of crude oils that have been and will be handled by the Refinery. For example, the TAC concentrations of crude oils in storage tanks associated with the proposed project were based on a worst-case hybrid analysis of the toxic content of the crude oils currently and potentially processed at the Refinery, including Bakken and heavy Canadian crude oil. The hybrid TAC speciation was prepared by selecting the highest concentration of each toxic compound from the entire speciated data set of all the crude oils analyzed.

There have been previous volatility issues associated with the transport of Bakken crude oil. However, regulations have since been adopted that require a reduction in volatility of Bakken crude oil that is transported. For example, in December 2014, the Industrial Commission of

North Dakota issued an order regarding conditioning of Bakken crude oil and limiting the RVP of crude oil provided for transport to 13.7 RVP. Thus, Bakken crude oil transported to the West Coast will be pipeline quality (i.e., qualified for safe transport) and will not have as high a vapor pressure as the Bakken crude oil produced at the wellhead. As with other U. S. crude oil production operations, the order adopted by the State of North Dakota will require that crude oil production facilities remove a significant portion of the light ends (ethane, propane, butane and pentane) prior to offering the crude oil for shipment to refineries for processing.

Because of Bakken crude oil's purported volatility, concerns were raised in the media as to whether Bakken crude oil was properly classified as a Class 3 hazardous material under U.S. DOT regulations. A Class 3 hazardous material is generally a flammable or combustible liquid that does not meet the regulatory classification requirements for other hazardous characteristics, such as toxicity, corrosivity, radioactivity or explosiveness. However, those concerns have since been resolved by repeated analysis and testing that demonstrates Bakken crude oil to be a Class 3 hazardous material, similar to other light sweet crude oils. After considering the information, the PHMSA Deputy Administrator testified to Congress that Bakken crude oil is accurately classified as a Hazard Class 3 Flammable Liquid.³³⁶ This is consistent with the sampling and testing Tesoro has completed on Bakken crude oil. Therefore, Bakken crude oil has properties similar to other light crude oils, and is not classified as explosive.

As explained in subsequent responses, which are listed in Table 78-94.1, Bakken and heavy Canadian crude oils are similar to other light and heavy crude oils currently processed by the Refinery. As described in Master Response 4 and Response G1-78.150, in the future, as now, any Bakken or heavy Canadian crude oils processed would have to be combined with other crude oils to create a crude oil blend that matches the Refinery's processing capabilities and permit limitations. This is what has occurred with Bakken, heavy Canadian, and many other heavy and light crude oils that were utilized in the baseline period, and is what will continue after implementation of the proposed project. It is correct to say that Tesoro makes ongoing efforts to provide "advantaged crude oil", as that term is used by Tesoro (i.e., any economically advantaged crude oil capable of being processed at each of Tesoro's refineries). Providing "advantaged crude oil" to Tesoro refineries, including the Los Angeles Refinery, is occurring independent of the proposed project. Any increased use of Bakken or heavy Canadian crude oils, or any other specific crude oils, would not be caused by the proposed project. The proposed project's impacts were analyzed in detail using worst-case assumptions (e.g., the maximum vapor pressure of crude oil allowable by SCAQMD rules), which accounts for any impacts from increased use of Bakken or heavy Canadian crude oil. Response G1-78.111 specifically addresses crude oil corrosivity. Responses G1-81.65 and G1-81.67 address greenhouse gases and crude oil production.

The proposed project does not expand the Refinery beyond the 6,000 bbl/day described in Response G1-102.1.

³³⁶ Written statement of Timothy P. Butters Before the Subcommittees on Energy and Oversight Committee on Science, Space and Technology, U.S. House of Representatives at page 12 (Sept. 9, 2014).

Responses G1-81.65 and G1-81.67 explain that the DEIR does not need to analyze the environmental impacts from crude oil production because the proposed project will not cause any changes to that industry.

As explained in Section 4.1.2.5 of the DEIR and Master Response 8, the Vancouver Energy Project is wholly independent from the proposed project and is undergoing separate environmental review by the Washington State EFSEC. That review includes the evaluation of transportation hazards. Additionally, as described in Master Response 8, the Final EIS has not yet been issued for the Vancouver Energy Project, and the project has not been approved.

The comment notes a two-year “. . . extension of a crude-by-rail to marine terminal in Vancouver, Washington. . .” The lease for the site for the proposed Vancouver Energy Project was extended eight months, not two years, while the Vancouver Energy Project permitting process continues.

Statements made by Tesoro regarding sourcing “advantaged crude oils”, including Bakken crude oil, are typically made with regard to its West Coast system, which includes the Kenai Refinery in Alaska, the Anacortes Refinery in Washington, and the two California refineries in Martinez and Los Angeles³³⁷, not specifically the Los Angeles Refinery. As explained in Response G1-78.94, it is correct to say Tesoro makes ongoing efforts to provide “advantaged crude oil,” as that term is used by Tesoro (i.e., any economically advantaged crude oil capable of being processed at each of Tesoro’s refineries). Providing “advantaged crude oil” to Tesoro refineries, including the Los Angeles Refinery, is occurring, and will continue to occur, with or without the proposed project. Additionally, Responses G1-81.22 through G1-81.24 explain corporate statements made by Tesoro that, when put in proper context, do not support claims that the proposed project is dependent on processing any particular type of crude oil. There are no corporate statements that state or even imply that the proposed project is designed to facilitate a change in the crude oil blend processed by the Refinery.

The issues raised regarding Tesoro acquiring a larger share of the oil market and manipulating prices as a result of the proposed project are incorrect. As explained in Master Response 7, the proposed project is neither an expansion of the Refinery nor a merger. Tesoro acquired the Carson Operations from BP in 2013. The Carson and Wilmington Operations have already merged. The two pre-existing refinery operations have been operating as one Refinery since the acquisition. As described in Section 2.1 of the DEIR, the proposed project is designed to better integrate the existing Carson and Wilmington Operations, which will improve processing efficiency and reduce emissions. See Section 2.2 of the DEIR, which further explains the objectives of the proposed project.

³³⁷ The reference to the “West Coast system” that appears in Tesoro’s corporate presentations and statements is a term that is used with varying meanings based on the context of the presentation or statement. Analyst day and earning statements presentations are given to an audience that routinely participates in the presentations and is familiar with Tesoro’s corporate structure and financial performance. Therefore, some of the references are not intended to be as explicit as they would be to an uninformed audience. At times, the term refers to Tesoro’s four west coast refineries, but it can also refer to those four refineries as well as Tesoro Logistics or a distribution system to third-party clients on the west coast. Thus, the context surrounding the use of this phrase is always necessary to understand the speaker’s intended meaning, but the phrase is not used to refer only to the Los Angeles Refinery in isolation.

The consumer price of gasoline in California will not increase as a result of the proposed project, which further integrates two existing Carson and Wilmington Operations, enabling emissions reductions while maintaining the integrated Refinery’s overall fuel production capability. There are many factors that determine the price of transportation fuels, such as gasoline. These include the cost of crude oil, distribution and marketing costs, refining costs, and federal and state taxes. The marketplace and market conditions, such as supply and demand, determine the price consumers pay at the pump, not one refinery’s operational efficiencies. Manipulation of fuel prices is unlawful and is monitored by the California Attorney General and the California Energy Commission. All refineries, including the Los Angeles Refinery, must comply with all applicable laws and regulations.

Comment G1-102.3

While the project would lead to a decrease in CO2 emissions, this is only the result of the required shut down of the FCCU at the Wilmington facility which the State of California required as a condition for approval of Tesoro’s purchase of the facility. Tesoro should not be granted any air pollution credits to offset for other air pollution expansions that are part of the proposed project. Tesoro is intentionally misleading the public by claiming that this project is an air pollution reduction and efficiency project. In reality, the only air pollution reduction would be in CO2, which comes from the required shutdown of the FCCU, which will occur with or without the merger. In reality, the project will increase emissions in our community including VOCs and have neutral impacts on NOx, SOx, Particulate matter and toxic emissions. Moreover, the DEIR seems to overstate the existing amount of emissions while overstating the potential emissions after the Project is completed. This calls the accuracy of the DEIR into question.

G1-102.3

Response G1-102.3

As described in Master Response 13, the comment incorrectly claims that the shutdown of the Wilmington Operations FCCU was a condition of approval for Tesoro's acquisition of the BP Carson Refinery and ARCO branded service stations, and therefore, the baseline for air quality impacts should not include emissions from the Wilmington Operations FCCU. Consistent with applicable law, the District properly concluded that the baseline includes the existing operation of the Wilmington Operations FCCU. The Federal Trade Commission and the California Attorney General both reviewed Tesoro's proposed acquisition to ensure that the acquisition would not violate federal and state antitrust laws. After a nine-month review, on May 17, 2013, the agencies announced that they had resolved any potential antitrust concerns with the proposed acquisition.

During the antitrust review process, Tesoro submitted documents to the FTC and the California Attorney General stating that Tesoro intended to make certain modifications at the combined Refinery that would allow Tesoro to achieve specified “synergies” between the Wilmington and Carson Operations. Among other changes, Tesoro explained, Tesoro planned to replace some of the combined Refinery’s fluid catalytic cracking unit (“FCCU”) capacity with additional hydrotreater capacity.

In connection with her approval of the acquisition, the Attorney General entered into an agreement with Tesoro. In this agreement Tesoro agreed to maintain CARBOB capacity for three years, maintain the ARCO brand, and not eliminate jobs for a period of two years. Tesoro

also agreed to provide an annual report on the actions taken to achieve the specified synergies, including actions designed to replace FCCU capacity with hydrotreater capacity.³³⁸

Thus, it is not accurate to say that the Attorney General required Tesoro to shut down the Wilmington Operations FCCU as a condition of approval. Rather, the Attorney General required Tesoro to provide an annual report on the implementation of Tesoro's existing plans to modify the combined Refinery by, among other things, replacing FCCU capacity with hydrotreater capacity. Moreover, operation of the Wilmington Operations FCCU is part of the baseline environmental conditions and the proposed project enables the Wilmington Operations FCCU to be shutdown.

As explained in Section 4.2.2.2 and Table 4.2-4 of the DEIR and Master Response 13, emission reductions are appropriately credited to the proposed project. Further information about the purchase of the BP Carson Refinery by Tesoro can be found on Page 2-1 of the DEIR. Section 4.2.2.2 of the DEIR explains that the proposed project will result in regional and local reductions in CO emissions and local reductions of operational NOx, SOx, PM10, and PM2.5 emissions. The increase in operational VOC emissions associated with the proposed project was found to be less than significant. The proposed project will result in local reductions in GHG emissions as discussed in Section 5.2 of the DEIR and as summarized in Table 5.2-8 (see page 5-26 of the DEIR).

As explained in Response G1-102.2, the proposed project is not a merger.

The comment claims that the DEIR has overstated the existing amount of emissions and the potential emissions after the project is completed. The comment is not specific about which emissions have been overstated, and which calculations or baseline are in question. Further, this comment is unsupported.

A conservative analysis of expected emissions as a result of the proposed project is included in Section 4.2 of the DEIR and is summarized on pages 4-16 through 4-18 in Table 4.2-4. Additionally, assumptions and detailed calculations can be found in Appendix B-3.

Baseline emissions are reported on page 3-9 in Table 3.2-4 of the DEIR and are based on annual emission fee reports submitted to the SCAQMD in 2012 and 2013. The baseline selected for the proposed project is accurate and appropriate, as detailed in Master Response 12.

³³⁸ See Attachment E, Kathleen Foote for Kamala Harris, letter to Robert Weisenmiller, May 17, 2013. In the letter, the Attorney General uses the term "distillate desulfurization unit" to refer to additional hydrotreating capacity. The letter notes that replacing FCCU capacity with "desulfurization" capacity will benefit the environment by reducing emissions and greenhouse gases.

Comment G1-102.4

The project calls for the modification of many major processing units inside the refinery including building new sulfur processing units. The project would add to LPG rail car deliveries, including butane and propane, which cause a major concern for our communities because of the risk of explosion from such rail cars in what is not only a densely populated area but a major center for commerce for the entire State of California. The DEIR identifies potential explosion and toxic release risks due to the Project including BLEVE hazard (Boiling Liquid Expanding Vapor Explosion) from LPG rail unloading, and toxic release hazards from the Hydrocracker Unit, Catalytic Reforming Unit (CRU), Propane Sales Treating Unit (PSTU), and Sulfuric Acid Recovery Plant (SARP) areas. After the explosion at the Exxon-Mobil refinery in Torrance and information made public about potentially disastrous releases of poisonous gases that could kill hundreds of thousands of local residents, I was very concerned about the re-opening of the refinery. I strongly believe that safety programs and procedures at Tesoro pale in comparison to Exxon-Mobil, which is far from perfect.

G1-102.4

G1-102.4
cont'd.

Response G1-102.4

The proposed project does not include building new sulfur processing units, but includes the SARP, which allow regeneration of sulfuric acid. A description of the proposed project is provided in Section 2.7 of the DEIR, but includes the SARP, which will allow regeneration of sulfuric acid..

The potential hazard impacts of the proposed project have been fully analyzed including hazards related to explosive materials (see Section 4.3 pages 4-45 through 4-68 of the DEIR and Master Response 9). LPG is currently delivered to the Refinery and will continue to be delivered to the Refinery with or without the proposed project. The proposed project will not increase the number of train deliveries, but will increase the number of railcars brought in with each train delivery. The additional ten railcars will be added to existing trains. LPG hazards, including risk of BLEVEs have been fully analyzed in Section 4.3 and Appendix C of the DEIR and are explained in Master Response 9.

The comment regarding the previous Exxon-Mobil explosion does not raise any issues specific to the DEIR and, therefore, does not require a response under CEQA. However, the opinion in the comment regarding safety programs and procedures is not supported by evidence. The AFPM, in association with the API, classified Tesoro in the top (First) quartile on process safety performance indicator benchmarking of U.S. refining companies. The First quartile ranking is the best refining industry performers. Tesoro has been in the First quartile since 2012.

Comment G1-102.5

Our region is overdue for a major earthquake and the dangers from large tanks full of hazardous and explosive materials are an unacceptable risk for our community. The DEIR claims new emissions from flaring at the project would be “zero” even though many new equipment connections would be added to the flares. This does not seem accurate. This is just one of a number of deficiencies in the DEIR and Title V permit application, which failed to include alternatives that would have lesser effects.

G1-102.5

Response G1-102.5

Section 3.3.6 of the DEIR describes existing Refinery safety systems at the Tesoro Refinery. As explained in Section 4.3 and Appendix C of the DEIR and Master Response 9, the proposed project has been fully analyzed for hazard impacts based on a worst-case consequence analysis. This includes proposed project equipment, including pipelines and storage tanks, and process units regardless of the cause of release (e.g., human error, equipment failure, sabotage, terrorism, natural disaster, or civil uprising). The DEIR found that hazards associated with the Naphtha Isomerization Unit, new crude oil storage tanks, the SARP, and interconnecting pipelines are potentially significant based on worst-case release scenarios. Additionally, the hazards analyses regarding the potential impact of earthquakes and other natural disasters have been fully analyzed as explained in Master Response 9.

The hazard analysis takes a worst-case approach by assuming that the entire contents of a tank or other equipment would rapidly be released, and that no safety measures are implemented that could reduce the severity of an accidental release. It is expected that hazard impacts would be less than analyzed because the Refinery has safety measures in place and specified employees are trained regarding safety measures. Further, the DEIR imposes measures to mitigate hazard impacts (see Section 4.3.3 of the DEIR). Finally, as described in Section 3.3.7 of the DEIR, the Refinery is subject to many laws and regulations that address safety and emergency responses in the event of an accident. Nonetheless, the DEIR conservatively concluded that hazard impacts would remain significant.

The proposed project will not increase flaring emissions. Part of the piping associated with unit modifications includes installation of new pressure relief valves that will tie into the various existing Refinery flare gas recovery systems and flares. Master Response 15 explains the operation of the flare gas recovery system and flares. Under normal operating conditions, pressure relief valves vent to the flare gas recovery systems. The pressure relief valves allow gases to vent to the flares, which are safety equipment, during emergency conditions when the flare gas recovery system capacity is exceeded. There will be no routine venting to the flare system or the flare gas recovery systems from any of the modifications. As explained in Master Response 15 and Response G1-78.207, the number of pressure relief valves tied in to the flare systems is not indicative of flaring emissions. The proposed project will not increase flaring with the installation of new or modified process units because flaring from normal operations is prohibited by SCAQMD Rule 1118.

As explained in Master Response 15 and Response G1-78.207, the amount (hours) of flaring and emissions from flaring have decreased since the additional requirements in SCAQMD Rule 1118 were implemented.

The comment provides no specific evidence as to deficiencies in the DEIR or the Title V permit. Chapter 6 of the DEIR explains alternatives to the proposed project in detail, a summary of which can be found on page 6-54. The DEIR found that while several of the alternatives explained meet many of the project objectives, none of the project alternatives would eliminate the potentially significant adverse construction air quality and hazard impacts, except Alternative 1, the No Project Alternative. As a result, when balancing environmental impacts with achieving project

objectives, the proposed project was the preferred choice as it would most effectively meet all project objectives.

Comment G1-102.6

Although minor in impact to the local communities as those outlined above, I would like to note that refineries are quite energy intensive in terms of electrical and boiler fuel consumption. They are also quite intensive in the consumption of water in cooling towers and ultra-pure water as boiler feedwater. Increased production by a merged, larger refinery will negatively impact these utilities not only through increased consumption, but increased emissions at power generation plants, increased emissions from local boilers, and increased electrical consumption to produce boiler feedwater which is often produced using reverse osmosis, an electrical energy intensive process in itself.

G1-102.6

Response G1-102.6

As explained in Section 2.2 of the DEIR, the proposed project objectives include, “Improving process efficiency through integration while maintaining the overall production of capability of transportation fuels. Making process modifications that improve efficiency and enable shutdown of the Wilmington Operations FCCU . . . providing substantial emission reductions on-site and reducing carbon intensity”. In other words, the proposed project does not increase fuel production at the Refinery as claimed in the comment.

Any increased steam and cooling water usage was fully analyzed in the DEIR. It should be noted that increased steam demand will be met from the Cogeneration Unit waste heat boilers at the Carson Operations, which is a very efficient method of producing steam compared to a boiler steam generation.

As described in Section 4.10.5.1 of the DEIR, the potential energy demand that may be needed to implement proposed project construction and operational activities was determined to be less than significant in the NOP/IS. See Table 4.10-1 for a full breakdown of proposed project electricity use.

The proposed project is not a merger. As explained in Master Response 7, Tesoro acquired the Carson Operations from BP in 2013. The Carson and Wilmington Operations have already merged. The pre-existing Carson and Wilmington Operations have been operating as one Refinery since the acquisition. As described in Section 2.1 of the DEIR, the proposed project is designed to better integrate the Carson and Wilmington Operations, which will improve processing efficiency and reduce emissions.

Comment G1-102.7

The Project is being touted as a boost to our local economy. In reality, the jobs created during the project will be temporary and there is no guarantee that they will be filled by local residents. History has shown us that mergers such as this are often designed to streamline operations by eliminating jobs, which would be a detriment to our communities.

G1-102.7

Response G1-102.7

The new jobs created are expected to be approximately 1,800 construction jobs that are not expected to be long-term. The Refinery has stated its intention to hire Union labor and may require increasing the geographic scope of the labor pool to meet Union requirements. While construction jobs are temporary, the proposed project is expected to take approximately five years to complete. During the construction period, local businesses are expected to benefit from the increased workforce at the Refinery.

The comment does not refer to the environmental analysis of the proposed project in the DEIR; instead it refers to economic and social effects. Pursuant to CEQA, economic and social effects of a project shall not be treated as significant effects on the environment unless a chain of cause and effect through economic or social effects of the project can be identified that result in physical changes to the environment (CEQA Guidelines § 15131). No economic or social effects of the proposed project were identified that resulted in physical changes to the environment. Therefore, no further response is necessary.

The acquisition of the BP Carson Refinery was completed in 2013 and the Refinery staffing has remained relatively unchanged. The proposed project does not eliminate permanent Refinery positions.

As explained in Response G1-102.2, the proposed project is not a merger.

Comment G1-102.8

Again, I am opposed to the Merger Project and request that the Title V permit not be issued and that the DEIR be sent back for re-drafting to include potential and real expected impacts which have not been addressed.

□ G1-102.8

Response G1-102.8

As explained in Response G1-102.2, the proposed project is not a merger.

The comment regarding opposition to the proposed project and requesting that the Title V permit not be issued does not raise issues related to the proposed project or the DEIR. The DEIR fully analyzed the proposed project's potential impacts and the comment does not provide any new information of environmental impacts that was not analyzed or that changes the significance conclusions made in the DEIR. Therefore, no revision or recirculation of the DEIR is necessary under CEQA.

Comment Letter No. G1-103

From: Ray Waters [raywaters35@gmail.com]
Sent: Friday, June 10, 2016 7:37 PM
To: Jillian Wong
Cc: Danny Luong
Subject: Proposed Tesoro Merger, Facility ID#s 174655 and 800436

44 of 59,891

LAST CHANCE !! Speak Out Against Tesoro Merger !! Deadline 6/10/16 !!

Inbox

x

Joe Galliani via mail144.suw14.mcdlv.net

10:13 AM (9 hours ago)

to me

Did you know that Tesoro wants to create the largest refinery on the West Coast, right here in the Los Angeles Harbor?

[View this email in your browser](#)

Friends,

TODAY is the LAST day to have your voice be heard about Tesoro's plan to create the largest refinery on the West Coast, right HERE in the Los Angeles Harbor! The South Coast Air Quality Management District is accepting public comments through JUNE 10, 2016 and we NEED YOU to stand up and be heard! Tesoro employees PACKED the SCAQMD public hearing to tout the company line that this is a "pollution reduction" and efficiency project. We will NOT be Fooled!

Tesoro purchased the BP Refinery in Carson and wants to combine it with its existing Wilmington facility. The proposed project will create a massive, 380,000 barrel PER DAY facility. Tesoro will also EXPAND operations by adding 6 new storage tanks and replacing 2 others, which is a likely indication of making this mega refinery a hub for exporting dirty and dangerous crude like explosive Bakken Shale and corrosive Tar Sands.

The project means MORE air pollution, MORE crude by rail and MORE storage of dangerous materials in our already overburdened community.

We need as MANY COMMUNITY MEMBERS as possible to speak out Against More Refining, Storage and Transportation of Oil Products in the Harbor!

This is the proposed area the mega refinery will cover! All we ask is that YOU send a simple email to speak out against this mega-refinery.

G1-103.1

APPENDIX G1: RESPONSE TO COMMENTS

We are including 2 sample versions -- edit as you wish or write you own!

G1-103.1
cont'd.

FIRST, HERE IS A SAMPLE SHORT PUBLIC COMMENT EMAIL FOR TESORO REFINERY MERGER PROJECT:

TO: jwong1@aqmd.gov

CC: dluong@aqmd.gov; organizer@southbay350.org

Subject: Proposed Tesoro Merger, Facility ID#s 174655 and 800436

Dear Dr. Wong:

I write in opposition to the Proposed Title V Significant Permit Revisions and the Draft Environmental Impact Report (DEIR) for Tesoro Refining & Marketing Co., LLC's Carson and Wilmington Sites, Facility ID#s 174655 and 800436.

G1-103.2

Tesoro is falsely promoting the merger as a pollution reduction project. The proposed project will increase VOC emissions in our communities which already suffer from some of the worst air quality in the country, which cause high rates of asthma and other diseases.

G1-103.3

Emissions of NOx, SOx, PMs and toxins will remain the same, which serves no benefit to the public, if such claims are even true.

The project will increase refining capacity and add over 3 million barrels of new storage, which is the equivalent of a new oil terminal.

G1-103.4

This expansion creates real concern that Tesoro will start importing, storing and/or refining dirty and dangerous crudes like Canadian Tar Sands and Bakken Shale into the Los Angeles Harbor area. The overall environmental impacts of such crudes are not addressed in the DEIR.

The project will put the community and Los Angeles/Long Beach Harbors at risk due to increased amount of highly explosive materials, including additional LPG rail car deliveries, carrying butane and propane. The project will create increased risks of toxic release hazards at a number of areas of the mega-refinery.

G1-103.5

The project would allow Tesoro to have an anti-competitive advantage by giving it an even larger share of the California oil market, which could increase prices for consumers.

G1-103.6

In sum, the Title V application should be rejected and the DEIR should be sent back for revisions.

Thank you for your consideration:

Name:

Address:

STILL WITH US? HERE IS SAMPLE LONGER, MORE DETAILED PUBLIC COMMENT EMAIL FOR TESORO REFINERY MERGER PROJECT:

Dear Dr. Wong:

I hereby provide my public comment on the Proposed Title V Significant Permit Revisions and the Draft Environmental Impact Report (DEIR) for Tesoro Refining & Marketing Co., LLC's Carson and Wilmington Sites, Facility ID#s 174655 and 800436.

G1-103.7

As a local resident, I am opposed to this project. The project will create the largest refinery on the West Coast in an area that already suffers from some of the worst air quality in the United States due to the

APPENDIX G1: RESPONSE TO COMMENTS

<p>existence of 6 oil refineries, two large ports, multiple major freeways and a large concentration of urban refining.</p>	<p>G1-103.7 cont'd.</p>
<p>The project would include adding some 3.4 million barrels of storage, which is the equivalent of a new oil terminal. The large crude storage tanks make the project a likely source to store, refine and/or export large volumes of dangerous crude oils, including increased imports of highly explosive fracked Bakken Shale and highly corrosive, high carbon Canadian Tar Sands. The DEIR does not consider the increased environmental impacts of greenhouse gases due to extraction and transportation of these dirty crudes. Tesoro has recently obtained approval for a 2-year extension of a crude-by-rail to marine terminal in Vancouver, Washington and has bragged to its shareholders of its "West Coast Strategy" to bring cheaper crude to its refineries. At the same time, this merger would give Tesoro an even bigger share of the oil market and allow it manipulate prices.</p>	<p>G1-103.8</p>
<p>While the project would lead to a decrease in CO2 emissions, this is only the result of the required shut down of the FCCU at the Wilmington facility which the State of California required as a condition for approval of Tesoro's purchase of the facility. Tesoro should not be granted any air pollution credits to offset for other air pollution expansions that are part of the proposed project. Tesoro is intentionally misleading the public by claiming that this project is an air pollution reduction and efficiency project. In reality, the only air pollution reduction would be in CO2, which comes from the required shutdown of the FCCU, which will occur with or without the merger. In reality, the project will increase emissions in our community including VOCs and have neutral impacts on NOx, SOx, Particulate matter and toxic emissions. Moreover, the DEIR seems to overstate the existing amount of emissions while overstating the potential emissions after the Project is completed. This calls the accuracy of the DEIR into question.</p>	<p>G1-103.9</p>
<p>The project calls for the modification of many major processing units inside the refinery including building new sulfur processing units.</p> <p>The project would add to LPG rail car deliveries, including butane and propane, which cause a major concern for our communities because of the risk of explosion from such rail cars in what is not only a densely populated area but a major center for commerce for the entire State of California. The DEIR identifies potential explosion and toxic release risks due to the Project including BLEVE hazard (Boiling Liquid Expanding Vapor Explosion) from LPG rail unloading, and toxic release hazards from the Hydrocracker Unit, Catalytic Reforming Unit (CRU), Propane Sales Treating Unit (PSTU), and Sulfuric Acid Recovery Plant (SARP) areas.</p>	<p>G1-103.10</p>
<p>Our region is overdue for a major earthquake and the dangers from large tanks full of hazardous and explosive materials are an unacceptable risk for our community.</p>	<p>G1-103.11</p>
<p>The DEIR claims new emissions from flaring at the project would be "zero" even though many new equipment connections would be added to the flares. This does not seem accurate. This is just one of a number of deficiencies in the DEIR and Title V permit application, which failed to include alternatives that would have lesser effects.</p>	<p>G1-103.12</p>
<p>The Project is being touted as a boost to our local economy. In reality, the jobs created during the project will be temporary and there is no guarantee that they will be filled by local residents. History has shown us that mergers such as this are often designed to streamline operations by eliminating jobs, which would be a detriment to our communities.</p>	<p>G1-103.13</p>
<p>Again, I am opposed to the Merger Project and request that the Title V permit not be issued and that the DEIR be sent back for re-drafting to include potential and real expected impacts which have not been addressed.</p>	<p>G1-103.14</p>

Name: Raymond Waters
Address: 615 24th Place, Hermosa Beach, CA 90254

Response to Comment Letter No. G1-103

Raymond Waters

Comment G1-103.1

10:13 AM (9 hours ago)

to me

Did you know that Tesoro wants to create the largest refinery on the West Coast, right here in the Los Angeles Harbor?

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Friends,

TODAY is the LAST day to have your voice be heard about Tesoro's plan to create the largest refinery on the West Coast, right HERE in the Los Angeles Harbor! The South Coast Air Quality Management District is accepting public comments through JUNE 10, 2016 and we NEED YOU to stand up and be heard! Tesoro employees PACKED the SCAQMD public hearing to tout the company line that this is a "pollution reduction" and efficiency project. We will NOT be Fooled!

Tesoro purchased the BP Refinery in Carson and wants to combine it with its existing Wilmington facility. The proposed project will create a massive, 380,000 barrel PER DAY facility. Tesoro will also EXPAND operations by adding 6 new storage tanks and replacing 2 others, which is a likely indication of making this mega refinery a hub for exporting dirty and dangerous crude like explosive Bakken Shale and corrosive Tar Sands.

The project means MORE air pollution, MORE crude by rail and MORE storage of dangerous materials in our already overburdened community. We need as MANY COMMUNITY MEMBERS as possible to speak out Against More Refining, Storage and Transportation of Oil Products in the Harbor!

This is the proposed area the mega refinery will cover! All we ask is that YOU send a simple email to speak out against this mega-refinery.

We are including 2 sample versions -- edit as you wish or write you own!

G1-103.1

G1-103.1
cont'd.

Response G1-103.1

The comment regarding opposition to the proposed project does not raise issues related to the proposed project or the DEIR. The comment is noted and no response is necessary under CEQA.

With regard to the comment that the Refinery is the "largest on the West Coast," Master Response 6 explains that the volume of available crude oil storage capacity has no bearing on Refinery crude oil processing capacity. The proposed project would not create a new or larger refinery or result in a substantial increase of crude oil throughput capacity. It would further integrate the Refinery's Carson and Wilmington Operations.

Sections 2.7.1.3 and 4.1.2.1 of the FEIR describe the potential 6,000 bbl/day crude oil capacity increase that could be accommodated with the DCU H-100 heater permit revision. The potential

APPENDIX G1: RESPONSE TO COMMENTS

impacts of this crude oil capacity increase are fully analyzed in Chapter 4 of the DEIR. Master Response 7 further explains that the proposed project is not an expansion of the Refinery.

As indicated in Sections 2.6.1 and 2.6.2 of the DEIR for the proposed project, crude oil is not currently transported directly to either the Wilmington or Carson Operations via rail. These locations do not currently have the facilities or SCAQMD permits to receive crude deliveries by rail. No new modified facilities are included in the proposed project to enable crude deliveries by rail.

Air quality issues relating to the proposed project are addressed in Section 4.2 of the DEIR and are summarized in Table 4.2-4 on pages 4-16 through 4-18. Cumulative impacts of the proposed project, including cumulative air quality impacts, are analyzed in Chapter 5 of the DEIR and are further explained in Master Response 16. Local health effects have been analyzed and are described in Master Response 3. Environmental justice issues are discussed in Master Response 14.

Comment G1-103.2

I write in opposition to the Proposed Title V Significant Permit Revisions and the Draft Environmental Impact Report (DEIR) for Tesoro Refining & Marketing Co., LLC's Carson and Wilmington Sites, Facility ID#s 174655 and 800436.

G1-103.2

Response G1-103.2

The comment regarding opposition to the proposed project does not raise issues related to the proposed project or the DEIR. The comment is noted and no response is necessary under CEQA.

Comment G1-103.3

Tesoro is falsely promoting the merger as a pollution reduction project. The proposed project will increase VOC emissions in our communities which already suffer from some of the worst air quality in the country, which cause high rates of asthma and other diseases. Emissions of NOx, SOx, PMs and toxins will remain the same, which serves no benefit to the public, if such claims are even true.

G1-103.3

Response G1-103.3

As explained in Master Response 7, the proposed project is not a merger. Tesoro acquired the Carson Operations from BP in 2013. The Carson and Wilmington Operations have already merged. The pre-existing Carson and Wilmington Operations have been operating as one Refinery since the acquisition. As described in Section 2.1 of the DEIR, the proposed project is designed to better integrate the Carson and Wilmington Operations, which will improve processing efficiency and reduce emissions.

The comment claims that the proposed project will not result in an emissions benefit. This statement is incorrect. As explained in Section 4.2.2.2 of the DEIR, upon completion, the proposed project will result in regional and local reductions in CO emissions and local reductions

of operational NO_x, SO_x, PM₁₀, and PM_{2.5} emissions. The increase in operational VOC emissions associated with the proposed project was found to be less than significant. The proposed project emissions are discussed in detail in Section 4.2 of the DEIR and are summarized in Table 4.2-4 (see pages 4-16 through 4-18). The proposed project will result in local overall reductions in GHG emissions, as discussed in Section 5.2 of the DEIR and summarized in Table 5.2-8 (see page 5-26).

As explained in Master Response 3, the DEIR fully analyzed and disclosed the proposed project's potential health impacts from all pollutants. The proposed project's potential cancer and non-cancer human health impacts, including asthma and other respiratory illnesses, were analyzed in the DEIR, and determined to be less than significant. The estimated cancer risk due to the operation of the proposed project was found to be less than the SCAQMD's cancer risk significance threshold of ten in one million (see Section 4.2.2.5 of the DEIR). The non-cancer chronic and acute hazard indices were found to be below the SCAQMD's non-cancer chronic and acute hazard index threshold of 1.0. Therefore, the proposed project is not expected to cause a significant adverse health impact.

Comment G1-103.4

The project will increase refining capacity and add over 3 million barrels of new storage, which is the equivalent of a new oil terminal.
This expansion creates real concern that Tesoro will start importing, storing and/or refining dirty and dangerous crudes like Canadian Tar Sands and Bakken Shale into the Los Angeles Harbor area. The overall environmental impacts of such crudes are not addressed in the DEIR.

G1-103.4

Response G1-103.4

Although the proposed project includes adding new storage tanks, this component of the proposed project would not increase the crude oil throughput capacity at the Refinery. Instead, the new crude oil storage tanks would allow the Refinery to reduce transportation emissions associated with marine vessels that deliver crude oil. As explained in the DEIR (see pages 4-26 through 4-29) and Master Response 6, the proposed project will increase the crude oil storage capacity at the Refinery, which will reduce the amount of time that marine vessels spend at the Port and the associated emissions.

Master Response 6 explains that the volume of available crude oil storage capacity has no bearing on Refinery crude oil processing capacity. The proposed project would not create a new or larger refinery or result in a substantial increase of crude oil throughput capacity. It would further integrate the Refinery's Carson and Wilmington Operations.

Sections 2.7.1.3 and 4.1.2.1 of the FEIR describe the potential 6,000 bbl/day crude oil capacity increase that could be accommodated with the DCU H-100 heater permit revision. The potential impacts of this crude oil capacity increase are fully analyzed in Chapter 4 of the DEIR. Master Response 7 further explains that the proposed project is not an expansion of the Refinery.

As explained in detail in Sections 2.5.3 and 2.5.4 and Appendix F of the DEIR, Master Response 4 and Response G1-78.94, the Refinery is currently processing a blend of various crude oils and

will continue to do so with or without the proposed project. The proposed project will not result in a substantial change in the crude oil blend processed by the Refinery.

The DEIR analyzed the potential increase in crude oil processing of up to 6,000 bbl/day associated with the modification of the DCU H-100 heater permit description. The increase in crude oil processing rate is not related to any specific crude oil source. Master Response 4 explains that the sources of crude oils have and will continue to vary with or without the proposed project. By using worst-case crude oil properties (see Response G1-78.157), the DEIR fully analyzed the potential impacts associated with storing various crude oils in the new and replacement storage tanks and with transferring various crude oils via the associated piping. There would be no additional impacts, beyond those analyzed in the DEIR, for the new and replacement storage tanks if different light or heavy crude oil is processed at the Refinery (see Sections 4.2.2.2 of the FEIR). The proposed project does not facilitate or encourage sourcing crude oil from any particular location. In other words, the improved offloading efficiency provides a benefit regardless of the type of crude oil transported by marine vessel.

Light and heavy crude oil is currently delivered, stored, and processed at the Refinery and will continue to be delivered, stored, and processed with or without the proposed project. The impact analysis in the DEIR accounts for the variety of crude oils that have been and will be handled by the Refinery. For example, the TAC concentrations of crude oils in storage tanks associated with the proposed project were based on a worst-case hybrid analysis of the toxic content of the crude oils currently and potentially processed at the Refinery, including Bakken and heavy Canadian crude oil. The hybrid TAC speciation was prepared by selecting the highest concentration of each toxic compound from the entire speciated data set of all the crude oils analyzed.

As explained in subsequent responses, which are listed in Table 78-94.1, Bakken and heavy Canadian crude oils are similar to other light and heavy crude oils currently processed by the Refinery. As described in Master Response 4, and Response G1-78.150, in the future, as now, any Bakken or heavy Canadian crude oils processed would have to be combined with other crude oils to create a crude oil blend that matches the Refinery's processing capabilities and permit limitations. This is what has occurred with Bakken, heavy Canadian, and many other heavy and light crude oils that were utilized in the baseline period, and is what will continue after implementation of the proposed project. It is correct to say that Tesoro makes ongoing efforts to provide "advantaged crude oil", as that term is used by Tesoro (i.e., any economically advantaged crude oil capable of being processed at each of Tesoro's refineries). Providing "advantaged crude oil" to Tesoro refineries, including the Los Angeles Refinery, is occurring independent of the proposed project. Any increased use of Bakken or heavy Canadian crude oils, or any other specific crude oils, would not be caused by the proposed project. The proposed project's impacts were analyzed in detail using worst-case assumptions (e.g., the maximum vapor pressure of crude oil allowable by SCAQMD rules), which accounts for any impacts from increased use of Bakken or heavy Canadian crude oil. Response G1-78.111 specifically addresses crude oil corrosivity.

Responses G1-81.65 and G1-81.67 address greenhouse gases and crude oil production.

Therefore, the DEIR fully evaluated the potential impacts of the proposed project

Comment G1-103.5

The project will put the community and Los Angeles/Long Beach Harbors at risk due to increased amount of highly explosive materials, including additional LPG rail car deliveries, carrying butane and propane. The project will create increased risks of toxic release hazards at a number of areas of the mega-refinery.

G1-103.5

Response G1-103.5

The DEIR Section 3.3.6 describes existing Refinery safety systems at the Tesoro Refinery. As explained in Section 4.3 and Appendix C of the DEIR and Master Response 9, the proposed project has been fully analyzed for hazard impacts based on a worst-case consequence analysis. This includes proposed project equipment, including pipelines and storage tanks, and process units regardless of the cause of release (e.g., human error, equipment failure, sabotage, terrorism, natural disaster, or civil uprising). The DEIR found that hazards associated with the Naphtha Isomerization Unit, new crude oil storage tanks, the SARP, and interconnecting pipelines are potentially significant based on worst-case release scenarios.

The hazard analysis takes a worst-case approach by assuming that the entire contents of a tank or other equipment would rapidly be released, and that no safety measures are implemented that could reduce the severity of an accidental release. It is expected that hazard impacts would be less than analyzed because the Refinery has safety measures in place and specified employees are trained regarding safety measures. Further, the DEIR imposes measures to mitigate hazard impacts (see Section 4.3.3 of the DEIR). Finally, as described in Section 3.3.7 of the DEIR, the Refinery is subject to many laws and regulations that address safety and emergency responses in the event of an accident. Nonetheless, the DEIR conservatively concluded that hazard impacts would remain significant.

The Refinery currently receives LPG railcar deliveries, and the proposed project will not increase the number of deliveries. The additional ten railcars will be added to existing trains. The potential risks associated with rail transport are analyzed in Section 4.3.2.5.2 of the DEIR.

Comment G1-103.6

The project would allow Tesoro to have an anti-competitive advantage by giving it an even larger share of the California oil market, which could increase prices for consumers. In sum, the Title V application should be rejected and the DEIR should be sent back for revisions. Thank you for your consideration:

G1-103.6

Response G1-103.6

The issues raised about Tesoro increasing its share of the California oil market will not be realized as a result of the proposed project because it will not enable Tesoro to process significantly more crude oil (beyond a limited potential increase of 6,000 bbl/day). See Master Response 7 explaining that the proposed project is not an expansion of the Refinery.

To the extent that the comment regarding an anti-competitive advantage targets Tesoro's acquisition of the BP Carson Operations generally, it is neither related to the proposed project nor

supported by substantial evidence. In June 2013, Tesoro purchased the adjacent BP Carson Operations. Prior to the acquisition, the proposed transaction underwent a nine-month investigation by the Federal Trade Commission and the California Attorney General's office to address potential antitrust concerns. Both government agencies found that the acquisition of the BP Carson operations did not violate anti-trust laws and would not give Tesoro an unlawful anti-competitive advantage. The proposed project involves further integration of the Refinery's Wilmington and Carson Operations.

As part of this process, Tesoro agreed to maintain average daily historical fuel production levels for the Carson and Wilmington Operations for at least three years after the acquisition of Carson Operations. Further details regarding the acquisition, including statements taken from the Federal Trade Commission and California Attorney General's reports, can be found in the DEIR on page 2-1.

The consumer price of gasoline in California will not increase as a result of the proposed project, which further integrates two existing Carson and Wilmington Operations, enabling emissions reductions while maintaining the integrated Refinery's overall fuel production capability. There are many factors that determine the price of transportation fuels, such as gasoline. These include the cost of crude oil, distribution and marketing costs, refining costs, and federal and state taxes. These marketplace and market conditions, including supply and demand factors, determine the price consumers pay at the pump, not one refinery's operational efficiencies. Further, as explained in Master Response 7, the proposed project is not an expansion of the Refinery and thus will not give Tesoro a larger share of the oil market.

The comment regarding the rejection of the Title V application does not raise issues related to the proposed project or the DEIR. The comment is noted and no response is necessary under CEQA. The comment asserts that the DEIR should be sent back for revisions. However, no evidence was provided in the comment requiring revision of the DEIR.

Comment G1-103.7

I hereby provide my public comment on the Proposed Title V Significant Permit Revisions and the Draft Environmental Impact Report (DEIR) for Tesoro Refining & Marketing Co., LLC's Carson and Wilmington Sites, Facility ID#s 174655 and 800436.
As a local resident, I am opposed to this project. The project will create the largest refinery on the West Coast in an area that already suffers from some of the worst air quality in the United States due to the existence of 6 oil refineries, two large ports, multiple major freeways and a large concentration of urban refining.

G1-103.7

G1-103.7
cont'd.

Response G1-103.7

The comment regarding opposition to the proposed project does not raise issues related to the proposed project or the DEIR. The comment is noted and no response is necessary under CEQA.

With regard to the comment that the Refinery is the "largest on the West Coast," Master Response 6 explains that the volume of available crude oil storage capacity has no bearing on Refinery crude oil processing capacity. The proposed project would not create a new or larger

refinery or result in a substantial increase of crude oil throughput capacity. It would further integrate the Refinery's Carson and Wilmington Operations.

Sections 2.7.1.3 and 4.1.2.1 of the FEIR describe the potential 6,000 bbl/day crude oil capacity increase that could be accommodated with the DCU H-100 heater permit revision. The potential impacts of this crude oil capacity increase are fully analyzed in Chapter 4 of the DEIR. Master Response 7 further explains that the proposed project is not an expansion of the Refinery.

Air quality issues relating to the proposed project are addressed in Section 4.2 of the DEIR and are summarized in Table 4.2-4 on pages 4-16 through 4-18. Cumulative impacts of the proposed project, including cumulative air quality impacts, are analyzed in Chapter 5 of the DEIR and are further explained in Master Response 16. Local health effects have been analyzed and are described in Master Response 3. Environmental justice issues are discussed in Master Response 14.

Comment G1-103.8

The project would include adding some 3.4 million barrels of storage, which is the equivalent of a new oil terminal. The large crude storage tanks make the project a likely source to store, refine and/or export large volumes of dangerous crude oils, including increased imports of highly explosive fracked Bakken Shale and highly corrosive, high carbon Canadian Tar Sands. The DEIR does not consider the increased environmental impacts of greenhouse gases due to extraction and transportation of these dirty crudes. Tesoro has recently obtained approval for a 2-year extension of a crude-by-rail to marine terminal in Vancouver, Washington and has bragged to its shareholders of its "West Coast Strategy" to bring cheaper crude to its refineries. At the same time, this merger would give Tesoro an even bigger share of the oil market and allow it manipulate prices.

G1-103.8

Response G1-103.8

The proposed project includes constructing new and replacement storage tanks, but this component of the proposed project does not increase crude oil capacity at the Refinery. The new and replacement storage tanks are proposed to provide sufficient crude oil storage capacity to allow crude oil tankers to offload more quickly at the Wilmington Operations Long Beach Marine Terminal and in one visit to the dock at Marine Terminal 1. This increase in crude oil storage capacity means that marine vessels will spend less time maneuvering or at dock or anchor in the Port because of improved offloading efficiency (i.e., quicker offloading and the elimination of or reduction of demurrage costs and the need for anchorage while waiting for available storage tank space to finish offloading). The DEIR did not take credit for emission reductions from marine vessel operations. However, annual emission reductions from improved marine vessel offloading efficiency were estimated and can be found in Master Response 6. Based on this analysis, daily marine vessel emissions would not increase and annual emissions would be substantially reduced.

As explained in detail in Sections 2.5.3 and 2.5.4 and Appendix F of the DEIR, Master Response 4, and Response G1-78.94, the Refinery is currently processing a blend of various crude oils and the proposed project will not result in a substantial change in the crude oil blend processed by the Refinery.

The DEIR analyzed the potential increase in crude oil processing of up to 6,000 bbl/day associated with the modification of the DCU H-100 heater permit description. The increase in crude oil processing rate is not related to any specific crude oil source. Master Response 4 explains that the Refinery's sources of crude oils have and will continue to vary with or without the proposed project. By using worst-case crude oil properties (see Response G1-78.157), the DEIR fully analyzed the potential impacts associated with storing various crude oils in the new and replacement storage tanks and with transferring various crude oils via the associated piping. There would be no additional impacts, beyond those analyzed in the DEIR, for the new and replacement storage tanks if different light or heavy crude oil is processed at the Refinery (see Section 4.2.2.2 of the FEIR). The proposed project does not facilitate or encourage sourcing crude oil from any particular location. In other words, the improved offloading efficiency provides a benefit regardless of the type of crude oil transported by marine vessel.

Light and heavy crude oil is currently delivered, stored, and processed at the Refinery and will continue to be delivered, stored, and processed with or without the proposed project. The impact analysis in the DEIR accounts for the variety of crude oils that have been and will be handled by the Refinery. For example, the TAC concentrations of crude oils in storage tanks associated with the proposed project were based on a worst-case hybrid analysis of the toxic content of the crude oils currently and potentially processed at the Refinery, including Bakken and heavy Canadian crude oil. The hybrid TAC speciation was prepared by selecting the highest concentration of each toxic compound from the entire speciated data set of all the crude oils analyzed.

There have been previous volatility issues associated with the transport of Bakken crude oil. However, regulations have since been adopted that require a reduction in volatility of Bakken crude oil that is transported. For example, in December 2014, the Industrial Commission of North Dakota issued an order regarding conditioning of Bakken crude oil and limiting the RVP of crude oil provided for transport to 13.7 RVP. Thus, Bakken crude oil transported to the West Coast will be pipeline quality (i.e., qualified for safe transport) and will not have as high a vapor pressure as the Bakken crude oil produced at the wellhead. As with other U. S. crude oil production operations, the order adopted by the State of North Dakota will require that crude oil production facilities remove a significant portion of the light ends (ethane, propane, butane and pentane) prior to offering the crude oil for shipment to refineries for processing.

Because of Bakken crude oil's purported volatility, concerns were raised in the media as to whether Bakken crude oil was properly classified as a Class 3 hazardous material under U.S. DOT regulations. A Class 3 hazardous material is generally a flammable or combustible liquid that does not meet the regulatory classification requirements for other hazardous characteristics, such as toxicity, corrosivity, radioactivity or explosiveness. However, those concerns have since been resolved by repeated analysis and testing that demonstrates Bakken crude oil to be a Class 3 hazardous material, similar to other light sweet crude oils. After considering the information, the PHMSA Deputy Administrator testified to Congress that Bakken crude oil is accurately classified as a Hazard Class 3 Flammable Liquid.³³⁹ This is consistent with the sampling and testing

³³⁹ Written statement of Timothy P. Butters Before the Subcommittees on Energy and Oversight Committee on Science, Space and Technology, U.S. House of Representatives at page 12 (Sept. 9, 2014).

Tesoro has completed on Bakken crude oil. Therefore, Bakken crude oil has properties similar to other light crude oils, and is not classified as explosive.

As explained in subsequent responses, which are listed in Table 78-94.1, Bakken and heavy Canadian crude oils are similar to other light and heavy crude oils currently processed by the Refinery. As described in Master Response 4 and Response G1-78.150, in the future, as now, any Bakken or heavy Canadian crude oils processed would have to be combined with other crude oils to create a crude oil blend that matches the Refinery's processing capabilities and permit limitations. This is what has occurred with Bakken, heavy Canadian, and many other heavy and light crude oils that were utilized in the baseline period, and is what will continue after implementation of the proposed project. It is correct to say that Tesoro makes ongoing efforts to provide "advantaged crude oil", as that term is used by Tesoro (i.e., any economically advantaged crude oil capable of being processed at each of Tesoro's refineries). Providing "advantaged crude oil" to Tesoro refineries, including the Los Angeles Refinery, is occurring independent of the proposed project. Any increased use of Bakken or heavy Canadian crude oils, or any other specific crude oils, would not be caused by the proposed project. The proposed project's impacts were analyzed in detail using worst-case assumptions (e.g., the maximum vapor pressure of crude oil allowable by SCAQMD rules), which accounts for any impacts from increased use of Bakken or heavy Canadian crude oil. Response G1-78.111 specifically addresses crude oil corrosivity. Responses G1-81.65 and G1-81.67 address greenhouse gases and crude oil production.

The proposed project does not expand the Refinery beyond the 6,000 bbl/day described in Response G1-103.7.

Responses G1-81.65 and G1-81.67 explain that the DEIR does not need to analyze the environmental impacts from crude oil production because the proposed project will not cause any changes to that industry.

As explained in Section 4.1.2.5 of the DEIR and Master Response 8, the Vancouver Energy Project is wholly independent from the proposed project and is undergoing separate environmental review by the Washington State EFSEC. That review includes the evaluation of transportation hazards. Additionally, as described in Master Response 8, the Final EIS has not yet been issued for the Vancouver Energy Project, and the project has not been approved.

The comment notes a two-year ". . . extension of a crude-by-rail to marine terminal in Vancouver, Washington. . ." The lease for the site for the proposed Vancouver Energy Project was extended eight months, not two years, while the Vancouver Energy Project permitting process continues.

Statements made by Tesoro regarding sourcing "advantaged crude oils", including Bakken crude oil, are typically made with regard to its West Coast system, which includes the Kenai Refinery in Alaska, the Anacortes Refinery in Washington, and the two California refineries in Martinez and Los Angeles³⁴⁰, not specifically the Los Angeles Refinery. As explained in Response

³⁴⁰ The reference to the "West Coast system" that appears in Tesoro's corporate presentations and statements is a term that is used with varying meanings based on the context of the presentation or statement. Analyst day and earning statements presentations are given to an audience that routinely participates in the presentations and is familiar with Tesoro's corporate structure and financial performance. Therefore, some of the references are not

G1-78.94, it is correct to say that Tesoro makes ongoing efforts to provide “advantaged crude oil”, as that term is used by Tesoro (i.e., any economically advantaged crude oil capable of being processed at each of Tesoro’s refineries). Providing “advantaged crude oil” to Tesoro refineries, including the Los Angeles Refinery, is occurring, and will continue to occur, with or without the proposed project. Additionally, Responses G1-81.22 through G1-81.24 explain corporate statements made by Tesoro that, when put in proper context, do not support claims that the proposed project is dependent on processing any particular type of crude oil. There are no corporate statements that state or even imply that the proposed project is designed to facilitate a change in the crude oil blend processed by the Refinery.

The issues raised regarding Tesoro acquiring a larger share of the oil market and manipulating prices as a result of the proposed project are incorrect. As explained in Master Response 7, the proposed project is neither an expansion of the Refinery nor a merger. Tesoro acquired the Carson Operations from BP in 2013. The Carson and Wilmington Operations have already merged. The two pre-existing refinery operations have been operating as one Refinery since the acquisition. As described in Section 2.1 of the DEIR, the proposed project is designed to better integrate the existing Carson and Wilmington Operations, which will improve processing efficiency and reduce emissions. See Section 2.2 of the DEIR, which further explains the objectives of the proposed project.

The consumer price of gasoline in California will not increase as a result of the proposed project, which further integrates two existing Carson and Wilmington Operations, enabling emissions reductions while maintaining the integrated Refinery’s overall fuel production capability. There are many factors that determine the price of transportation fuels, such as gasoline. These include the cost of crude oil, distribution and marketing costs, refining costs, and federal and state taxes. The marketplace and market conditions, such as supply and demand, determine the price consumers pay at the pump, not one refinery’s operational efficiencies. Manipulation of fuel prices is unlawful and is monitored by the California Attorney General and the California Energy Commission. All refineries, including the Los Angeles Refinery, must comply with all applicable laws and regulations.

Comment G1-103.9

While the project would lead to a decrease in CO2 emissions, this is only the result of the required shut down of the FCCU at the Wilmington facility which the State of California required as a condition for approval of Tesoro’s purchase of the facility. Tesoro should not be granted any air pollution credits to offset for other air pollution expansions that are part of the proposed project. Tesoro is intentionally misleading the public by claiming that this project is an air pollution reduction and efficiency project. In reality, the only air pollution reduction would be in CO2, which comes from the required shutdown of the FCCU, which will occur with or without the merger. In reality, the project will increase emissions in our community including VOCs and have neutral impacts on NOx, SOx, Particulate matter and toxic emissions. Moreover, the DEIR seems to overstate the existing amount of emissions while overstating the potential emissions after the Project is completed. This calls the accuracy of the DEIR into question.

G1-103.9

intended to be as explicit as they would be to an uninformed audience. At times, the term refers to Tesoro’s four west coast refineries, but it can also refer to those four refineries as well as Tesoro Logistics or a distribution system to third-party clients on the west coast. Thus, the context surrounding the use of this phrase is always necessary to understand the speaker’s intended meaning, but the phrase is not used to refer only to the Los Angeles Refinery in isolation.

Response G1-103.9

As described in Master Response 13, the comment incorrectly claims that the shutdown of the Wilmington Operations FCCU was a condition of approval for Tesoro's acquisition of the BP Carson Refinery and ARCO branded service stations, and therefore, the baseline for air quality impacts should not include emissions from the Wilmington Operations FCCU. Consistent with applicable law, the District properly concluded that the baseline includes the existing operation of the Wilmington Operations FCCU. The Federal Trade Commission and the California Attorney General both reviewed Tesoro's proposed acquisition to ensure that the acquisition would not violate federal and state antitrust laws. After a nine-month review, on May 17, 2013, the agencies announced that they had resolved any potential antitrust concerns with the proposed acquisition.

During the antitrust review process, Tesoro submitted documents to the FTC and the California Attorney General stating that Tesoro intended to make certain modifications at the combined Refinery that would allow Tesoro to achieve specified “synergies” between the Wilmington and Carson Operations. Among other changes, Tesoro explained, Tesoro planned to replace some of the combined Refinery’s fluid catalytic cracking unit (“FCCU”) capacity with additional hydrotreater capacity.

In connection with her approval of the acquisition, the Attorney General entered into an agreement with Tesoro. In this agreement Tesoro agreed to maintain CARBOB capacity for three years, maintain the ARCO brand, and not eliminate jobs for a period of two years. Tesoro also agreed to provide an annual report on the actions taken to achieve the specified synergies, including actions designed to replace FCCU capacity with hydrotreater capacity.³⁴¹

Thus, it is not accurate to say that the Attorney General required Tesoro to shut down the Wilmington Operations FCCU as a condition of approval. Rather, the Attorney General required Tesoro to provide an annual report on the implementation of Tesoro’s existing plans to modify the combined Refinery by, among other things, replacing FCCU capacity with hydrotreater capacity. Moreover, operation of the Wilmington Operations FCCU is part of the baseline environmental conditions and the proposed project enables the Wilmington Operations FCCU to be shutdown.

As explained in Section 4.2.2.2 and Table 4.2-4 of the DEIR and Master Response 13, emission reductions are appropriately credited to the proposed project. Further information about the purchase of the BP Carson Refinery by Tesoro can be found on Page 2-1 of the DEIR. Section 4.2.2.2 of the DEIR explains that the proposed project will result in regional and local reductions in CO emissions and local reductions of operational NOx, SOx, PM10, and PM2.5 emissions. The increase in operational VOC emissions associated with the proposed project was found to be less than significant. The proposed project will result in local reductions in GHG emissions as

³⁴¹ See Attachment E, Kathleen Foote for Kamala Harris, letter to Robert Weisenmiller, May 17, 2013. In the letter, the Attorney General uses the term “distillate desulfurization unit” to refer to additional hydrotreating capacity. The letter notes that replacing FCCU capacity with “desulfurization” capacity will benefit the environment by reducing emissions and greenhouse gases.

discussed in Section 5.2 of the DEIR and as summarized in Table 5.2-8 (see page 5-26 of the DEIR).

As explained in Response G1-103.8, the proposed project is not a merger.

The comment claims that the DEIR has overstated the existing amount of emissions and the potential emissions after the project is completed. The comment is not specific about which emissions have been overstated, and which calculations or baseline are in question. Further, this comment is unsupported.

A conservative analysis of expected emissions as a result of the proposed project is included in Section 4.2 of the DEIR and is summarized on pages 4-16 through 4-18 in Table 4.2-4. Additionally, assumptions and detailed calculations can be found in Appendix B-3.

Baseline emissions are reported on page 3-9 in Table 3.2-4 of the DEIR and are based on annual emission fee reports submitted to the SCAQMD in 2012 and 2013. The baseline selected for the proposed project is accurate and appropriate, as detailed in Master Response 12.

Comment G1-103.10

The project calls for the modification of many major processing units inside the refinery including building new sulfur processing units.
The project would add to LPG rail car deliveries, including butane and propane, which cause a major concern for our communities because of the risk of explosion from such rail cars in what is not only a densely populated area but a major center for commerce for the entire State of California.
The DEIR identifies potential explosion and toxic release risks due to the Project including BLEVE hazard (Boiling Liquid Expanding Vapor Explosion) from LPG rail unloading, and toxic release hazards from the Hydrocracker Unit, Catalytic Reforming Unit (CRU), Propane Sales Treating Unit (PSTU), and Sulfuric Acid Recovery Plant (SARP) areas.

G1-103.10

Response G1-103.10

The proposed project does not propose to build new sulfur processing units, but includes the SARP, which will allow regeneration of sulfuric acid. The potential hazard impacts of the proposed project have been fully analyzed, including hazards related to explosive materials (see Section 4.3 pages 4-45 through 4-68 of the DEIR and Master Response 9). The Refinery currently receives LPG railcar deliveries. The proposed project will not increase the number of deliveries. The additional ten railcars associated with the proposed project will be added to existing trains. The potential risks associated with rail transport were analyzed in Section 4.3.2.5.2 of the DEIR. The Worst-Case Consequence Analysis for the proposed project carefully evaluated the proposed modifications to existing equipment and proposed new units (see Appendix C of the DEIR).

This comment accurately states the potential hazards explained and analyzed in the DEIR. No response is necessary.

Comment G1-103.11

Our region is overdue for a major earthquake and the dangers from large tanks full of hazardous and explosive materials are an unacceptable risk for our community. G1-103.11

Response G1-103.11

Section 3.3.6 of the DEIR describes existing Refinery safety systems at the Tesoro Refinery. As explained in Section 4.3 and Appendix C of the DEIR and Master Response 9, the proposed project has been fully analyzed for hazard impacts based on a worst-case consequence analysis. This includes proposed project equipment, including pipelines and storage tanks, and process units regardless of the cause of release (e.g., human error, equipment failure, sabotage, terrorism, natural disaster, or civil uprising). The DEIR found that hazards associated with the Naphtha Isomerization Unit, new crude oil storage tanks, the SARP, and interconnecting pipelines are potentially significant based on worst-case release scenarios. Additionally, the hazards analyses regarding the potential impact of earthquakes and other natural disasters have been fully analyzed as explained in Master Response 9.

The hazard analysis takes a worst-case approach by assuming that the entire contents of a tank or other equipment would rapidly be released, and that no safety measures are implemented that could reduce the severity of an accidental release. It is expected that hazard impacts would be less than analyzed because the Refinery has safety measures in place and specified employees are trained regarding safety measures. Further, the DEIR imposes measures to mitigate hazard impacts (see Section 4.3.3 of the DEIR). Finally, as described in Section 3.3.7 of the DEIR, the Refinery is subject to many laws and regulations that address safety and emergency responses in the event of an accident. Nonetheless, the DEIR conservatively concluded that hazard impacts would remain significant.

Comment G1-103.12

The DEIR claims new emissions from flaring at the project would be "zero" even though many new equipment connections would be added to the flares. This does not seem accurate. This is just one of a number of deficiencies in the DEIR and Title V permit application, which failed to include alternatives that would have lesser effects. G1-103.12

Response G1-103.12

The proposed project will not increase flaring emissions. Part of the piping associated with unit modifications includes installation of new pressure relief valves that will tie into the various existing Refinery flare gas recovery systems and flares. Master Response 15 explains the operation of the flare gas recovery system and flares. Under normal operating conditions, pressure relief valves vent to the flare gas recovery systems. The pressure relief valves allow gases to vent to the flares, which are safety equipment, during emergency conditions when the flare gas recovery system capacity is exceeded. There will be no routine venting to the flare system or the flare gas recovery systems from any of the modifications. As explained in Master Response 15 and Response G1-78.207, the number of pressure relief valves tied in to the flare systems is not indicative of flaring emissions. The proposed project will not increase flaring with

APPENDIX G1: RESPONSE TO COMMENTS

the installation of new or modified process units because flaring from normal operations is prohibited by SCAQMD Rule 1118.

As explained in Master Response 15 and Response G1-78.207, the amount (hours) of flaring and emissions from flaring have decreased since the additional requirements in SCAQMD Rule 1118 were implemented.

The comment provides no specific evidence as to deficiencies in the DEIR or the Title V permit. Chapter 6 of the DEIR explains alternatives to the proposed project in detail, a summary of which can be found on page 6-54. The DEIR found that while several of the alternatives explained meet many of the project objectives, none of the project alternatives would eliminate the potentially significant adverse construction air quality and hazard impacts, except Alternative 1, the No Project Alternative. As a result, when balancing environmental impacts with achieving project objectives, the proposed project was the preferred choice as it would most effectively meet all project objectives.

Comment G1-103.13

The Project is being touted as a boost to our local economy. In reality, the jobs created during the project will be temporary and there is no guarantee that they will be filled by local residents. History has shown us that mergers such as this are often designed to streamline operations by eliminating jobs, which would be a detriment to our communities.

G1-103.13

Response G1-103.13

The new jobs created are expected to be approximately 1,800 construction jobs that are not expected to be long-term. The Refinery has stated its intention to hire Union labor and may require increasing the geographic scope of the labor pool to meet Union requirements. While construction jobs are temporary, the proposed project is expected to take approximately five years to complete. During the construction period, local businesses are expected to benefit from the increased workforce at the Refinery.

The comment does not refer to the environmental analysis of the proposed project in the DEIR; instead it refers to economic and social effects. Pursuant to CEQA, economic and social effects of a project shall not be treated as significant effects on the environment unless a chain of cause and effect through economic or social effects of the project can be identified that result in physical changes to the environment (CEQA Guidelines § 15131). No economic or social effects of the proposed project were identified that resulted in physical changes to the environment. Therefore, no further response is necessary.

The acquisition of the BP Carson Refinery was completed in 2013 and the Refinery staffing has remained relatively unchanged. The proposed project does not eliminate permanent Refinery positions.

As explained in Response G1-103.8, the proposed project is not a merger.

Comment G1-103.14

Again, I am opposed to the Merger Project and request that the Title V permit not be issued and that the DEIR be sent back for re-drafting to include potential and real expected impacts which have not been addressed.

G1-103.14

Response G1-103.14

As explained in Response G1-103.8, the proposed project is not a merger.

The comment regarding opposition to the proposed project and requesting that the Title V permit not be issued does not raise issues related to the proposed project or the DEIR. The DEIR fully analyzed the proposed project's potential impacts and the comment does not provide any new information of environmental impacts that was not analyzed or that changes the significance conclusions made in the DEIR. Therefore, no revision or recirculation of the DEIR is necessary under CEQA.

Comment Letter No. G1-104

From: Theresa Brady [terriebrady@gmail.com]
Sent: Friday, June 10, 2016 8:45 PM
To: Jillian Wong; Danny Luong
Subject: SUBJECT: Comments Opposing Approval of both the Draft Environmental Impact Report (DEIR) and the Title V Permit for the Tesoro Los Angeles Refinery Integration and Compliance Project (LARIC)

SUBJECT: Comments Opposing Approval of both the Draft Environmental Impact Report (DEIR) and the Title V Permit for the Tesoro Los Angeles Refinery Integration and Compliance Project (LARIC)

Dear Ms. Wong and Mr. Luong,

This letter is to oppose the Draft Environmental Impact Report (DEIR) and the Title V Permit for the Tesoro LARIC Project, including construction of massive new storage tanks to hold millions of barrels of crude oil, increase crude oil going through the refinery, add a dozen new pressure relief device connections to flares, increase use of 22 large refinery heaters, import Liquefied Petroleum Gas by rail to the refinery, and more.

G1-104.1

The DEIR and the Title V Permit (which sets permit limits) are inaccurate. They ignore Tesoro's own published plans to bring dangerous N. Dakota Bakken crude oil by rail to the Tesoro Savage Vancouver Washington ship terminal, then by ship to the Los Angeles refinery. This crude oil is particularly explosive. A Bakken crude oil rail accident blew up an entire town in 2013, killing many people. Just last Saturday another crude oil train carrying this material exploded, requiring evacuation of an elementary school, and spilling oil into the Columbia River. Bakken crude also contains high levels of volatile and toxic air contaminants and the DEIR should evaluate this threat. Tesoro's Project could also bring extreme Canadian tar sands crude oil to the LA refinery through the same Tesoro Savage ship terminal. These two crude oils cause increased greenhouse gases and harms to air, land, and water during extraction, and add explosion risks in storage and in refineries.

G1-104.2

The DEIR and Title V permit also failed to count air emissions from flaring during startup, shutdown, and maintenance, other air emissions increases, and failed to set permit conditions that would prevent these increased emissions.

G1-104.3

Furthermore the transport of oil by rail is inherently unsafe. The liquid has been observed causing the train cars to sway back and forth on the tracks weakening them. This means that transporting oil by rail is likely to cause a train derailment. Train derailments are dangerous in themselves. With oil that danger multiplies. The numerous oil train accidents that have occurred in the last 5 years should be carefully reviewed. Until they are, this EIR inadequately addresses that danger.

G1-104.4

Our community already suffers from too much air pollution and dangers

APPENDIX G1: RESPONSE TO COMMENTS

of petroleum storage, pipelines, and refining. We want to stop the expansion of oil refineries, to start building our safe, healthy, and clean energy future, and to have a fair public process.

G1-104.4
cont'd.

Sincerely,

Theresa Brady

Response to Comment Letter No. G1-104

Theresa Brady

Comment G1-104.1

This letter is to oppose the Draft Environmental Impact Report (DEIR) and the Title V Permit for the Tesoro LARIC Project, including construction of massive new storage tanks to hold millions of barrels of crude oil, increase crude oil going through the refinery, add a dozen new pressure relief device connections to flares, increase use of 22 large refinery heaters, import Liquefied Petroleum Gas by rail to the refinery, and more.

G1-104.1

Response G1-104.1

The comment regarding opposition to the proposed project does not raise issues related to the proposed project or the DEIR. The comment is noted and no response is necessary under CEQA.

Although the proposed project includes adding new storage tanks, this component of the proposed project would not increase the crude oil throughput capacity at the Refinery. Instead, the new crude oil storage tanks would allow the Refinery to reduce transportation emissions associated with marine vessels that deliver crude oil. As explained in the DEIR (see pages 4-26 through 4-29) and Master Response 6, the proposed project will increase the crude oil storage capacity at the Refinery, which will reduce the amount of time that marine vessels spend at the Port and the associated emissions.

Master Response 6 explains that the volume of available crude oil storage capacity has no bearing on Refinery crude oil processing capacity. The proposed project would not create a new or larger refinery or result in a substantial increase of crude oil throughput capacity. It would further integrate the Refinery's Carson and Wilmington Operations.

Sections 2.7.1.3 and 4.1.2.1 of the FEIR describe the potential 6,000 bbl/day crude oil capacity increase that could be accommodated with the DCU H-100 heater permit revision. The potential impacts of this crude oil capacity increase are fully analyzed in Chapter 4 of the DEIR. Master Response 7 further explains that the proposed project is not an expansion of the Refinery.

Master Response 15 and Response G1-78.207 address the new connections of pressure relief valves to the flare gas recovery system, which do not increase flaring.

The comment refers to increased use of 22 Refinery heaters and boilers. Response G1-81.79 addresses heaters and boilers. The DEIR fully analyzed proposed project impacts, including increased use of and modifications to numerous process heaters. As indicated in Section 4.1.2 of the DEIR, in addition to direct impacts, the proposed project may have indirect impacts on downstream equipment, including Refinery heaters, by causing increased utilization from operational changes, even though the equipment is not part of the proposed project. That is downstream equipment that will not be modified in any way, will operate within existing permit limits and no permit modification would be required. The anticipated indirect operational changes are described in Section 4.1.2 and are included as part of the analysis of operational

impacts in Section 4.2.2.2. Even though there is potential for increased operation of the various Refinery heaters, overall the proposed project will result in localized emission reduction benefits.

The Refinery currently receives LPG railcar deliveries. The proposed project will not increase the number of deliveries. The additional ten railcars associated with the proposed project will be added to existing trains. The potential hazards associated with rail transport were analyzed in Section 4.3.2.5.2 of the DEIR. The Worst-Case Consequence Analysis for the proposed project carefully evaluated the proposed modifications to existing equipment and proposed new units (see Appendix C of the DEIR).

Comment G1-104.2

The DEIR and the Title V Permit (which sets permit limits) are inaccurate. They ignore Tesoro's own published plans to bring dangerous N. Dakota Bakken crude oil by rail to the Tesoro Savage Vancouver Washington ship terminal, then by ship to the Los Angeles refinery. This crude oil is particularly explosive. A Bakken crude oil rail accident blew up an entire town in 2013, killing many people. Just last Saturday another crude oil train carrying this material exploded, requiring evacuation of an elementary school, and spilling oil into the Columbia River. Bakken crude also contains high levels of volatile and toxic air contaminants and the DEIR should evaluate this threat. Tesoro's Project could also bring extreme Canadian tar sands crude oil to the LA refinery through the same Tesoro Savage ship terminal. These two crude oils cause increased greenhouse gases and harms to air, land, and water during extraction, and add explosion risks in storage and in refineries.

G1-104.2

Response G1-104.2

As described in Section 4.1.2.5 of the DEIR and Master Response 8, the Vancouver Energy Project is wholly independent from the proposed project and is undergoing separate environmental review by the Washington State EFSEC, which includes evaluation of transportation hazards. Additionally, as explained in Master Response 8, the Final EIS has not yet been issued for the Vancouver Energy Project, and the project has not been approved.

As explained in detail in Sections 2.5.3 and 2.5.4 and Appendix F of the DEIR, Master Response 4, and Response G1-78.94, the Refinery is currently processing a blend of various crude oils and will continue to do so with or without the proposed project. The proposed project will not result in a substantial change in the crude oil blend processed by the Refinery.

The DEIR analyzed the potential increase in crude oil processing of up to 6,000 bbl/day associated with the modification of the DCU H-100 heater permit description. The increase in crude oil processing rate is not related to any specific crude oil source. Master Response 4 explains that the Refinery's sources of crude oils have and will continue to vary with or without the proposed project. By using worst-case crude oil properties (see Response G1-78.157), the DEIR fully analyzed the potential impacts associated with storing various crude oils in the new and replacement storage tanks and with transferring various crude oils via the associated piping. There would be no additional impacts, beyond those analyzed in the DEIR, for the new and replacement storage tanks if different light or heavy crude oil is processed at the Refinery (see Sections 4.2.2.2 of the FEIR). The proposed project does not facilitate or encourage sourcing crude oil from any particular location. In other words, the improved offloading efficiency provides a benefit regardless of the type of crude oil transported by marine vessel.

Light and heavy crude oil is currently delivered, stored, and processed at the Refinery and will continue to be delivered, stored, and processed with or without the proposed project. The impact analysis in the DEIR accounts for the variety of crude oils that have been and will be handled by the Refinery. For example, the TAC concentrations of crude oils in storage tanks associated with the proposed project were based on a worst-case hybrid analysis of the toxic content of the crude oils currently and potentially processed at the Refinery, including Bakken and heavy Canadian crude oil. The hybrid TAC speciation was prepared by selecting the highest concentration of each toxic compound from the entire speciated data set of all the crude oils analyzed.

There have been previous volatility issues associated with the transport of Bakken crude oil. However, regulations have since been adopted that require a reduction in volatility of Bakken crude oil that is transported. For example, in December 2014, the Industrial Commission of North Dakota issued an order regarding conditioning of Bakken crude oil and limiting the RVP of crude oil provided for transport to 13.7 RVP. Thus, Bakken crude oil transported to the West Coast will be pipeline quality (i.e., qualified for safe transport) and will not have as high a vapor pressure as the Bakken crude oil produced at the wellhead. As with other U. S. crude oil production operations, the order adopted by the State of North Dakota will require that crude oil production facilities remove a significant portion of the light ends (ethane, propane, butane and pentane) prior to offering the crude oil for shipment to refineries for processing.

Because of Bakken crude oil's purported volatility, concerns were raised in the media as to whether Bakken crude oil was properly classified as a Class 3 hazardous material under U.S. DOT regulations. A Class 3 hazardous material is generally a flammable or combustible liquid that does not meet the regulatory classification requirements for other hazardous characteristics, such as toxicity, corrosivity, radioactivity or explosiveness. However, those concerns have since been resolved by repeated analysis and testing that demonstrates Bakken crude oil to be a Class 3 hazardous material, similar to other light sweet crude oils. After considering the information, the PHMSA Deputy Administrator testified to Congress that Bakken crude oil is accurately classified as a Hazard Class 3 Flammable Liquid.³⁴² This is consistent with the sampling and testing Tesoro has completed on Bakken crude oil. Therefore, Bakken crude oil has properties similar to other light crude oils, and is not classified as explosive.

The Refinery did not process large amounts of Bakken or Canadian heavy crude oil in the baseline period. This observation, however, is not relevant to the analysis in the DEIR. As explained in subsequent responses, which are listed in Table 78-94.1, Bakken and heavy Canadian crude oils are similar to other light and heavy crude oils currently processed by the Refinery. As described in Master Response 4, and Response G1-78.150, in the future, as now, any Bakken or heavy Canadian crude oils processed would have to be combined with other crude oils to create a crude oil blend that matches the Refinery's processing capabilities and permit limitations. This is what has occurred with Bakken, heavy Canadian, and many other heavy and light crude oils that were utilized in the baseline period, and is what will continue after implementation of the proposed project. Any increased use of Bakken or heavy Canadian crude oils at the Refinery would not be caused by the proposed project. The proposed project's impacts

³⁴² Written statement of Timothy P. Butters Before the Subcommittees on Energy and Oversight Committee on Science, Space and Technology, U.S. House of Representatives at page 12 (Sept. 9, 2014).

APPENDIX G1: RESPONSE TO COMMENTS

were analyzed in detail using worst-case assumptions (e.g., the maximum vapor pressure of crude oil allowable by SCAQMD rules), which accounts for any impacts from increased use of Bakken or heavy Canadian crude oil. Response G1-78.111 specifically addresses crude oil corrosivity. Responses G1-81.65 and G1-81.67 address greenhouse gases and crude oil production.

The comment also refers to derailment of a train carrying Bakken crude oil in Mosier, Oregon and another unidentifiable derailment. As explained in Response G1-81.57, there are no proposed project modifications to bring crude oil by rail to the Refinery. Thus the Mosier derailment and other derailments are not relevant to the DEIR analysis or the proposed project. Responses G1-81.65 and G1-81.67 explain that the DEIR does not need to analyze the environmental impacts from crude oil production because the proposed project will not cause any changes to that industry.

The DEIR fully analyzed the potential impacts of the proposed project with respect to greenhouse gas emissions in Section 5.2.2.3 and hazards in 4.3.2.

Comment G1-104.3

The DEIR and Title V permit also failed to count air emissions from flaring during startup, shutdown, and maintenance, other air emissions increases, and failed to set permit conditions that would prevent these increased emissions.



G1-104.3

Response G1-104.3

Startup and shutdown emissions, as well as emergency flaring, are discussed in detail in Master Response 15.

As explained in Master Response 15, the Refinery strives for startups, shutdowns, and maintenance without flaring. In any event, there are no new process units associated with the proposed project that would be expected to flare during startup or shutdown. No additional permit conditions are needed to control startup and shutdown emissions.

Emission changes as a result of the proposed project have been fully analyzed and are described in Section 4.2 of the DEIR. An emissions summary can be found on pages 4-16 through 4-18 in Table 4.2-4. Further, the Title V permit limits will be equal to or more restrictive than emissions analyzed in the DEIR.

The comment also refers to “other air emission increases” that were not accounted for in the DEIR and the Title V permit. The comment lacks specificity. Without further detail regarding these other air emissions, a specific response cannot be provided.

Comment G1-104.4

Furthermore the transport of oil by rail is inherently unsafe. The liquid has been observed causing the train cars to sway back and forth on the tracks weakening them. This means that transporting oil by rail is likely to cause a train derailment. Train derailments are dangerous in themselves. With oil that danger multiplies. The numerous oil train accidents that have occurred in the last 5 years should be carefully reviewed. Until they are, this EIR inadequately addresses that danger.

G1-104.4

Our community already suffers from too much air pollution and dangers of petroleum storage, pipelines, and refining. We want to stop the expansion of oil refineries, to start building our safe, healthy, and clean energy future, and to have a fair public process.

G1-104.4
cont'd.

Response G1-104.4

As explained in Section 2.6 of the DEIR, “No crude oil is transported to the Wilmington Operations via rail and there are no facilities to receive crude oil deliveries by railcar” and “No crude oil is transported to the Carson Operations via rail and there are no facilities to receive crude oil deliveries by railcar.” The proposed project seeks to better integrate the existing Wilmington and Carson Operations, and does not involve the installation of crude oil rail loading or unloading facilities. See Section 2.2 of the DEIR for a detailed description of the proposed project.

The proposed project’s local health effects have been analyzed and are discussed in Master Response 3. Potential hazard impacts, including those related to material storage and pipelines, are explained in Master Response 9. The proposed project is not an expansion of the Refinery. See Response G1-104.1 and Master Responses 6 and 7 for a detailed description of the potential 6,000 bbl/day crude oil capacity increase associated with the proposed project.

The proposed project has complied with the public process required by CEQA Guidelines § 15087. As explained in detail in Master Response 1, the DEIR was circulated for an extended length of time. The public comment period closed on June 10, 2016, after two extensions. A 94-day public review and comment period (March 8, 2016 through June 10, 2016) was provided, which exceeds CEQA requirements. A public hearing on the Title V permit and public meeting on the DEIR was held on May 17, 2016. Copies of the DEIR were made available in neighborhood public libraries. Notices were published and distributed for the original public comment period, the two extensions, and the public hearing on the Title V permit and public meeting on the DEIR.

In addition, Tesoro independently offered and provided community outreach to over 100 entities including public agencies, community organizations, neighborhood organizations, business associations, and other interested parties to explain the scope of the proposed project and the potential environmental effects of the proposed project. The community meetings were held on April 4, 11, and 14, 2016 in Carson, Wilmington, and Long Beach, respectively. Tesoro has identified that a total of 277 people attended the meetings.

Comment Letter No. G1-105

June 10th 2016

To Ms. Jillian Wong
c/o Office of Planning, Rule Development
and Area Sources/CEQA)
(Via facsimile to (909) 396-3324
or e-mail at jwong1@aqmd.gov)
and to
Mr. Danny Luong
Senior Enforcement Manager
dluong@aqmd.gov
South Coast Air Quality Management District

Re: Comments Opposing Approval of both the Draft Environmental Impact Report (DEIR) and the Title V Permit for the Tesoro Los Angeles Refinery Integration and Compliance Project (LARIC)

Dear Ms. Wong and Mr. Luong,

This letter is to oppose the Draft Environmental Impact Report (DEIR) and the Title V Permit for the Tesoro LARIC Project,¹ including construction of massive new storage tanks to hold millions of barrels of crude oil, increase crude oil going through the refinery, add a dozen new pressure relief device connections to flares, increase use of 22 large refinery heaters, import Liquefied Petroleum Gas by rail to the refinery, and more.

G1-105.1

The DEIR and the Title V Permit (which sets permit limits) are inaccurate. They ignore Tesoro's own published plans to bring dangerous N. Dakota Bakken crude oil by rail to the Tesoro Savage Vancouver Washington ship terminal,² then by ship to the Los Angeles refinery.³ This crude oil is particularly explosive.⁴ A Bakken crude oil rail accident blew up an entire town in 2013, killing many people.⁵ Just last Saturday another crude oil train carrying this material exploded, requiring evacuation of an elementary school, and spilling oil into the Columbia River.⁶ Bakken crude also contains high levels of volatile and toxic air contaminants and the DEIR should evaluate this threat. Tesoro's Project could also bring extreme Canadian tar sands crude oil to the LA refinery through the same Tesoro Savage ship

G1-105.2

¹ <http://www.aqmd.gov/home/library/documents-support-material/lead-agency-permit-projects/permit-project-documents--year-2016>

² Tesoro just received a two-year extension on the lease for this terminal. <https://www.vancouverenergyusa.com/>
³ Tesoro's map showing this is attached, from: Simmons Energy Conference, *Transformation through Distinctive Performance*, February 27, 2014, <http://phx.corporate-ir.net/phoenix.zhtml?c=79122&p=irol-presentations>

Tesoro made the following and many other statements about bringing Bakken crude to LA: "When you think about formalizing competitive advantage and fully integrating our value chain, that is really what the Los Angeles Integration and Compliance Project is about. And when we think about creating value, we are not just thinking about advantaged crude oils in front of our refineries, but we're thinking about how that supply to the west coast of advantaged crude oils can change the shape of the crude oil supply/demand dynamics for the west coast. And that's what we are trying to accomplish through Vancouver Energy." Edited Transcript TSO - Tesoro Corporation 2015 Analyst and Investor Day, December 09, 2015, p. 10, Keith Casey, Tesoro Corporation, EVP Operations

⁴ U.S. Department of Transportation, 2014, available at:

http://www.phmsa.dot.gov/staticfiles/PHMSA/DownloadableFiles/1_2_14%20Rail_Safety_Alert.pdf

⁵ http://www.earthisland.org/journal/index.php/eij/article/warning_highly_flammable/

⁶ Oregon Public Broadcasting (OPB), 6/7/2016, New Spilled Crude Oil Discovered At Mosier Train Crash, <http://www.opb.org/news/series/oil-trains/oregon-oil-train-mosier-derailment-cleanup-spill/>

terminal. These two crude oils cause increased greenhouse gases and harms to air, land, and water during extraction, and add explosion risks in storage and in refineries.

G1-105.2
cont'd.

The DEIR and Title V permit also failed to count air emissions from flaring during startup, shutdown, and maintenance, other air emissions increases, and failed to set permit conditions that would prevent these increased emissions.

G1-105.3

Our community already suffers from too much air pollution and dangers of petroleum storage, pipelines, and refining. We want to stop the expansion of oil refineries, to start building our safe, healthy, and clean energy future, and to have a fair public process.

G1-105.4

Sincerely,

Rebecca Reed

RebeccareedRVA@gmail.com

1638 Arrowhead Ave, South Lake Tahoe, CA 96150



Response to Comment Letter No. G1-105

Rebecca Reed

Comment G1-105.1

This letter is to oppose the Draft Environmental Impact Report (DEIR) and the Title V Permit for the Tesoro LARIC Project,¹ including construction of massive new storage tanks to hold millions of barrels of crude oil, increase crude oil going through the refinery, add a dozen new pressure relief device connections to flares, increase use of 22 large refinery heaters, import Liquefied Petroleum Gas by rail to the refinery, and more.

G1-105.1

Response G1-105.1

The comment regarding opposition to the proposed project does not raise issues related to the proposed project or the DEIR. The comment is noted and no response is necessary under CEQA.

Although the proposed project includes adding new storage tanks, this component of the proposed project would not increase the crude oil throughput capacity at the Refinery. Instead, the new crude oil storage tanks would allow the Refinery to reduce transportation emissions associated with marine vessels that deliver crude oil. As explained in the DEIR (see pages 4-26 through 4-29) and Master Response 6, the proposed project will increase the crude oil storage capacity at the Refinery, which will reduce the amount of time that marine vessels spend at the Port and the associated emissions.

Master Response 6 explains that the volume of available crude oil storage capacity has no bearing on Refinery crude oil processing capacity. The proposed project would not create a new or larger refinery or result in a substantial increase of crude oil throughput capacity. It would further integrate the Refinery's Carson and Wilmington Operations.

Sections 2.7.1.3 and 4.1.2.1 of the FEIR describe the potential 6,000 bbl/day crude oil capacity increase that could be accommodated with the DCU H-100 heater permit revision. The potential impacts of this crude oil capacity increase are fully analyzed in Chapter 4 of the DEIR. Master Response 7 further explains that the proposed project is not an expansion of the Refinery.

Master Response 15 and Response G1-78.207 address the new connections of pressure relief valves to the flare gas recovery system, which do not increase flaring.

The comment refers to increased use of 22 Refinery heaters and boilers. Response G1-81.79 addresses heaters and boilers. The DEIR fully analyzed proposed project impacts, including increased use of and modifications to numerous process heaters. As indicated in Section 4.1.2 of the DEIR, in addition to direct impacts, the proposed project may have indirect impacts on downstream equipment, including Refinery heaters, by causing increased utilization from operational changes, even though the equipment is not part of the proposed project. That is downstream equipment that will not be modified in any way, will operate within existing permit limits and no permit modification would be required. The anticipated indirect operational changes are described in Section 4.1.2 and are included as part of the analysis of operational

impacts in Section 4.2.2.2. Even though there is potential for increased operation of the various Refinery heaters, overall the proposed project will result in localized emission reduction benefits.

The Refinery currently receives LPG railcar deliveries. The proposed project will not increase the number of deliveries. The additional ten railcars associated with the proposed project will be added to existing trains. The potential hazards associated with rail transport were analyzed in DEIR Section 4.3.2.5.2. The Worst-Case Consequence Analysis for the proposed project carefully evaluated the proposed modifications to existing equipment and proposed new units (see DEIR Appendix C.)

Comment G1-105.2

The DEIR and the Title V Permit (which sets permit limits) are inaccurate. They ignore Tesoro's own published plans to bring dangerous N. Dakota Bakken crude oil by rail to the Tesoro Savage Vancouver Washington ship terminal,² then by ship to the Los Angeles refinery.³ This crude oil is particularly explosive.⁴ A Bakken crude oil rail accident blew up an entire town in 2013, killing many people.⁵ Just last Saturday another crude oil train carrying this material exploded, requiring evacuation of an elementary school, and spilling oil into the Columbia River.⁶ Bakken crude also contains high levels of volatile and toxic air contaminants and the DEIR should evaluate this threat. Tesoro's Project could also bring extreme Canadian tar sands crude oil to the LA refinery through the same Tesoro Savage ship terminal. These two crude oils cause increased greenhouse gases and harms to air, land, and water during extraction, and add explosion risks in storage and in refineries.

G1-105.2
G1-105.2
cont'd.

Response G1-105.2

As described in Section 4.1.2.5 of the DEIR and Master Response 8, the Vancouver Energy Project is wholly independent from the proposed project and is undergoing separate environmental review by the Washington State EFSEC, which includes evaluation of transportation hazards. Additionally, as explained in Master Response 8, the Final EIS has not yet been issued for the Vancouver Energy Project, and the project has not been approved.

As explained in detail in Sections 2.5.3 and 2.5.4 and Appendix F of the DEIR, Master Response 4, and Response G1-78.94, the Refinery is currently processing a blend of various crude oils and will continue to do so with or without the proposed project. The proposed project will not result in a substantial change in the crude oil blend processed by the Refinery.

The DEIR analyzed the potential increase in crude oil processing of up to 6,000 bbl/day associated with the modification of the DCU H-100 heater permit description. The increase in crude oil processing rate is not related to any specific crude oil source. Master Response 4 explains that the Refinery's sources of crude oils have and will continue to vary with or without the proposed project. By using worst-case crude oil properties (see Response G1-78.157), the DEIR fully analyzed the potential impacts associated with storing various crude oils in the new and replacement storage tanks and with transferring various crude oils via the associated piping. There would be no additional impacts, beyond those analyzed in the DEIR, for the new and replacement storage tanks if different light or heavy crude oil is processed at the Refinery (see Sections 4.2.2.2 and 4.3.2.1). The proposed project does not facilitate or encourage sourcing crude oil from any particular location. In other words, the improved offloading efficiency provides a benefit regardless of the type of crude oil transported by marine vessel.

Light and heavy crude oil is currently delivered, stored, and processed at the Refinery and will continue to be delivered, stored, and processed with or without the proposed project. The impact analysis in the DEIR accounts for the variety of crude oils that have been and will be handled by the Refinery. For example, the TAC concentrations of crude oils in storage tanks associated with the proposed project were based on a worst-case hybrid analysis of the toxic content of the crude oils currently and potentially processed at the Refinery, including Bakken and heavy Canadian crude oil. The hybrid TAC speciation was prepared by selecting the highest concentration of each toxic compound from the entire speciated data set of all the crude oils analyzed.

There have been previous volatility issues associated with the transport of Bakken crude oil. However, regulations have since been adopted that require a reduction in volatility of Bakken crude oil that is transported. For example, in December 2014, the Industrial Commission of North Dakota issued an order regarding conditioning of Bakken crude oil and limiting the RVP of crude oil provided for transport to 13.7 RVP. Thus, Bakken crude oil transported to the West Coast will be pipeline quality (i.e., qualified for safe transport) and will not have as high a vapor pressure as the Bakken crude oil produced at the wellhead. As with other U. S. crude oil production operations, the order adopted by the State of North Dakota will require that crude oil production facilities remove a significant portion of the light ends (ethane, propane, butane and pentane) prior to offering the crude oil for shipment to refineries for processing.

Because of Bakken crude oil's purported volatility, concerns were raised in the media as to whether Bakken crude oil was properly classified as a Class 3 hazardous material under U.S. DOT regulations. A Class 3 hazardous material is generally a flammable or combustible liquid that does not meet the regulatory classification requirements for other hazardous characteristics, such as toxicity, corrosivity, radioactivity or explosiveness. However, those concerns have since been resolved by repeated analysis and testing that demonstrates Bakken crude oil to be a Class 3 hazardous material, similar to other light sweet crude oils. After considering the information, the PHMSA Deputy Administrator testified to Congress that Bakken crude oil is accurately classified as a Hazard Class 3 Flammable Liquid.³⁴³ This is consistent with the sampling and testing Tesoro has completed on Bakken crude oil. Therefore, Bakken crude oil has properties similar to other light crude oils, and is not classified as explosive.

The Refinery did not process large amounts of Bakken or Canadian heavy crude oil in the baseline period. This observation, however, is not relevant to the analysis in the DEIR. As explained in subsequent responses, which are listed in Table 78-94.1, Bakken and heavy Canadian crude oils are similar to other light and heavy crude oils currently processed by the Refinery. As described in Master Response 4, and Response G1-78.150, in the future, as now, any Bakken or heavy Canadian crude oils processed would have to be combined with other crude oils to create a crude oil blend that matches the Refinery's processing capabilities and permit limitations. This is what has occurred with Bakken, heavy Canadian, and many other heavy and light crude oils that were utilized in the baseline period, and is what will continue after implementation of the proposed project. Any increased use of Bakken or heavy Canadian crude oils at the Refinery would not be caused by the proposed project. The proposed project's impacts

³⁴³ Written statement of Timothy P. Butters Before the Subcommittees on Energy and Oversight Committee on Science, Space and Technology, U.S. House of Representatives at page 12 (Sept. 9, 2014).

were analyzed in detail using worst-case assumptions (e.g., the maximum vapor pressure of crude oil allowable by SCAQMD rules), which accounts for any impacts from increased use of Bakken or heavy Canadian crude oil. Response G1-78.111 specifically addresses crude oil corrosivity. Responses G1-81.65 and G1-81.67 address greenhouse gases and crude oil production.

The comment also refers to derailment of a train carrying Bakken crude oil in Mosier, Oregon and another unidentifiable derailment. As explained in Response G1-81.57, there are no proposed project modifications to bring crude oil by rail to the Refinery. Thus the Mosier derailment and other derailments are not relevant to the DEIR analysis or the proposed project. Responses G1-81.65 and G1-81.67 explain that the DEIR does not need to analyze the environmental impacts from crude oil production because the proposed project will not cause any changes to that industry.

The comment includes a slide of a map that the comment claims is “. . . Tesoro's map laying out its plans to transport Bakken crude oil to L.A.” The map is titled "Rail Costs to Clear Bakken", and shows ranges of costs to transport Bakken crude oil to various locations on the West and East Coasts of the U.S. The map includes a clarifying subtitle "West and East Coasts clearing destinations for Bakken crude oil.” There is no reference on the slide or map to any definitive plans to transport Bakken crude oil to any destination, or to any destination in particular or increased amounts.

The claims in Footnote 3 alleging that Tesoro's corporate statements to investors reflect a different project objective (i.e., to change the crude oil blend processed by the Refinery) have taken those corporate statements out of context. There are no corporate statements that state or even imply that the proposed project is designed to facilitate a change in the crude oil blend processed by the Refinery. The comment pieces together unrelated statements and draws an incorrect conclusion. The statement cited by Footnote 3 of the comment is explained in detail in Response G1-78.136. The quotation is from an Analyst and Investor Day presentation. As explained in Attachment C, the Declaration of Douglas Miller,³⁴⁴ it is important to note that analyst and investor discussions present a high level overview of strategic projects that Tesoro plans to implement at the time of the respective presentations. In fact, just prior to the selected quote, Mr. Casey (Tesoro's Executive Vice President, Operations) stated, “Now, as I told you, I also get to update you on some strategic projects, and we have talked about a few of these for the last bit, but really give you some news on the exciting progress that we are making on each of these.”³⁴⁵ Clearly, Mr. Casey is talking about more than one strategic project. Simply because the projects are summarized together in an overview is not an indication that the projects are related. The quotation references two separate projects—the proposed project and the Vancouver Energy Project—as each helping Tesoro accomplish general corporate goals, but the speaker never links the two projects together or states that Tesoro has plans to change the crude oil slate at the Refinery. The proposed project will not result in a significant change in the crude oil blend processed by the Refinery except as analyzed in the DEIR.

³⁴⁴ See Attachment C, Declaration of Douglas Miller, Vice President, California Value Chain Strategy of Tesoro Companies, Inc.

³⁴⁵ Thomson Reuters Streetevents Edited Transcript, TSO- Tesoro Corporation 2015 Analyst and Investor Day, December 9, 2015, 2:00PM, at page 10.

The comment and Footnote 6 refer to the derailment of a train carrying Bakken crude oil in Mosier, Oregon. Because there are no proposed project modifications to bring crude oil by rail to the Refinery, the Mosier derailment is not relevant to the DEIR analysis or the proposed project. The Federal Railroad Administration’s preliminary report identified a railroad track issue as the cause of the Mosier incident³⁴⁶; therefore, there are no resulting mitigations that would need to be considered for the proposed project.

The DEIR does not analyze crude oil production because the proposed project will not cause any changes to that industry. Tesoro does not own the crude oil production facilities for any of the crude oil that will be purchased to supply its Refinery. Therefore, the detailed information necessary to accurately quantify the GHG impacts from crude oil production facilities is not available and would require speculation to quantify the impacts. GHG emissions resulting from oil production are the responsibility of the crude oil producer.

The DEIR fully analyzed the potential impacts of the proposed project with respect to greenhouse gas emissions in Section 5.2.2.3 and hazards in Section 4.3.2.

Comment G1-105.3

The DEIR and Title V permit also failed to count air emissions from flaring during startup, shutdown, and maintenance, other air emissions increases, and failed to set permit conditions that would prevent these increased emissions.



G1-105.3

Response G1-105.3

Startup and shutdown emissions, as well as emergency flaring, are discussed in detail in Master Response 15.

As explained in Master Response 15, the Refinery strives for startups, shutdowns, and maintenance without flaring. In any event, there are no new process units associated with the proposed project that would be expected to flare during startup or shutdown. No additional permit conditions are needed to control startup and shutdown emissions.

Emission changes as a result of the proposed project have been fully analyzed and are described in Section 4.2 of the DEIR. An emissions summary can be found on pages 4-16 through 4-18 in Table 4.2-4. Further, the Title V permit limits will be equal to or more restrictive than the emissions analyzed in the DEIR.

The comment also refers to “other air emission increases” that were not accounted for in the DEIR and the Title V permit. The comment lacks specificity. Without further detail regarding these other air emissions, a specific response cannot be provided.

³⁴⁶ https://www.fra.dot.gov/eLib/details/L18393#p1_z50_gD_lAC, accessed November 7, 2016.

Comment G1-105.4

Our community already suffers from too much air pollution and dangers of petroleum storage, pipelines, and refining. We want to stop the expansion of oil refineries, to start building our safe, healthy, and clean energy future, and to have a fair public process.



G1-105.4

Response G1-105.4

The proposed project's local health effects have been analyzed and are discussed in Master Response 3. Potential hazard impacts, including those related to material storage and pipelines, are explained in Master Response 9. The proposed project is not an expansion of the Refinery. See Response G1-105.1 and Master Responses 6 and 7 for a detailed description of the potential 6,000 bbl/day crude oil capacity increase associated with the proposed project.

The proposed project has complied with the public process required by CEQA Guidelines § 15087. As explained in detail in Master Response 1, the DEIR was circulated for an extended length of time. The public comment period closed on June 10, 2016, after two extensions. A 94-day public review and comment period (March 8, 2016 through June 10, 2016) was provided, which exceeds CEQA requirements. A public hearing on the Title V permit and public meeting on the DEIR was held on May 17, 2016. Copies of the DEIR were made available in neighborhood public libraries. Notices were published and distributed for the original public comment period, the two extensions, and the public hearing on the Title V permit and public meeting on the DEIR.

In addition, Tesoro independently offered and provided community outreach to over 100 entities including public agencies, community organizations, neighborhood organizations, business associations, and other interested parties to explain the scope of the proposed project and the potential environmental effects of the proposed project. The community meetings were held on April 4, 11, and 14, 2016 in Carson, Wilmington, and Long Beach, respectively. Tesoro has identified that a total of 277 people attended the meetings.

Comment Letter No. G1-106



Coalition For A Safe Environment

1601 N. Wilmington Blvd., Ste. B, Wilmington, CA 90744
jnm4ej@yahoo.com 424-264-5959 310-590-0177

June 10, 2016

South Coast Air Quality Management District (SCAQMD)
Engineering & Compliance
21865 Copley Drive
Diamond Bar, CA 91765-4178
Attn: Danny Luong
Senior Manager
dluong@aqmd.gov
909-396-2622
909-396-3855 Fax
Jillian Wong
Program Manager
jwong1@aqmd.gov
909-396-3176

<http://www.aqmd.gov/home/library/documents-support-material/lead-agency-permit-projects>

Re: Tesoro Los Angeles Refinery
Integration & Compliance Project
Draft Environmental Impact Report (DEIR)
SCH No. 2014091020
Tesoro Refining & Marketing Company
Los Angeles Refinery-Wilmington Operations
2101 E. Pacific Coast Highway.
Wilmington, CA 90744-2914
Facility ID # 800436

Los Angeles Refinery-Carson Operations
2350 E. 223rd Street
Carson, CA 90810
Facility ID # 174655

Su: Submission of Public Comments Opposing The DEIR & Title V Permit As Proposed

The Coalition For A Safe Environment, the undersigned organizations and individuals submit these public comments in opposition to the proposed merger of the Tesoro Los Angeles Refinery Wilmington Operations and Carson Operations for the following identified reasons:

G1-106.1

1. The Proposed Merger Will Significantly Increase The Public & Worker Safety & Health Risk Which Is Unacceptable

The DEIR fails to adequately assess and disclose the significant increase in public and worker safety and health risk due to catastrophic accidents and natural disasters to a refinery facility of this size. The interconnections of 12 or more oil, fuel and gas pipelines between facilities creates an unprecedented high risk and danger to the public

G1-106.2

<p>and worker. The increase of 10 LPG rail cars coming to the facility and unloading presents additional cumulative impact safety risks.</p>	<p>G1-106.2 cont'd.</p>
<p>This year on May 14, 2016 Tesoro Carson Operations facility had a fire and explosion from a pipeline, on October 5, 2010 Tesoro Wilmington Operations had a naphtha chemical spill due to a broken pipeline and on September 28, 2009 Tesoro Wilmington Operations had a fire break out in the coking unit. Tesoro Wilmington and Carson Have long histories of accidents, fires and explosions and AQMD policies, rules and regulations have done little to nothing to prevent future fires and explosions.</p>	<p>G1-106.3</p>
<p>CFASE request's that the Final EIR includes the research, identification and a new Public Health & Safety Risk Assessment and Risk Management Plan to include the cumulative impact of risks all new tanks, pipelines, LPG rail cars and new equipment.</p>	<p>G1-106.4</p>
<p>We further request information regarding the source of the 10 new LPG rail cars and especially if they are coming from another local Los Angeles area source whether by pipeline, storage tank or rail car. Tesoro has stated in the past that it sells LPG to other third parties in the Los Angeles area. CEQA also requires that all indirect impacts also be identified, assessed and mitigated. All negative impacts shall include new mitigation measures reduce all impacts to less than significant.</p>	<p>G1-106.5</p>
<p>2. The Proposed Merger Will Allow Tesoro To Increase Its Capacity By Another 6,000bbl Which Is Unacceptable To The Community If There Is A Net-Increase In Criteria Pollutants, Toxic Pollutants, Greenhouse Gases, Public or Worker Health or Safety Risk</p>	<p>G1-106.6</p>
<p>The community and public do not want any increase in refinery capacity that will result in a net-increase of any Criteria Pollutants, Toxic Pollutants, Greenhouse Gases, Public or Worker Health or Safety Risk. CFASE understands that the current Tesoro facility permit allows 6,000bbl more refining capacity.</p>	
<p>CFASE request's that the Final EIR and Title V Permit includes the assurances and mitigation measures that will prevent any net-increase of any Criteria Pollutants, Toxic Pollutants, Greenhouse Gases, Public or Worker Health or Safety Risk.</p>	
<p>3. Proposed On-Road Mobile Sources Mitigation Measures Are Unacceptable.</p>	<p>G1-106.7</p>
<p>The DEIR, Tesoro and AQMD assume that there are no Zero Emission On-Road Electric Mobile Vehicles available. There is no evidence in the Draft EIR that Zero Emission and Near Zero Emission Vehicles were researched, identified nor assessed as feasible for Mitigation.</p>	
<p>Tier 4 vehicles and equipment appear to be the only category researched. Tier 4 vehicles and equipment use diesel fuel, gasoline or natural gas which are still sources of Criteria Pollutants, Toxic Pollutants and Greenhouse Gases.</p>	<p>G1-106.8</p>
<p>There are currently Class 8 and Class 7 heavy duty Zero Emission Electric Trucks and medium/light duty Class 6, 5 and 4 Zero Emission Electric Trucks commercially available. There are currently Zero Emission Electric Dump Trucks, Box Delivery Trucks, Refrigerated Box Delivery Trucks, Step Van Box Trucks, Flat Bed Trucks, Stake Flat Bed Trucks, Service Body Trucks, Garbage Trucks, Water Truck Pick-Up Trucks, Delivery Vans and Shuttle Bus's available. and medium/light duty Class 6, 5 and 4 Zero</p>	<p>G1-106.9</p>

APPENDIX G1: RESPONSE TO COMMENTS

<p>Emission Electric Trucks commercially available. Most mobile diesel and gasoline vehicles can also be modified, retrofitted and repowered to be electric.</p>	G1-106.9 cont'd.
<p>Many have already been certified by the California Air Resources Board (CARB).</p>	
<p>As a note CEQA, does not required any governmental agency approval, certification or validation for a technology to be considered for mitigation. A project sponsor is only required to perform their due diligence to validate the technology works for the proposed application.</p>	G1-106.10
<p>The requirement for a government agency to provide all or part of the cost to retrofit, repower or purchase a vehicle or equipment shall not waive the requirement for the selection of feasible zero emissions vehicles and equipment.</p>	
<p>Electric vehicles and equipment are also 70%to 90% near noiseless and are therefore a noise mitigation co-benefit.</p>	G1-106.11
<p>CFASE request's that the Final EIR includes the research, identification and an assessment of all Zero Emission On-Road Electric Mobile Vehicles commercially available for inclusion as a mitigation measure.</p>	G1-106.12
<p>4. The Proposed Off-Road Mobile Sources Mitigation Measures Are Unacceptable.</p>	G1-106.13
<p>The DEIR, Tesoro and AQMD assume that there are no Zero Emission Electric Off-Road Mobile Vehicles or Equipment available or near Zero Emissions Vehicles or Equipment available. There is no evidence in the Draft EIR that Zero Emission and Near Zero Emission Vehicles and Equipment were researched, identified and assessed for Mitigation.</p>	
<p>Tier 4 vehicles and equipment appear to be the only category researched. Tier 4 vehicles and equipment use diesel fuel, gasoline or natural gas which are still sources of Criteria Pollutants, Toxic Pollutants and Greenhouse Gases.</p>	G1-106.14
<p>There are currently Class 8, Class 7 heavy duty and medium/light duty Class 6, 5 and 4 Zero Emission Electric Trucks commercially available.</p>	G1-106.15
<p>There are also Zero Emission Electric Tractors, Bull Dozer, Forklifts, Top Picks, Front Loader, Cranes, Dump Trucks and Conveyors and Excavators commercially available. Many have already been certified by the California Air Resources Board (CARB).</p>	
<p>As a note CEQA, does not required any governmental agency approval, certification or validation for a technology to be considered for mitigation. A project sponsor is only required to perform their due diligence to validate the technology works for the proposed application.</p>	
<p>The requirement for a government agency to provide all or part of the cost to retrofit, repower or purchase a vehicle or equipment shall not waive the requirement for the selection of feasible zero emissions vehicles and equipment.</p>	G1-106.16
<p>Electric vehicles and equipment are also 70% to 90% near noiseless and are therefore a noise mitigation co-benefit.</p>	G1-106.17
<p>CFASE request's that the Final EIR includes the research, identification and an assessment of all Zero Emission Off-Road Electric Mobile Vehicles commercially available for inclusion as a mitigation measure.</p>	G1-106.18

5. The DEIR Fails To Include Feasible Mitigation For New & Existing Storage Tanks

The DEIR, Tesoro and AQMD failed to disclose that technologies exist that can be incorporated as feasible Mitigation Measures that can significantly reduce petroleum product storage tank VOC's that are predominantly released through Pressure Release Devices (PRD's). The DEIR states that there will be an additional 75 tons of VOC's, of which VOC's are a major emission source of storage tanks which is unacceptable when there is feasible mitigation available. VOC's are also a source of Greenhouse Gases which have not been adequately assessed, quantified and mitigated.

G1-106.19

Vapor Recovery Units (VRU) are an off-the-shelf technology that has up to a 99% efficiency that can be incorporated onto storage tanks to significantly reduce VOC's. The VRU reroutes and captures the escaping gasses so that they are stored, reprocessed and sold as product. Hundreds of VRU's have been installed in the US and worldwide. SCAQMD has previously approved VRU's and VRU's are currently in installed in petroleum industry in the South Coast District.

G1-106.20

CFASE has researched and identified three VRU manufacturing companies: AEREON -Vapor & Gas Marine Recovery, John Zink Hamworthy Combustion-Carbon Adsorption Vapor Recovery Systems and Siemens-Lean Oil Absorption Process.

These three Vapor Recovery Unit technologies are the Best Available Control Technology (BACT).

CFASE request's that the Final EIR includes the research, identification and an assessment of all Vapor Recovery Units commercially available for inclusion as a Mitigation Measure.

G1-106.21

6. The DEIR Fails To Include Feasible Mitigation For Tesoro Marine Terminal Ship & Barge Petroleum Product Unloading-To-Shore Fugitive VOC's Emissions

The DEIR, Tesoro and AQMD failed to disclose that technologies exist that can be incorporated as feasible Mitigation Measures that can reduce fugitive VOC's emissions from petroleum products being unloaded from ships or barges to on-dock storage tanks.

CFASE has researched and identified that electric motor pumps can be built on-dock to pump petroleum products from the ship or barge to storage tanks vs using a ships auxiliary power and boilers which release Criteria Pollutants, Toxic Pollutants and VOC's.

G1-106.22

CFASE request's that the Final EIR includes the research, identification and an assessment of electric pumps and systems commercially available for inclusion as a Mitigation Measure.

7. The DEIR Fails To Include Feasible Mitigation For Marine Vessel Emissions Such As Ship Exhaust Capture & Treatment Technologies

The DEIR, Tesoro and AQMD failed to disclose that technologies exist that can be incorporated as feasible Mitigation Measures that can capture, scrub and clean ship exhaust from Tesoro tanker ships unloading petroleum product on-dock.

G1-106.23

Ships at-anchor and at-dock exhaust release tons of Criteria Pollutants, Toxic Pollutants and VOC's.

CFASE has researched and identified that the AMECS-Advanced Marine Exhaust Capture System technology has been certified by the California Air Resources Board (CARB) for the capture and treatment of ship exhaust and is currently the Best Available Control Technology (BACT).

The Tesoro fleet of petroleum tanker ships are currently not retrofitted to plug into electric shorepower and Tesoro has not disclosed any intention for their tanker ship fleet of owned or third party owned ships to be retrofitted in the future.

CFASE request's that the Final EIR include the AMECS technology as a Marine Vessel Emissions Mitigation Measure.

G1-106.23
cont'd.

8. The DEIR Fails To Disclose That Although the Hoteling Time For Ships At-Dock Unloading Will Decrease The Public Exposure Time To Emissions Will Increase In A Shorter Amount of Time

The DEIR, Tesoro and AQMD failed to disclose that the public will be exposed to more Criteria Pollutants, Toxic Pollutants and VOC's in a shorter amount of time while a ship is at-dock hoteling and unloading.

The DEIR failed to assess and mitigate the increased health & safety risk of public and worker exposure to Criteria Pollutants, Toxic Pollutants and VOC's in a shorter amount of time while a ship is at-dock hoteling and unloading.

CFASE request's that the Final EIR include an assessment and mitigation of the increased health & safety risk of public and worker exposure to continuous non-stop exposure for a longer period of time to Criteria Pollutants, Toxic Pollutants and VOC's while a ship is at-dock hoteling and unloading.

G1-106.24

9. Tesoro Cannot Claim Air Pollution Emission Reduction Credits (ERC's) For The Shutdown Of The Wilmington FCCU Because It Was A Condition Of The California Attorney General Merger Approval

The DEIR fails to disclose to the public and decision makers that the pollution credits (Emission Reduction Credits-ERC's) it is referring to and intend to apply to offset emission impacts did not come about of its intent to reduce emissions but, in fact is a condition of the merger approved by the California Attorney General.

CFASE request's that the Final EIR include a complete disclosure of this information and the requirement for Tesoro to include additional Mitigation Measures.

G1-106.25

10. The DEIR States Tesoro Plan To Purchase Emission Reduction Credits (ERC's) Instead Of Incorporating On-Site Mitigation Measures To Reduce Emission Releases Which Is Unacceptable

The Draft EIR fails to disclose that Tesoro is refusing to invest in new emission prevention and emission capture technologies but is willing to spend millions of dollars on ERC's which allow them to do nothing to reduce emissions at either the Carson or Wilmington Operations which is unacceptable to the public.

CFASE has already identified technologies in these public comments which are feasible and will reduce, capture and treat emissions.

G1-106.26

CFASE request's that the Final EIR includes the research, identification and an assessment of technologies commercially available for inclusion as Mitigation Measures.

G1-106.26
cont'd.

11. The DEIR Cumulative Impact Assessment Is Inadequate Because All Emission Sources Were Not identified, Not Assessed & Relies On False Assumptions

The DEIR includes in its Cumulative Operational Emissions Table 5.2-2 that the Port of Los Angeles BNSF SCIG Project will result in the reduction of Criteria Pollutants and VOC's in the area which is not true. The Final EIR for the Port of Los Angeles BNSF SCIG Project significantly underestimated Criteria Pollutants, Toxic Pollutants and VOC's, the Final EIR failed to identify all emission sources and the Final EIR failed to investigate and validate public comments of areas where emissions were underestimated.

The Cumulative Impact Assessment failed to include numerous other emission sources and projects in the harbor area. Some of the projects omitted were the Port of Los Angeles China Shipping Terminal Expansion Project, Evergreen Terminal Expansion, MOTEMS Petroleum Terminal Upgrade Projects at ExxonMobil Marine Terminal, Shell Marine Terminal, ConocoPhillips, Nustar Energy, Valero and Vopak Terminal. In addition the Port of Long Beach MOTEMS Petroleum Marine Terminals Upgrades at Tesoro Logistics Operations, Chemoil Marine terminal, Petro-Diamond and Vopak Terminal Long Beach.

G1-106.27

Others projects include the Desmond Bridge Replacement, San Pedro Waterfront and Wilmington Waterfront Projects, LA County Sanitation Department Projects and numerous Kaiser Permanente Hospital Projects.

CFASE request's that the Final EIR includes the research, identification and an assessment of other area of Tesoro construction projects and operations which would increase the Cumulative Impacts to residents and workers in the Harbor area.

12. A Review Of The Tesoro Wilmington Operations Emissions History & Compliance Reveal That AQMD Rules Have Failed to Reduce Emissions To Less Than Significant & Failed To Change Tesoro's Compliance To Non-Violations

Criteria Pollutants

In our study of 16 years of Tesoro annual Criteria Pollutants emissions reporting has revealed the following:

1. There has been no significant decrease in Criteria Pollutants in the last 5 years.
2. In a review of a sample of Criteria Pollutant chemicals the following have increased since 2000 to 2015:

a. CO	199 Tons	-	450 Tons	(+ 226.1 %)
b. PM	211 Tons	-	215 Tons	(+ 101.8 %)

G1-106.28

3. In a review of a sample of chemicals the following ranged from their lowest to the their highest:

(Why was there a significant increase from their lowest year?)

c. CO	118 Tons	-	596 Tons	(+ 505.0 %)
d. NOX	575 Tons	-	1,107 Tons	(+ 192.5 %)

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e. ROG/VOC	199 Tons	-	373 Tons	(+ 187.4 %)
f. SOX	163 Tons	-	995 Tons	(+ 610.4 %)
g. PM	150 Tons	-	397 Tons	(+ 264.6 %)

Toxic Pollutants

In our study of 16 years of Tesoro annual Toxic Pollutant Emissions Reporting has revealed the following:

1. There has been no significant decrease in Toxic Pollutants in the last 5 years.
2. In a review of a sample of Toxic Pollutant chemicals the following have increased since 2000 to 2015:

a. 1,3-Butadine	226 lbs	-	264 lbs.	(+ 16.8 %)
b. Ammonia	91,356 lbs	-	115,663 lbs	(+ 26.6 %)
c. Ethyl Benzene	755 lbs	-	940 lbs	(+ 24.5 %)
d. Formaldehyde	624 lbs	-	6,919 lbs	(+ 1,108.8 %)
e. Hydrochloric Acid	4,789 lbs	-	9,421 lbs	(+ 196.7 %)
f. Hydrogen Sulfide	4,544 lbs	-	15,437 lbs	(+ 339.7 %)
g. Lead	12 lbs	-	26 lbs	(+ 216.6 %)
h. Methanol	631 lbs	-	8,926 lbs	(+ 1,414.5 %)
i. Napthalene	1 lb	-	228 lbs	(+ 228.0 %)
j. Selenium	668 lbs	-	918 lbs	(+ 137.4 %)
k. Toluene	6,587 lbs	-	8,456 lbs	(+ 128.3 %)
l. Xylenes	58 lbs	-	1,771 lbs	(+ 3,053.4 %)

3. In a review of a sample of chemicals the following ranged from their lowest to the their highest:

(Why was there a significant increase from their lowest year?)

a. 1,2,4-Trimethybenzene	637 lbs	-	1,270 lbs	(+ 199.3 %)
b. 1,,3-Butadine	120 lbs	-	560 lbs.	(+ 466.6 %)
c. Ammonia	53,107 lbs	-	263,989 lbs	(+ 497.0 %)
d. Benzene	1,173 lbs	-	41,547 lbs	(+ 3,541.9 %)
e. Ethyl Benzene	755 lbs	-	940 lbs	(+ 124.5 %)
f. Formaldehyde	624 lbs	-	6,919 lbs	(+ 1,108.8 %)
g. Hexane	5,640 lbs	-	12,282 lbs	(+ 217.7 %)
h. Hydrochloric Acid	4,789 lbs	-	11,466 lbs	(+ 239.4 %)
i. Hydrogen Sulfide	2,306 lbs	-	15,437 lbs	(+ 669.4 %)
j. Lead	12 lbs	-	26 lbs	(+ 216.6 %)
k. Methanol	631 lbs	-	8,926 lbs	(+ 1,414.5 %)
l. Methyl Chloroform	301 lbs	-	1,283 lbs	(+ 426.2 %)
m. Napthalene	1 lb	-	584 lbs	(+ 584.0 %)
n. Nickel	37 lbs	-	150 lbs	(+ 405.4 %)
o. Perchloroethylene	8 lbs	-	12,000 lbs	(+ 150,000.0 %)
p. Selenium	533 lbs	-	918 lbs	(+ 172.2 %)
q. Toluene	5,239 lbs	-	8,456 lbs	(+ 161.4 %)
r. Xylenes	58 lbs	-	3,097 lbs	(+ 5,339.6 %)

Notices of Violations

1. In the last 5 years (2011-2015) Tesoro was issued 21 Notices of Violations and averaged 4.2 Notices of Violations per year.
2. In the previous 5 years (2006-2010) Tesoro was issued 23 Notices of Violations and averaged 4.6 Notices of Violations per year.
3. In the previous 5 years (2000-2005) Tesoro was issued 20 Notices of Violation and averaged 4 Notices of Violations per year.

G1-106.28
cont'd.

4. In the last 10 years Tesoro was issued 44 Notices of Violation and averaged 4.4 Notices of Violations per year.
5. In the past 15 years (2001-2015) Tesoro was issued 64 Notices of Violation and averaged 4.2 per year.
6. In the last 16 years Tesoro has had only 1 year (2006) with no Notices of Violation issued to them.

Notices to Comply

1. In the last 5 years (2011-2015) Tesoro was issued 4 Notices to Comply and averaged .8 Notices to Comply per year.
2. In the previous 5 years (2006-2010) Tesoro was issued 11 Notices to Comply and averaged 2.2 Notices to Comply per year.
3. In the last 10 years Tesoro was issued 15 Notices to Comply and averaged 1.5 Notices to Comply per year.
4. Data was not available on the AQMD website for NA years.

Flare Emissions Data

1. There is a significant difference of 389.2% increase from the lowest Flare Emissions Year and worst highest Flare Emissions Year.
2. SOX has been increasing the last 4 years after a significantly steady 5 year annual decline.
3. There was a slight increase in ROG and CO in the last 2 years.
4. There was no significant decrease in PM and NOX the last 2 years

G1-106.28
cont'd.

13. The DEIR and Title V Permit Fail To Adequately Protect Environmental Justice Communities and Federally Protected Class Groups

The DEIR and SCAQMD Title V Permit fail to protect Environmental Justice Communities and Federally Protected Class Groups from being exposed to excessive criteria and toxic pollutants emissions. The SCAQMD rules, past permits and current proposed Title V Permit revisions fail to significantly reduce Criteria Pollutants, Toxic Pollutants and VOC emissions in Environmental Justice Communities and Federally Protected Class Groups communities.

The SCAQMD executive officer and staff have failed to request that the SCAQMD Board adopt stricter criteria and toxic air pollutant standards and rules.

The SCAQMD has failed to request that the California EPA and Air Resources Board adopt stricter criteria, toxic pollutant and HAPs standards and rules.

Environmental Justice Communities have a significant and disproportionate increased environmental impact, public health risk and public safety risk. The DEIR and Title V Permit as proposed are an act of Environmental Racism.

The Tesoro Refining & Marketing Company - Los Angeles Refinery Title V Permit fails to consider the Cumulative Impact of other major Criteria Pollutants, Toxic Pollutant, VOC's and HAPs sources in and bordering the proposed merger facilities.

The current SCAQMD RECLAIM and Emission Reduction Credits Trading Program has failed to significantly reduce criteria & toxic pollutants at the Tesoro Refining & Marketing Company - Los Angeles Refinery thereby causing significantly environmental and public health impacts in the local Environmental Justice and protected class group communities bordering or near or downwind of the facility.

The Title V Permit fails to guarantee that the SCAQMD will act promptly and properly upon any existing or future discovered non-compliance. Tesoro Refining & Marketing Company - Los Angeles Refinery is currently in non-compliance of the Clean Air Act and Title V. SCAQMD has failed to initiate enforcement actions such as: permit termination, permit revocation,

G1-106.29

APPENDIX G1: RESPONSE TO COMMENTS

reissuance, modification or revision, or denial of a permit renewal application and civil or criminal penalties per **40 CFR Part 70.6(a)(6)(i)**.

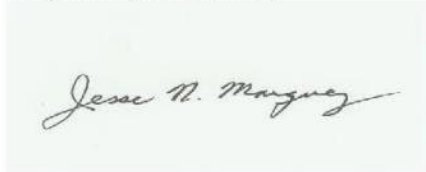
G1-106.29
cont'd.

The Coalition For A Safe Environment et al co-signature organizations and individual respectfully file these Public Comments on behalf of our members, organization affiliations and the public and request that all actions requested herein be accepted and included in the Final EIR and Title V Permit.

G1-106.30

Jesse N. Marquez is the designated contact person for all co-signatories organizations and individual for all future correspondence, information, questions, hearings and meetings. All co-signatories and individual reserve their rights to participate in all future meetings, discussion, actions, mediation and negotiations.

Respectfully Submitted,



Jesse N. Marquez
Executive Director

Drew Wood
Executive Director
California Kids IAQ
1601 N. Wilmington Blvd., Ste. B4
Wilmington, CA 90744
californiakidsiaq@gmail.com
916-616-5913

Ricardo Pulido
Executive Director
Community Dreams
1601 N. Wilmington Blvd., Ste. B2
Wilmington, CA 90744
mr.rpulido@gmail.com
310-567-0748

Pastor Alfred Carrillo
Apostolic Faith Center
1510 E. Robidoux St.
Wilmington, CA 90744
alfredcarrillo@msn.com
310-940-6281

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Chaplin Anthony Quezada
American Veterans (AMVETS)
1927 E. Plymouth St.
Long Beach, CA 90810
quezadaanthony85@yahoo.com
310-466-2724

Magali Sanchez-Hall, MPH
Executive Director
EMERGE
913 East O Street
Wilmington, CA 90744
mssanchezhall7@gmail.com

Wilmington Improvement Network
Anabell Romero Chavez
Board Member
1239 Ronan Ave.
Wilmington, CA 90744
anab3l310@yahoo.com
310-940-4515

Joe R. Gatlin
Vice President
NAACP
San Pedro-Wilmington Branch # 1069
225 S. Cabrillo Ave.
San Pedro, CA 90731
joergatlin45k@gmail.com
310-766-5399

Jane Williams
Executive Director
California Communities Against Toxics
P.O. Box 845
Rosamond, CA 93560
dcapjane@aol.com
661-256-2101

Robina Suwol
Executive Director
California Safe Schools
P.O. Box 2756
Toluca Lake, CA 91610
robinasuwol@earthlink.net
818-261-7965

Shabaka Heru
Executive Director
Society For Positive Action
P.O. Box 59541
Los Angeles, CA 90059

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shabaka4ej@yahoo.com
310-462-6732

Cynthia Babich
Executive Director
Del Amo Action Committee
4542 Irone Ave.
Rosamond, CA 93560
delamoactioncommittee@gmail.com
310-769-4813

Mitzi Shpak
Executive Director
Action Now
2062 Lewis Ave.
Altadena, CA 91001
msmshpak@gmail.com
626-825-9795

Response to Comment Letter No. G1-106

Coalition For a Safe Environment (CFASE)

Comment G1-106.1

The Coalition For A Safe Environment, the undersigned organizations and individuals submit these public comments in opposition to the proposed merger of the Tesoro Los Angeles Refinery Wilmington Operations and Carson Operations for the following identified reasons:

G1-106.1

Response G1-106.1

The comment regarding opposition to the proposed project does not raise issues related to the proposed project or the DEIR. The comment is noted and is included in the FEIR. The proposed project is not a merger; the acquisition of the BP Carson Refinery occurred in June 2013. The SCAQMD was not involved.

Comment G1-106.2

1. The Proposed Merger Will Significantly Increase The Public & Worker Safety & Health Risk Which Is Unacceptable

The DEIR fails to adequately assess and disclose the significant increase in public and worker safety and health risk due to catastrophic accidents and natural disasters to a refinery facility of this size. The interconnections of 12 or more oil, fuel and gas pipelines between facilities creates an unprecedented high risk and danger to the public

G1-106.2

and worker. The increase of 10 LPG rail cars coming to the facility and unloading presents additional cumulative impact safety risks.

G1-106.2
cont'd.

Response G1-106.2

As explained in Master Response 7, the proposed project is not a merger. Tesoro acquired the Carson Operations from BP in 2013. The Carson and Wilmington Operations have already merged. The two pre-existing refinery operations have been operating as one Refinery since the acquisition. As described in Section 2.1 of the DEIR, the proposed project is designed to better integrate the existing Carson and Wilmington Operations, which will improve processing efficiency and reduce emissions.

Section 3.3.6 of the DEIR describes existing Refinery safety systems at the Tesoro Refinery. As explained in Section 4.3 and Appendix C of the DEIR and Master Response 9, the proposed project has been fully analyzed for hazard impacts based on a worst-case consequence analysis. This includes proposed project equipment, including pipelines and storage tanks, and process units regardless of the cause of release (e.g., human error, equipment failure, sabotage, terrorism, natural disaster, or civil uprising). The DEIR found that hazards associated with the Naphtha Isomerization Unit, new crude oil storage tanks, the SARP, and interconnecting pipelines are potentially significant based on worst-case release scenarios. The hazards analyses regarding the potential impact of earthquakes and other natural disasters have been fully analyzed as explained

in Master Response 9. (See Master Response 9 for additional information regarding the hazards analyses of pipelines.)

The potential hazard impacts of the proposed project have been fully analyzed, including hazards related to explosive materials (see Section 4.3 pages 4-45 through 4-68 of the DEIR and Master Response 9). The Refinery currently receives LPG railcar deliveries. The proposed project will not increase the number of deliveries. The additional ten railcars associated with the proposed project will be added to existing trains. The potential risks associated with rail transport were analyzed in Section 4.3.2.5.2 of the DEIR. The Worst-Case Consequence Analysis for the proposed project carefully evaluated the proposed modifications to existing equipment and proposed new units (see Appendix C of the DEIR). For additional information regarding the hazards analysis of LPG railcars, see Response G1-78.229.

The hazard analysis takes a worst-case approach by assuming that the entire contents of a tank or other equipment would rapidly be released, and that no safety measures are implemented that could reduce the severity of an accidental release. It is expected that hazard impacts would be less than analyzed because the Refinery has safety measures in place and specified employees are trained regarding safety measures. Further, the DEIR imposes measures to mitigate hazard impacts (see Section 4.3.3 of the DEIR). Finally, as described in Section 3.3.7 of the DEIR, the Refinery is subject to many laws and regulations that address safety and emergency responses in the event of an accident. Nonetheless, the DEIR conservatively concluded that hazard impacts would remain significant.

Comment G1-106.3

This year on May 14, 2016 Tesoro Carson Operations facility had a fire and explosion from a pipeline, on October 5, 2010 Tesoro Wilmington Operations had a naphtha chemical spill due to a broken pipeline and on September 28, 2009 Tesoro Wilmington Operations had a fire break out in the coking unit. Tesoro Wilmington and Carson Have long histories of accidents, fires and explosions and AQMD policies, rules and regulations have done little to nothing to prevent future fires and explosions.

G1-106.3

Response G1-106.3

The environmental risks associated with potential incidents at the Refinery as a result of the proposed project were carefully analyzed and disclosed in the Worst-Case Consequence Analysis (see Appendix C of the FEIR) and in Section 4.3 of the FEIR. The California refining industry is highly regulated by multiple agencies and regulations (see Section 3.3.7 of the DEIR), and Tesoro is subject to all applicable policies, rules, and regulations. The AFPM, in association with the API, classified Tesoro in the top (First) quartile on process safety performance indicator benchmarking of U.S. refining companies. The First quartile ranking is the best refining industry performers. Tesoro has been First quartile since 2012.

The three events cited in the comment were thoroughly investigated following the Tesoro incident investigation criteria, work process, and methodologies. An incident investigation team with representation by specific disciplines (e.g., technical, operations, maintenance) and based on the type of incident conducts an incident investigation root cause analysis. This methodology

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reviews incident data for cause, identifies causal factors/root causes, and provides the associated recommendations, which are implemented with the goal of incident prevention and recurrence. No damage occurred outside the Refinery and no injuries occurred during these incidents. The findings from the investigation of these three events are further described below.

The event that the comment cited to have occurred on May 14, 2016 actually occurred on March 14, 2016 and has been addressed by the Refinery. The cause was a pipe failure due to pipe thinning caused by external corrosion. The inspection analysis conducted on the pipe was also found to have used incorrect pressure and service information for the inspection analysis. Corrective actions included correcting the pressure and service information on the failed pipeline for subsequent inspection analysis and developing inspection and mitigation criteria for pipelines with increased external corrosion potential.

The event that occurred on October 5, 2010 has been addressed by the Refinery. The cause of the leak was due to vibrations from construction equipment that loosened a threaded nipple and flange from a pipeline section that was out-of-service but had contained material due to a valve that was left opened that connected the out-of-service pipeline to an in-service pipeline. The leaked material was removed and impacted soil was excavated. The out-of-service section of the pipeline was drained, cleaned, and permanently removed.

The event cited by the comment to have occurred on September 28, 2009 actually occurred on September 25, 2009 and has been addressed by the Refinery. The cause was due to a drain valve that was not blinded or locked and tagged out to prevent opening of the drain valve when the stripper tower reached normal operating temperature. The operating procedure was revised to include locking and tagging the drain valves and/or installing blinds once the unit reaches normal operating temperature. The drain line was also reconfigured so that drain valves are located a safe distance away from the piping outlet so that the drain valve can be quickly shut off.

Comment G1-106.4

CFASE request's that the Final EIR includes the research, identification and a new Public Health & Safety Risk Assessment and Risk Management Plan to include the cumulative impact of risks all new tanks, pipelines, LPG rail cars and new equipment.

G1-106.4

Response G1-106.4

Sections 3.3, 4.3 and Appendix C of the DEIR present hazards analysis and the Worst-Case Consequence analysis performed on the proposed project components including the new storage tanks, new interconnecting pipeline bundle, LPG hazards, other new process equipment, and modifications to existing equipment. Section 4.2.2.5 and Appendix B-4 of the DEIR present the health risk assessment of the proposed project increases in TAC emissions (an analysis which excluded reductions from shutdown of the Wilmington Operations FCCU to provide a conservative, worst-case analysis). The comment does not explain if these analyses are deficient, other than stating that new assessments and plans are needed. Thus, the comment does not present any evidence to contradict the analyses presented in the DEIR.

As described in Response G1-106.3 and Section 3.3.7 of the DEIR, the Refinery is highly regulated to protect the public health and safety and limits risks associated with refining hazards. In addition, the Refinery adheres to robust and continually evolving industry standards (e.g., API, ASTM, and ASME). The Refinery is subject to the CalARP and U.S. EPA requirements to prepare and maintain a Risk Management Plan.

Comment G1-106.5

We further request information regarding the source of the 10 new LPG rail cars and especially if they are coming from another local Los Angeles area source whether by pipeline, storage tank or rail car. Tesoro has stated in the past that it sells LPG to other third parties in the Los Angeles area. CEQA also requires that all indirect impacts also be identified, assessed and mitigated. All negative impacts shall include new mitigation measures reduce all impacts to less than significant.

G1-106.5

Response G1-106.5

As explained on page 4-61 of the DEIR, LPG can originate from a number of locations including Northern and Central California; Lynndyl, Utah; Bumstead, Arizona; and Hutchinson or Conway, Kansas. These railcars are not expected to come from another Los Angeles area source. It is not possible to disclose the precise origin for the new LPG shipments because those business decisions are made in real time in response to shifting market considerations, such as the amount available from each source. These shipments are expected to arrive by railcar, not pipeline or truck. The proposed project increases the number of railcars of LPG transported, but not an increase in the number of trains. The additional railcars (up to 10 per day) will be delivered as part of an existing train delivery.

Tesoro does, and will continue to, sell LPG to third-parties. As explained in Master Response 10, the proposed project will enable the Refinery to maintain a more even LPG balance and the third-party sales of LPG are expected to decrease. The reduction in excess LPG available for third-party sales is a result of shutting down the Wilmington Operations FCCU. When sold to third parties, Tesoro does not designate where LPG is transported and stored.

Response G1-106.2 explains the hazards analysis performed for the LPG railcars associated with the proposed project. The air quality impacts associated with the additional railcar emissions have been included in the air quality analysis in Section 4.2 of the DEIR and Appendices B-3 through B-5. Additionally, GHG emission impacts were analyzed in Section 5.2.2 of the DEIR. Therefore, the DEIR fully analyzed the impacts associated with the additional LPG deliveries.

Comment G1-106.6

2. **The Proposed Merger Will Allow Tesoro To Increase Its Capacity By Another 6,000bbl Which Is Unacceptable To The Community If There Is A Net-Increase In Criteria Pollutants, Toxic Pollutants, Greenhouse Gases, Public or Worker Health or Safety Risk**

The community and public do not want any increase in refinery capacity that will result in a net-increase of any Criteria Pollutants, Toxic Pollutants, Greenhouse Gases, Public or Worker Health or Safety Risk. CFASE understands that the current Tesoro facility permit allows 6,000bbl more refining capacity.

CFASE request's that the Final EIR and Title V Permit includes the assurances and mitigation measures that will prevent any net-increase of any Criteria Pollutants, Toxic Pollutants, Greenhouse Gases, Public or Worker Health or Safety Risk.

G1-106.6

Response G1-106.6

The comment's objection to the 6,000 bbl per day increase is noted. The DEIR explains that air quality impacts associated with construction of the proposed project are considered significant for VOC and NOx, but no significant adverse operational air quality impacts are expected from the proposed project. Further, no construction is required for the 6,000 bbl per day increase (see Section 2.7.1.3 and 4.1.2.1 of the FEIR.) As described in Section 4.2.2.2 of the DEIR, upon completion, the proposed project will result in regional and local reductions in CO emissions and local reductions of operational NOx, SOx, PM10, and PM2.5 emissions, and, as described in Section 5.2.2.3 of the DEIR, local GHG emission reductions. The increase in operational VOC emissions associated with the proposed project was found to be less than significant. The proposed project emissions are described in detail Section 4.2 of the DEIR and are summarized in Table 4.2-4 (see pages 4-16 through 4-18). The proposed project will result in local overall reductions in GHG emissions, as described in Section 5.2 of the DEIR and summarized in Table 5.2-8 (see page 5-26).

The DEIR also prepared a Health Risk Assessment (see Appendix B-4 of the DEIR) that analyzed carcinogenic health risks, chronic health hazards, and acute health hazards associated with the proposed project and determined that these risks and hazards were all less than significant. Local health effects have been found to be less than significant and are explained in detail in Master Response 3. The proposed project has been fully analyzed for hazards (see Master Response 9). Hazards increase from the SARP. However, CEQA does not prohibit any increase in impacts, rather, it requires an EIR to disclose impacts and, if those increases are significant, to mitigate them to the extent feasible (see CEQA Guidelines § 15126.4).

Comment G1-106.7

3. **Proposed On-Road Mobile Sources Mitigation Measures Are Unacceptable.**

The DEIR, Tesoro and AQMD assume that there are no Zero Emission On-Road Electric Mobile Vehicles available. There is no evidence in the Draft EIR that Zero Emission and Near Zero Emission Vehicles were researched, identified nor assessed as feasible for Mitigation.

G1-106.7

Response G1-106.7

As explained in Response G1-78.246, the DEIR presents a conservative construction analysis. The DEIR only includes equipment that Tesoro has full control over in the mitigated emissions analysis. The conservative analysis in the DEIR does not mean that electrified equipment will not be used. On the contrary, DEIR Mitigation Measure A-1 requires the inclusion of Best Management Practices in the Construction Management Program including on-road mobile sources. Best Management Practice 7 requires the use of electric power in lieu of diesel power where available. Therefore, all equipment will be electrified where feasible and available.

No significant operational impacts were identified, and thus no operational mitigation is required.

Comment G1-106.8

Tier 4 vehicles and equipment appear to be the only category researched. Tier 4 vehicles and equipment use diesel fuel, gasoline or natural gas which are still sources of Criteria Pollutants, Toxic Pollutants and Greenhouse Gases.

G1-106.8

Response G1-106.8

As indicated in Response G1-106.7, electric power will be used where feasible and available. Tier 4 engine standards are the current, most stringent engine standards.

Comment G1-106.9

There are currently Class 8 and Class 7 heavy duty Zero Emission Electric Trucks and medium/light duty Class 6, 5 and 4 Zero Emission Electric Trucks commercially available. There are currently Zero Emission Electric Dump Trucks, Box Delivery Trucks, Refrigerated Box Delivery Trucks, Step Van Box Trucks, Flat Bed Trucks, Stake Flat Bed Trucks, Service Body Trucks, Garbage Trucks, Water Truck Pick-Up Trucks, Delivery Vans and Shuttle Bus's available. and medium/light duty Class 6, 5 and 4 Zero

G1-106.9

Emission Electric Trucks commercially available. Most mobile diesel and gasoline vehicles can also be modified, retrofitted and repowered to be electric.

G1-106.9
cont'd.

Many have already been certified by the California Air Resources Board (CARB).

Response G1-106.9

Response G1-106.7 describes the use of electric power for construction activities. Mitigation Measure A-3 requires the use of the newest fleet for construction activities. No significant operational impacts were identified, and thus no operational mitigation is required.

Comment G1-106.10

As a note CEQA, does not required any governmental agency approval, certification or validation for a technology to be considered for mitigation. A project sponsor is only required to perform their due diligence to validate the technology works for the proposed application.

The requirement for a government agency to provide all or part of the cost to retrofit, repower or purchase a vehicle or equipment shall not waive the requirement for the selection of feasible zero emissions vehicles and equipment.

G1-106.10

Response G1-106.10

While CEQA does not require governmental agency approval, certification or validation for a technology to be considered for mitigation, it does require “feasible” mitigation measures (CEQA Guidelines § 15126.4(a)). Feasible means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors (Public Resources Code § 21061.1). This standard requires more than “due diligence to validate the technology” as suggested in the comment.

As indicated in Response G1-106.7, electric power will be used where feasible and available. The DEIR Air Quality Construction Mitigation Measure Exception 2 provides the details of when the SCAQMD will consider the measure infeasible. In this instance, on page 4-38, an exception from the mitigation measure shall be allowable if, “The contractor has been awarded funding by SCAQMD or another agency that would provide some or all of the cost to retrofit, repower, or purchase a piece of equipment or vehicle, but the funding has not yet been provided due to circumstances beyond the contractor's control, and the contractor has attempted in good faith and due diligence to lease or short-term rent the equipment or vehicle that would comply with this policy, but that equipment or vehicle is not available for lease or short-term rental within 200 miles of the project site, and the contractor has submitted documentation to Tesoro showing that the requirements of this Exception provision apply.” This exception does not mean that governmental funding must be available for the technology. Rather, this particular exception is taking into account the situation where governmental funding is provided to promote the use of a new technology that is not yet required through any regulatory requirement, by offsetting the cost differential between that new technology and that required by regulation. In that situation, if the technology has not yet received funding, and no other equipment is available within a 200 mile radius, the applicant is not required to use equipment or a vehicle relying on that technology.

It is important to note that this measure applies to construction mitigation. Construction activities are expected to occur over a 5-year period with varying amounts of construction equipment operating at any given time. The DEIR used expected peak day activity levels and assumed no equipment sharing between proposed project components during each construction month to conservatively estimate the worst-case impacts (See Appendix B-1 of the DEIR). The comment suggests that the economic cost of a mitigation measure is not relevant to an agency's decision as to whether to require the mitigation. But CEQA only requires “feasible” mitigation measures (CEQA Guidelines, § 15126.4(a)), feasible means capable of being accomplished in a

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successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors (Public Resources Code § 21061.1). The economic cost of a mitigation measure is thus a consideration that might render certain mitigation infeasible.

Comment G1-106.11

Electric vehicles and equipment are also 70%to 90% near noiseless and are therefore a noise mitigation co-benefit. G1-106.11

Response G1-106.11

While it is true that electric vehicles tend to be quieter than gasoline- or diesel-fueled vehicles, as explained on page 4-83 of the DEIR, no significant adverse impacts associated with noise are expected from the proposed project during construction, so no mitigation measures are required.

Comment G1-106.12

CFASE request's that the Final EIR includes the research, identification and an assessment of all Zero Emission On-Road Electric Mobile Vehicles commercially available for inclusion as a mitigation measure. G1-106.12

Response G1-106.12

As explained in Responses G1-106.7 through G1-106.11, electric power will be used where feasible and available as required by the mitigation measures included in the DEIR for construction activities. No significant operational impacts were identified, and thus no operational mitigation is required.

Comment G1-106.13

4. The Proposed Off-Road Mobile Sources Mitigation Measures Are Unacceptable.

The DEIR, Tesoro and AQMD assume that there are no Zero Emission Electric Off-Road Mobile Vehicles or Equipment available or near Zero Emissions Vehicles or Equipment available. There is no evidence in the Draft EIR that Zero Emission and Near Zero Emission Vehicles and Equipment were researched, identified and assessed for Mitigation. G1-106.13

Response G1-106.13

As explained in Response G1-78.246, the DEIR presents a conservative construction analysis. The DEIR only includes equipment that Tesoro has full control over in the mitigated emissions analysis. The conservative analysis in the DEIR does not mean that electrified equipment will not be used. On the contrary, DEIR Mitigation Measure A-1 requires the inclusion of Best Management Practices in the Construction Management Program. Best Management Practice 7 requires the use of electric power in lieu of diesel power where available. Therefore, all

equipment will be electrified where feasible and available. Additionally, Mitigation Measures A-5 and A-6 require the use of electrical equipment, where electricity is available in construction areas.

Comment G1-106.14

Tier 4 vehicles and equipment appear to be the only category researched. Tier 4 vehicles and equipment use diesel fuel, gasoline or natural gas which are still sources of Criteria Pollutants, Toxic Pollutants and Greenhouse Gases.

G1-106.14

Response G1-106.14

As explained in Response G1-106.13, in addition to the use of Tier 4 engines, use of electric power will be used wherever feasible and available.

Comment G1-106.15

There are currently Class 8, Class 7 heavy duty and medium/light duty Class 6, 5 and 4 Zero Emission Electric Trucks commercially available.

There are also Zero Emission Electric Tractors, Bull Dozer, Forklifts, Top Picks, Front Loader, Cranes, Dump Trucks and Conveyors and Excavators commercially available. Many have already been certified by the California Air Resources Board (CARB).

As a note CEQA, does not required any governmental agency approval, certification or validation for a technology to be considered for mitigation. A project sponsor is only required to perform their due diligence to validate the technology works for the proposed application.

G1-106.15

Response G1-106.15

The comment suggests, without supporting evidence, that electric off-road vehicles are commercially available for the specific construction activities and needs of the proposed project. As explained in Response G1-78.246, the proposed project is located throughout the entire Refinery and requires the equipment to be mobile throughout the entire Refinery. Electric construction equipment is limited in range by the length of the power connection. The lines needed to power construction equipment introduce safety hazards that limit the distance the equipment can operate from the power source. Therefore, use of electric equipment is not always feasible. Additionally, electric equipment available is typically much smaller in capacity (horsepower, load, volume, etc.) and are not always appropriate for the proposed project. At this time, no commercially available non-drayage off-road vehicles have been identified. However, as explained in Response G1-106.13, the proposed project will use the cleanest off-road equipment feasible and available.

The EIR did not exclude any mitigation measures solely on the grounds that the technology had not yet received governmental agency approval, certification, or validation.

Comment G1-106.16

The requirement for a government agency to provide all or part of the cost to retrofit, repower or purchase a vehicle or equipment shall not waive the requirement for the selection of feasible zero emissions vehicles and equipment. G1-106.16

Response G1-106.16

As explained in Response G1-106.10, the economic cost of a measure is an appropriate consideration in determining the feasibility of mitigation. Accordingly, Exception 2 from Air Quality Construction Mitigation Measures A-3 and A-7 on page 4-38 of the DEIR is proper. It provides an exception from the mitigation measures if, “The contractor has been awarded funding by SCAQMD or another agency that would provide some or all of the cost to retrofit, repower, or purchase a piece of equipment or vehicle, but the funding has not yet been provided due to circumstances beyond the contractor's control, and the contractor has attempted in good faith and due diligence to lease or short-term rent the equipment or vehicle that would comply with this policy, but that equipment or vehicle is not available for lease or short-term rental within 200 miles of the proposed project site, and the contractor has submitted documentation to Tesoro showing that the requirements of this Exception provision apply.” The intent of government funding is to accelerate penetration of emerging technologies into the marketplace. Therefore, if the equipment in question is available to receive funding and cannot be located within 200 miles of the Refinery, it would not be considered common in the marketplace or commercially available and relief from the mitigation is warranted.

Comment G1-106.17

Electric vehicles and equipment are also 70% to 90% near noiseless and are therefore a noise mitigation co-benefit. G1-106.17

Response G1-106.17

As explained on page 4-83 of the DEIR, no significant adverse noise impacts are expected from the proposed project during construction, so no noise mitigation measures are required.

Comment G1-106.18

CFASE request's that the Final EIR includes the research, identification and an assessment of all Zero Emission Off-Road Electric Mobile Vehicles commercially available for inclusion as a mitigation measure. G1-106.18

Response G1-106.18

As described in Responses G1-106.13 through G1-106.17, electric power will be used where feasible and available as required by the mitigation measures included in Section 4.2.3 of the DEIR. The comment provided no evidence that off-road electric mobile vehicles are available. Additionally, as explained in Response G1-106.15, no commercially available non-drayage off-road vehicles have been identified. Therefore, no additional assessment is warranted.

Comment G1-106.19

5. The DEIR Fails To Include Feasible Mitigation For New & Existing Storage Tanks

The DEIR, Tesoro and AQMD failed to disclose that technologies exist that can be incorporated as feasible Mitigation Measures that can significantly reduce petroleum product storage tank VOC's that are predominantly released through Pressure Release Devices (PRD's). The DEIR states that there will be an additional 75 tons of VOC's, of which VOC's are a major emission source of storage tanks which is unacceptable when there is feasible mitigation available. VOC's are also a source of Greenhouse Gases which have not been adequately assessed, quantified and mitigated.

G1-106.19

Response G1-106.19

The DEIR concluded that operational VOC emissions will be less than significant; therefore, mitigation is not required. Nonetheless, Appendix B-3, Attachment A, Table A-17 and Table A-18, as well as Appendix B-3, Attachment B of the DEIR fully disclose the type of control technology proposed for each tank affected by the proposed project. Storage tanks associated with the proposed project are of two types, fixed roof and floating roof tanks. Inherent to their design, fixed roof tanks have a vapor space between the surface of the liquid and the roof of the tank. This vapor space must escape (or vent) when product is added to the tank, or when temperatures increase and the vapors expand. These vapors escape through vents or PRDs affixed to the storage tanks. On the other hand, a floating roof "floats" on top of and in contact with the surface of the liquid product in a tank and thus does not have a vapor space that vents when additional product is added, or due to temperature increases. Thus, less VOC emissions are generated by floating roof tanks and they do not have vents or PRDs.

Vents/PRDs on fixed roof tanks may be connected to a vapor recovery unit (VRU or a vapor recovery system) if the vapor being collected is compatible with the VRU gases being collected. Both control techniques (fixed roof tank connected to VRU, as well as floating roof tanks) are used to mitigate emissions and are determined to satisfy BACT requirements for new and modified petroleum storage tanks.

At Carson Operations, six new floating roof tanks meeting BACT requirements are proposed to be installed. No new or modified fixed roof storage tanks are included as part of the proposed project. At Wilmington Operations, two new floating roof tanks meeting BACT requirements are proposed to be installed. Existing floating roof Tank 80079 (currently meeting BACT) will experience an increase in throughput. Existing Tanks 80060 and 80067 are proposed to modify the permit to allow increased throughput and be converted to floating roof tanks meeting BACT. Tank 80038 is an existing fixed roof storage tank proposed to modify the permit to allow increased throughput and be connected to the vapor recovery system, which satisfies BACT.

The comment asserts that VOCs are GHGs. GHGs include carbon dioxide CO₂, methane (CH₄), nitrous oxide (N₂O), and fluorinated gases (e.g., SF₆).³⁴⁷ Methane is considered a GHG, but is not considered a VOC. Methane is not typically found in refined petroleum products and is not expected to be emitted from tanks storing refined petroleum products. Traces of methane can be

³⁴⁷ U.S. EPA, <https://www.epa.gov/ghgemissions/overview-greenhouse-gases>.

found in un-stabilized crude oils; the Refinery limits its crude oil acquisitions to stabilized pipeline quality crude oil (see Response G1-78.161 and G1-78.221). Therefore, these tanks are not expected to be a source of GHG emissions.

Comment G1-106.20

Vapor Recovery Units (VRU) are an off-the-shelf technology that has up to a 99% efficiency that can be incorporated onto storage tanks to significantly reduce VOC's. The VRU reroutes and captures the escaping gasses so that they are stored, reprocessed and sold as product. Hundreds of VRU's have been installed in the US and worldwide. SCAQMD has previously approved VRU's and VRU's are currently in installed in petroleum industry in the South Coast District.

CFASE has researched and identified three VRU manufacturing companies: AEREON -Vapor & Gas Marine Recovery, John Zink Hamworthy Combustion-Carbon Adsorption Vapor Recovery Systems and Siemens-Lean Oil Absorption Process.

These three Vapor Recovery Unit technologies are the Best Available Control Technology (BACT).

G1-106.20

Response G1-106.20

VRUs are not an “off-the-shelf” technology; rather, they are complicated systems that must be custom designed for each facility in order to meet recovered vapor flow rate, density, moisture content, heat value, as well as the removal of contaminants of the gas collected. VRUs must also be designed to appropriately store and then dispense the recovered gases to appropriate locations where the recovered gases will be recycled, sold for use as product, or otherwise used as a fuel gas within a refinery. Therefore, nothing about these systems can be considered “off-the-shelf.” As indicated in Response G1-106.19, there will be only one tank in the proposed project that will be a fixed roof storage tank connected to the existing vapor recovery system after the project completion. The existing vapor recovery system achieves 99 percent control efficiency and is considered BACT for emissions control of the connected fixed roof storage tanks. A vapor recovery system and VRU both serve the same purpose which is to recover vapors from fixed roof storage tanks. Since the vapors are already recovered by the existing vapor recovery system and a blanket gas is added to fill the empty space in the fixed roof tank to protect the stored material and reduce hazards, it is not possible to install a VRU in addition to the existing vapor recovery system.

All other new or modified tanks in the project will be floating roof tanks after project completion. As explained in Response G1-106.19, a floating roof “floats” on top of and in contact with the surface of the liquid product in a tank and thus do not have a vapor space that vents when additional product is added, or due to temperature increases. Since there is no vapor space where vapors can be recovered from, a VRU or a vapor recovery system cannot be used on a floating roof tank.

Comment G1-106.21

CFASE request's that the Final EIR includes the research, identification and an assessment of all Vapor Recovery Units commercially available for inclusion as a Mitigation Measure.

G1-106.21

Response G1-106.21

As described in Response G1-106.20, since a VRU cannot be installed in addition to a vapor recovery system, and a VRU cannot be installed on a floating roof tank, no further research into VRU is necessary.

Comment G1-106.22

6. The DEIR Fails To Include Feasible Mitigation For Tesoro Marine Terminal Ship & Barge Petroleum Product Unloading-To-Shore Fugitive VOC's Emissions

The DEIR, Tesoro and AQMD failed to disclose that technologies exist that can be incorporated as feasible Mitigation Measures that can reduce fugitive VOC's emissions from petroleum products being unloaded from ships or barges to on-dock storage tanks.

CFASE has researched and identified that electric motor pumps can be built on-dock to pump petroleum products from the ship or barge to storage tanks vs using a ships auxiliary power and boilers which release Criteria Pollutants, Toxic Pollutants and VOC's.

CFASE request's that the Final EIR includes the research, identification and an assessment of electric pumps and systems commercially available for inclusion as a Mitigation Measure.

G1-106.22

Response G1-106.22

As described in Sections 2.7.2.11 and 4.2.2.2.2 of the DEIR, the proposed project will result in a decrease in transportation emissions with respect to marine vessels that deliver crude oil. Because the proposed project does not result in a significant increase of marine vessel emissions, mitigation, such as electric on-dock pumps, is not necessary. Therefore, no further research into electric on-dock pumps is necessary.

In addition, the comment provides no evidence to support the claim that electrically driven on-dock pumps could function to unload a marine vessel. The on-board pumps on a marine vessel are designed to lift the crude oil out of the hold of the marine vessel, while the on-dock pumps are designed to assist or boost the flow through pipelines and into the storage tank and compensate for pressure created as the tank is filled. Currently, Tesoro's Berth 121 at Marine Terminal 1 is the only marine oil terminal in the world that has cold ironing capability. Cold ironing means that a marine vessel can completely shut down its main engine and allow its pumps to be run by shore side electricity. Cold ironing was installed at Marine Terminal 1 as a technology demonstration, along with two dedicated crude oil tankers. Cold Ironing is used when unloading the two crude oil tankers. Marine Terminal 1 would be used by the proposed project to offload crude oil into the new Carson Crude Terminal storage tanks. However, even with cold ironing, the on-board pumps on the marine vessel are still being used (via electric

power from the dock) while electric on-dock pumps merely supplement the on-board pumps.

Comment G1-106.23

7. The DEIR Fails To Include Feasible Mitigation For Marine Vessel Emissions Such As Ship Exhaust Capture & Treatment Technologies

The DEIR, Tesoro and AQMD failed to disclose that technologies exist that can be incorporated as feasible Mitigation Measures that can capture, scrub and clean ship exhaust from Tesoro tanker ships unloading petroleum product on-dock.

G1-106.23

Ships at-anchor and at-dock exhaust release tons of Criteria Pollutants, Toxic Pollutants and VOC's.

CFASE has researched and identified that the AMECS-Advanced Marine Exhaust Capture System technology has been certified by the California Air Resources Board (CARB) for the capture and treatment of ship exhaust and is currently the Best Available Control Technology (BACT).

G1-106.23
cont'd.

The Tesoro fleet of petroleum tanker ships are currently not retrofitted to plug into electric shorepower and Tesoro has not disclosed any intention for their tanker ship fleet of owned or third party owned ships to be retrofitted in the future.

CFASE request's that the Final EIR include the AMECS technology as a Marine Vessel Emissions Mitigation Measure.

Response G1-106.23

The proposed project is expected to streamline the unloading of marine vessels, significantly reducing emissions. Therefore, no mitigation of marine vessel emissions is required. In December 2007, CARB approved the "Airborne Toxic Control Measure for Auxiliary Diesel Engines Operated on Ocean-Going Vessels At-Berth in a California Port" Regulation.³⁴⁸ The purpose of this regulation is "to reduce emissions from diesel auxiliary engines on container ships, passenger ships, and refrigerated-cargo ships while berthing at a California Port". However, fleets in other ocean-going vessel categories including tankers are not subject to this regulation. In October 2015, CARB approved AMECS as an alternative control technology to cold ironing under this specific regulation.³⁴⁹ Since tankers are excluded from this regulation, CARB has not approved AMECS for use on tankers. CARB is researching amendments to the At-Berth regulation and the possible inclusion of other vessel types, in the regulation.³⁵⁰ The CARB research includes investigating the potential use of emission control systems, fuel switching or boiler design changes, and the use of booster pumps as possible methods of reducing emissions from tanker marine vessels. The feasibility and applicability of the additional control methods has not yet been determined and regulation amendments have not yet been proposed. Meetings with the regulated community are anticipated to occur in 2017.³⁵¹

³⁴⁸ <https://www.arb.ca.gov/ports/shorepower/shorepower.htm>.

³⁴⁹ <https://www.arb.ca.gov/ports/shorepower/eo/ab-15-02.pdf>.

³⁵⁰ Personal communication with Angela Csondes, CARB, Manager Shore Power for Ocean-Going Vessels, (916) 323-4882, November 18, 2016.

³⁵¹ Personal communication with Angela Csondes, CARB, Manager Shore Power for Ocean-Going Vessels, (916) 323-4882, November 18, 2016.

Comment G1-106.24

8. The DEIR Fails To Disclose That Although the Hoteling Time For Ships At-Dock Unloading Will Decrease The Public Exposure Time To Emissions Will Increase In A Shorter Amount of Time

The DEIR, Tesoro and AQMD failed to disclose that the public will be exposed to more Criteria Pollutants, Toxic Pollutants and VOC's in a shorter amount of time while a ship is at-dock hoteling and unloading.

The DEIR failed to assess and mitigate the increased health & safety risk of public and worker exposure to Criteria Pollutants, Toxic Pollutants and VOC's in a shorter amount of time while a ship is at-dock hoteling and unloading.

CFASE request's that the Final EIR include an assessment and mitigation of the increased health & safety risk of public and worker exposure to continuous non-stop exposure for a longer period of time to Criteria Pollutants, Toxic Pollutants and VOC's while a ship is at-dock hoteling and unloading.

G1-106.24

Response G1-106.24

The comment is unsupported by any evidence that the project will result in significant increases in emissions of toxics or air pollutants, or that additional mitigation beyond that analyzed and required in the DEIR is required. As explained on pages 4-26 through 4-29 of the DEIR, the shorter amount of time while a marine vessel is at-dock hoteling and unloading will result in less marine vessel emissions associated with auxiliary engines and boilers used while hoteling. The SCAQMD's CEQA significance thresholds for air quality are based on peak daily emissions. Additionally, as described on page 4-27 of the DEIR, peak daily emissions for marine deliveries occur when the marine vessel is transiting the harbor (i.e., arriving or departing). Peak emissions do not occur during the stationary unloading of crude oil from marine vessels. Since the proposed project will not affect peak daily emissions from marine vessels, no additional impacts are anticipated and no mitigation is required.

The analysis presented on pages 4-26 through 4-29 of the DEIR is based on the annual incremental change in the volume of crude oil to be delivered and the reduction in hoteling time and presents the emissions reductions based on unloading the additional 2.2 million bbl/yr of crude oil from either a Panamax or Aframax vessel, both of which will produce fewer emissions than under current conditions and less than baseline emissions. The DEIR did not take credit for reductions in anchorage and hoteling emissions because the extent of the reductions cannot be accurately quantified without knowing the mix of marine vessels calling. Therefore, the CEQA significance determination for air quality in Table 4.2-4 represents a "worst-case" analysis of the proposed project because emissions reductions from marine vessels would further reduce the impacts of the proposed project.

As explained in more detail in Response G1-78.180, there will be emission reductions from reduced hoteling while at anchor, and no change in peak daily emissions associated with the proposed project. Therefore, the public will not be exposed to more emissions as claimed in the comment since the peak daily emissions remain the same while the number of days of hoteling will be reduced.

Comment G1-106.25

9. Tesoro Cannot Claim Air Pollution Emission Reduction Credits (ERC's) For The Shutdown Of The Wilmington FCCU Because It Was A Condition Of The California Attorney General Merger Approval

The DEIR fails to disclose to the public and decision makers that the pollution credits (Emission Reduction Credits-ERC's) it is referring to and intend to apply to offset emission impacts did not come about of its intent to reduce emissions but, in fact is a condition of the merger approved by the California Attorney General.

CFASE request's that the Final EIR include a complete disclosure of this information and the requirement for Tesoro to include additional Mitigation Measures.

G1-106.25

Response G1-106.25

As described in Master Response 13, the comment incorrectly claims that the shutdown of the Wilmington Operations FCCU was a condition of approval for Tesoro's acquisition of the BP Carson Refinery and ARCO branded service stations, and therefore, the baseline for air quality impacts should not include emissions from the Wilmington Operations FCCU. Consistent with applicable law, the District properly concluded that the baseline includes the existing operation of the Wilmington Operations FCCU. The Federal Trade Commission and the California Attorney General both reviewed Tesoro's proposed acquisition to ensure that the acquisition would not violate federal and state antitrust laws. After a nine-month review, on May 17, 2013, the agencies announced that they had resolved any potential antitrust concerns with the proposed acquisition.

During the antitrust review process, Tesoro submitted documents to the FTC and the California Attorney General stating that Tesoro intended to make certain modifications at the combined Refinery that would allow Tesoro to achieve specified "synergies" between the Wilmington and Carson Operations. Among other changes, Tesoro explained, Tesoro planned to replace some of the combined Refinery's fluid catalytic cracking unit ("FCCU") capacity with additional hydrotreater capacity.

In connection with her approval of the acquisition, the Attorney General entered into an agreement with Tesoro. In this agreement Tesoro agreed to maintain CARBOB capacity for three years, maintain the ARCO brand, and not eliminate jobs for a period of two years. Tesoro also agreed to provide an annual report on the actions taken to achieve the specified synergies, including actions designed to replace FCCU capacity with hydrotreater capacity.³⁵²

Thus, it is not accurate to say that the Attorney General required Tesoro to shut down the Wilmington Operations FCCU as a condition of approval. Rather, the Attorney General required Tesoro to provide an annual report on the implementation of Tesoro's existing plans to modify the combined Refinery by, among other things, replacing FCCU capacity with hydrotreater

³⁵² See Attachment E, Kathleen Foote for Kamala Harris, letter to Robert Weisenmiller, May 17, 2013. In the letter, the Attorney General uses the term "distillate desulfurization unit" to refer to additional hydrotreating capacity. The letter notes that replacing FCCU capacity with "desulfurization" capacity will benefit the environment by reducing emissions and greenhouse gases.

capacity. Moreover, operation of the Wilmington Operations FCCU is part of the baseline environmental conditions and the proposed project enables the Wilmington Operations FCCU to be shutdown.

As explained in Section 4.2.2.2 and Table 4.2-4 of the DEIR and Master Response 13, emission reductions are appropriately credited to the proposed project. Further information about the purchase of the BP Carson Refinery by Tesoro can be found on Page 2-1 of the DEIR. Section 4.2.2.2 of the DEIR explains that the proposed project will result in regional and local reductions in CO emissions and local reductions of operational NO_x, SO_x, PM₁₀, and PM_{2.5} emissions. The increase in operational VOC emissions associated with the proposed project was found to be less than significant. The proposed project will result in local reductions in GHG emissions as discussed in Section 5.2 of the DEIR and as summarized in Table 5.2-8 (see page 5-26 of the DEIR).

Therefore, the DEIR properly analyzed the proposed project's impacts. Also, the ERCs used to offset emission increases will not be derived from the shutdown of the FCCU but are other ERCs Tesoro owns.

Comment G1-106.26

10. The DEIR States Tesoro Plan To Purchase Emission Reduction Credits (ERC's) Instead Of Incorporating On-Site Mitigation Measures To Reduce Emission Releases Which Is Unacceptable

The Draft EIR fails to disclose that Tesoro is refusing to invest in new emission prevention and emission capture technologies but is willing to spend millions of dollars on ERC's which allow them to do nothing to reduce emissions at either the Carson or Wilmington Operations which is unacceptable to the public.

CFASE has already identified technologies in these public comments which are feasible and will reduce, capture and treat emissions.

CFASE request's that the Final EIR includes the research, identification and an assessment of technologies commercially available for inclusion as Mitigation Measures.

G1-106.26

G1-106.26
cont'd.

Response G1-106.26

See Response G1-78.211 regarding the shutdown of the Wilmington Operations FCCU that will generate emission reductions. SCAQMD rules and regulations require the use of ERCs to offset any emission increases that may potentially be generated by a new or modified permit unit. This is to ensure, pursuant to state and federal new source review requirements, that the air basin, as a whole sees an overall reduction in emissions. ERCs owned by the Refinery were mostly generated from prior equipment shutdowns, and are intended to be used to offset emission increases from the proposed project. All new or modified equipment requiring SCAQMD permits will use BACT. ERCs are not a substitute for reducing pollution but must be surrendered to SCAQMD to offset remaining emission increases even after BACT is applied.

The comment refers to suggested mitigation measures in previous comments G1-106.7 through G1-106.25 and those have been responded to in the corresponding responses.

Comment G1-106.27

11. The DEIR Cumulative Impact Assessment Is Inadequate Because All Emission Sources Were Not Identified, Not Assessed & Relies On False Assumptions

The DEIR includes in its Cumulative Operational Emissions Table 5.2-2 that the Port of Los Angeles BNSF SCIG Project will result in the reduction of Criteria Pollutants and VOC's in the area which is not true. The Final EIR for the Port of Los Angeles BNSF SCIG Project significantly underestimated Criteria Pollutants, Toxic Pollutants and VOC's, the Final EIR failed to identify all emission sources and the Final EIR failed to investigate and validate public comments of areas where emissions were underestimated.

The Cumulative Impact Assessment failed to include numerous other emission sources and projects in the harbor area. Some of the projects omitted were the Port of Los Angeles China Shipping Terminal Expansion Project, Evergreen Terminal Expansion, MOTEMS Petroleum Terminal Upgrade Projects at ExxonMobil Marine Terminal, Shell Marine Terminal, ConocoPhillips, Nustar Energy, Valero and Vopak Terminal. In addition the Port of Long Beach MOTEMS Petroleum Marine Terminals Upgrades at Tesoro Logistics Operations, Chemoil Marine terminal, Petro-Diamond and Vopak Terminal Long Beach.

Others projects include the Desmond Bridge Replacement, San Pedro Waterfront and Wilmington Waterfront Projects, LA County Sanitation Department Projects and numerous Kaiser Permanente Hospital Projects.

CFASE request's that the Final EIR includes the research, identification and an assessment of other area of Tesoro construction projects and operations which would increase the Cumulative Impacts to residents and workers in the Harbor area.

G1-106.27

Response G1-106.27

Response G1-81.95 addresses the issue described in the comment regarding the SCIG project cumulative impacts analysis for operational emissions in the DEIR. The accuracy of the emissions analysis for the SCIG project is not relevant to the DEIR analysis because the DEIR did not consider emission reductions associated with the SCIG project when assessing the proposed project's cumulative impacts. Emissions from cumulative projects, such as the SCIG project, were reported in the DEIR for informational purposes, but were not added together in order to determine cumulative impacts. As explained in Master Response 16, the operational emissions of the proposed project were calculated according to SCAQMD policy and are below significance thresholds for all pollutants and thus, are not considered cumulatively considerable.

As described in Section 5.1.2.2 of the DEIR, the geographic scope for the cumulative analysis is limited to approximately one-mile radius of the proposed project. Therefore, the requested action in the comment, that SCAQMD include assessment of certain listed projects in its cumulative impact analysis of emissions, is not necessary given these projects are outside of the one-mile radius and how the DEIR assesses cumulative air quality impacts. As referenced above and explained in Master Response 16, the DEIR concludes that the proposed project's impacts on air quality are cumulatively significant only if SCAQMD's modeling finds that the proposed project itself will significantly impact air quality. This policy is appropriate for air quality impacts because project-specific air emissions are already evaluated in the SCAQMD's Air Quality Management Plan and regional programs like RECLAIM on a cumulative basis in the

context of emissions occurring Basin-wide. In effect, project-specific analysis is already cumulative because its modeling examines the impact of a project in the context of existing and future conditions that incorporates other contributors to that impact. Under this SCAQMD policy, which has been upheld by the courts, the DEIR's conclusions regarding the proposed project's cumulative emissions impacts appropriately use the proposed project's air quality impacts and need not incorporate emissions from a list of projects and sources during a standalone cumulative analysis in the manner set out in the comment. All relevant emissions have already been incorporated into the DEIR's air quality assessment for the proposed project, and on the basis of this assessment, the DEIR reached supported conclusions that the proposed project: (1) will cause unavoidable cumulatively significant air quality impacts during construction (due to VOC, NO_x, and localized NO₂ emissions); and (2) will not cause cumulatively significant operational impacts (the proposed project results in neutral or reduced criteria pollutant levels).

Comment G1-106.28

12.A Review Of The Tesoro Wilmington Operations Emissions History & Compliance Reveal That AQMD Rules Have Failed to Reduce Emissions To Less Than Significant & Failed To Change Tesoro's Compliance To Non-Violations

Criteria Pollutants

In our study of 16 years of Tesoro annual Criteria Pollutants emissions reporting has revealed the following:

1. There has been no significant decrease in Criteria Pollutants in the last 5 years.
2. In a review of a sample of Criteria Pollutant chemicals the following have increased since 2000 to 2015:

a. CO	199 Tons	-	450 Tons	(+ 226.1 %)
b. PM	211 Tons	-	215 Tons	(+ 101.8 %)

3. In a review of a sample of chemicals the following ranged from their lowest to the their highest:

(Why was there a significant increase from their lowest year?)

c. CO	118 Tons	-	596 Tons	(+ 505.0 %)
d. NOX	575 Tons	-	1,107 Tons	(+ 192.5 %)

G1-106.28

APPENDIX G1: RESPONSE TO COMMENTS

e. ROG/VOC	199 Tons	-	373 Tons	(+ 187.4 %)
f. SOX	163 Tons	-	995 Tons	(+ 610.4 %)
g. PM	150 Tons	-	397 Tons	(+ 264.6 %)

Toxic Pollutants

In our study of 16 years of Tesoro annual Toxic Pollutant Emissions Reporting has revealed the following:

1. There has been no significant decrease in Toxic Pollutants in the last 5 years.
2. In a review of a sample of Toxic Pollutant chemicals the following have increased since 2000 to 2015:

a. 1,3-Butadine	226 lbs	-	264 lbs.	(+ 16.8 %)
b. Ammonia	91,356 lbs	-	115,663 lbs	(+ 26.6 %)
c. Ethyl Benzene	755 lbs	-	940 lbs	(+ 24.5 %)
d. Formaldehyde	624 lbs	-	6,919 lbs	(+ 1,108.8 %)
e. Hydrochloric Acid	4,789 lbs	-	9,421 lbs	(+ 196.7 %)
f. Hydrogen Sulfide	4,544 lbs	-	15,437 lbs	(+ 339.7 %)
g. Lead	12 lbs	-	26 lbs	(+ 216.6 %)
h. Methanol	631 lbs	-	8,926 lbs	(+ 1,414.5 %)
i. Napthalene	1 lb	-	228 lbs	(+ 228.0 %)
j. Selenium	668 lbs	-	918 lbs	(+ 137.4 %)
k. Toluene	6,587 lbs	-	8,456 lbs	(+ 128.3 %)
l. Xylenes	58 lbs	-	1,771 lbs	(+ 3,053.4 %)

3. In a review of a sample of chemicals the following ranged from their lowest to the their highest:

(Why was there a significant increase from their lowest year?)

a. 1,2,4-Trimethybenzene	637 lbs	-	1,270 lbs	(+ 199.3 %)
b. 1,3-Butadine	120 lbs	-	560 lbs.	(+ 466.6 %)
c. Ammonia	53,107 lbs	-	263,989 lbs	(+ 497.0 %)
d. Benzene	1,173 lbs	-	41,547 lbs	(+ 3,541.9 %)
e. Ethyl Benzene	755 lbs	-	940 lbs	(+ 124.5 %)
f. Formaldehyde	624 lbs	-	6,919 lbs	(+ 1,108.8 %)
g. Hexane	5,640 lbs	-	12,282 lbs	(+ 217.7 %)
h. Hydrochloric Acid	4,789 lbs	-	11,466 lbs	(+ 239.4 %)
i. Hydrogen Sulfide	2,306 lbs	-	15,437 lbs	(+ 669.4 %)
j. Lead	12 lbs	-	26 lbs	(+ 216.6 %)
k. Methanol	631 lbs	-	8,926 lbs	(+ 1,414.5 %)
l. Methyl Chloroform	301 lbs	-	1,283 lbs	(+ 426.2 %)
m. Napthalene	1 lb	-	584 lbs	(+ 584.0 %)
n. Nickel	37 lbs	-	150 lbs	(+ 405.4 %)
o. Perchloroethylene	8 lbs	-	12,000 lbs	(+ 150,000.0 %)
p. Selenium	533 lbs	-	918 lbs	(+ 172.2 %)
q. Toluene	5,239 lbs	-	8,456 lbs	(+ 161.4 %)
r. Xylenes	58 lbs	-	3,097 lbs	(+ 5,339.6 %)

Notices of Violations

1. In the last 5 years (2011-2015) Tesoro was issued 21 Notices of Violations and averaged 4.2 Notices of Violations per year.
2. In the previous 5 years (2006-2010) Tesoro was issued 23 Notices of Violations and averaged 4.6 Notices of Violations per year.
3. In the previous 5 years (2000-2005) Tesoro was issued 20 Notices of Violation and averaged 4 Notices of Violations per year.

G1-106.28
cont'd.

4. In the last 10 years Tesoro was issued 44 Notices of Violation and averaged 4.4 Notices of Violations per year.
5. In the past 15 years (2001-2015) Tesoro was issued 64 Notices of Violation and averaged 4.2 per year.
6. In the last 16 years Tesoro has had only 1 year (2006) with no Notices of Violation issued to them.

Notices to Comply

1. In the last 5 years (2011-2015) Tesoro was issued 4 Notices to Comply and averaged .8 Notices to Comply per year.
2. In the previous 5 years (2006-2010) Tesoro was issued 11 Notices to Comply and averaged 2.2 Notices to Comply per year.
3. In the last 10 years Tesoro was issued 15 Notices to Comply and averaged 1.5 Notices to Comply per year.
4. Data was not available on the AQMD website for NA years.

Flare Emissions Data

1. There is a significant difference of 389.2% increase from the lowest Flare Emissions Year and worst highest Flare Emissions Year.
2. SOX has been increasing the last 4 years after a significantly steady 5 year annual decline.
3. There was a slight increase in ROG and CO in the last 2 years.
4. There was no significant decrease in PM and NOX the last 2 years

G1-106.28
cont'd.

Response G1-106.28

The comment appears to list a selected history of Wilmington Operations emissions and compliance data by comparing to SCAQMD's Facility Information Detail (FIND) database. The majority of the data incorrectly calculates the percentage difference (i.e., the percent difference is the (end value – start value)/start value*100, not end value/start value*100 as presented, which overstates the result by 100 percent). The comparison of historic data is not relevant to future activities because the conditions that generated the historic data may not be representative of future trends. Additionally, SCAQMD has been more prescriptive in emission calculation methodologies and more inclusive of sources over time. As explained in Section 4.1.2 of the DEIR, Refinery operations vary, which results in fluctuating emissions levels as depicted in the data presented in the comment. According to Tesoro, for the years under Tesoro ownership, the variability in yearly emissions is primarily attributed to operational variability such as unit turnarounds (unit shutdowns for maintenance). The SCAQMD rules and regulations are designed to control emissions and achieve air quality goals, while the SCAQMD CEQA significance thresholds apply to project-specific impacts. The operational emissions of the proposed project were determined to be less than significant (see DEIR Table 4.2-4).

With respect to the flare emissions data, the comment provides no basis for the analysis. Figure 106.28-1 presents the reported flare emissions for the Wilmington Operations from 2007 through 2015. The data do not corroborate the unsupported statements made in the comment regarding flaring. See also Master Response 15 and Response G1-78.207 that explains the variability of flaring and the restrictions imposed by SCAQMD Rule 1118.

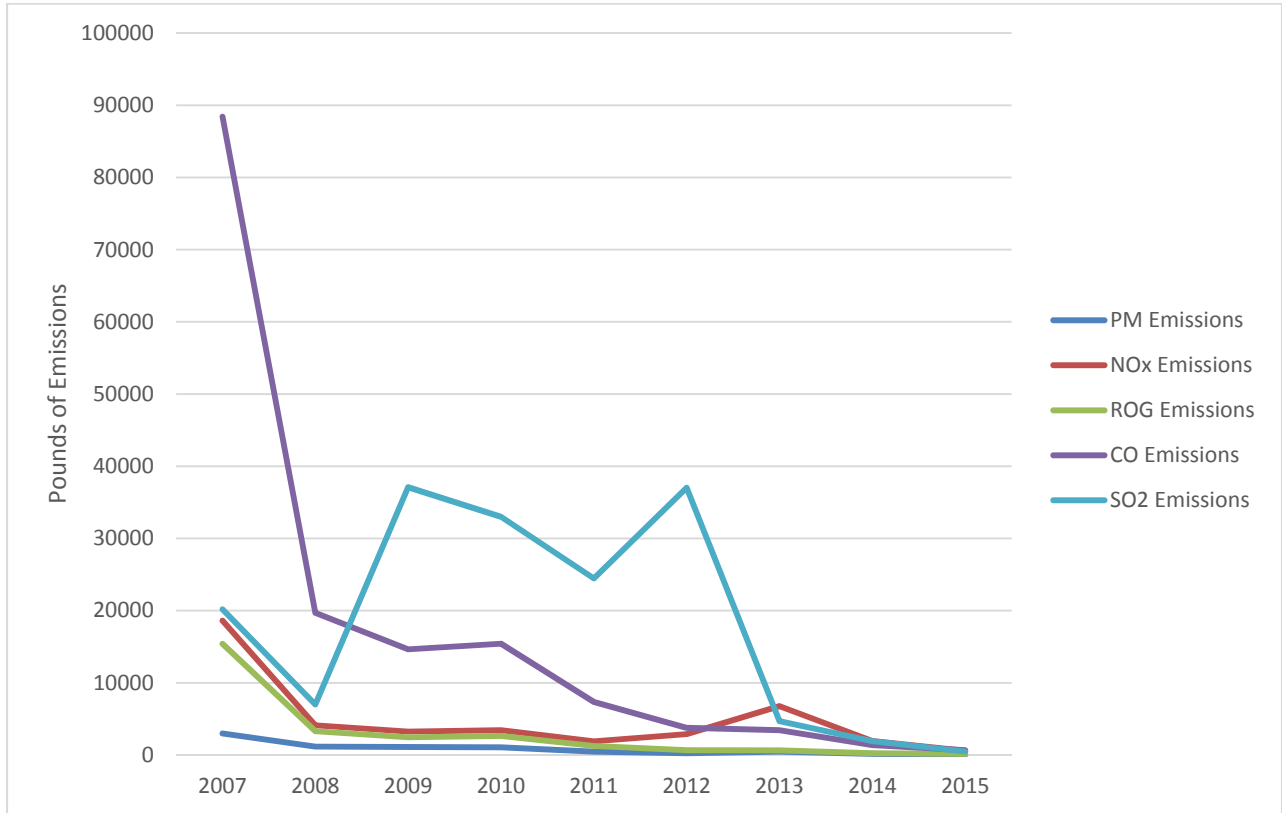


Figure 106.28-1
Historical Flaring Emissions for the Wilmington Operations
(2007 – 2015)

Comment G1-106.29

13. The DEIR and Title V Permit Fail To Adequately Protect Environmental Justice Communities and Federally Protected Class Groups

The DEIR and SCAQMD Title V Permit fail to protect Environmental Justice Communities and Federally Protected Class Groups from being exposed to excessive criteria and toxic pollutants emissions. The SCAQMD rules, past permits and current proposed Title V Permit revisions fail to significantly reduce Criteria Pollutants, Toxic Pollutants and VOC emissions in Environmental Justice Communities and Federally Protected Class Groups communities.

The SCAQMD executive officer and staff have failed to request that the SCAQMD Board adopt stricter criteria and toxic air pollutant standards and rules.

The SCAQMD has failed to request that the California EPA and Air Resources Board adopt stricter criteria, toxic pollutant and HAPs standards and rules.

Environmental Justice Communities have a significant and disproportionate increased environmental impact, public health risk and public safety risk. The DEIR and Title V Permit as proposed are an act of Environmental Racism.

The Tesoro Refining & Marketing Company - Los Angeles Refinery Title V Permit fails to consider the Cumulative Impact of other major Criteria Pollutants, Toxic Pollutant, VOC's and HAPs sources in and bordering the proposed merger facilities.

The current SCAQMD RECLAIM and Emission Reduction Credits Trading Program has failed to significantly reduce criteria & toxic pollutants at the Tesoro Refining & Marketing Company - Los Angeles Refinery thereby causing significantly environmental and public health impacts in the local Environmental Justice and protected class group communities bordering or near or downwind of the facility.

The Title V Permit fails to guarantee that the SCAQMD will act promptly and properly upon any existing or future discovered non-compliance. Tesoro Refining & Marketing Company - Los Angeles Refinery is currently in non-compliance of the Clean Air Act and Title V. SCAQMD has failed to initiate enforcement actions such as: permit termination, permit revocation,

reissuance, modification or revision, or denial of a permit renewal application and civil or criminal penalties per **40 CFR Part 70.6(a)(6)(i)**.

G1-106.29

G1-106.29
cont'd.

Response G1-106.29

The comment that SCAQMD rules have failed to reduce Refinery emissions to less than significant and change Refinery compliance to non-violations is unsupported opinion that does not raise issues related to the proposed project or the DEIR. Therefore, no response is necessary under CEQA.

However, as reported in the SCAQMD Annual RECLAIM Audit Report for 2014 Compliance Year, the RECLAIM program has reduced overall NOx emissions from 1994 thru 2014 by approximately 71% and overall SOx emissions for the same period by approximately 70%. Furthermore, an amendment to SOx RECLAIM will result in additional SOx allocation reduction of approximately 48.4% (or 5.7 tons/day) from 2013 through 2019. In addition, an amendment to NOx RECLAIM adopted in 2015 will result in additional NOx allocation reduction of approximately 45.3% (or 12 tons/day) when fully implemented for compliance year 2022 and beyond. These RECLAIM emissions and allocation reductions are from all facilities subject to RECLAIM including Tesoro and other facilities located near environmental justice communities.

A detailed response that the DEIR addresses environmental justice issues can be found in Master Response 14.

Chapter 5 of the DEIR fully analyzes cumulative impacts. A more detailed response regarding the adequacy of the cumulative impacts associated with the proposed project can be found in Master Response 16.

The comment also states, without supporting evidence, the Title V Permit fails to guarantee that the SCAQMD will act promptly and properly upon any existing and future noncompliance, noting that the Refinery is currently in non-compliance and the SCAQMD has failed to initiate enforcement actions. Regardless, claims of prior non-compliance are not relevant to CEQA analysis because its environmental review process is not concerned with enforcement.³⁵³ Further, it is appropriate for an EIR to conduct its analysis relying on future compliance with lawful obligations such as laws and regulations.³⁵⁴ As of January 13, 2017, SCAQMD's FIND database showed Tesoro (Wilmington and Carson Operations) as "in compliance" with all previously issued notices of violation.

Comment G1-106.30

The Coalition For A Safe Environment et al co-signature organizations and individual respectfully file these Public Comments on behalf of our members, organization affiliations and the public and request that all actions requested herein be accepted and included in the Final EIR and Title V Permit.

Jesse N. Marquez is the designated contact person for all co-signatories organizations and individual for all future correspondence, information, questions, hearings and meetings. All co-signatories and individual reserve their rights to participate in all future meetings, discussion, actions, mediation and negotiations.

G1-106.30

Response G1-106.30

The comments in this letter have been responded to in Reponses G1-106.1 through G1-106.29. The comment has been noted and is included in the FEIR.

³⁵³ See, e.g., *Eureka Citizens for Responsible Gov't v. City of Eureka* (2007) 147 Cal.App.4th 357, 370-71; *Fat v. County of Sacramento* (2002) 97 Cal.App.4th 1270, 1280 (2002) (noting the "practical problems in mixing review with enforcement").

³⁵⁴ *Oakland Heritage Alliance v. City of Oakland* (2011) 195 Cal.App.4th 884, 906 ("[A] condition requiring compliance with regulations is a common and reasonable mitigation measure, and may be proper where it is reasonable to expect compliance."); *Citizens for a Sustainable Treasure Island v. City & County of San Francisco* (2014) 227 Cal.App.4th 1036, 1059-60 (Courts have interpreted the Guidelines as "specifically recogniz[ing] that mitigation measure requiring adherence to regulatory requirements or other performance criteria are permitted.") (citing CEQA Guideline § 15126.4(a)(1)(B)).

Comment Letter No. G1-107

From: estelibr@gmail.com [estelibr@gmail.com]
Sent: Friday, June 10, 2016 11:58 PM
To: Jillian Wong
Subject: Comments Opposing Approval of both the Draft Environmental Impact Report (DEIR) and the Title V Permit for the Tesoro Los Angeles Refinery Integration and Compliance Project (LARIC)

Dear Ms. Wong,

I am greatly concerned that the addition of massive storage tanks will pose a serious threat to the community of Wilmington. What's more, Tesoro's stated intention to store a specific type of oil called Bakken is seriously alarming, given the many explosions that have occurred transporting this oil. It is highly volatile and I do not want it in our community- it is also more polluting than conventional oils, and our community should no longer have to suffer the consequences of fossil fuel contamination that give our children asthma and cripple the livelihoods of all ages. We need protection, and a safe environment to live, as is our human right. Fossil fuel industry, with the extreme harm it imposes on our environment and health, should no longer be given such generous considerations as the Draft Environmental Impact Report states, in saying there are no significant risks for storing 3.8 billion new barrels of crude oil in our community, and which will very likely be Bakken. It is obvious to us as community members that it is the best option to halt the massive expansion of oil storage.

G1-107.1

We need all the support we need in moving to a clean, healthy, renewable form of energy, not allowing fossil fuel industries like Tesoro to expand at the expense of ordinary working-class citizens, our children and our health. Remember that in the environment, there is no "away", and when the AQMD allows fossil fuel industry to proceed with pollution, that pollution will not remain in Wilmington alone. The increased pollution, especially from the burning of Bakken, spreads throughout our region, our state, our country and the world. Take a stand now to safeguard our common home- please, join us in saying NO to Tesoro refinery expansion! We want an accurate EIR.

G1-107.2

Sincerely,
Esteli Bowman-Rivera

Response to Comment Letter No. G1-107

Esteli Bowman-Rivera

Comment G1-107.1

I am greatly concerned that the addition of massive storage tanks will pose a serious threat to the community of Wilmington. What's more, Tesoro's stated intention to store a specific type of oil called Bakken is seriously alarming, given the many explosions that have occurred transporting this oil. It is highly volatile and I do not want it in our community- it is also more polluting than conventional oils, and our community should no longer have to suffer the consequences of fossil fuel contamination that give our children asthma and cripple the livelihoods of all ages. We need protection, and a safe environment to live, as is our human right. Fossil fuel industry, with the extreme harm it imposes on our environment and health, should no longer be given such generous considerations as the Draft Environmental Impact Report states, in saying there are no significant risks for storing 3.8 billion new barrels of crude oil in our community, and which will very likely be Bakken. It is obvious to us as community members that it is the best option to halt the massive expansion of oil storage.

G1-107.1

Response G1-107.1

As explained in detail in Sections 2.5.3 and 2.5.4 and Appendix F of the DEIR, Master Response 4, and Response G1-78.94, the Refinery is currently processing a blend of various crude oils and will continue to do so with or without the proposed project. The proposed project is not designed to facilitate a change in the crude oil blend processed by the Refinery, except to the extent that the DCU H-100 heater permit revisions may allow processing of a slightly heavier crude oil blend.

The DEIR analyzed the potential increase in crude oil processing of up to 6,000 bbl/day associated with the modification of the DCU H-100 heater permit description. The increase in crude oil processing rate is not related to any specific crude oil source. Master Response 4 explains that the Refinery's sources of crude oils have and will continue to vary with or without the proposed project. By using worst-case crude oil properties (see Response G1-78.157), the DEIR fully analyzed the potential impacts associated with storing various crude oils in the new and replacement storage tanks and with transferring various crude oils via the associated piping. There would be no additional impacts, beyond those analyzed in the DEIR, for the new and replacement storage tanks if different light or heavy crude oil is processed at the Refinery (see Section 4.2.2.2 of the FEIR). The proposed project does not facilitate or encourage sourcing crude oil from any particular location. In other words, the improved offloading efficiency provides a benefit regardless of the type of crude oil transported by marine vessel equally.

Light and heavy crude oil is currently delivered, stored, and processed at the Refinery and will continue to be delivered, stored, and processed with or without the proposed project. The impact analysis in the DEIR accounts for the variety of crude oils that have been and will be handled by the Refinery. For example, the TAC concentrations of crude oils in storage tanks associated with the proposed project were based on a worst-case hybrid analysis of the toxic content of the crude oils currently and potentially processed at the Refinery, including Bakken and heavy Canadian crude oil. The hybrid TAC speciation was prepared by selecting the highest concentration of each toxic compound from the entire speciated data set of all the crude oils analyzed.

As explained in subsequent responses, which are listed in Table 78-94.1, Bakken and heavy Canadian crude oils are similar to other light and heavy crude oils currently processed by the Refinery. As described in Master Response 4, and Response G1-78.150, in the future, as now, any Bakken or heavy Canadian crude oils processed would have to be combined with other crude oils to create a crude oil blend that matches the Refinery's processing capabilities and permit limitations. This is what has occurred with Bakken, heavy Canadian, and many other heavy and light crude oils that were utilized in the baseline period, and is what will continue after implementation of the proposed project. It is correct to say that Tesoro makes ongoing efforts to provide "advantaged crude oil", as that term is used by Tesoro (i.e., any economically advantaged crude oil capable of being processed at each of Tesoro's refineries). Providing "advantaged crude oil" to Tesoro refineries, including the Los Angeles Refinery, is occurring independent of the proposed project. Any increased use of Bakken or heavy Canadian crude oils, or any other specific crude oils, would not be caused by the proposed project. The proposed project's impacts were analyzed in detail using worst-case assumptions (e.g., the maximum vapor pressure of crude oil allowable by SCAQMD rules), which accounts for any impacts from increased use of Bakken or heavy Canadian crude oil. Response G1-78.111 specifically addresses crude oil corrosivity. Responses G1-81.65 and G1-81.67 address greenhouse gases and crude oil production.

As explained in Master Response 3, the DEIR fully analyzed and disclosed the proposed project's potential health impacts from all pollutants. The proposed project's potential cancer and non-cancer human health impacts, including asthma and other respiratory illnesses, were analyzed in the DEIR, and determined to be less than significant. The estimated cancer risk due to the operation of the proposed project was found to be less than the SCAQMD's cancer risk significance threshold of ten in one million (see DEIR Section 4.2.2.5). The non-cancer chronic and acute hazard indices were found to be below the SCAQMD's non-cancer chronic and acute hazard index threshold of 1.0. Therefore, the proposed project is not expected to cause a significant adverse health impact.

Section 3.3.6 of the DEIR describes existing Refinery safety systems at the Tesoro Refinery. As explained in Section 4.3 and Appendix C of the DEIR and Master Response 9, the proposed project has been fully analyzed for hazard impacts based on a worst-case consequence analysis. This includes proposed project equipment, including pipelines and storage tanks, and process units regardless of the cause of release (e.g., human error, equipment failure, sabotage, terrorism, natural disaster, or civil uprising). The DEIR found that hazards associated with the Naphtha Isomerization Unit, new crude oil storage tanks, the SARP, and interconnecting pipelines are potentially significant based on worst-case release scenarios.

The hazard analysis takes a worst-case approach by assuming that the entire contents of a tank or other equipment would rapidly be released, and that no safety measures are implemented that could reduce the severity of an accidental release. It is expected that hazard impacts would be less than analyzed because the Refinery has safety measures in place and specified employees are trained regarding safety measures. Further, the DEIR imposes measures to mitigate hazard impacts (see Section 4.3.3 of the DEIR). Finally, as described in Section 3.3.7 of the DEIR, the Refinery is subject to many laws and regulations that address safety and emergency responses in

the event of an accident. Nonetheless, the DEIR conservatively concluded that hazard impacts would remain significant.

The comment regarding opposition to the new storage tanks has been noted and no response is necessary.

Comment G1-107.2

We need all the support we need in moving to a clean, healthy, renewable form of energy, not allowing fossil fuel industries like Tesoro to expand at the expense of ordinary working-class citizens, our children and our health. Remember that in the environment, there is no "away", and when the AQMD allows fossil fuel industry to proceed with pollution, that pollution will not remain in Wilmington alone. The increased pollution, especially from the burning of Bakken, spreads throughout our region, our state, our country and the world. Take a stand now to safeguard our common home- please, join us in saying NO to Tesoro refinery expansion! We want an accurate EIR.

G1-107.2

Response G1-107.2

The comment regarding clean renewable energy is outside the scope of the proposed project and, therefore, does not pertain to the environmental analysis in the DEIR. No further response is necessary under CEQA.

Although the proposed project includes adding new storage tanks, this component of the proposed project would not increase the crude oil throughput capacity at the Refinery. Instead, the new crude oil storage tanks would allow the Refinery to reduce transportation emissions associated with marine vessels that deliver crude oil. As explained in the DEIR (see pages 4-26 through 4-29) and Master Response 6, the proposed project will increase the crude oil storage capacity at the Refinery, which will reduce the amount of time that marine vessels spend at the Port and the associated emissions.

Master Response 6 explains that the volume of available crude oil storage capacity has no bearing on Refinery crude oil processing capacity. The proposed project would not create a new or larger refinery or result in a substantial increase of crude oil throughput capacity. It would further integrate the Refinery's Carson and Wilmington Operations.

Sections 2.7.1.3 and 4.1.2.1 of the FEIR describe the potential 6,000 bbl/day crude oil throughput increase that could be accommodated with the DCU H-100 heater permit revision. The potential impacts of this crude oil capacity increase are fully analyzed in Chapter 4 of the DEIR. Master Response 7 further explains that the proposed project is not an expansion of the Refinery.

As explained in Section 4.2.2.2 of the DEIR, upon completion, the proposed project will result in regional and local reductions in CO emissions and local reductions of operational NOx, SOx, PM10, and PM2.5 emissions. The increase in operational VOC emissions associated with the proposed project was found to be less than significant. The proposed project emissions are described in detail in Section 4.2 of the DEIR and are summarized in Table 4.2-4 (see pages 4-16 through 4-18). The proposed project will result in local overall reductions in GHG emissions, as described in Section 5.2 of the DEIR and summarized in Table 5.2-8 (see page 5-26).

As discussed in G1-107.1, the DEIR fully analyzed and disclosed the proposed project's potential health impacts from all pollutants. The proposed project's potential cancer and non-cancer human health impacts, including asthma and other respiratory illnesses, were analyzed in the DEIR, and determined to be less than significant. As discussed in Response G1-107.1, the proposed project has been fully analyzed for hazard impacts based on a worst-case consequence analysis.

Finally, the comment requests an accurate DEIR. The comment does not identify in what way the DEIR may be inaccurate. The DEIR for the proposed project complies with all relevant requirements of CEQA including the requirement that an EIR be an informational document which will inform public agency decision makers and the public generally of the significant environmental effect of a project, identify possible ways to minimize the significant effects, and describe reasonable alternatives to the project (CEQA Guidelines §15121(a)). Further, pursuant to CEQA Guidelines § 15126.2, an EIR shall identify and focus on the significant environmental effects of the proposed project. In assessing the impact of a proposed project on the environment, the lead agency should normally limit its examination to changes in the existing physical conditions in the affected area as they exist at the time the notice of preparation is published, or where no notice of preparation is published, at the time environmental analysis is commenced. Direct and indirect significant effects of the proposed project on the environment shall be clearly identified and described, giving due consideration to both the short-term and long-term effects. Therefore, contrary to the comment, the environmental analysis in the DEIR is not inaccurate.

Comment Letter No. G1-108

Dear Mr. Luong,

I am greatly concerned that the addition of massive storage tanks will pose a serious threat to the community of Wilmington. What's more, Tesoro's stated intention to store a specific type of oil called Bakken is seriously alarming, given the many explosions that have occurred transporting this oil. It is highly volatile and I do not want it in our community- it is also more polluting than conventional oils, and our community should no longer have to suffer the consequences of fossil fuel contamination that give our children asthma and cripple the livelihoods of all ages. We need protection, and a safe environment to live, as is our human right. Fossil fuel industry, with the extreme harm it imposes on our environment and health, should no longer be given such generous considerations as the Draft Environmental Impact Report states, in saying there are no significant risks for storing 3.8 billion new barrels of crude oil in our community, and which will very likely be Bakken. It is obvious to us as community members that it is the best option to halt the massive expansion of oil storage.

We need all the support we need in moving to a clean, healthy, renewable form of energy, not allowing fossil fuel industries like Tesoro to expand at the expense of ordinary working-class citizens, our children and our health.

Remember that in the environment, there is no "away", and when the AQMD allows fossil fuel industry to proceed with pollution, that pollution will not remain in Wilmington alone. The increased pollution, especially from the burning of Bakken, spreads throughout our region, our state, our country and the world. Take a stand now to safeguard our common home- please, join us in saying NO to Tesoro refinery expansion! We want an accurate EIR.

Sincerely,
Esteli Bowman-Rivera

G1-108.1

Response to Comment Letter No. G1-108

Esteli Bowman-Rivera

Comment G1-108.1

I am greatly concerned that the addition of massive storage tanks will pose a serious threat to the community of Wilmington. What's more, Tesoro's stated intention to store a specific type of oil called Bakken is seriously alarming, given the many explosions that have occurred transporting this oil. It is highly volatile and I do not want it in our community- it is also more polluting than conventional oils, and our community should no longer have to suffer the consequences of fossil fuel contamination that give our children asthma and cripple the livelihoods of all ages. We need protection, and a safe environment to live, as is our human right. Fossil fuel industry, with the extreme harm it imposes on our environment and health, should no longer be given such generous considerations as the Draft Environmental Impact Report states, in saying there are no significant risks for storing 3.8 billion new barrels of crude oil in our community, and which will very likely be Bakken. It is obvious to us as community members that it is the best option to halt the massive expansion of oil storage.

We need all the support we need in moving to a clean, healthy, renewable form of energy, not allowing fossil fuel industries like Tesoro to expand at the expense of ordinary working-class citizens, our children and our health.

Remember that in the environment, there is no "away", and when the AQMD allows fossil fuel industry to proceed with pollution, that pollution will not remain in Wilmington alone. The increased pollution, especially from the burning of Bakken, spreads throughout our region, our state, our country and the world. Take a stand now to safeguard our common home- please, join us in saying NO to Tesoro refinery expansion! We want an accurate EIR.

G1-108.1

Comment G1-108.1

The comment letter is identical to Comment Letter G1-107. Comment Letters G1-107 and G1-108 were sent to Jillian Wong in the CEQA Section and Danny Luong in the Engineering Section of the SCAQMD, respectively. See Responses G1-107.1 and G1-107.2.

Comment Letter No. G1-109

November 29, 2016

Wayne Nastri, Executive Officer, South Coast Air Quality Management District
Ms. Jillian Wong, Planning and Rules Manager
Mr. Danny Luong, Senior Enforcement Manager
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4178

SENT VIA EMAIL: wnastri@aqmd.gov, jwong1@aqmd.gov, dluong@aqmd.gov

CC: AQMD Governing Boardmember Joe Buscaino, c/o Jacob Haik, Deputy Chief of Staff, jacob.haik@lacity.org

Subject: Urging the Proposed Tesoro Merger, Facility ID#s 174655 and 800436 to be recirculated in Draft Form

Dear Mr. Nastri and SCAQMD staff:

I appreciate the opportunity to provide public comment on the Proposed Title V Significant Permit Revisions and the Draft Environmental Impact Report (DEIR) for Tesoro Refining & Marketing Co., LLC's Carson and Wilmington Sites, Facility ID#s 174655 and 800436.

I am honored to serve as a member of the SCAQMD's Environmental Justice Advisory Group (EJAG) and have done so since January 2009. As you know, the mission of the EJAG is to advise and assist SCAQMD in protecting and improving public health in SCAQMD's most impacted communities through the reduction and prevention of air pollution.

The goals of the EJAG are, to:

- Advise SCAQMD on issues related to environmental justice;
- Create and sustain a positive and productive relationship between SCAQMD and community members;
- Better inform SCAQMD about environmental justice issues; and,
- Assure that SCAQMD makes meaningful and continuous progress toward the achievement of environmental justice through its decisions and activities.

It is in this context that I offer the following public comment:

I just received notice that the AQMD intends to finalize the above referenced DEIR in December. I am writing to urge you to re-circulate the Tesoro LARIC (Los Angeles Refinery Integration and Compliance) project Environmental Impact Report (EIR) as a new draft, and not to publish it as a final EIR.

It is my understanding that the AQMD Draft EIR fails to disclose a switch to dangerous, fundamentally different crude oils at the refinery. As revealed by Tesoro's CEO to investors, these new crude oils require refinery modifications that increase dangers—higher VOCs, benzene (carcinogenic), corrosion, risks of fire, explosion, hazardous material release, others.

A large body of evidence submitted to the AQMD by Dr. Phyllis Fox, Communities for a Better Environment, Earthjustice, Eastyard, CFASE, and many others, showed overwhelmingly that the Draft EIR failed as an informational document. It needs to be re-written in draft form to address these comments.

Instead of finalizing the EIR, the draft's failure to evaluate Tesoro's admitted crude oil switch, with its public health, environmental, and explosion hazards, as well as other errors in documents submitted to AQMD must be corrected.

The California Environmental Quality Act requires an accurate project description and evaluation of potentially significant impacts in the draft environmental report. A last-minute explanation in the final EIR is unacceptable.

In addition, I urge the Governing Board to consider the following concerns raised by Communities for a Better Environment (CBE):

- **This major fossil fuel expansion undermines LA's sustainability plans for climate, health, safety & Environmental Justice.** It will cause major impacts from Canada to Los Angeles.

G1-109.1

G1-109.2

G1-109.3

G1-109.4

G1-109.5


G1-109.6

- **These crude oils would come by rail from N. Dakota [volatile “bomb trains”]** This is fracked crude that releases toxics to air and water, is highly volatile, and releases high Greenhouse Gases during extraction. Multiple crude trains have exploded and spilled across the country, and dozens have been killed. The US Department of Transportation found Dakota crude particularly dangerous.
- **It can also include tar sands crude oil from Canada.** This is strip mined, creates toxic lakes and rivers, is so heavy it is like asphalt, and explosive diluents are added during transport.
- **Crudes would be transported from a proposed Tesoro ship terminal near Portland OR, then by ship to LA,** already one of the most polluted regions in the country.
- **Tesoro’s August LA refinery explosion of a sulfur tank** shutdown streets and required a shelter-in-place command for a quarter of a mile in the surrounding community. **Why would the AQMD allow an expansion of sulfur processing at the refinery, without full environmental review?**

Contrary to our mission of protecting and improving the public health in SCAQMD’s most impacted communities, I believe approval of the DEIR as it stands would further jeopardize the health of residents as well as workers and the public at large in the communities of Wilmington, Long Beach, Carson, and San Pedro.

Consequently, I urge the board to oppose to the Merger Project and I request that the Title V permit not be issued and that the DEIR be sent back for re-drafting to include all of the potential and real impacts which have not been addressed in the DEIR.

Sincerely,



Rhetta Alexander
Member, SCAQMD Environmental Justice Advisory Group

G1-109.6
cont’d

G1-109.7

Response to Comment Letter No. G1-109

Environmental Justice

Comment G1-109.1

I appreciate the opportunity to provide public comment on the Proposed Title V Significant Permit Revisions and the Draft Environmental Impact Report (DEIR) for Tesoro Refining & Marketing Co., LLC's Carson and Wilmington Sites, Facility ID#s 174655 and 800436.

I am honored to serve as a member of the SCAQMD's Environmental Justice Advisory Group (EJAG) and have done so since January 2009. As you know, the mission of the EJAG is to advise and assist SCAQMD in protecting and improving public health in SCAQMD's most impacted communities through the reduction and prevention of air pollution.

The goals of the EJAG are, to:

- Advise SCAQMD on issues related to environmental justice;
- Create and sustain a positive and productive relationship between SCAQMD and community members;
- Better inform SCAQMD about environmental justice issues; and,
- Assure that SCAQMD makes meaningful and continuous progress toward the achievement of environmental justice through its decisions and activities.

G1-109.1

Response G1-109.1

The comment does not raise any issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA.

Comment G1-109.2

It is in this context that I offer the following public comment:

I just received notice that the AQMD intends to finalize the above referenced DEIR in December. I am writing to urge you to re-circulate the Tesoro LARIC (Los Angeles Refinery Integration and Compliance) project Environmental Impact Report (EIR) as a new draft, and not to publish it as a final EIR.

G1-109.2

Response G1-109.2

The comment is noted and the SCAQMD did not finalize the document during the holiday period; a decision on the EIR and proposed project is expected in early 2017.

The DEIR fully analyzed the proposed project's potential impacts and the comment does not provide any new information of environmental impacts that was not analyzed or that changes the significance conclusions made in the DEIR. Therefore, no recirculation of the DEIR is necessary under CEQA.

Comment G1-109.3

It is my understanding that the AQMD Draft EIR fails to disclose a switch to dangerous, fundamentally different crude oils at the refinery. As revealed by Tesoro's CEO to investors, these new crude oils require refinery modifications that increase dangers—higher VOCs, benzene (carcinogenic), corrosion, risks of fire, explosion, hazardous material release, others.

G1-109.3

Response G1-109.3

The comment includes unsubstantiated claims that Tesoro's CEO revealed to investors that new crude oils require Refinery modifications that increase dangers. As explained in detail in Sections 2.5.3 and 2.5.4 and Appendix F of the DEIR, Master Response 4 and Response G1-78.94, the Refinery is currently processing a blend of various crude oils and will continue to do so with or without the proposed project. The proposed project will not change the crude oil blend processed by the Refinery, except to the extent that the DCU H-100 heater permit revision will increase the capacity of that unit by 6,000 bbl/day.

The DEIR analyzed the potential increase in crude oil processing of up to 6,000 bbl/day associated with the modification of the DCU H-100 heater permit description. The increase in crude oil processing rate is not related to any specific crude oil source. Master Response 4 explains that the Refinery's sources of crude oils have and will continue to vary with or without the proposed project.

By using worst-case crude oil properties (see Response G1-78.157), the DEIR fully analyzed the potential impacts associated with storing various crude oils in the new and replacement storage tanks and with transferring various crude oils via the associated piping. There would be no additional impacts, beyond those analyzed in the DEIR, for the new and replacement storage tanks if different light or heavy crude oil is processed at the Refinery (see Section 4.2.2.2 of the FEIR). The proposed project does not facilitate or encourage sourcing crude oil from any particular location. In other words, the improved offloading efficiency provides a benefit regardless of the type of crude oil transported by marine vessel.

Light and heavy crude oil is currently delivered, stored, and processed at the Refinery and will continue to be delivered, stored, and processed with or without the proposed project. The impact analysis in the DEIR accounts for the variety of crude oils that have been and will be handled by the Refinery. For example, the TAC concentrations of crude oils in storage tanks associated with the proposed project were based on a worst-case hybrid analysis of the toxic content of the crude oils currently and potentially processed at the Refinery, including Bakken and heavy Canadian crude oil. The hybrid TAC speciation was prepared by selecting the highest concentration of each toxic compound from the entire speciated data set of all the crude oils analyzed.

There have been previous volatility issues associated with the transport of Bakken crude oil. However, regulations have since been adopted that require a reduction in volatility of Bakken crude oil that is transported. For example, in December 2014, the Industrial Commission of North Dakota issued an order regarding conditioning of Bakken crude oil and limiting the RVP of crude oil provided for transport to 13.7 RVP. Thus, Bakken crude oil transported to the West Coast will be pipeline quality (i.e., qualified for safe transport) and will not have as high a vapor pressure as the Bakken crude oil produced at the wellhead. As with other U. S. crude oil production operations, the order adopted by the State of North Dakota will require that crude oil production facilities remove a significant portion of the light ends (ethane, propane, butane and pentane) prior to offering the crude oil for shipment to refineries for processing.

Because of Bakken crude oil's purported volatility, concerns were raised in the media as to whether Bakken crude oil was properly classified as a Class 3 hazardous material under U.S. DOT regulations. A Class 3 hazardous material is generally a flammable or combustible liquid that does not meet the regulatory classification requirements for other hazardous characteristics, such as toxicity, corrosivity, radioactivity or explosiveness. However, those concerns have since been resolved by repeated analysis and testing that demonstrates Bakken crude oil to be a Class 3 hazardous material, similar to other light sweet crude oils. After considering the information, the PHMSA Deputy Administrator testified to Congress that Bakken crude oil is accurately classified as a Hazard Class 3 Flammable Liquid.³⁵⁵ This is consistent with the sampling and testing Tesoro has completed on Bakken crude oil. Therefore, Bakken crude oil has properties similar to other light crude oils, and is not classified as explosive.

As explained in subsequent responses, which are listed in Table 78-94.1, Bakken and heavy Canadian crude oils are similar to other light and heavy crude oils currently processed by the Refinery. As described in Master Response 4, and Response G1-78.150, in the future, as now, any Bakken or heavy Canadian crude oils processed would have to be combined with other crude oils to create a crude oil blend that matches the Refinery's processing capabilities and permit limitations. This is what has occurred with Bakken, heavy Canadian, and many other heavy and light crude oils that were utilized in the baseline period, and is what will continue after implementation of the proposed project. It is correct to say that Tesoro makes ongoing efforts to provide "advantaged crude oil", as the term is used by Tesoro (i.e., any economically advantaged crude oil capable of being processed at each of Tesoro's refineries). Providing "advantaged crude oil" to Tesoro refineries, including the Los Angeles Refinery, is occurring independent of the proposed project. Any increased use of Bakken or heavy Canadian crude oils, or any other specific crude oils, would not be caused by the proposed project. The proposed project's impacts were analyzed in detail using worst-case assumptions (e.g., the maximum vapor pressure of crude oil allowable by SCAQMD rules), which accounts for any impacts from increased use of Bakken or heavy Canadian crude oil. Response G1-78.111 specifically addresses crude oil corrosivity. Responses G1-81.65 and G1-81.67 address greenhouse gases and crude oil production.

Comment G1-109.4

A large body of evidence submitted to the AQMD by Dr. Phyllis Fox, Communities for a Better Environment, Earthjustice, Eastyard, CFASE, and many others, showed overwhelmingly that the Draft EIR failed as an informational document. It needs to be re-written in draft form to address these comments.

G1-109.4

Response G1-109.4

The comment references other previously submitted comments to which SCAQMD has responded in detail. Responses G1-78.92 through G1-78.258 address Phyllis Fox's comments. Responses G1-81.1 through G1-81.154 address CBE's comments. Responses G1-86.1 through G1-86.88 address Earthjustice's comments. Responses G1-84.1 through G1-84.4 address East

³⁵⁵ Written statement of Timothy P. Butters Before the Subcommittees on Energy and Oversight Committee on Science, Space and Technology, U.S. House of Representatives at page 12 (Sept. 9, 2014).

APPENDIX G1: RESPONSE TO COMMENTS

Yard's comments. Responses G1-106.1 through G1-106.30 address CFASE's comments. The comment does not raise any new issues related to the DEIR that were not previously addressed.

The comment does not specify any issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA. Additionally, this comment provides no new evidence that would require the DEIR to be rewritten.

Comment G1-109.5

Instead of finalizing the EIR, the draft's failure to evaluate Tesoro's admitted crude oil switch, with its public health, environmental, and explosion hazards, as well as other errors in documents submitted to AQMD must be corrected.

The California Environmental Quality Act requires an accurate project description and evaluation of potentially significant impacts in the draft environmental report. A last-minute explanation in the final EIR is unacceptable.

In addition, I urge the Governing Board to consider the following concerns raised by Communities for a Better Environment (CBE):

G1-109.5

Response G1-109.5

As explained in Response G1-109.3, the proposed project does not include or facilitate a substantial change in the crude oil blend processed by the Refinery.

The objectives of the proposed project are stated in Section 2.2 of the DEIR. A complete project description is provided in Section 2.7 of the DEIR. The potential impacts of the proposed project have been fully analyzed and are presented in Chapter 4 of the DEIR.

Comment G1-109.6

- This major fossil fuel expansion undermines LA's sustainability plans for climate, health, safety & Environmental Justice. It will cause major impacts from Canada to Los Angeles.
- These crude oils would come by rail from N. Dakota [volatile "bomb trains"] This is fracked crude that releases toxics to air and water, is highly volatile, and releases high Greenhouse Gases during extraction. Multiple crude trains have exploded and spilled across the country, and dozens have been killed. The US Department of Transportation found Dakota crude particularly dangerous.
- It can also include tar sands crude oil from Canada. This is strip mined, creates toxic lakes and rivers, is so heavy it is like asphalt, and explosive diluents are added during transport.
- Crudes would be transported from a proposed Tesoro ship terminal near Portland OR, then by ship to LA, already one of the most polluted regions in the country.
- Tesoro's August LA refinery explosion of a sulfur tank shutdown streets and required a shelter-in-place command for a quarter of a mile in the surrounding community. Why would the AQMD allow an expansion of sulfur processing at the refinery, without full environmental review?

Contrary to our mission of protecting and improving the public health in SCAQMD's most impacted communities, I believe approval of the DEIR as it stands would further jeopardize the health of residents as well as workers and the public at large in the communities of Wilmington, Long Beach, Carson, and San Pedro.

G1-109.6

G1-109.6
cont'd

Response G1-109.6

The proposed project objective of shutting down the Wilmington Operations FCCU is described in the DEIR (see Section 2.2), "Making process modifications that improve efficiency and enable shutdown of the Wilmington Operations FCCU . . . providing substantial emission reductions on-

site and reducing carbon intensity.” The proposed project involves efficiency improvements that will reduce the Refinery's energy needs and enable the Refinery to maintain its overall transportation fuels production capability with reduced emissions. These proposed project objectives are consistent with sustainability by reducing the carbon intensity of an existing refinery.

As described in Response G1-109.3, comments claiming that Bakken crude oil is explosive have been resolved by repeated analysis and testing that demonstrates Bakken crude oil to be a Class 3 hazardous material, similar to other light sweet crude oils. After considering the information, the PHMSA Deputy Administrator testified to Congress that Bakken crude oil is accurately classified as a Hazard Class 3 Flammable Liquid.

As also described in Response G1-109.3, the proposed project will not change the crude oil blend processed by the Refinery, except to the extent that the DCU H-100 heater permit revision will increase the capacity of that unit by 6,000 bbl/day, and proposed project modifications are not related to any specific crude oil source. Responses G1-81.65 and G1-81.67 explain that the DEIR does not need to analyze the environmental impacts from crude oil production because the proposed project will not cause any changes to that industry. Further, as explained in Response G1-81.57, there are no proposed project modifications to bring crude oil by rail to the Refinery. Thus, train-related Bakken crude oil accidents are not relevant to the DEIR analysis or the proposed project.

The comment refers to transportation of crude oils from a proposed Tesoro ship terminal near Portland, OR. SCAQMD assumes this comment refers the Vancouver Energy Project, a joint venture between Tesoro and Savage Companies that would offer transport of crude oils to any of the refineries on the West Coast. As explained in Section 4.1.2.5 of the DEIR and Master Response 8, the Vancouver Energy Project is wholly independent from the proposed project and is undergoing separate environmental review by the Washington State EFSEC. That review includes the evaluation of transportation hazards. Additionally, as described in Master Response 8, the Final EIS has not yet been issued for the Vancouver Energy Project, and the project has not been approved.

The sulfur tank event that occurred at the Refinery on August 26, 2016, is unrelated to the proposed project. No modifications are included in the proposed project that would impact the SRP in any way. However, Tesoro reports that the sulfur tank event was thoroughly investigated following Tesoro's Incident Investigation criteria, work process, and methodologies. An incident investigation team with representation by specific disciplines (e.g. technical, operations, and maintenance) as well as an outside industry expert conducted an incident investigation root cause analysis. Root cause methodology reviews incident data for cause, identifies causal factors and root causes, and provides the associated recommendations, which are implemented with the goal of incident prevention and recurrence.

Tesoro reports that the cause of the event is believed to have been solid sulfur blockages in the storage tank vent gas blower suction line. The sulfur blockage led to low flow conditions which caused combustible vapors to build up in the tank vapor space in excess of the flammability concentration. An unknown ignition source then ignited the vapors that started the fire.

Corrective actions included calculating a safe minimum operating vent gas rate and changing the vent gas flow alarms on the sulfur tank based on the calculated safe minimum operating vent gas rate. Ongoing corrective action also includes a re-evaluation of the design of the existing sulfur tank venting system to determine if there are any better long-term engineered solutions that can be feasibly implemented.

Finally, as explained in Master Response 3, the DEIR fully analyzed and disclosed the proposed project's potential health impacts from all pollutants. The proposed project's potential cancer and non-cancer human health impacts, including asthma and other respiratory illnesses, were analyzed in the DEIR, and determined to be less than significant. The estimated cancer risk due to the operation of the proposed project was found to be less than the SCAQMD's cancer risk significance threshold of ten in one million (see FEIR Section 4.2.2.5). The non-cancer chronic and acute hazard indices were found to be below the SCAQMD's non-cancer chronic and acute hazard index threshold of 1.0. Therefore, the proposed project is not expected to cause a significant adverse health impact.

Neither the CEQA Statutes nor Guidelines require an analysis of environmental justice impacts. The SCAQMD, however, has a strong record of addressing environmental justice issues since the SCAQMD's Environmental Justice program began in 1997. Since that time, the SCAQMD has instituted a number of community initiatives to help improve air quality for low income residents and residents of color in the Basin. The programs and initiatives have been continually reviewed and updated. As a result, the SCAQMD's Environmental Justice program goes beyond a single project, and encompasses a unified regional approach to reducing impacts to the Basin's most impacted communities. Master Response 14 addresses environmental justice regarding the proposed project.

Comment G1-109.7

Consequently, I urge the board to oppose to the Merger Project and I request that the Title V permit not be issued and that the DEIR be sent back for re-drafting to include all of the potential and real impacts which have not been addressed in the DEIR.

□ G1-109.7

Response G1-109.7

As explained in Master Response 7, the proposed project is not a merger. Tesoro acquired the Carson Operations from BP in 2013. The Carson and Wilmington Operations have already merged. The two pre-existing refinery operations have been operating as one Refinery since the acquisition. As described in Section 2.1 of the DEIR, the proposed project is designed to better integrate the existing Carson and Wilmington Operations, which will improve processing efficiency and reduce emissions.

The comment regarding opposition to the proposed project does not raise issues related to the proposed project or the DEIR. The comment is noted and no response is necessary under CEQA.

The DEIR fully analyzed the proposed project's potential impacts and the comment does not provide any new information of environmental impacts that was not analyzed or that changes the

APPENDIX G1: RESPONSE TO COMMENTS

significance conclusions made in the DEIR. Therefore, no recirculation of the DEIR is necessary under CEQA.

Comment Letter No. G1-110

November 29, 2016

Wayne Nastri, Executive Officer, South Coast Air Quality Management District
Ms. Jillian Wong, Planning and Rules Manager
Mr. Danny Luong, Senior Enforcement Manager
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4178

SENT VIA EMAIL: wnastri@aqmd.gov, jwong1@aqmd.gov, dluong@aqmd.gov

CC: AQMD Governing Boardmember Joe Buscaino, c/o Jacob Haik, Deputy Chief of Staff, jacob.haik@lacity.org

Subject: Proposed Tesoro Merger, Facility ID#s 174655 and 800436 to be re-circulated in Draft Form

Dear Mr. Nastri and SCAQMD staff:

Thank you for the opportunity to provide public comment on the Proposed Title V Significant Permit Revisions and the Draft Environmental Impact Report (DEIR) for Tesoro Refining & Marketing Co., LLC's Carson and Wilmington Sites, Facility ID#s 174655 and 800436.

G1-110.1

Since the SCAQMD intends to finalize the above referenced DEIR in December, I am writing to urge you to re-circulate the Tesoro LARIC (Los Angeles Refinery Integration and Compliance) project Environmental Impact Report (EIR) as a new draft, and not to publish it as a final EIR.

G1-110.2

Several organizations have provided a large body of evidence which seriously calls into question the information provided in the DEIR. For example, the draft's failure to evaluate Tesoro's admitted crude oil switch, with its public health, environmental, and explosion hazards, as well as other errors in documents submitted to AQMD must be corrected. The evidence submitted to the AQMD by Dr. Phyllis Fox, Communities for a Better Environment, Earthjustice, Eastyard, CFASE, and many others, showed overwhelmingly that the Draft EIR failed as an informational document. It needs to be re-written in draft form to address these comments.

G1-110.3

In addition, I believe that the Tesoro Merger undermines LA's sustainability plan for climate, health, safety and Environmental Justice. These crude oils would come by rail via volatile "bomb trains" which have been known to derail and explode killing dozens and releasing toxics into the air and water. These crudes would also be transported from a proposed Tesoro ship terminal near Portland, OR, then by ship to the port of Los Angeles, already one of the most polluted regions in the country. In August of this year the Tesoro LA refinery explosion of a sulfur tank required the shutdown of streets and a shelter-in-place for a quarter mile surrounding the facility. Why would the AQMD allow an expansion of sulfur processing at the refinery without full environmental review?

G1-110.4

Consequently, I urge the board to oppose finalizing the DEIR and furthermore I urge that it be sent back for re-drafting to include all of the potential and real impacts which have not been addressed in the DEIR.

G1-110.5

Sincerely,

Rheva A. Nickols
15128 Vose Street
Van Nuys, CA 91405

Response to Comment Letter No. G1-110

Rheva A. Nickols

Comment G1-110.1

Thank you for the opportunity to provide public comment on the Proposed Title V Significant Permit Revisions and the Draft Environmental Impact Report (DEIR) for Tesoro Refining & Marketing Co., LLC's Carson and Wilmington Sites, Facility ID#s 174655 and 800436.

]

G1-110.1

Response G1-110.1

The comment does not raise any issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA.

Comment G1-110.2

Since the SCAQMD intends to finalize the above referenced DEIR in December, I am writing to urge you to re-circulate the Tesoro LARIC (Los Angeles Refinery Integration and Compliance) project Environmental Impact Report (EIR) as a new draft, and not to publish it as a final EIR.

]

G1-110.2

Response G1-110.2

The comment is noted and the SCAQMD did not finalize the document during the holiday period; a decision on the EIR and proposed project is expected in early 2017.

The DEIR fully analyzed the proposed project's potential impacts and the comment does not provide any new information of environmental impacts that was not analyzed or that changes the significance conclusions made in the DEIR. Therefore, no revision of the DEIR is necessary under CEQA.

Comment G1-110.3

Several organizations have provided a large body of evidence which seriously calls into question the information provided in the DEIR. For example, the draft's failure to evaluate Tesoro's admitted crude oil switch, with its public health, environmental, and explosion hazards, as well as other errors in documents submitted to AQMD must be corrected. The evidence submitted to the AQMD by Dr. Phyllis Fox, Communities for a Better Environment, Earthjustice, Eastyard, CFASE, and many others, showed overwhelmingly that the Draft EIR failed as an informational document. It needs to be re-written in draft form to address these comments.

]

G1-110.3

Response G1-110.3

The comment references other previously submitted comments to which SCAQMD has responded in detail. Responses G1-78.92 through G1-78.258 address Phyllis Fox's comments. Responses G1-81.1 through G1-81.154 address CBE's comments. Responses G1-86.1 through G1-86.88 address Earthjustice's comments. Responses G1-84.1 through G1-84.4 address East Yard's comments. Responses G1-106.1 through G1-106.30 address CFASE's comments. The comment does not raise any new issues related to the DEIR that were not previously addressed.

The comment does not specify any issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA. Additionally, this comment provides no new evidence that would require the DEIR to be rewritten.

Comment G1-110.4

In addition, I believe that the Tesoro Merger undermines LA's sustainability plan for climate, health, safety and Environmental Justice. These crude oils would come by rail via volatile "bomb trains" which have been known to derail and explode killing dozens and releasing toxics into the air and water. These crudes would also be transported from a proposed Tesoro ship terminal near Portland, OR, then by ship to the port of Los Angeles, already one of the most polluted regions in the country. In August of this year the Tesoro LA refinery explosion of a sulfur tank required the shutdown of streets and a shelter-in-place for a quarter mile surrounding the facility. Why would the AQMD allow an expansion of sulfur processing at the refinery without full environmental review?

G1-110.4

Response G1-110.4

As explained in Master Response 7, the proposed project is not a merger. Tesoro acquired the Carson Operations from BP in 2013. The Carson and Wilmington Operations have already merged. The two pre-existing refinery operations have been operating as one Refinery since the acquisition. As described in Section 2.1 of the DEIR, the proposed project is designed to better integrate the existing Carson and Wilmington Operations, which will improve processing efficiency and reduce emissions.

As indicated in the DEIR Sections 2.6.1 and 2.6.2 for the proposed project, crude oil is not currently transported directly to either the Wilmington or Carson Operations via rail. These locations do not currently have the facilities or SCAQMD permits to receive crude oil deliveries by rail. No new or modified facilities are included in the proposed project to enable crude oil deliveries by rail.

There have been previous volatility issues associated with the transport of Bakken crude oil. However, regulations have since been adopted that require a reduction in volatility of Bakken crude oil that is transported. For example, in December 2014, the Industrial Commission of North Dakota issued an order regarding conditioning of Bakken crude oil and limiting the RVP of crude oil provided for transport to 13.7 RVP. Thus, Bakken crude oil transported to the West Coast will be pipeline quality (i.e., qualified for safe transport) and will not have as high a vapor pressure as the Bakken crude oil produced at the wellhead. As with other U. S. crude oil production operations, the order adopted by the State of North Dakota will require that crude oil production facilities remove a significant portion of the light ends (ethane, propane, butane and pentane) prior to offering the crude oil for shipment to refineries for processing.

Because of Bakken crude oil's purported volatility, concerns were raised in the media as to whether Bakken crude oil was properly classified as a Class 3 hazardous material under U.S. DOT regulations. A Class 3 hazardous material is generally a flammable or combustible liquid that does not meet the regulatory classification requirements for other hazardous characteristics, such as toxicity, corrosivity, radioactivity or explosiveness. However, those concerns have since been resolved by repeated analysis and testing that demonstrates Bakken crude oil to be a Class 3 hazardous material, similar to other light sweet crude oils. After considering the information, the PHMSA Deputy Administrator testified to Congress that Bakken crude oil is accurately

classified as a Hazard Class 3 Flammable Liquid.³⁵⁶ This is consistent with the sampling and testing Tesoro has completed on Bakken crude oil. Therefore, Bakken crude oil has properties similar to other light crude oils, and is not classified as explosive.

The comment refers to transportation of crudes from a proposed Tesoro ship terminal near Portland, OR, which is part of the Vancouver Energy Project. As explained in Section 4.1.2.5 of the DEIR and Master Response 8, the Vancouver Energy Project is wholly independent from the proposed project and is undergoing separate environmental review by the Washington State EFSEC. That review includes the evaluation of transportation hazards. Additionally, as described in Master Response 8, the Final EIS has not yet been issued for the Vancouver Energy Project, and the project has not been approved.

Statements made by Tesoro regarding sourcing “advantaged crude oils”, as that term is used by Tesoro, including Bakken crude oil, are typically made with regard to its West Coast system, which includes the Kenai Refinery in Alaska, the Anacortes Refinery in Washington, and the two California refineries in Martinez and Los Angeles³⁵⁷, not specifically the Los Angeles Refinery.

The sulfur tank event that occurred at the Refinery on August 26, 2016, is unrelated to the proposed project. No modifications are included in the proposed project that would impact the SRP in any way. However, Tesoro reports that the sulfur tank event was thoroughly investigated following Tesoro's Incident Investigation criteria, work process, and methodologies. An incident investigation team with representation by specific disciplines (e.g. technical, operations, and maintenance) as well as an outside industry expert conducted an incident investigation root cause analysis. Root cause methodology reviews incident data for cause, identifies causal factors and root causes, and provides the associated recommendations, which are implemented with the goal of incident prevention and recurrence.

Tesoro reports that the cause of the event is believed to have been solid sulfur blockages in the storage tank vent gas blower suction line. The sulfur blockage led to low flow conditions which caused combustible vapors to build up in the tank vapor space in excess of the flammability concentration. An unknown ignition source then ignited the vapors that started the fire. Corrective actions included calculating a safe minimum operating vent gas rate and changing the vent gas flow alarms on the sulfur tank based on the calculated safe minimum operating vent gas rate. Ongoing corrective action also includes a re-evaluation of the design of the existing sulfur tank venting system to determine if there are any better long-term engineered solutions that can be feasibly implemented.

³⁵⁶ Written statement of Timothy P. Butters Before the Subcommittees on Energy and Oversight Committee on Science, Space and Technology, U.S. House of Representatives at page 12 (Sept. 9, 2014).

³⁵⁷ The reference to the “West Coast system” that appears in Tesoro’s corporate presentations and statements is a term that is used with varying meanings based on the context of the presentation or statement. Analyst day and earning statements presentations are given to an audience that routinely participates in the presentations and is familiar with Tesoro’s corporate structure and financial performance. Therefore, some of the references are not intended to be as explicit as they would be to an uninformed audience. At times, the term refers to Tesoro’s four west coast refineries, but it can also refer to those four refineries as well as Tesoro Logistics or a distribution system to third-party clients on the west coast. Thus, the context surrounding the use of this phrase is always necessary to understand the speaker’s intended meaning, but the phrase is not used to refer only to the Los Angeles Refinery in isolation.

Neither the CEQA Statutes nor Guidelines require an analysis of environmental justice impacts. The SCAQMD, however, has a strong record of addressing environmental justice issues since the SCAQMD's Environmental Justice program began in 1997. Since that time, the SCAQMD has instituted a number of community initiatives to help improve air quality for low income residents and residents of color in the Basin. The programs and initiatives have been continually reviewed and updated. As a result, the SCAQMD's Environmental Justice program goes beyond a single project, and encompasses a unified regional approach to reducing impacts to the Basin's most impacted communities. Master Response 14 addresses environmental justice regarding the proposed project.

Comment G1-110.5

Consequently, I urge the board to oppose finalizing the DEIR and furthermore I urge that it be sent back for re-drafting to include all of the potential and real impacts which have not been addressed in the DEIR.

□ G1-110.5

Response G1-110.5

The DEIR fully analyzed the proposed project's potential impacts and the comment does not provide any new information of environmental impacts that was not analyzed or that changes the significance conclusions made in the DEIR. Therefore, no revision of the DEIR is necessary under CEQA.

Comment Letter No. G1-111

Jillian Wong

From: Julia Gibson <juliagib@earthlink.net>
Sent: Tuesday, November 29, 2016 9:39 AM
To: Wayne Nastri; Jillian Wong; Danny Luong
Cc: Jacob Haik (Bus)
Subject: Please Recirculate the Tesoro LARIC

29 November 2016

Wayne Nastri, Executive Officer, South Coast Air Quality Management District
Jillian Wong, Planning and Rules Manager
Danny Luong, Senior Enforcement Manager
21865 Copley Drive Diamond Bar CA 91765

Re: Tesoro LARIC Project must be recirculated in Draft Form

Dear Mr. Nastri and AQMD Staff,

I write to urge you to recirculate the Tesoro LARIC (Los Angeles Refinery Integration and Compliance) project Environmental Impact Report (EIR) as a new draft, and not to publish it as a final EIR.

G1-111.1

We have been told the AQMD intends to finalize the EIR in December. Instead, you need to correct fatal errors, such as the draft's failure to evaluate Tesoro's admitted crude oil switch, with its public health, environmental, and explosion hazards. The California Environmental Quality Act requires an accurate project description and evaluation of potentially significant impacts in the draft environmental report. These cannot happen in a last-minute explanation in the final EIR.

G1-111.2

A large body of evidence submitted to the AQMD by Dr. Phyllis Fox, Communities for a Better Environment, Earthjustice, Eastyard, CFASE, and many others, showed overwhelmingly that the Draft EIR failed as an informational document. It needs to be re-written in draft form to address these comments.

G1-111.3

Delay of Tesoro's business plans is no justification to rush the EIR! Tesoro could have entirely prevented any "delay" if it had disclosed the crude oil switch plan two years ago, when it acknowledged the plans to its investors. It is necessary to provide public disclosure in order to respect the public's right-to-know about increased hazards and pollution, and to comply with the California Environmental Quality Act. Please let me know what you intend to do.

G1-111.4

Sincerely,

Julia Gibson

Hollywood CA / United States of America / Planet Earth

Response to Comment Letter No. G1-111

Julia Gibson

Comment G1-111.1

I write to urge you to recirculate the Tesoro LARIC (Los Angeles Refinery Integration and Compliance) project Environmental Impact Report (EIR) as a new draft, and not to publish it as a final EIR.

] G1-111.1

Response G1-111.1

The DEIR fully analyzed the proposed project's potential impacts and the comment does not provide any new information of environmental impacts that was not analyzed or that changes the significance conclusions made in the DEIR. Therefore, no revision of the DEIR is necessary under CEQA.

Comment G1-111.2

We have been told the AQMD intends to finalize the EIR in December. Instead, you need to correct fatal errors, such as the draft's failure to evaluate Tesoro's admitted crude oil switch, with its public health, environmental, and explosion hazards. The California Environmental Quality Act requires an accurate project description and evaluation of potentially significant impacts in the draft environmental report. These cannot happen in a last-minute explanation in the final EIR.

] G1-111.2

Response G1-111.2

The comment is noted and the SCAQMD did not finalize the document during the holiday period; a decision on the EIR and proposed project is expected in early 2017.

As explained in detail in Sections 2.5.3 and 2.5.4 and Appendix F of the DEIR, Master Response 4 and Response G1-78.94, the Refinery is currently processing a blend of various crude oils and will continue to do so with or without the proposed project. The proposed project will not result in a substantial change in the crude oil blend processed by the Refinery.

The DEIR analyzed the potential increase in crude oil processing of up to 6,000 bbl/day associated with the modification of the DCU H-100 heater permit description. The increase in crude oil processing rate is not related to any specific crude oil source. Master Response 4 explains that the Refinery's sources of crude oils have and will continue to vary with or without the proposed project. By using worst-case crude oil properties (see Response G1-78.157), the DEIR fully analyzed the potential impacts associated with storing various crude oils in the new and replacement storage tanks and with transferring various crude oils via the associated piping. There would be no additional impacts, beyond those analyzed in the DEIR, for the new and replacement storage tanks if different light or heavy crude oil is processed at the Refinery (see Sections 4.2.2.2 of the DEIR). The proposed project does not facilitate or encourage sourcing crude oil from any particular location. In other words, the improved offloading efficiency provides a benefit regardless of the type of crude oil transported by marine vessel.

APPENDIX G1: RESPONSE TO COMMENTS

Light and heavy crude oil is currently delivered, stored, and processed at the Refinery and will continue to be delivered, stored, and processed with or without the proposed project. The impact analysis in the DEIR accounts for the variety of crude oils that have been and will be handled by the Refinery. For example, the TAC concentrations of crude oils in storage tanks associated with the proposed project were based on a worst-case hybrid analysis of the toxic content of the crude oils currently and potentially processed at the Refinery, including Bakken and heavy Canadian crude oil. The hybrid TAC speciation was prepared by selecting the highest concentration of each toxic compound from the entire speciated data set of all the crude oils analyzed.

The objectives of the proposed project are stated in Section 2.2 of the DEIR. A complete project description is provided in Section 2.7 of the DEIR. The potential impacts of the proposed project have been fully analyzed and are presented in Chapter 4 of the DEIR. The comment does not specify any issues related to the proposed project or the DEIR. Therefore, no further response or recirculation of the DEIR is necessary under CEQA.

Comment G1-111.3

A large body of evidence submitted to the AQMD by Dr. Phyllis Fox, Communities for a Better Environment, Earthjustice, Eastyard, CFASE, and many others, showed overwhelmingly that the Draft EIR failed as an informational document. It needs to be re-written in draft form to address these comments.

]

G1-111.3

Response G1-111.3

The comment references other previously submitted comments to which SCAQMD has responded in detail. Responses G1-78.92 through G1-78.258 address Phyllis Fox's comments. Responses G1-81.1 through G1-81.154 address CBE's comments. Responses G1-86.1 through G1-86.88 address Earthjustice's comments. Responses G1-84.1 through G1-84.4 address East Yard's comments. Responses G1-106.1 through G1-106.30 address CFASE's comments. The comment does not raise any new issues related to the DEIR that were not previously addressed.

The comment does not specify any issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA. Additionally, this comment provides no new evidence that would require the DEIR to be rewritten.

Comment G1-111.4

Delay of Tesoro's business plans is no justification to rush the EIR! Tesoro could have entirely prevented any "delay" if it had disclosed the crude oil switch plan two years ago, when it acknowledged the plans to its investors. It is necessary to provide public disclosure in order to respect the public's right-to-know about increased hazards and pollution, and to comply with the California Environmental Quality Act. Please let me know what you intend to do.

]

G1-111.4

Response G1-111.4

As explained in Response G1-111.2, the proposed project will not result in a substantial change in the crude oil blend processed at the Refinery.

APPENDIX G1: RESPONSE TO COMMENTS

Further, the proposed project has complied with the public process required by CEQA Guidelines § 15087. As explained in detail in Master Response 1, the DEIR was circulated for an extended length of time. The public comment period closed on June 10, 2016, after two extensions. A 94-day public review and comment period (March 8, 2016 through June 10, 2016) was provided, which exceeds CEQA requirements. A public hearing on the Title V permit and public meeting on the DEIR was held on May 17, 2016. Copies of the DEIR were made available in neighborhood public libraries. Notices were published and distributed for the original public comment period, the two extensions, and the public hearing on the Title V permit and public meeting on the DEIR.

The potential impacts of the proposed project have been fully analyzed and are presented in Chapter 4 of the DEIR. The comment does not specify any other issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA.

Comment Letter No. G1-112

Jillian Wong

From: Marina Kitchen <marinamillskitchen@gmail.com>
Sent: Tuesday, November 29, 2016 11:10 AM
To: Wayne Nastri; Jillian Wong; Danny Luong
Cc: Jacob Haik (Bus)
Subject: Re: Tesoro LARIC Project must be recirculated in Draft Form

November 29, 2016

Dear Mr. Nastri and AQMD Staff,

I write to urge you to recirculate the Tesoro LARIC (Los Angeles Refinery Integration and Compliance) project Environmental Impact Report (EIR) as a new draft, and not to publish it as a final EIR.

□ G1-112.1

We have been told the AQMD intends to finalize the EIR in December. Instead, you need to correct fatal errors, such as the draft's failure to evaluate Tesoro's admitted crude oil switch, with its public health, environmental, and explosion hazards. The California Environmental Quality Act requires an accurate project description and evaluation of potentially significant impacts in the draft environmental report. These cannot happen in a last-minute explanation in the final EIR.

□ G1-112.2

A large body of evidence submitted to the AQMD by Dr. Phyllis Fox, Communities for a Better Environment, Earthjustice, Eastyard, CFASE, and many others, showed overwhelmingly that the Draft EIR failed as an informational document. It needs to be re-written in draft form to address these comments.

□ G1-112.3

Delay of Tesoro's business plans is no justification to rush the EIR! Tesoro could have entirely prevented any "delay" if it had disclosed the crude oil switch plan two years ago, when it acknowledged the plans to its investors. It is necessary to provide public disclosure in order to respect the public's right-to-know about increased hazards and pollution, and to comply with the California Environmental Quality Act. Please let me know what you intend to do.

□ G1-112.4

Best,
Marina Mills Kitchen

Response to Comment Letter No. G1-112

Marina Mills Kitchen

Comment G1-112.1

I write to urge you to recirculate the Tesoro LARIC (Los Angeles Refinery Integration and Compliance) project Environmental Impact Report (EIR) as a new draft, and not to publish it as a final EIR.

□ G1-112.1

Response G1-112.1

The DEIR fully analyzed the proposed project's potential impacts and the comment does not provide any new information of environmental impacts that was not analyzed or that changes the significance conclusions made in the DEIR. Therefore, no revision of the DEIR is necessary under CEQA.

Comment G1-112.2

We have been told the AQMD intends to finalize the EIR in December. Instead, you need to correct fatal errors, such as the draft's failure to evaluate Tesoro's admitted crude oil switch, with its public health, environmental, and explosion hazards. The California Environmental Quality Act requires an accurate project description and evaluation of potentially significant impacts in the draft environmental report. These cannot happen in a last-minute explanation in the final EIR.

□ G1-112.2

Response G1-112.2

The comment is noted and the SCAQMD did not finalize the document during the holiday period; a decision on the EIR and proposed project is expected in early 2017.

As explained in detail in Sections 2.5.3 and 2.5.4 and Appendix F of the DEIR, Master Response 4 and Response G1-78.94, the Refinery is currently processing a blend of various crude oils and will continue to do so with or without the proposed project. The proposed project will not result in a substantial change in the crude oil blend processed by the Refinery.

The DEIR analyzed the potential increase in crude oil processing of up to 6,000 bbl/day associated with the modification of the DCU H-100 heater permit description. The increase in crude oil processing rate is not related to any specific crude oil source. Master Response 4 explains that the Refinery's sources of crude oils have and will continue to vary with or without the proposed project. By using worst-case crude oil properties (see Response G1-78.157), the DEIR fully analyzed the potential impacts associated with storing various crude oils in the new and replacement storage tanks and with transferring various crude oils via the associated piping. There would be no additional impacts, beyond those analyzed in the DEIR, for the new and replacement storage tanks if different light or heavy crude oil is processed at the Refinery (see Sections 4.2.2.2 of the DEIR). The proposed project does not facilitate or encourage sourcing crude oil from any particular location. In other words, the improved offloading efficiency provides a benefit regardless of the type of crude oil transported by marine vessel.

Light and heavy crude oil is currently delivered, stored, and processed at the Refinery and will continue to be delivered, stored, and processed with or without the proposed project. The impact analysis in the DEIR accounts for the variety of crude oils that have been and will be handled by the Refinery. For example, the TAC concentrations of crude oils in storage tanks associated with the proposed project were based on a worst-case hybrid analysis of the toxic content of the crude oils currently and potentially processed at the Refinery, including Bakken and heavy Canadian crude oil. The hybrid TAC speciation was prepared by selecting the highest concentration of each toxic compound from the entire speciated data set of all the crude oils analyzed.

The objectives of the proposed project are stated in Section 2.2 of the DEIR. A complete project description is provided in Section 2.7 of the DEIR. The potential impacts of the proposed project have been fully analyzed and are presented in Chapter 4 of the DEIR. The comment does not specify any issues related to the proposed project or the DEIR. Therefore, no further response or recirculation of the DEIR is necessary under CEQA.

Comment G1-112.3

A large body of evidence submitted to the AQMD by Dr. Phyllis Fox, Communities for a Better Environment, Earthjustice, Eastyard, CFASE, and many others, showed overwhelmingly that the Draft EIR failed as an informational document. It needs to be re-written in draft form to address these comments.

]
G1-112.3

Response G1-112.3

The comment references other previously submitted comments to which SCAQMD has responded in detail. Responses G1-78.92 through G1-78.258 address Phyllis Fox’s comments. Responses G1-81.1 through G1-81.154 address CBE’s comments. Responses G1-86.1 through G1-86.88 address Earthjustice’s comments. Responses G1-84.1 through G1-84.4 address East Yard’s comments. Responses G1-106.1 through G1-106.30 address CFASE’s comments. The comment does not raise any new issues related to the DEIR that were not previously addressed.

The comment does not specify any issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA. Additionally, this comment provides no new evidence that would require the DEIR to be rewritten.

Comment G1-112.4

Delay of Tesoro’s business plans is no justification to rush the EIR! Tesoro could have entirely prevented any “delay” if it had disclosed the crude oil switch plan two years ago, when it acknowledged the plans to its investors. It is necessary to provide public disclosure in order to respect the public’s right-to-know about increased hazards and pollution, and to comply with the California Environmental Quality Act. Please let me know what you intend to do.

]
G1-112.4

Response G1-112.4

As explained in Response G1-112.2, the proposed project will not result in a substantial change in the crude oil blend processed at the Refinery.

APPENDIX G1: RESPONSE TO COMMENTS

Further, the proposed project has complied with the public process required by CEQA Guidelines § 15087. As explained in detail in Master Response 1, the DEIR was circulated for an extended length of time. The public comment period closed on June 10, 2016, after two extensions. A 94-day public review and comment period (March 8, 2016 through June 10, 2016) was provided, which exceeds CEQA requirements. A public hearing on the Title V permit and public meeting on the DEIR was held on May 17, 2016. Copies of the DEIR were made available in neighborhood public libraries. Notices were published and distributed for the original public comment period, the two extensions, and the public hearing on the Title V permit and public meeting on the DEIR.

The potential impacts of the proposed project have been fully analyzed and are presented in Chapter 4 of the DEIR. The comment does not specify any other issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA.

Comment Letter No. G1-113

Jillian Wong

From: Taylor Thomas <taylor.eycej@gmail.com>
Sent: Wednesday, November 30, 2016 3:47 PM
To: Wayne Nastri; Jillian Wong; Danny Luong
Cc: Jacob Haik (Bus); Mark Lopez; Jan Victor Andasan
Subject: Tesoro LARIC

November 30, 2016

Wayne Nastri, Executive Officer, South Coast Air Quality Management District
Jillian Wong, Planning and Rules Manager
Danny Luong, Senior Enforcement Manager
21865 Copley Drive Diamond Bar CA 91765

cc. AQMD Governing Boardmember Joe Buscaino, c/o Jacob Haik, Deputy Chief of Staff

Re: Tesoro LARIC Project must be recirculated in Draft Form

Dear Mr. Nastri and AQMD Staff,

I write to urge you to recirculate the Tesoro LARIC (Los Angeles Refinery Integration and Compliance) project Environmental Impact Report (EIR) as a new draft, and not to publish it as a final EIR.

G1-113.1

We have been told the AQMD intends to finalize the EIR in December. Instead, you need to correct fatal errors, such as the draft's failure to evaluate Tesoro's admitted crude oil switch, with its public health, environmental, and explosion hazards. The CEQA requires an accurate project description and evaluation of potentially significant impacts in the draft environmental report. These cannot happen in a last-minute explanation in the final EIR.

G1-113.2

A large body of evidence submitted to the AQMD by Dr. Phyllis Fox, Communities for a Better Environment, Earthjustice, East Yard Communities for Environmental Justice, CFASE, and many others, showed overwhelmingly that the Draft EIR failed as an informational document. It needs to be re-written in draft form to address these comments. Residents affected by this project did not have adequate time or notice to be able to meaningfully engage during this process, so it is imperative that the AQMD take every action to fully comply with the law by protecting public health by having a robust public participation process as well as an adequate review of this project. As it stands now, neither of the objectives has been achieved, and we demand that these issues be rectified immediately.

G1-113.3

G1-113.4

Delay of Tesoro's business plans is no justification to rush the EIR. Tesoro could have entirely prevented any delay if it had disclosed the crude oil switch plan two years ago, when it acknowledged the plans to its investors. It is necessary to provide public disclosure in order to respect the public's right-to-know about increased hazards and pollution, and to comply with the CEQA. As we move forward, please remember that our State and economy is moving in the direction of reducing toxic emissions and GHG's from all sectors and investing in zero-emission technology, and every project that is proposed in our basin needs to align with these goals.

G1-113.5

G1-113.6

Best,

Taylor Thomas,
East Yard Communities for Environmental Justice

2317 Atlantic Blvd.,
Commerce, CA 90040

T: (323) 263 - 2113, F: (323) 263 - 2114

tbthomas@eycej.org

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and healthy environment for our communities in South East LA,
East LA, and Long Beach: [Donate Here](#)*

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Response to Comment Letter No. G1-113

East Yards Communities for Environmental Justice

Comment G1-113.1

I write to urge you to recirculate the Tesoro LARIC (Los Angeles Refinery Integration and Compliance) project Environmental Impact Report (EIR) as a new draft, and not to publish it as a final EIR.

G1-113.1

Response G1-113.1

The DEIR fully analyzed the proposed project's potential impacts and the comment does not provide any new information of environmental impacts that was not analyzed or that changes the significance conclusions made in the DEIR. Therefore, no revision of the DEIR is necessary under CEQA.

Comment G1-113.2

We have been told the AQMD intends to finalize the EIR in December. Instead, you need to correct fatal errors, such as the draft's failure to evaluate Tesoro's admitted crude oil switch, with its public health, environmental, and explosion hazards. The CEQA requires an accurate project description and evaluation of potentially significant impacts in the draft environmental report. These cannot happen in a last-minute explanation in the final EIR.

G1-113.2

Response G1-113.2

The comment is noted and the SCAQMD did not finalize the document during the holiday period; a decision on the EIR and proposed project is expected in early 2017.

As explained in detail in Sections 2.5.3 and 2.5.4 and Appendix F of the DEIR, Master Response 4 and Response G1-78.94, the Refinery is currently processing a blend of various crude oils and will continue to do so with or without the proposed project. The proposed project will not result in a substantial change in the crude oil blend processed by the Refinery.

The DEIR analyzed the potential increase in crude oil processing of up to 6,000 bbl/day associated with the modification of the DCU H-100 heater permit description. The increase in crude oil processing rate is not related to any specific crude oil source. Master Response 4 explains that the Refinery's sources of crude oils have and will continue to vary with or without the proposed project. By using worst-case crude oil properties (see Response G1-78.157), the DEIR fully analyzed the potential impacts associated with storing various crude oils in the new and replacement storage tanks and with transferring various crude oils via the associated piping. There would be no additional impacts, beyond those analyzed in the DEIR, for the new and replacement storage tanks if different light or heavy crude oil is processed at the Refinery (see Sections 4.2.2.2 of the DEIR). The proposed project does not facilitate or encourage sourcing crude oil from any particular location. In other words, the improved offloading efficiency provides a benefit regardless of the type of crude oil transported by marine vessel.

APPENDIX G1: RESPONSE TO COMMENTS

Light and heavy crude oil is currently delivered, stored, and processed at the Refinery and will continue to be delivered, stored, and processed with or without the proposed project. The impact analysis in the DEIR accounts for the variety of crude oils that have been and will be handled by the Refinery. For example, the TAC concentrations of crude oils in storage tanks associated with the proposed project were based on a worst-case hybrid analysis of the toxic content of the crude oils currently and potentially processed at the Refinery, including Bakken and heavy Canadian crude oil. The hybrid TAC speciation was prepared by selecting the highest concentration of each toxic compound from the entire speciated data set of all the crude oils analyzed.

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G1-113.3

Response G1-113.3

The comment references other previously submitted comments to which SCAQMD has responded in detail. Responses G1-78.92 through G1-78.258 address Phyllis Fox's comments. Responses G1-81.1 through G1-81.154 address CBE's comments. Responses G1-86.1 through G1-86.88 address Earthjustice's comments. Responses G1-84.1 through G1-84.4 address East Yard's comments. Responses G1-106.1 through G1-106.30 address CFASE's comments. The comment does not raise any new issues related to the DEIR that were not previously addressed.

The comment does not specify any issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA. Additionally, this comment provides no new evidence that would require the DEIR to be rewritten.

Comment G1-113.4

Residents affected by this project did not have adequate time or notice to be able to meaningfully engage during this process, so it is imperative that the AQMD take every action to fully comply with the law by protecting public health by having a robust public participation process as well as an adequate review of this project. As it stands now, neither of the objectives has been achieved, and we demand that these issues be rectified immediately.

G1-113.4

Response G1-113.4

As explained in Response G1-113.2, the proposed project will not result in a substantial change in the crude oil blend processed at the Refinery.

Further, proposed project has complied with the public process required by CEQA Guidelines § 15087. As explained in detail in Master Response 1, the DEIR was circulated for an extended length of time. The public comment period closed on June 10, 2016, after two extensions. A 94-day public review and comment period (March 8, 2016 through June 10, 2016) was provided, which exceeds CEQA requirements. A public hearing on the Title V permit and public meeting on the DEIR was held on May 17, 2016. Copies of the DEIR were made available in neighborhood public libraries. Notices were published and distributed for the original public comment period, the two extensions, and the public hearing on the Title V permit and public meeting on the DEIR.

The potential impacts of the proposed project have been fully analyzed and are presented in Chapter 4 of the DEIR. The comment does not specify any other issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA.

Comment G1-113.5

Delay of Tesoro's business plans is no justification to rush the EIR. Tesoro could have entirely prevented any delay if it had disclosed the crude oil switch plan two years ago, when it acknowledged the plans to its investors. It is necessary to provide public disclosure in order to respect the public's right-to-know about increased hazards and pollution, and to comply with the CEQA.



G1-113.5

Response G1-113.5

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Comment G1-113.6

As we move forward, please remember that our State and economy is moving in the direction of reducing toxic emissions and GHG's from all sectors and investing in zero-emission technology, and every project that is proposed in our basin needs to align with these goals.



G1-113.6

Response G1-113.6

The comment does not specify any issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA.

Comment Letter No. G1-114

Jillian Wong

From: Gisele Fong <gfong@endoil.org>
Sent: Friday, December 2, 2016 4:29 PM
To: Wayne Nastri; Jillian Wong; Danny Luong
Cc: Jacob Haik (Bus)
Subject: Tesoro LARIC Project must be recirculated in Draft Form
Attachments: Letter AQMD Send Back Tesoro EIR to Draft.pdf

Wayne Nastri, Executive Officer, South Coast Air Quality Management District

Jillian Wong, Planning and Rules Manager
Danny Luong, Senior Enforcement Manager
21865 Copley Drive Diamond Bar CA 91765

wnastri@aqmd.gov, jwong1@aqmd.gov, dluong@aqmd.gov

cc. AQMD Governing Boardmember Joe Buscaino, c/o Jacob Haik, Deputy Chief of Staff,

jacob.haik@lacity.org

December 2, 2016

Re: **Tesoro LARIC Project must be recirculated in Draft Form**

Dear Mr. Nastri and AQMD Staff,

We write to urge you to recirculate the Tesoro LARIC (Los Angeles Refinery Integration and Compliance) project Environmental Impact Report (EIR) as a new draft, and not to publish it as a final EIR.

G1-114.1

We have been told the AQMD intends to finalize the EIR in December. Instead, you need to correct fatal errors, such as the draft's failure to evaluate Tesoro's admitted crude oil switch, with its public health, environmental, and explosion hazards. The California Environmental Quality Act requires an accurate project description and evaluation of potentially significant impacts in the draft environmental report. These cannot happen in a last-minute explanation in the final EIR.

G1-114.2

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G1-114.3

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G1-114.4

We live, work, and are raising our families in Long Beach, a fenceline community to the Tesoro refinery expansion project. Our work strives to reduce the health disparities in our community, especially as a result of some neighborhoods and residents being disproportionately impacted by severe industrial pollution. As such, we strongly believe that Tesoro's refinery expansion project which is this massive and

G1-114.5

APPENDIX G1: RESPONSE TO COMMENTS

potentially harmful in scope must go through a more thorough EIR process in order to protect the health of the residents and workers within this refinery's most impacted radius.

G1-114.5
cont'd

Please let us know what AQMD intends to do.

Sincerely,

Gisele L. Fong, Ph.D.
Chair, Environmental Health Work Group, Building Healthy Communities: Long Beach Executive Director,
EndOil/Communities for Clean Ports

Stella Ursua
President, Green Education, Inc.

Steve Colman
Executive Director, Century Villages at Cabrillo

Sylvia Betancourt
Project Manager, Long Beach Alliance for Children with Asthma

Gisele Fong, PhD
Chair, Building Healthy Communities Long Beach, Environmental Health Work Group



Executive Director, EndOil / Communities for Clean Ports
4000 Long Beach Blvd., #249
Long Beach, CA 90807
323-474-4376

Response to Comment Letter No. G1-114

Building Healthy Communities Long Beach

Comment G1-114.1

We write to urge you to recirculate the Tesoro LARIC (Los Angeles Refinery Integration and Compliance) project Environmental Impact Report (EIR) as a new draft, and not to publish it as a final EIR.

□ G1-114.1

Response G1-114.1

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□ G1-114.2

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Comment G1-114.3

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G1-114.3

Response G1-114.3

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The comment does not specify any issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA. Additionally, this comment provides no new evidence that would require the DEIR to be rewritten.

Comment G1-114.4

Delay of Tesoro's business plans is no justification to rush the EIR. Tesoro could have entirely prevented any "delay" if it had disclosed the crude oil switch plan two years ago, when it acknowledged the plans to its investors. It is necessary to provide public disclosure in order to respect the public's right-to-know about increased hazards and pollution, and to comply with the California Environmental Quality Act.

G1-114.4

Response G1-114.4

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APPENDIX G1: RESPONSE TO COMMENTS

Further, the proposed project has complied with the public process required by CEQA Guidelines § 15087. As explained in detail in Master Response 1, the DEIR was circulated for an extended length of time. The public comment period closed on June 10, 2016, after two extensions. A 94-day public review and comment period (March 8, 2016 through June 10, 2016) was provided, which exceeds CEQA requirements. A public hearing on the Title V permit and public meeting on the DEIR was held on May 17, 2016. Copies of the DEIR were made available in neighborhood public libraries. Notices were published and distributed for the original public comment period, the two extensions, and the public hearing on the Title V permit and public meeting on the DEIR.

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Comment G1-114.5

We live, work, and are raising our families in Long Beach, a fenceline community to the Tesoro refinery expansion project. Our work strives to reduce the health disparities in our community, especially as a result of some neighborhoods and residents being disproportionately impacted by severe industrial pollution. As such, we strongly believe that Tesoro's refinery expansion project which is this massive and

potentially harmful in scope must go through a more thorough EIR process in order to protect the health of the residents and workers within this refinery's most impacted radius.

G1-114.5

G1-114.5
cont'd

Response G1-114.5

As explained in Master Response 3, the DEIR fully analyzed and disclosed the proposed project's potential health impacts from all pollutants. The proposed project's potential cancer and non-cancer human health impacts, including asthma and other respiratory illnesses, were analyzed in the DEIR, and determined to be less than significant. The estimated cancer risk due to the operation of the proposed project was found to be less than the SCAQMD's cancer risk significance threshold of ten in one million (see FEIR Section 4.2.2.5). The non-cancer chronic and acute hazard indices were found to be below the SCAQMD's non-cancer chronic and acute hazard index threshold of 1.0. Therefore, the proposed project is not expected to cause a significant adverse health impact.

Neither the CEQA Statutes nor Guidelines require an analysis of environmental justice impacts. The SCAQMD, however, has a strong record of addressing environmental justice issues since the SCAQMD's Environmental Justice program began in 1997. Since that time, the SCAQMD has instituted a number of community initiatives to help improve air quality for low income residents and residents of color in the Basin. The programs and initiatives have been continually reviewed and updated. As a result, the SCAQMD's Environmental Justice program goes beyond a single project, and encompasses a unified regional approach to reducing impacts to the Basin's most impacted communities. Master Response 14 addresses environmental justice regarding the proposed project.

Comment Letter No. G1-115

Jillian Wong

From: Anabell Romero <romero.anabell@gmail.com>
Sent: Thursday, December 8, 2016 9:38 AM
To: Wayne Nastri; Jillian Wong; Danny Luong; Jacob Haik (Bus)
Subject: Tesoro LARIC Project must be recirculated in Draft Form

Dear Mr. Nastri and AQMD Staff,

I write to urge you to recirculate the Tesoro LARIC (Los Angeles Refinery Integration and Compliance) project Environmental Impact Report (EIR) as a new draft, and not to publish it as a final EIR.

G1-115.1

We have been told the AQMD intends to finalize the EIR in December. Instead, you need to correct fatal errors, such as the draft's failure to evaluate Tesoro's admitted crude oil switch, with its public health, environmental, and explosion hazards. The California Environmental Quality Act requires an accurate project description and evaluation of potentially significant impacts in the draft environmental report. These cannot happen in a last-minute explanation in the final EIR.

G1-115.2

A large body of evidence submitted to the AQMD by Dr. Phyllis Fox, Communities for a Better Environment, Earthjustice, Eastyard, CFASE, and many others, showed overwhelmingly that the Draft EIR failed as an informational document. It needs to be re-written in draft form to address these comments. Delay of Tesoro's business plans is no justification to rush the EIR! Tesoro could have entirely prevented any "delay" if it had disclosed the crude oil switch plan two years ago, when it acknowledged the plans to its investors. It is necessary to provide public disclosure in order to respect the public's right-to-know about increased hazards and pollution, and to comply with the California Environmental Quality Act. Please let me know what you intend to do.

G1-115.3

As a community member of Wilmington with a 1-year-old son who is taken care of at my parents home not too far from the refinery I'm begging you that your staff takes a closer look at this EIR and do a proper evaluation. *Please* do not publish it as the final EIR. There is a lot more to be evaluated and the community deserves this.

G1-115.4

Sincerely,
Anabell

Response to Comment Letter No. G1-115

Anabell Romero

Comment G1-115.1

I write to urge you to recirculate the Tesoro LARIC (Los Angeles Refinery Integration and Compliance) project Environmental Impact Report (EIR) as a new draft, and not to publish it as a final EIR. G1-115.1

Response G1-115.1

The DEIR fully analyzed the proposed project's potential impacts and the comment does not provide any new information of environmental impacts that was not analyzed or that changes the significance conclusions made in the DEIR. Therefore, no revision of the DEIR is necessary under CEQA.

Comment G1-115.2

We have been told the AQMD intends to finalize the EIR in December. Instead, you need to correct fatal errors, such as the draft's failure to evaluate Tesoro's admitted crude oil switch, with its public health, environmental, and explosion hazards. The California Environmental Quality Act requires an accurate project description and evaluation of potentially significant impacts in the draft environmental report. These cannot happen in a last-minute explanation in the final EIR. G1-115.2

Response G1-115.2

The comment is noted and the SCAQMD did not finalize the document during the holiday period; a decision on the EIR and proposed project is expected in early 2017.

As explained in detail in Sections 2.5.3 and 2.5.4 and Appendix F of the DEIR, Master Response 4 and Response G1-78.94, the Refinery is currently processing a blend of various crude oils and will continue to do so with or without the proposed project. The proposed project will not result in a substantial change in the crude oil blend processed by the Refinery.

The DEIR analyzed the potential increase in crude oil processing of up to 6,000 bbl/day associated with the modification of the DCU H-100 heater permit description. The increase in crude oil processing rate is not related to any specific crude oil source. Master Response 4 explains that the Refinery's sources of crude oils have and will continue to vary with or without the proposed project. By using worst-case crude oil properties (see Response G1-78.157), the DEIR fully analyzed the potential impacts associated with storing various crude oils in the new and replacement storage tanks and with transferring various crude oils via the associated piping. There would be no additional impacts, beyond those analyzed in the DEIR, for the new and replacement storage tanks if different light or heavy crude oil is processed at the Refinery (see Sections 4.2.2.2 of the DEIR). The proposed project does not facilitate or encourage sourcing crude oil from any particular location. In other words, the improved offloading efficiency provides a benefit regardless of the type of crude oil transported by marine vessel.

APPENDIX G1: RESPONSE TO COMMENTS

Light and heavy crude oil is currently delivered, stored, and processed at the Refinery and will continue to be delivered, stored, and processed with or without the proposed project. The impact analysis in the DEIR accounts for the variety of crude oils that have been and will be handled by the Refinery. For example, the TAC concentrations of crude oils in storage tanks associated with the proposed project were based on a worst-case hybrid analysis of the toxic content of the crude oils currently and potentially processed at the Refinery, including Bakken and heavy Canadian crude oil. The hybrid TAC speciation was prepared by selecting the highest concentration of each toxic compound from the entire speciated data set of all the crude oils analyzed.

The objectives of the proposed project are stated in Section 2.2 of the DEIR. A complete project description is provided in Section 2.7 of the DEIR. The potential impacts of the proposed project have been fully analyzed and are presented in Chapter 4 of the DEIR. The comment does not specify any issues related to the proposed project or the DEIR. Therefore, no further response or recirculation of the DEIR is necessary under CEQA.

Comment G1-115.3

A large body of evidence submitted to the AQMD by Dr. Phyllis Fox, Communities for a Better Environment, Earthjustice, Eastyard, CFASE, and many others, showed overwhelmingly that the Draft EIR failed as an informational document. It needs to be re-written in draft form to address these comments. Delay of Tesoro's business plans is no justification to rush the EIR! Tesoro could have entirely prevented any "delay" if it had disclosed the crude oil switch plan two years ago, when it acknowledged the plans to its investors. It is necessary to provide public disclosure in order to respect the public's right-to-know about increased hazards and pollution, and to comply with the California Environmental Quality Act. Please let me know what you intend to do.

G1-115.3

Response G1-115.3

The comment references other previously submitted comments to which SCAQMD has responded in detail. Responses G1-78.92 through G1-78.258 address Phyllis Fox's comments. Responses G1-81.1 through G1-81.154 address CBE's comments. Responses G1-86.1 through G1-86.88 address Earthjustice's comments. Responses G1-84.1 through G1-84.4 address East Yard's comments. Responses G1-106.1 through G1-106.30 address CFASE's comments. The comment does not raise any new issues related to the DEIR that were not previously addressed.

As explained in Response G1-115.2, the proposed project will not result in a substantial change in the crude oil blend processed at the Refinery.

Further, the proposed project has complied with the public process required by CEQA Guidelines § 15087. As explained in detail in Master Response 1, the DEIR was circulated for an extended length of time. The public comment period closed on June 10, 2016, after two extensions. A 94-day public review and comment period (March 8, 2016 through June 10, 2016) was provided, which exceeds CEQA requirements. A public hearing on the Title V permit and public meeting on the DEIR was held on May 17, 2016. Copies of the DEIR were made available in neighborhood public libraries. Notices were published and distributed for the original public comment period, the two extensions, and the public hearing on the Title V permit and public meeting on the DEIR.

APPENDIX G1: RESPONSE TO COMMENTS

The potential impacts of the proposed project have been fully analyzed and are presented in Chapter 4 of the DEIR. The comment does not specify any other issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA.

Comment G1-115.4

As a community member of Wilmington with a 1-year-old son who is taken care of at my parents home not too far from the refinery I'm begging you that your staff takes a closer look at this EIR and do a proper evaluation. *Please* do not publish it as the final EIR. There is a lot more to be evaluated and the community deserves this.

G1-115.4

Response G1-115.4

The DEIR fully analyzed the proposed project's potential impacts and the comment does not provide any new information of environmental impacts that was not analyzed or that changes the significance conclusions made in the DEIR. Therefore, no further response is necessary under CEQA.

Comment Letter No. G1-116

Jillian Wong

From: Jack Eidt <jack.eidt@wilderutopia.com>
Sent: Thursday, December 8, 2016 4:21 PM
To: Wayne Nastri; Jillian Wong; Danny Luong
Cc: Jacob Haik (Bus)
Subject: Tesoro LARIC Project must be recirculated in Draft Form
Attachments: Tesoro Merger AQMD DEIR Recirculation - SoCal 350 - Jack Eidt 12.8.16.pdf

Please accept the letter from SoCal 350 Climate Action and Tar Sands Action SoCal into the public record in regards to the Tesoro Refinery Integration project.

Letter is copied below and attached.

Thanks!

Jack Eidt
Director - Wild Heritage Planners
Steering Committee – [SoCal 350 Climate Action](#)
Publisher - [WilderUtopia.com](#) - Coexisting into the Great Unknown
Connect on [Facebook](#) and [Twitter](#) - [@WilderUtopia](#)
Office 323 362 6737

December 8, 2016

Mr. Wayne Nastri, Executive Officer
Ms. Jillian Wong, Planning and Rules Manager
Mr. Danny Luong, Senior Enforcement Manager
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4178

SENT VIA EMAIL: wnastri@aqmd.gov; jwong1@aqmd.gov; dluong@aqmd.gov

CC: AQMD Governing Board member Joe Buscaino, c/o Jacob Haik, Deputy Chief of Staff, jacob.haik@lacity.org

Subject: Tesoro LARIC Project must be recirculated in Draft Form

Dear Mr. Nastri and AQMD Staff,

SoCal 350 Climate Action works with a coalition of individuals and groups from the Southern California area banding together to fight climate change. We envision a healthy climate through environmental, social, and economic justice, engaging and empowering our communities through a fossil-free future. SoCal 350 is affiliated with the international climate change organization 350.org and submit this letter jointly with our coalition member Tar Sands Action Southern California.

G1-116.1

We write to urge you to recirculate the Tesoro LARIC (Los Angeles Refinery Integration and Compliance) project Environmental Impact Report (EIR) as a new draft, and not to publish it as a final EIR. We also formally request a public hearing on Tesoro before your Governing Board to discuss this project. To finalize the EIR, especially before the

G1-116.2

APPENDIX G1: RESPONSE TO COMMENTS

holidays, would severely restrict public participation, and the ability for significant and unavoidable adverse impacts to the environment to be properly addressed following the directives of the California Environmental Quality Act (CEQA).

G1-116.2
Cont'd

We have been told the AQMD intends to finalize the EIR in December. Instead, we request you correct fatal errors, such as the draft's failure to evaluate Tesoro's crude oil switch, with its public health, environmental, and explosion hazards. Tesoro's CEO admitted this change publicly to investors. These new crude oils require refinery modifications that increase dangers— higher VOCs, benzene (carcinogenic), corrosion, risks of fire, explosion, hazardous material release, and others. CEQA requires an accurate project description and evaluation of potentially significant impacts in the draft environmental report. These cannot happen in a last-minute explanation in the final EIR.

G1-116.3

This major fossil fuel expansion undermines the City of Los Angeles's sustainability plans for climate, health, safety & Environmental Justice. It will cause significant threats to resources and ecosystems from Canada to Los Angeles.

Furthermore, these crude oils would come by rail from North Dakota via volatile "bomb trains" and whatever dangerous pipeline routes they can establish. This is crude extracted by hydraulic fracturing that releases toxics to air and water, is highly volatile, and releases elevated greenhouse gases during drilling. Multiple crude trains have exploded and spilled across North America, and dozens were killed. The US Department of Transportation found Dakota crude particularly dangerous.

G1-116.4

SoCal 350 has worked closely with the City and County of Los Angeles to pass resolutions publicly opposing another such dangerous oil train project up in San Luis Obispo by Phillips 66, that was recently rejected because of a number of significant and unavoidable adverse impacts to communities and the State of California.

Tesoro's expanded facilities can also include tar sands crude oil from Canada. This is strip mined, creates toxic lakes and rivers, is so heavy it is like asphalt, and explosive diluents are added during transport. Moreover, with its high sulfur contents, it has proven corrosive to pipelines, rail cars, and storage tanks, resulting in accidents, spills, explosions and polluted air and water. High profile spills in Michigan and Arkansas remain entirely polluted with the diluted bitumen, which is nearly impossible to clean up.

G1-116.5

The plan to transport crude to LA from a proposed Tesoro ship terminal near Portland OR poses significant risks as well. In June 2016, a "bomb" train blew up next to an elementary school in the region, and spilled into the Columbia River. By enabling infrastructure here in Southern California to enable these extreme crude oils to be transported, we are effectively enabling disasters all over our continent. This must be documented in the environmental analysis.

G1-116.6

In addition, Tesoro's August LA refinery explosion of a sulfur tank could not be explained by the AQMD. This explosion required shutdown of streets, and a shelter-in-place for a quarter mile around. Why would the AQMD allow an expansion of sulfur processing at the refinery, without full environmental review? This question must be answered completely in the environmental documentation.

G1-116.7

A large body of evidence submitted to the AQMD by Dr. Phyllis Fox, Communities for a Better Environment, Earthjustice, Eastyard, CFASE, and many others, showed overwhelmingly that the Draft EIR failed as an informational document. It needs to be re-written in draft form to address these comments.

G1-116.8

Delay of Tesoro's business plans is no justification to rush the EIR! Tesoro could have entirely prevented any "delay" if it had disclosed the crude oil switch plan two years ago, when it acknowledged the plans to its investors. It is necessary to provide public disclosure in order to respect the public's right-to-know about increased hazards and pollution, and to comply with the California Environmental Quality Act. Please let me know what you intend to do.

G1-116.9

Sincerely,

Jack Eidt

Steering Committee, SoCal 350 Climate Action

Mark Morris

Organizer, Tar Sands Action Southern California

Response to Comment Letter No. G1-116

**SoCal 350 Climate Action
And
Tar Sands Action SoCal**

Comment G1-116.1

SoCal 350 Climate Action works with a coalition of individuals and groups from the Southern California area banding together to fight climate change. We envision a healthy climate through environmental, social, and economic justice, engaging and empowering our communities through a fossil-free future. SoCal 350 is affiliated with the international climate change organization 350.org and submit this letter jointly with our coalition member Tar Sands Action Southern California.

G1-116.1

Response G1-116.1

The comment does not raise any issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA.

Comment G1-116.2

We write to urge you to recirculate the Tesoro LARIC (Los Angeles Refinery Integration and Compliance) project Environmental Impact Report (EIR) as a new draft, and not to publish it as a final EIR. We also formally request a public hearing on Tesoro before your Governing Board to discuss this project. To finalize the EIR, especially before the holidays, would severely restrict public participation, and the ability for significant and unavoidable adverse impacts to the environment to be properly addressed following the directives of the California Environmental Quality Act (CEQA).

G1-116.2

G1-116.2
Cont'd

Response G1-116.2

The comment is noted and the SCAQMD did not finalize the document during the holiday period; a decision on the EIR and proposed project is expected in early 2017.

The DEIR fully analyzed the proposed project's potential impacts and the comment does not provide any new information of environmental impacts that are not analyzed or that changes the significance conclusions made in the DEIR. Therefore, no recirculation of the DEIR is necessary under CEQA.

Comment G1-116.3

We have been told the AQMD intends to finalize the EIR in December. Instead, we request you correct fatal errors, such as the draft's failure to evaluate Tesoro's crude oil switch, with its public health, environmental, and explosion hazards. Tesoro's CEO admitted this change publicly to investors. These new crude oils require refinery modifications that increase dangers—higher VOCs, benzene (carcinogenic), corrosion, risks of fire, explosion, hazardous material release, and others. CEQA requires an accurate project description and evaluation of potentially significant impacts in the draft environmental report. These cannot happen in a last-minute explanation in the final EIR.

G1-116.3

Response G1-116.3

As noted in Response G1-116.2, the SCAQMD did not finalize the document during the holiday period; a decision on the EIR and proposed project is expected in early 2017.

As explained in detail in Sections 2.5.3 and 2.5.4 and Appendix F of the DEIR, Master Response 4, and Response G1-78.94, the Refinery is currently processing a blend of various crude oils and will continue to do so with or without the proposed project. The proposed project will not result in a substantial change in the crude oil blend processed by the Refinery.

The DEIR analyzed the potential increase in crude oil processing of up to 6,000 bbl/day associated with the modification of the DCU H-100 heater permit description. The increase in crude oil processing rate is not related to any specific crude oil source. Master Response 4 explains that the Refinery's sources of crude oils have and will continue to vary with or without the proposed project. By using worst-case crude oil properties (see Response G1-78.157), the DEIR fully analyzed the potential impacts associated with storing various crude oils in the new and replacement storage tanks and with transferring various crude oils via the associated piping. There would be no additional impacts, beyond those analyzed in the DEIR, for the new and replacement storage tanks if different light or heavy crude oil is processed at the Refinery (see Sections 4.2.2.2 of the DEIR). The proposed project does not facilitate or encourage sourcing crude oil from any particular location. In other words, the improved offloading efficiency provides a benefit regardless of the type of crude oil transported by marine vessel.

Light and heavy crude oil is currently delivered, stored, and processed at the Refinery and will continue to be delivered, stored, and processed with or without the proposed project. The impact analysis in the DEIR accounts for the variety of crude oils that have been and will be handled by the Refinery. For example, the TAC concentrations of crude oils in storage tanks associated with the proposed project were based on a worst-case hybrid analysis of the toxic content of the crude oils currently and potentially processed at the Refinery, including Bakken and heavy Canadian crude oil. The hybrid TAC speciation was prepared by selecting the highest concentration of each toxic compound from the entire speciated data set of all the crude oils analyzed.

As explained in Section 4.2.2.2 of the DEIR, upon completion, the proposed project will result in regional and local reductions in CO emissions and local reductions of operational NO_x, SO_x, PM₁₀, and PM_{2.5} emissions. The increase in operational VOC emissions associated with the proposed project was found to be less than significant. The proposed project emissions are described in detail in Section 4.2 of the DEIR and are summarized in Table 4.2-4 (see pages 4-16 through 4-18). The proposed project will result in local overall reductions in GHG emissions, as described in Section 5.2 of the FEIR and summarized in Table 5.2-8 (see page 5-26).

As explained in Master Response 3, the DEIR fully analyzed and disclosed the proposed project's potential health impacts from all pollutants. The proposed project's potential cancer and non-cancer human health impacts, including asthma and other respiratory illnesses, were analyzed in the DEIR, and determined to be less than significant. As explained in Section 4.3 and Appendix C of the FEIR and Master Response 9, the proposed project has been fully analyzed for hazard impacts based on a worst-case consequence analysis. This includes

proposed project equipment, including pipelines and storage tanks, and process units regardless of the cause of release (e.g., human error, equipment failure, sabotage, terrorism, natural disaster, or civil uprising). The objectives of the proposed project are stated in Section 2.2 of the DEIR. A complete project description is provided in Section 2.7 of the DEIR. The potential impacts of the proposed project have been fully analyzed and are presented in Chapter 4 of the DEIR. The comment does not provide any new information of environmental impacts that was not analyzed or that changes the significance conclusions made in the DEIR. Therefore, no recirculation of the DEIR is necessary under CEQA.

Comment G1-116.4

This major fossil fuel expansion undermines the City of Los Angeles's sustainability plans for climate, health, safety & Environmental Justice. It will cause significant threats to resources and ecosystems from Canada to Los Angeles.

Furthermore, these crude oils would come by rail from North Dakota via volatile "bomb trains" and whatever dangerous pipeline routes they can establish. This is crude extracted by hydraulic fracturing that releases toxics to air and water, is highly volatile, and releases elevated greenhouse gases during drilling. Multiple crude trains have exploded and spilled across North America, and dozens were killed. The US Department of Transportation found Dakota crude particularly dangerous.

SoCal 350 has worked closely with the City and County of Los Angeles to pass resolutions publicly opposing another such dangerous oil train project up in San Luis Obispo by Phillips 66, that was recently rejected because of a number of significant and unavoidable adverse impacts to communities and the State of California.

G1-116.4

Response G1-116.4

Master Response 6 explains that the volume of available crude oil storage capacity has no bearing on Refinery crude oil processing capacity. The proposed project would not create a new or larger refinery or result in a substantial increase of crude oil throughput capacity. It would further integrate the Refinery's Carson and Wilmington Operations.

Sections 2.7.1.3 and 4.1.2.1 of the FEIR describe the potential 6,000 bbl/day crude oil capacity increase that could be accommodated with the DCU H-100 heater permit revision. The potential impacts of this crude oil capacity increase are fully analyzed in Chapter 4 of the DEIR. Master Response 7 further explains that the proposed project is not an expansion of the Refinery. Further, the comment does not specify how the issues relate to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA.

Neither the CEQA Statutes nor Guidelines require an analysis of environmental justice impacts. The SCAQMD, however, has a strong record of addressing environmental justice issues since the SCAQMD's Environmental Justice program began in 1997. Since that time, the SCAQMD has instituted a number of community initiatives to help improve air quality for low income residents and residents of color in the Basin. The programs and initiatives have been continually reviewed and updated. As a result, the SCAQMD's Environmental Justice program goes beyond a single project, and encompasses a unified regional approach to reducing impacts to the Basin's most impacted communities. Master Response 14 addresses environmental justice regarding the proposed project.

As indicated in the FEIR Sections 2.6.1 and 2.6.2 for the proposed project, crude oil is not currently transported directly to either the Wilmington or Carson Operations via rail. These

locations do not currently have the facilities or SCAQMD permits to receive crude oil deliveries by rail. No new or modified facilities are included in the proposed project to enable crude oil deliveries by rail.

There have been previous volatility issues associated with the transport of Bakken crude oil. However, regulations have since been adopted that require a reduction in volatility of Bakken crude oil that is transported. For example, in December 2014, the Industrial Commission of North Dakota issued an order regarding conditioning of Bakken crude oil and limiting the RVP of crude oil provided for transport to 13.7 RVP. Thus, Bakken crude oil transported to the West Coast will be pipeline quality (i.e., qualified for safe transport) and will not have as high a vapor pressure as the Bakken crude oil produced at the wellhead. As with other U. S. crude oil production operations, the order adopted by the State of North Dakota will require that crude oil production facilities remove a significant portion of the light ends (ethane, propane, butane and pentane) prior to offering the crude oil for shipment to refineries for processing.

Because of Bakken crude oil's purported volatility, concerns were raised in the media as to whether Bakken crude oil was properly classified as a Class 3 hazardous material under U.S. DOT regulations. A Class 3 hazardous material is generally a flammable or combustible liquid that does not meet the regulatory classification requirements for other hazardous characteristics, such as toxicity, corrosivity, radioactivity or explosiveness. However, those concerns have since been resolved by repeated analysis and testing that demonstrates Bakken crude oil to be a Class 3 hazardous material, similar to other light sweet crude oils. After considering the information, the PHMSA Deputy Administrator testified to Congress that Bakken crude oil is accurately classified as a Hazard Class 3 Flammable Liquid.³⁵⁸ This is consistent with the sampling and testing Tesoro has completed on Bakken crude oil. Therefore, Bakken crude oil has properties similar to other light crude oils, and is not classified as explosive.

The comment regarding previous work of the commenting organization does not raise any issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA.

Comment G1-116.5

Tesoro's expanded facilities can also include tar sands crude oil from Canada. This is strip mined, creates toxic lakes and rivers, is so heavy it is like asphalt, and explosive diluents are added during transport. Moreover, with its high sulfur contents, it has proven corrosive to pipelines, rail cars, and storage tanks, resulting in accidents, spills, explosions and polluted air and water. High profile spills in Michigan and Arkansas remain entirely polluted with the diluted bitumen, which is nearly impossible to clean up.

G1-116.5

Response G1-116.5

Responses G1-81.65 and G1-81.67 explain that the DEIR does not need to analyze the environmental impacts from crude oil production because the proposed project will not cause any changes to that industry. As explained in Response G1-116.3, the proposed project does not

³⁵⁸ Written statement of Timothy P. Butters Before the Subcommittees on Energy and Oversight Committee on Science, Space and Technology, U.S. House of Representatives at page 12 (Sept. 9, 2014).

facilitate a substantial change in the crude oil processed by the Refinery. Furthermore, the claims made in the comment are unsubstantiated by evidence and are not specific to the DEIR. Therefore, no further response is necessary under CEQA.

Comment G1-116.6

The plan to transport crude to LA from a proposed Tesoro ship terminal near Portland OR poses significant risks as well. In June 2016, a “bomb” train blew up next to an elementary school in the region, and spilled into the Columbia River. By enabling infrastructure here in Southern California to enable these extreme crude oils to be transported, we are effectively enabling disasters all over our continent. This must be documented in the environmental analysis.

G1-116.6

Response G1-116.6

The comment refers to transportation of crudes from a proposed Tesoro ship terminal near Portland, OR, which is part of the Vancouver Energy Project. As explained in Section 4.1.2.5 of the DEIR and Master Response 8, the Vancouver Energy Project is wholly independent from the proposed project and is undergoing separate environmental review by the Washington State EFSEC, which includes the evaluation of transportation hazards. Additionally, as described in Master Response 8, the Final EIS has not yet been issued for the Vancouver Energy Project, and the project has not been approved.

As explained in Response G1-116.4, the proposed project does not include crude oil deliveries by rail.

Responses G1-81.65 and G1-81.67 explain that the DEIR does not need to analyze the environmental impacts from crude oil production, transportation, or storage because the proposed project will not cause any changes to that industry.

Comment G1-116.7

In addition, Tesoro’s August LA refinery explosion of a sulfur tank could not be explained by the AQMD. This explosion required shutdown of streets, and a shelter-in-place for a quarter mile around. Why would the AQMD allow an expansion of sulfur processing at the refinery, without full environmental review? This question must be answered completely in the environmental documentation.

G1-116.7

Response G1-116.7

The sulfur tank event that occurred at the Refinery on August 26, 2016, is unrelated to the proposed project. No modifications are included in the proposed project that would impact the SRP in any way. However, Tesoro reports that the sulfur tank event was thoroughly investigated following Tesoro's Incident Investigation criteria, work process, and methodologies. An incident investigation team with representation by specific disciplines (e.g. technical, operations, and maintenance) as well as an outside industry expert conducted an incident investigation root cause analysis. Root cause methodology reviews incident data for cause, identifies causal factors and root causes, and provides the associated recommendations, which are implemented with the goal of incident prevention and recurrence.

Tesoro reports that the cause of the event is believed to have been solid sulfur blockages in the storage tank vent gas blower suction line. The sulfur blockage led to low flow conditions which caused combustible vapors to build up in the tank vapor space in excess of the flammability concentration. An unknown ignition source then ignited the vapors that started the fire. Corrective actions included calculating a safe minimum operating vent gas rate and changing the vent gas flow alarms on the sulfur tank based on the calculated safe minimum operating vent gas rate. Ongoing corrective action also includes a re-evaluation of the design of the existing sulfur tank venting system to determine if there are any better long-term engineered solutions that can be feasibly implemented.

Comment G1-116.8

A large body of evidence submitted to the AQMD by Dr. Phyllis Fox, Communities for a Better Environment, Earthjustice, Eastyard, CFASE, and many others, showed overwhelmingly that the Draft EIR failed as an informational document. It needs to be re-written in draft form to address these comments.

]

G1-116.8

Response G1-116.8

The comment references other previously submitted comments to which SCAQMD has responded in detail. Responses G1-78.92 through G1-78.258 address Phyllis Fox’s comments. Responses G1-81.1 through G1-81.154 address CBE’s comments. Responses G1-86.1 through G1-86.88 address Earthjustice’s comments. Responses G1-84.1 through G1-84.4 address East Yard’s comments. Responses G1-106.1 through G1-106.30 address CFASE’s comments. The comment does not raise any new issues related to the DEIR that were not previously addressed.

The comment does not specify any issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA. Additionally, this comment provides no new evidence that would require the DEIR to be rewritten.

Comment G1-116.9

Delay of Tesoro’s business plans is no justification to rush the EIR! Tesoro could have entirely prevented any “delay” if it had disclosed the crude oil switch plan two years ago, when it acknowledged the plans to its investors. It is necessary to provide public disclosure in order to respect the public’s right-to-know about increased hazards and pollution, and to comply with the California Environmental Quality Act. Please let me know what you intend to do.

]

G1-116.9

Response G1-116.9

As explained in Response G1-116.3, the proposed project will not result in a substantial change in the crude oil blend processed at the Refinery.

Further, the proposed project has complied with the public process required by CEQA Guidelines § 15087. As explained in detail in Master Response 1, the DEIR was circulated for an extended length of time. The public comment period closed on June 10, 2016, after two extensions. A 94-day public review and comment period (March 8, 2016 through June 10, 2016) was provided, which exceeds CEQA requirements. A public hearing on the Title V permit and public meeting on the DEIR was held on May 17, 2016. Copies of the DEIR were made

APPENDIX G1: RESPONSE TO COMMENTS

available in neighborhood public libraries. Notices were published and distributed for the original public comment period, the two extensions, and the public hearing on the Title V permit and public meeting on the DEIR.

The potential impacts of the proposed project have been fully analyzed and are presented in Chapter 4 of the DEIR. The comment does not specify any other issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA.

Comment Letter No. G1-117

December 8, 2016

Wayne Natri, Executive Officer, South Coast Air Quality Management District
Jillian Wong, Planning and Rules Manager
Danny Luong, Senior Enforcement Manager
21865 Copley Drive Diamond Bar CA 91765

Dear Mr. Natri and AQMD Staff,

It has come to my attention that the AQMD intends to finalize the EIR for the Tesoro/BP merger and I am shocked at this possibility. I am shocked because I attended the public hearing in Carson where this issue was discussed. I heard testimony of citizens and scientists regarding the negative health impacts and risks that this merger poses. I and several other teachers also testified on behalf of our bright and deserving students. I, myself have taught in Wilmington, for over 20 years in a high achieving Title One (high poverty) 97% Hispanic school.

G1-117.1

In my testimony, I explained to you that every year, I have many students who suffer from nosebleeds, headaches, stomach-aches and/or asthma as a result of the extremely polluted air. The rate of asthma is so high at our school, an asthma van parks on our playground every other week to treat students. Other teachers related similar experiences. One kindergarten teacher was so overcome with tears she could barely recount the suffering of her young students. So many have these symptoms – and worse – how tragic that 4 and 5 year olds suffer from the air they breath.

G1-117.2

Our students suffer more than health symptoms – they also suffer academically. Their health issues cause them to be absent and affects their concentration. Extrapolating – their future education is affected. Additionally, health experts say that my students’ life expectancies are reduced just because they breath such polluted air –even though they may not suffer any current severe health affects. Altogether, it is painful to know that by virtue of being born in proximity of a refinery (and there are 6 in the area) my bright and happy students are environmentally, as well economically, disadvantaged.

Furthermore, scientists and other expert witnesses testified that the current EIR does not take into consideration the type of crude oil planned to be refined. It is very heavy in sulfur crude oil and it would increase air pollution even more. Nor did it consider the high risk that such huge storage tanks pose to the community in our earthquake prone area. Just recently, a sulfur storage tank at the refinery exploded, and people nearby were put in high danger. Would you like these huge tanks nest to you? Should these children and their families be exposed to this increased risk?

G1-117.3

How is it that my students - that I am mandated to protect -shouldn't deserve a new, more comprehensive and closely scrutinized Environmental Impact Report? Doesn't the community have the right to be better informed of what this refinery is proposing and the effects it will have on them? The above meeting was not well advertised, and was filled with employees of the refineries. How is that fair to my students?

G1-117.4

In closing, I urge you to think of the environmental burden this community and its children already bear. I urge you to call for a new EIR that addresses the above issues; to hold several well-publicized informational and public comment forums after the EIR is completed; and most especially- to not hold a meeting to finalize the current EIR during this holiday period when so many residents are busy with festivities on top of their regular schedules. Please give the community –and my students - a fair chance to understand the impacts of this proposed refinery merger.

Respectfully,

Linda Bassett
UTLA House of Representatives Member
VP Human Rights Committee

Response to Comment Letter No. G1-117

Linda Bassett

Comment G1-117.1

It has come to my attention that the AQMD intends to finalize the EIR for the Tesoro/BP merger and I am shocked at this possibility. I am shocked because I attended the public hearing in Carson where this issue was discussed. I heard testimony of citizens and scientists regarding the negative health impacts and risks that this merger poses. I and several other teachers also testified on behalf of our bright and deserving students. I, myself have taught in Wilmington, for over 20 years in a high achieving Title One (high poverty) 97% Hispanic school.

G1-117.1

Response G1-117.1

As explained in Master Response 7, the proposed project is not a merger. Tesoro acquired the Carson Operations from BP in 2013. The Carson and Wilmington Operations have already merged. The two pre-existing refinery operations have been operating as one Refinery since the acquisition. As described in Section 2.1 of the DEIR, the proposed project is designed to better integrate the existing Carson and Wilmington Operations, which will improve processing efficiency and reduce emissions.

As explained in Master Response 3, the DEIR fully analyzed and disclosed the proposed project's potential health impacts from all pollutants. The proposed project's potential cancer and non-cancer human health impacts, including asthma and other respiratory illnesses, were analyzed in the DEIR, and determined to be less than significant. The estimated cancer risk due to the operation of the proposed project was found to be less than the SCAQMD's cancer risk significance threshold of ten in one million (see FEIR Section 4.2.2.5). The non-cancer chronic and acute hazard indices were found to be below the SCAQMD's non-cancer chronic and acute hazard index threshold of 1.0. Therefore, the proposed project is not expected to cause a significant adverse health impact.

Comment G1-117.2

In my testimony, I explained to you that every year, I have many students who suffer from nosebleeds, headaches, stomach-aches and/or asthma as a result of the extremely polluted air. The the rate of asthma is so high at our school, an asthma van parks on our playground every other week to treat students. Other teachers related similar experiences. One kindergarten teacher was so overcome with tears she could barely recount the suffering of her young students. So many have these symptoms – and worse – how tragic that 4 and 5 year olds suffer from the air they breath.

Our students suffer more than health symptoms – they also suffer academically. Their health issues cause them to be absent and affects their concentration. Extrapolating – their future education is affected. Additionally, health experts say that my students' life expectancies are reduced just because they breath such polluted air –even though they may not suffer any current severe health affects. Altogether, it is painful to know that by virtue of being born in proximity of a refinery (and there are 6 in the area) my bright and happy students are environmentally, as well economically, disadvantaged.

G1-117.2

Response G1-117.2

As explained in Response G1-117.1, the DEIR fully analyzed and disclosed the proposed project's potential health impacts from all pollutants. The proposed project's potential cancer and non-cancer human health impacts, including asthma and other respiratory illness, were

analyzed in the DEIR, and determined to be less than significant. Therefore, the proposed project is not expected to cause a significant adverse health impact.

As explained in Section 4.2.2.2 of the DEIR, upon completion, the proposed project will result in regional and local reductions in CO emissions and local reductions of operational NO_x, SO_x, PM₁₀, and PM_{2.5} emissions. The increase in operational VOC emissions associated with the proposed project was found to be less than significant. The proposed project emissions are discussed in detail in Section 4.2 of the DEIR and are summarized in Table 4.2-4 (see pages 4-16 through 4-18). The proposed project will result in local overall reductions in GHG emissions, as discussed in Section 5.2 of the FEIR and summarized in Table 5.2-8 (see page 5-26).

Neither the CEQA Statutes nor Guidelines require an analysis of environmental justice impacts. The SCAQMD, however, has a strong record of addressing environmental justice issues since the SCAQMD's Environmental Justice program began in 1997. Since that time, the SCAQMD has instituted a number of community initiatives to help improve air quality for low income residents and residents of color in the Basin. The programs and initiatives have been continually reviewed and updated. As a result, the SCAQMD's Environmental Justice program goes beyond a single project, and encompasses a unified regional approach to reducing impacts to the Basin's most impacted communities. Master Response 14 addresses environmental justice regarding the proposed project.

Comment G1-117.3

Furthermore, scientists and other expert witnesses testified that the current EIR does not take into consideration the type of crude oil planned to be refined. It is very heavy in sulfur crude oil and it would increase air pollution even more. Nor did it consider the high risk that such huge storage tanks pose to the community in our earthquake prone area. Just recently, a sulfur storage tank at the refinery exploded, and people nearby were put in high danger. Would you like these huge tanks next to you? Should these children and their families be exposed to this increased risk?

G1-117.3

Response G1-117.3

As explained in detail in Sections 2.5.3 and 2.5.4 and Appendix F of the DEIR, Master Response 4 and Response G1-78.94, the Refinery is currently processing a blend of various crude oils and will continue to do so with or without the proposed project. The proposed project will not result in a substantial change in the crude oil blend processed by the Refinery. This includes the sulfur content of the crude oil processed at the Refinery.

See Response G1-117.2 for more details on air emissions.

Section 3.3.6 of the DEIR describes existing Refinery safety systems at the Tesoro Refinery. As explained in Section 4.3 and Appendix C of the FEIR and Master Response 9, the proposed project has been fully analyzed for hazard impacts based on a worst-case consequence analysis. This includes proposed project equipment, including pipelines and storage tanks, and process units regardless of the cause of release (e.g., human error, equipment failure, sabotage, terrorism, natural disaster, or civil uprising). The DEIR found that hazards associated with the Naphtha Isomerization Unit, new crude oil storage tanks, the SARP, and interconnecting pipelines are potentially significant based on worst-case release scenarios.

APPENDIX G1: RESPONSE TO COMMENTS

The hazard analysis takes a worst-case approach by assuming that the entire contents of a tank or other equipment would rapidly be released, and that no safety measures are implemented that could reduce the severity of an accidental release. It is expected that hazard impacts would be less than analyzed because the Refinery has safety measures in place and specified employees are trained regarding safety measures. Further, the DEIR imposes measures to mitigate hazard impacts (see Section 4.3.3 of the DEIR). Finally, as described in Section 3.3.7 of the DEIR, the Refinery is subject to many laws and regulations that address safety and emergency responses in the event of an accident. Nonetheless, the DEIR conservatively concluded that hazard impacts would remain significant.

The sulfur tank event that occurred at the Refinery on August 26, 2016, is unrelated to the proposed project. No modifications are included in the proposed project that would impact the SRP in any way. However, Tesoro reports that the sulfur tank event was thoroughly investigated following Tesoro's Incident Investigation criteria, work process, and methodologies. An incident investigation team with representation by specific disciplines (e.g. technical, operations, and maintenance) as well as an outside industry expert conducted an incident investigation root cause analysis. Root cause methodology reviews incident data for cause, identifies causal factors and root causes, and provides the associated recommendations, which are implemented with the goal of incident prevention and recurrence.

Tesoro reports that the cause of the event is believed to have been solid sulfur blockages in the storage tank vent gas blower suction line. The sulfur blockage led to low flow conditions which caused combustible vapors to build up in the tank vapor space in excess of the flammability concentration. An unknown ignition source then ignited the vapors that started the fire. Corrective actions included calculating a safe minimum operating vent gas rate and changing the vent gas flow alarms on the sulfur tank based on the calculated safe minimum operating vent gas rate. Ongoing corrective action also includes a re-evaluation of the design of the existing sulfur tank venting system to determine if there are any better long-term engineered solutions that can be feasibly implemented.

Comment G1-117.4

How is it that my students - that I am mandated to protect - shouldn't deserve a new, more comprehensive and closely scrutinized Environmental Impact Report? Doesn't the community have the right to be better informed of what this refinery is proposing and the effects it will have on them? The above meeting was not well advertised, and was filled with employees of the refineries. How is that fair to my students?

In closing, I urge you to think of the environmental burden this community and its children already bear. I urge you to call for a new EIR that addresses the above issues; to hold several well-publicized informational and public comment forums after the EIR is completed; and most especially- to not hold a meeting to finalize the current EIR during this holiday period when so many residents are busy with festivities on top of their regular schedules. Please give the community -and my students - a fair chance to understand the impacts of this proposed refinery merger.

G1-117.4

Response G1-117.4

The proposed project has complied with the public process required by CEQA Guidelines § 15087. As explained in detail in Master Response 1, the DEIR was circulated for an extended length of time. The public comment period closed on June 10, 2016, after two extensions. A 94-day public review and comment period (March 8, 2016 through June 10, 2016) was provided,

APPENDIX G1: RESPONSE TO COMMENTS

which exceeds CEQA requirements. A public hearing on the Title V permit and public meeting on the DEIR was held on May 17, 2016. Copies of the DEIR were made available in neighborhood public libraries. Notices were published and distributed for the original public comment period, the two extensions, and the Title V Public Hearing and Meeting on the DEIR. Further, the SCAQMD did not finalize the document during the holiday period, which lasted from late December 2016 to early January 2017.

The DEIR fully analyzed the proposed project's potential impacts and the comment does not provide any new information of environmental impacts that was not analyzed or that changes the significance conclusions made in the DEIR. Therefore, no revision of the DEIR is necessary under CEQA.

Comment Letter No. G1-118

ADAMS BROADWELL JOSEPH & CARDOZO

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

601 GATEWAY BOULEVARD, SUITE 1000
SOUTH SAN FRANCISCO, CA 94080-7037

TEL: (650) 589-1660
FAX: (650) 589-5062

rkoss@adamsbroadwell.com

SACRAMENTO OFFICE

520 CAPITOL MALL, SUITE 350
SACRAMENTO, CA 95814-4721

TEL: (916) 444-6201
FAX: (916) 444-6209

MILA A. BUCKNER
DANIEL L. CARDOZO
CHRISTINA M. CARO
THOMAS A. ENSLOW
TANYA A. GULESSERIAN
MARC D. JOSEPH
RACHAEL E. KOSS
NATALIE B. KUFFEL
LINDA T. SOB CZYNSKI
NED C. THIMMAYYA

December 21, 2016

Via Email and U.S. Mail

Wayne Nastri, Executive Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765
wnastri@aqmd.gov

Re: Tesoro Los Angeles Refinery Integration and Compliance Project

Dear Mr. Nastri:

We write on behalf of Safe Fuel Energy and Resources California (“SAFER California”), Peter Estrada, Leonardo Parra and Nicolas Garcia in response to your counsel’s December 14, 2016 letter regarding the Tesoro Los Angeles Refinery Integration and Compliance Project (“Project”). The letter states that, while the “DEIR’s analysis concludes that this project was not designed to, and will not in fact, facilitate any crude oil switch at the refinery,” pending “review of the relevant comments and response,” you will consider revising and recirculating the DEIR to include an analysis of environmental impacts from a potential crude slate switch. We appreciate your careful consideration of this issue, and to aid your determination, we highlight the following information previously provided to the District in comments on the DEIR.

G1-118.1

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The California Environmental Quality Act (“CEQA”)¹ requires an agency to analyze all reasonably foreseeable environmental consequences of a project.² Here, the record shows that the Project would facilitate the Los Angeles Refinery to receive a broader range of crudes, including Bakken crude and Dakota and Canadian tar sands. Thus, CEQA requires the District to analyze impacts associated with the reasonably foreseeable changes in crude slate resulting from the Project.

G1-118.2

Tesoro’s assertion that there will be no change in the crude slate or crude quality is unsupported. Rather, the record shows that Tesoro plans to change its crude slate, including importing significant amounts of Bakken and tar sands crudes to its Los Angeles Refinery, and that these crude slate changes are facilitated by the Project. Evidence shows that the Project is designed to achieve maximum flexibility in crude slate to reduce operating costs and maximize profits by refining the cheapest available crude.

First, Project components will allow a change in crude slate, including: (1) 3.66 million barrels of additional marine terminal storage capacity with a Reid Vapor Pressure of 10.5 psi (a much higher vapor pressure than crudes received at the terminals in the baseline); (2) shutdown of the Wilmington FCCU; (3) recovery of propane; (4) a new wet jet treater to remove mercaptans and reduce total acid number; (5) increase in capacity of units that process light process streams including the No. 51 Vacuum Unit and HTU-1, -2, and -4; and (6) increased firing rates of various heaters. These changes will allow the integrated refinery to import and process significant amounts of very light crude oils, such as Bakken crudes, as well as Canadian tar sands crudes, and blends of these two.

G1-118.3

The heart of the Project is the shutdown of the Wilmington FCCU. Fluid catalytic cracking is typically done to reduce the molecular weight of the heavy fractions of crude oil to lighter fractions. The FCCU converts heavy gas oil from crude distillation and other heavy streams to light gases, petrochemical feedstocks, gasoline blendstocks and diesel blendstocks.³ The FCCU was necessary to process a heavy feedstock. Shifting to a Bakken blend eliminates the need for the Wilmington FCCU because distillation of Bakken and other light crudes at the front

G1-118.4

¹ Pub. Resources Code § 21000 et seq.

² *Laurel Heights Improvement Association v. Regents of University of California* (1988) 47 Cal. 3d 376, 398 (emphasis added); see also *Vineyard Area Citizens for Responsible Growth, Inc. v. City of Rancho Cordova* (2007) 40 Cal. 4th 412, 449-50.

³ See, e.g., DEIR, Figure 2-8.

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Page 3

end of a refinery yields much greater amounts of these lighter blendstocks and much smaller amounts of heavy feedstocks that require cracking.

Further, the increased yields of lighter fractions from refining Bakken and other light crudes requires increases in the throughput of downstream units that process lighter fractions from distillation, including the reformer, isomerization, and hydrotreating units.⁴ The Project includes increases in the throughput of these units. The CRU-3 fractionation section will be modified to enable recovery of propane from the refinery fuel gas.⁵ The naphtha isomerization unit will be modified to recover propane and heavier material from the off-gas, enabling additional product sales.⁶ The increased amounts of propane that will be recovered originate from lighter crudes that are rich in propane. The Project increases the firing rate of the No. 51 Vacuum Unit at Carson from 300 to 360 MMBtu/hr, which would increase the lifting capability in this unit. Further, hydrotreating Units 1, 2 and 4 will be modified to handle increased yields of lighter products, consistent with refining a lighter crude slate.⁷ Similar modifications are proposed at Tesoro's Anacortes Refinery to accommodate Bakken crude oil.⁸

G1-118.4
Cont'd

Second, Tesoro is heavily invested in Bakken.⁹ Tesoro has substantial holdings in the Bakken reserves, including the High Plains System, Great Northern Midstream and related trucking operations in the Bakken Shale/Williston Basin area of North Dakota and Montana.¹⁰

G1-118.5

⁴ See, e.g., K.J. Bryden and others, Processing Shale Oils in FCC: Challenges and Opportunities, Hydrocarbon Processing, September 1, 2013; Available at: <http://www.hydrocarbonprocessing.com/Article/3250397/Processing-shale-oils-in-FCC-Challenges-and-opportunities.html>.

⁵ DEIR, p. 1-12.

⁶ DEIR, p. 1-16.

⁷ DEIR, pp. 2-37/38.

⁸ Anacortes Upgrade, Clean Products Upgrade Project Fact Sheet, Available at: <http://anacortesupgradeproject.com/docs/anacortes-upgrades-fact-sheet.pdf>.

⁹ 12/9/14 Tesoro and Tesoro Logistics Analyst and Investor Day Transcript, p. 17 ("Obviously, our Bakken business, which has been the center of a lot of our growth, it's where we really work on acquisition of crude oil. We pick it up in trucks; we have gathering pipelines; we have our mainlines. We store crude; we deliver it to rail facilities and we deliver it to Tesoro's refinery... We've obviously been investing quite a lot around our Bakken system; we're investing in our West Coast system to grow our capabilities there, matched to the things Tesoro is trying to do.")

¹⁰ See, for example, Tesoro 12/9/15 Analyst and Investor Day Transcript, pp. 14, 15, 23 and U.S. Securities and Exchange Commission, Form 10-K, Tesoro Corporation, Fiscal Year Ended December 31, 2013, p. 12.

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Third, in a joint venture with Savage Companies, Tesoro proposes to construct a new rail-to-marine terminal at the Port of Vancouver in Washington (“Vancouver Terminal”). The Vancouver Terminal would receive Bakken and tar sands crudes¹¹ by rail and then transport the crudes by marine vessel to Tesoro’s California refineries and other west coast refineries.¹² Indeed, Tesoro’s application for the Vancouver Terminal anticipated exports of 80% Bakken crude and 20% other crudes, including Canadian tar sands.^{13,14} Accordingly, the Vancouver Terminal environmental impact statement analyzes impacts from spills and accidents for Bakken crude and DilBits.¹⁵

G1-118.6

Fourth, the Material Safety Data Sheet (“MSDS”) for “light sweet crude oil” submitted with the initial permit applications for the Project’s Wilmington tanks is identical to the MSDS Tesoro submitted for the Vancouver Terminal (which proposes to import Bakken crude oil from Tesoro’s substantial holdings). Based on public statements by Tesoro, at least 50,000 bbl/day of this crude oil would be shipped to the Los Angeles Refinery.¹⁶

G1-118.7

¹¹ Energy Facility Site Evaluation Council, Tesoro Savage Vancouver Energy Project, Draft Environmental Impact Statement, January 22, 2016, pp. 2-65, 2-73, 4-29/31, 5-51, Appendix B, p. 1 (“The Facility would be designed and constructed to unload Bakken crude oil, and possibly other heavier grades such as diluted bitumen crude oil, from railcars in Terminal 5.”), Appendix E, p. 39, Appendix J; Available at: <http://www.efsec.wa.gov/Tesoro%20Savage/SEPA%20-%20DEIS/DEIS%20PAGE.shtml>.

¹² Vancouver Terminal DEIS, Tables 4-6 and 4-7 and pp. 4-33/34 (explaining that DilBit or diluted bitumen is a Canadian tar sands crude).

¹³ Tesoro Savage, Application for Site Certification Agreement (Vancouver Application), vol. 1, August 29, 2013, Available at: <http://www.efsec.wa.gov/Tesoro%20Savage/Application/EFSEC%202013-01%20Volume%20I/EFSEC%202013-01%20-%20Compiled%20PDF%20Volume%20I.pdf>.

¹⁴ 2/27/14 Tesoro Presentation, pp. 13-18; Kristen Hays and Erwin Seba, Update 1 – Tesoro Delivering First Bakken Crude Unit Train to California, Reuters, September 11, 2013, Available at: <http://www.reuters.com/article/2013/09/11/tesoro-rail-crude-idUSL2N0H70U420130911>.

¹⁵ Vancouver Terminal DEIS pp. 4-29 through 31, 4-26, 5-51, 2-65, 2-73; Appendix E, p. 39; Appendix J.

¹⁶ While Tesoro has included a MSDS for “Bakken Crude Oil” from Enbridge Pipelines Inc. in some filings, this MSDS is not representative of the Bakken crude oils that would be imported by Tesoro at the Vancouver Terminal. The light ends are stripped from crude oil shipped by pipeline, reducing the crude vapor pressure and concentration of volatile organic compounds such as benzene. See, e.g., Reuters, Exclusive: TransCanada Toughens Pipeline Pressure Limits for Gassy Crude, January 31, 2014 (Crude vapor pressure on pipelines lowered to 69 kPa-a or 10 psia); Available at <http://www.reuters.com/article/us-transcanada-pipeline-vapor-pressure-idUSBREA0U0UW20140131>.

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Finally, Tesoro's "cost-advantaged crude strategy" is to increase its Bakken and tar sands supplies from 15% to 38% by replacing Alaska North Slope, foreign imports and California supplies.¹⁷ The President and CEO of Tesoro, Greg Goff, stated in the first quarter 2014 earnings call in responses to questions:¹⁸

Paul Y. Cheng - Barclays Capital - Analyst

Okay. In Carson, I think before being acquired by you guys, that they were running largely you said¹⁹ ANS, maybe 100,000 barrel per day. And then maybe another 100,000 of the Iraqi Basra²⁰. Is the crude slate changed now? Or that is essentially secured by the same crude slate as in the past?

Gregory J. Goff - Tesoro Corporation - President & CEO

Basically the same. We are running some different crudes there, but not material differences at this point in time. It is in our plans to do that. Basically what you described, is the bulk of the crude supply the two sources what is happens in the Los Angeles refinery today.

Paul Y. Cheng - Barclays Capital - Analyst

Right. Greg, how quickly that you think you may start to be able to change the crude slate to do that?²¹

Gregory J. Goff - Tesoro Corporation - President & CEO

The first thing, our intention at the Port of Vancouver to be able to do that.

Paul Y. Cheng - Barclays Capital - Analyst

You have to wait until the Savage terminal's²² up and running before you can actually do that?

G1-118.8

¹⁷ 2/27/14 Tesoro Presentation, p. 18.

¹⁸ Thomson Reuters Streetevents Edited Transcript, TSO – Q1 2014 Tesoro Corporation Earnings Conference Call, May 1, 2014 (Q1 2014 Tesoro Earnings Call), Barclay Capital questions at pp. 12-13. [There are some discrepancies between the Thomson Reuters transcript and the original webcast.](#)

¹⁹ "you said" mistranscribed as "essential"

²⁰ "Basra" mistranscribed as "basket"

²¹ "slate to do that" mistranscribed as "slated to buy it?"

²² "Savage terminal" mistranscribed as "terminal"

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Gregory J. Goff – Tesoro Corporation – President & CEO

That would allow us to move the most significant volume right now if we do that. We are looking at other things on an ongoing basis to be able to move crudes there. But we have a number of things that we're looking at, but that is the primary way that we want to be able to improve crude supply cost at the Los Angeles facility.

Paul Y. Cheng - Barclays Capital - Analyst

When the Savage that if we assume that you will get the permit and it's actually become a reality sometime in 2015. Given you have said in your system, if you run smoothly you can process up to 200,000 barrels per day of the light oil, is there any reason that you will not take 100% of the Savage crude --²³ into your own system?

Seems like even after you expand into 280,000 barrel per day, including heavy oil and light oil, you will have more than sufficient capacity, refining capacity, to absorb it. Is there any kind of arrangement with your partner that will stop you in²⁴ taking the entire shipment for yourself?

Gregory J. Goff – Tesoro Corporation – President & CEO

There is no restriction on how much we choose to move to Vancouver, Washington and then supply our West Coast system. We will balance it with the financial commitments and our overall supply strategy with continued sources of crudes of how much we ultimately decide to take.

We have said so far we have committed to take the first 50,000 barrels a day. And the partnerships work through the rest of the supply for that facility, we will be engaged in doing that.

But I think at the same time, Paul, we need to look at the dynamics of the pricing of other types of crude, as we do that. I think goes back to Jeff's question earlier, that there may be some other impacts on crude. But we'll see how that impacts and determine how much crude we take out to our West Coast system.

G1-118.8
Cont'd

²³ Mistranscribed as "Savage water"; recording unclear, but meaning in context is "Savage crude"

²⁴ "you in" mistranscribed as "unions"

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In its December 2015 Analyst and Investor Day earnings call, Tesoro was optimistic about supplying Bakken crude to its California refineries:

When you think about formalizing competitive advantage and fully integrating our value chain, that is really what the Los Angeles Integration and Compliance Project is about. And when we think about creating value, we are not just thinking about advantaged crude oils in front of our refineries, but we're thinking about how that supply to the west coast of advantaged crude oils can change the shape of the crude oil supply/demand dynamics for the west coast. And that's what we are trying to accomplish through Vancouver Energy.²⁵

G1-118.8
Cont'd

In its May 2016 earning conference call, Tesoro reiterated its plans to import crudes from the Vancouver Terminal to the Los Angeles Refinery in response to a question on the connection between the integrated Los Angeles Refinery and the Vancouver Terminal:

Gregory J. Goff – Tesoro Corporation – President & CEO

We have said that once Vancouver Energy is up and operating, we'll use crude oil into the facility to supply our west coast operations but there's no connection to the permits.²⁶

In short, Tesoro's plan is to change the Los Angeles Refinery crude slate to include more cost-advantaged crudes by importing Bakken and tar sands through the Vancouver Terminal. The Project will facilitate the crude slate change. Therefore, the District must analyze impacts associated with the reasonably foreseeable changes in crude slate resulting from the Project.

G1-118.9

Thank you for your attention to this very important matter.

Sincerely,



Rachael Koss

²⁵ Tesoro 12/9/15 Analyst and Investor Day Transcript, p. 10.

²⁶ Tesoro, 2016 Tesoro Corporation Earnings Conference Call Recording, May 5, 2016, 41:39 – 41:50 minutes, Available at: <http://edge.media-server.com/m/p/56vao56c>; Thomson Reuters Streetevents Edited Transcript, TSO – Q1 2016 Tesoro Corporation Earnings Conference Call, May 5, 2016, p. 14.

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REK:ljl

cc via email: Barbara Baird, Chief Deputy Counsel bbaird@aqmd.gov
Dr. William Burke cob@aqmd.gov
Michael Antonovich
Ben Benoit
John Benoit
Joe Buscaino
Michael Cacciotti
Dr. Joseph Lyou
Judy Mitchell
Shawn Nelson
Dr. Clark Parker, Sr.
Janice Rutherford
Larry McCallon
Dwight Robinson
Bradley Hogin bhogin@wss-law.com
Gladys Limon, CBE glimon@cbecal.org
Adriano Martinez, Earthjustice amartinez@earthjustice.org

3094-057j

Response to Comment Letter No. G1-118

Adams, Broadwell, Joseph & Cardozo

Comment G1-118.1

We write on behalf of Safe Fuel Energy and Resources California (“SAFER California”), Peter Estrada, Leonardo Parra and Nicolas Garcia in response to your counsel’s December 14, 2016 letter regarding the Tesoro Los Angeles Refinery Integration and Compliance Project (“Project”). The letter states that, while the “DEIR’s analysis concludes that this project was not designed to, and will not in fact, facilitate any crude oil switch at the refinery,” pending “review of the relevant comments and response,” you will consider revising and recirculating the DEIR to include an analysis of environmental impacts from a potential crude slate switch. We appreciate your careful consideration of this issue, and to aid your determination, we highlight the following information previously provided to the District in comments on the DEIR.

G1-118.1

Response G1-118.1

As explained in detail in Sections 2.5.3 and 2.5.4 and Appendix F of the DEIR, Master Response 4 and Response G1-78.94, the Refinery is currently processing a blend of various crude oils and will continue to do so with or without the proposed project. The proposed project will not change the crude oil blend processed by the Refinery, except to the extent that the DCU H-100 heater permit revision will increase the capacity of that unit by 6,000 bbl/day.

The DEIR fully analyzed the proposed project’s potential impacts and the comment does not provide any new information of environmental impacts that was not analyzed or that changes the significance conclusions made in the DEIR. Therefore, no revision or recirculation of the DEIR is necessary under CEQA.

Comment G1-118.2

The California Environmental Quality Act (“CEQA”)¹ requires an agency to analyze all reasonably foreseeable environmental consequences of a project.² Here, the record shows that the Project would facilitate the Los Angeles Refinery to receive a broader range of crudes, including Bakken crude and Dakota and Canadian tar sands. Thus, CEQA requires the District to analyze impacts associated with the reasonably foreseeable changes in crude slate resulting from the Project.

Tesoro’s assertion that there will be no change in the crude slate or crude quality is unsupported. Rather, the record shows that Tesoro plans to change its crude slate, including importing significant amounts of Bakken and tar sands crudes to its Los Angeles Refinery, and that these crude slate changes are facilitated by the Project. Evidence shows that the Project is designed to achieve maximum flexibility in crude slate to reduce operating costs and maximize profits by refining the cheapest available crude.

G1-118.2

¹ Pub. Resources Code § 21000 et seq.

² *Laurel Heights Improvement Association v. Regents of University of California* (1988) 47 Cal. 3d 376, 398 (emphasis added); see also *Vineyard Area Citizens for Responsible Growth, Inc. v. City of Rancho Cordova* (2007) 40 Cal. 4th 412, 449-50.

Response G1-118.2

As explained in Response G1-118.1, the Refinery is currently processing a blend of various crude oils and will continue to do so with or without the proposed project. The proposed project will not change in crude oil blend processed by the Refinery, except to the extent that the DCU H-100 heater permit revision will increase the capacity of that unit by 6,000 bbl/day.

Comment G1-118.3

First, Project components will allow a change in crude slate, including: (1) 3.66 million barrels of additional marine terminal storage capacity with a Reid Vapor Pressure of 10.5 psi (a much higher vapor pressure than crudes received at the terminals in the baseline); (2) shutdown of the Wilmington FCCU; (3) recovery of propane; (4) a new wet jet treater to remove mercaptans and reduce total acid number; (5) increase in capacity of units that process light process streams including the No. 51 Vacuum Unit and HTU-1, -2, and -4; and (6) increased firing rates of various heaters. These changes will allow the integrated refinery to import and process significant amounts of very light crude oils, such as Bakken crudes, as well as Canadian tar sands crudes, and blends of these two.

G1-118.3

Response G1-118.3

As explained in Response G1-118.1, the Refinery is currently processing a blend of various crude oils and will continue to do so with or without the proposed project. The proposed project will not result change in the crude oil blend processed by the Refinery, except to the extent that the DCU H-100 heater permit revision will increase the capacity of that unit by 6,000 bbl/day.

As explained in Response G1-78.137 and G1-78.138, the proposed project does not include any modifications that could enable the processing of a lighter crude oil blend. The physical constraints that limit the processing of unblended light crude oils such as Bakken crude oil are explained in the DEIR on pages 2-14 through 2-20. The DEIR also explains the modifications that would need to occur in order to process such light crude oils if they are not blended, none of which are contemplated by the proposed project.

Comment G1-118.4

The heart of the Project is the shutdown of the Wilmington FCCU. Fluid catalytic cracking is typically done to reduce the molecular weight of the heavy fractions of crude oil to lighter fractions. The FCCU converts heavy gas oil from crude distillation and other heavy streams to light gases, petrochemical feedstocks, gasoline blendstocks and diesel blendstocks.³ The FCCU was necessary to process a heavy feedstock. Shifting to a Bakken blend eliminates the need for the Wilmington FCCU because distillation of Bakken and other light crudes at the front

G1-118.4

end of a refinery yields much greater amounts of these lighter blendstocks and much smaller amounts of heavy feedstocks that require cracking.

Further, the increased yields of lighter fractions from refining Bakken and other light crudes requires increases in the throughput of downstream units that process lighter fractions from distillation, including the reformer, isomerization, and hydrotreating units.⁴ The Project includes increases in the throughput of these units. The CRU-3 fractionation section will be modified to enable recovery of propane from the refinery fuel gas.⁵ The naphtha isomerization unit will be modified to recover propane and heavier material from the off-gas, enabling additional product sales.⁶ The increased amounts of propane that will be recovered originate from lighter crudes that are rich in propane. The Project increases the firing rate of the No. 51 Vacuum Unit at Carson from 300 to 360 MMBtu/hr, which would increase the lifting capability in this unit. Further, hydrotreating Units 1, 2 and 4 will be modified to handle increased yields of lighter products, consistent with refining a lighter crude slate.⁷ Similar modifications are proposed at Tesoro's Anacortes Refinery to accommodate Bakken crude oil.⁸

G1-118.4
Cont'd

³ See, e.g., DEIR, Figure 2-8.

⁴ See, e.g., K.J. Bryden and others, Processing Shale Oils in FCC: Challenges and Opportunities, Hydrocarbon Processing, September 1, 2013; Available at: <http://www.hydrocarbonprocessing.com/Article/3250397/Processing-shale-oils-in-FCC-Challenges-and-opportunities.html>.

⁵ DEIR, p. 1-12.

⁶ DEIR, p. 1-16.

⁷ DEIR, pp. 2-87/88.

⁸ Anacortes Upgrade, Clean Products Upgrade Project Fact Sheet, Available at: <http://anacortesupgradeproject.com/docs/anacortes-upgrades-fact-sheet.pdf>.

Response G1-118.4

As explained in Response G1-78.137, the shutdown of the Wilmington Operations FCCU is, as stated in the DEIR, part of Tesoro's integration of the Carson and Wilmington Operations and is intended to improve the Refinery's operational efficiency and reduce local emissions (see DEIR page 2-28). Refinery units are being modified to accommodate the FCCU shutdown and so that the same overall volume of finished fuels will be produced using less energy-intensive processes and producing lower emissions than the current operation with the Wilmington Operations FCCU (see Appendix A page A-61 of the DEIR).

As documented in the DEIR, the ability to process heavier or lighter crude oils occurs at the beginning of the refining process. The crude oil enters the Crude Unit first, where separation occurs via simple distillation. The heavier fraction is sent to the DCU, and the amount of heavy crude oil, including heavy Canadian (tar sands) crude oil that can be processed is limited by the capacity of the DCU to break the heavy molecules. This capacity is not changing as a result of the proposed project. The ability to process lighter crude oils is limited by the size of the fractionation or distillation column in the Crude Unit. The existing distillation column is not being modified or replaced, thus the Refinery's ability to process more light crude oil is not changing. If the Refinery were to process more heavy or more light crude oils than the system is designed to handle, it would limit the total amount of crude oil that could be processed, thus reducing product yield and making that mode of operation economically inviable (see pages 2-14 through 2-20 of the DEIR). The processing constraints on the Refinery require it to optimize the crude oil blend to produce the maximum amount of product to meet market demands.

The FCCU is located downstream of the Crude Unit and processes already separated intermediate feedstock derived from the crude oil. The proposed project contains modifications

to other units to make up for eliminating the processing of gas oil intermediate feedstock in the Wilmington Operations FCCU, such as the capacity increases at the Hydrocracking Units (HCUs) (see Sections 2.7.1.2 and 2.7.2.4 of the DEIR), to ensure that overall product yield is not reduced in the Refinery as a whole (see pages 2-35 to 2-36 of the DEIR). The processing that was accomplished in the baseline years will still be completed, but in different units.

Comment G1-118.5

Second, Tesoro is heavily invested in Bakken.⁹ Tesoro has substantial holdings in the Bakken reserves, including the High Plains System, Great Northern Midstream and related trucking operations in the Bakken Shale/Williston Basin area of North Dakota and Montana.¹⁰

⁹ 12/8/14 Tesoro and Tesoro Logistics Analyst and Investor Day Transcript, p. 17 ("Obviously, our Bakken business, which has been the center of a lot of our growth, it's where we really work on acquisition of crude oil. We pick it up in trucks; we have gathering pipelines; we have our mainlines. We store crude; we deliver it to rail facilities and we deliver it to Tesoro's refinery... We've obviously been investing quite a lot around our Bakken system; we're investing in our West Coast system to grow our capabilities there, matched to the things Tesoro is trying to do.")

¹⁰ See, for example, Tesoro 12/9/15 Analyst and Investor Day Transcript, pp. 14, 15, 23 and U.S. Securities and Exchange Commission, Form 10-K, Tesoro Corporation, Fiscal Year Ended December 31, 2013, p. 12.

G1-118.5

Response 118.5

Tesoro is a refining and marketing company that does not own or invest in crude oil production fields. Tesoro owns infrastructure and facilities to transfer and process crude oil produced by others. The acquisition of additional assets in the Bakken region is unrelated to the proposed project and was simply an addition to its logistics in the Bakken region. It should be noted that Tesoro owns two refineries, the Mandan Refinery and the Dickinson Refinery, in the Bakken region that refine Bakken crude oil.³⁵⁹

Comment G1-118.6

Third, in a joint venture with Savage Companies, Tesoro proposes to construct a new rail-to-marine terminal at the Port of Vancouver in Washington ("Vancouver Terminal"). The Vancouver Terminal would receive Bakken and tar sands crudes¹¹ by rail and then transport the crudes by marine vessel to Tesoro's California refineries and other west coast refineries.¹² Indeed, Tesoro's application for the Vancouver Terminal anticipated exports of 80% Bakken crude and 20% other crudes, including Canadian tar sands.^{13,14} Accordingly, the Vancouver Terminal environmental impact statement analyzes impacts from spills and accidents for Bakken crude and DilBits.¹⁵

G1-118.6

³⁵⁹ Tesoro Corporate web pages at <http://tsocorp.com/about-tesoro/company-history/> and <http://tsocorp.com/about-tesoro/locations/>.

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¹¹ Energy Facility Site Evaluation Council, Tesoro Savage Vancouver Energy Project, Draft Environmental Impact Statement, January 22, 2016, pp. 2-65, 2-73, 4-29/31, 5-51, Appendix B, p. 1 (“The Facility would be designed and constructed to unload Bakken crude oil, and possibly other heavier grades such as diluted bitumen crude oil, from railcars in Terminal 5.”), Appendix E, p. 39, Appendix J; Available at: <http://www.efsec.wa.gov/Tesoro%20Savage/SERP/PA%20-%20DEIS/DEIS%20PAGE.shtml>.

¹² Vancouver Terminal DEIS, Tables 4-6 and 4-7 and pp. 4-33/34 (explaining that DilBit or diluted bitumen is a Canadian tar sands crude).

¹³ Tesoro Savage, Application for Site Certification Agreement (Vancouver Application), vol. 1, August 29, 2013, Available at: <http://www.efsec.wa.gov/Tesoro%20Savage/Application/EFSEC%202013-01%20Volume%20I/EFSEC%202013-01%20-%20Compiled%20PDF%20Volume%20I.pdf>.

¹⁴ 2/27/14 Tesoro Presentation, pp. 13-18; Kristen Hays and Erwin Seba, Update 1: Tesoro Delivering First Bakken Crude Unit Train to California, Reuters, September 11, 2013, Available at: <http://www.reuters.com/article/2013/09/11/tesoro-rail-crude-idUSL2N0H70U420130911>.

¹⁵ Vancouver Terminal DEIS pp. 4-29 through 31, 4-26, 5-51, 2-65, 2-73; Appendix E, p. 39; Appendix J.

Response G1-118.6

As explained in Section 4.1.2.5 of the DEIR and Master Response 8, the Vancouver Energy Project is wholly independent from the proposed project and is undergoing separate environmental review by the Washington State EFSEC, which includes the evaluation of transportation hazards. Additionally, as described in Master Response 8, the Final EIS has not yet been issued for the Vancouver Energy Project, and the project has not been approved.

Comment G1-118.7

Fourth, the Material Safety Data Sheet (“MSDS”) for “light sweet crude oil” submitted with the initial permit applications for the Project’s Wilmington tanks is identical to the MSDS Tesoro submitted for the Vancouver Terminal (which proposes to import Bakken crude oil from Tesoro’s substantial holdings). Based on public statements by Tesoro, at least 50,000 bbl/day of this crude oil would be shipped to the Los Angeles Refinery.¹⁶

G1-118.7

¹⁶ While Tesoro has included a MSDS for “Bakken Crude Oil” from Enbridge Pipelines Inc. in some filings, this MSDS is not representative of the Bakken crude oils that would be imported by Tesoro at the Vancouver Terminal. The light ends are stripped from crude oil shipped by pipeline, reducing the crude vapor pressure and concentration of volatile organic compounds such as benzene. See, e.g., Reuters, Exclusive: TransCanada Toughens Pipeline Pressure Limits for Gassy Crude, January 31, 2014 (Crude vapor pressure on pipelines lowered to 69 kPa-a or 10 psia); Available at <http://www.reuters.com/article/us-transcanada-pipeline-vapor-pressure-idUSBREA0U0UW20140131>.

Response G1-118.7

As explained in Response G1-118.1, the Refinery can process various crude oils including light sweet crude oil in its crude oil blend. In order to evaluate the worst case potential impacts associated with the proposed project, the highest vapor pressure allowable by SCAQMD Rule 463 was assumed to be stored in the six new crude oil storage tanks. Therefore, the Safety Data Sheet (SDS, formerly called a Material Safety Data Sheet (MSDS)) submitted with the SCAQMD permit applications (AN 545645 and AN 545646) is for generic “light sweet crude oil,” not specifically Bakken as the comment claims. The Light Sweet Crude Oil SDS submitted with the initial tank applications is generic, was developed to represent a wide range of light crude oils and does not simply include data on Bakken, Basrah, or any other light crude oil.

As explained in Master Response 8 and Response G1-78.133, the comment made by Tesoro regarding committing to accepting 50,000 bbl/day of crude oil through the Vancouver Energy Project was a commitment to accept 50,000 bbl/day of crude oil to the West Coast system, which consists of the Los Angeles Refinery as well as 3 other refineries. Tesoro never stated where in the West Coast system the crude oil might be utilized, other than to say that that will be determined later based on economic considerations.

Comment G1-118.8

Finally, Tesoro's "cost-advantaged crude strategy" is to increase its Bakken and tar sands supplies from 15% to 38% by replacing Alaska North Slope, foreign imports and California supplies.¹⁷ The President and CEO of Tesoro, Greg Goff, stated in the first quarter 2014 earnings call in responses to questions:¹⁸

Paul Y. Cheng - Barclays Capital - Analyst

Okay. In Carson, I think before being acquired by you guys, that they were running largely you said¹⁹ ANS, maybe 100,000 barrel per day. And then maybe another 100,000 of the Iraqi Basra²⁰. Is the crude slate changed now? Or that is essentially secured by the same crude slate as in the past?

Gregory J. Goff - Tesoro Corporation - President & CEO

Basically the same. We are running some different crudes there, but not material differences at this point in time. It is in our plans to do that. Basically what you described, is the bulk of the crude supply the two sources what is happens in the Los Angeles refinery today.

Paul Y. Cheng - Barclays Capital - Analyst

Right. Greg, how quickly that you think you may start to be able to change the crude slate to do that?²¹

Gregory J. Goff - Tesoro Corporation - President & CEO

The first thing, our intention at the Port of Vancouver to be able to do that.

Paul Y. Cheng - Barclays Capital - Analyst

You have to wait until the Savage terminal's²² up and running before you can actually do that?

G1-118.8

Gregory J. Goff – Tesoro Corporation – President & CEO

That would allow us to move the most significant volume right now if we do that. We are looking at other things on an ongoing basis to be able to move crudes there. But we have a number of things that we're looking at, but that is the primary way that we want to be able to improve crude supply cost at the Los Angeles facility.

Paul Y. Cheng - Barclays Capital - Analyst

When the Savage that if we assume that you will get the permit and it's actually become a reality sometime in 2015. Given you have said in your system, if you run smoothly you can process up to 200,000 barrels per day of the light oil, is there any reason that you will not take 100% of the Savage crude --²³ into your own system?

Seems like even after you expand into 280,000 barrel per day, including heavy oil and light oil, you will have more than sufficient capacity, refining capacity, to absorb it. Is there any kind of arrangement with your partner that will stop you in²⁴ taking the entire shipment for yourself?

G1-118.8
Cont'd

Gregory J. Goff – Tesoro Corporation – President & CEO

There is no restriction on how much we choose to move to Vancouver, Washington and then supply our West Coast system. We will balance it with the financial commitments and our overall supply strategy with continued sources of crudes of how much we ultimately decide to take.

We have said so far we have committed to take the first 50,000 barrels a day. And the partnerships work through the rest of the supply for that facility, we will be engaged in doing that.

But I think at the same time, Paul, we need to look at the dynamics of the pricing of other types of crude, as we do that. I think goes back to Jeff's question earlier, that there may be some other impacts on crude. But we'll see how that impacts and determine how much crude we take out to our West Coast system.

In its December 2015 Analyst and Investor Day earnings call, Tesoro was optimistic about supplying Bakken crude to its California refineries:

When you think about formalizing competitive advantage and fully integrating our value chain, that is really what the Los Angeles Integration and Compliance Project is about. And when we think about creating value, we are not just thinking about advantaged crude oils in front of our refineries, but we're thinking about how that supply to the west coast of advantaged crude oils can change the shape of the crude oil supply/demand dynamics for the west coast. And that's what we are trying to accomplish through Vancouver Energy.²⁵

G1-118.8
Cont'd

In its May 2016 earning conference call, Tesoro reiterated its plans to import crudes from the Vancouver Terminal to the Los Angeles Refinery in response to a question on the connection between the integrated Los Angeles Refinery and the Vancouver Terminal:

Gregory J. Goff – Tesoro Corporation – President & CEO

We have said that once Vancouver Energy is up and operating, we'll use crude oil into the facility to supply our west coast operations but there's no connection to the permits.²⁶

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¹⁷ 2/27/14 Tesoro Presentation, p. 18.

¹⁸ Thomson Reuters Streetevents Edited Transcript, TSO – Q1 2014 Tesoro Corporation Earnings Conference Call, May 1, 2014 (Q1 2014 Tesoro Earnings Call), Barclay Capital questions at pp. 12-13. There are some discrepancies between the Thomson Reuters transcript and the original webcast.

¹⁹ “you said” mistranscribed as “essential”

²⁰ “Basra” mistranscribed as “basket”

²¹ “slate to do that” mistranscribed as “slated to buy it?”

²² “Savage terminal” mistranscribed as “terminal”

²³ Mistranscribed as “Savage water”; recording unclear, but meaning in context is “Savage crude”

²⁴ “you in” mistranscribed as “unions”

²⁵ Tesoro 12/9/15 Analyst and Investor Day Transcript, p. 10.

²⁶ Tesoro, 2018 Tesoro Corporation Earnings Conference Call Recording, May 5, 2016, 41:39 – 41:50 minutes. Available at: <http://edge.media-server.com/m/p/56vao56c>; Thomson Reuters Streetevents Edited Transcript, TSO – Q1 2016 Tesoro Corporation Earnings Conference Call, May 5, 2016, p. 14.

Response G1-118.8

As stated in Response G1-78.132, the West Coast system that Mr. Goff refers to in the quotes from earnings calls cited in the comment is not synonymous with the Los Angeles Refinery, as the comment concludes (see Declaration of Douglas Miller).³⁶⁰ Additionally, the conversation between Paul Cheng of Barclay's Capital and Mr. Goff on May 1, 2014 regarding a statement about possible destinations for Vancouver Energy Project crude oil mentioned the Los Angeles Refinery. While the conversation is specific to the Los Angeles Refinery at one point, Mr. Goff elaborated on the source, potential destinations, volumes, and dynamics of refinery crude oil sourcing in subsequent statements. Thus, the conversation was not solely focused on the Los Angeles Refinery, but more broadly discussed the expected operation of the Vancouver Energy Project, once approved.

As explained in Response G1-78.132, the “West Coast System” includes four separate refineries, and the general statements of Mr. Goff do not provide any support for the conclusion that the comment reaches that the Vancouver Energy Project will replace California crude oils with Bakken and heavy Canadian crude oils. In fact, full review of the quotes in Comment G1-78.133 (see page 25 of the comment letter) indicates that Mr. Goff states that the types of crude oils that will be supplied to the West Coast will be dependent upon the “dynamics of the pricing of other types of crude.” He concludes that the amount of crude oil taken into the West Coast system depends on “other impacts on crude.” While the West Coast system includes the Los Angeles Refinery, and Tesoro has committed to accept 50,000 bbl/day into the West Coast system; the exact refinery or refineries that will be receiving portions of this volume is undetermined. As explained in the DEIR and Master Response 4, if the crude oil from the Vancouver Energy Project is routed to the Los Angeles Refinery, the crude oil will need to be blended with other crude oils in order to fit within the Refinery's current operating constraints, so there will be no impacts from processing different crude oil. All potential impacts of storing crude oil in the proposed project tanks and transferring unblended crude oils in the associated piping have been evaluated in the DEIR assuming worst-case crude oil properties. Any routing of crude oil through the Vancouver Energy Project is not a result of the proposed project, and could occur with or without the proposed project (see Master Response 8).

³⁶⁰ See Attachment C, Declaration of Douglas Miller, Vice President, California Value Chain Strategy of Tesoro Companies, Inc.

Note also that the statement in Comment G1-78.133 of Mr. Goff is taken out-of-context to suggest that the Vancouver Energy Project and the Refinery are linked. The CEO was responding to a question about whether the Vancouver Energy Project and the proposed project were connected and his response rejected that concept:

Q- Sam Margolin – Cowen and Company – Analyst:

“I’m sorry if I misheard this; this might have been two separate ideas, but did you say there is some integration between the Vancouver Rail Project and the Los Angeles integration? Is there a permanent change in crude play that you are targeting that makes the EBITDA target work or was that two points that I just combined in my head?”

A- Greg Goff:

“Yes [, acknowledging the question]. No, we made no comments about that whatsoever. We have said that once Vancouver Energy is up and operating, we will use crude oil into the facilities to supply our West Coast operations, but there is no connection to the permit.”³⁶¹

Thus, Tesoro expresses its intent that the proposed project and the Vancouver Energy Project are independent. The proposed project, once approved, will go forward whether or not the Vancouver Energy Project is approved. Furthermore, the potential impacts of the Vancouver Energy Project, including those related to transportation, were analyzed in the Vancouver Energy Project DEIS (see Master Response 8).

Comment G1-118.9

In short, Tesoro’s plan is to change the Los Angeles Refinery crude slate to include more cost-advantaged crudes by importing Bakken and tar sands through the Vancouver Terminal. The Project will facilitate the crude slate change. Therefore, the District must analyze impacts associated with the reasonably foreseeable changes in crude slate resulting from the Project.

Thank you for your attention to this very important matter.

G1-118.9

Response G1-118.9

The comment summarizes specific comments made in the letter. See Responses G1-118.1 through G1-118.8 addressing the specific issues raised in the comment. The comment does not specify any additional issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA.

³⁶¹Thompson Reuters Streetevents Edited Transcript TSO- Q1 2016 Tesoro Corp Earnings Call May 05, 2016 / 12:30PM GMT, at page 14.

Comment Letter No. G1-119

Jillian Wong

From: Julia May <julia.e.may@gmail.com>
Sent: Friday, December 30, 2016 4:18 PM
To: Jillian Wong; Veera Tyagi; Danny Luong
Cc: Gladys Limon
Subject: An additional comment, with two letters to add to the Public Record for the Tesoro LARIC case
Attachments: 2016.11.29 Letter to Mayor Garcetti.pdf;
MEGTesoroDEIRLettertoSCAQMD-2016.12.15.pdf

Dear Ms. Wong, Mr. Luong, and Ms. Tyagi,

I know that the District already has at least one of the attached letters, but I wanted to make sure that these attachments are included as part of CBE comments on the Tesoro LARIC project EIR and Title V permit. They are:

1) a letter from Pacific Northwestern officials written to Mayor Garcetti, regarding the connection between the proposed Tesoro LARIC project and the Tesoro-Savage crude oil terminal in Vancouver WA, the need to investigate the upstream environmental impacts of the Los Angeles Project due to these interconnected projects, and additional environmental and safety concerns, and

G1-119.1

2) a letter from Mayor Garcetti to the AQMD, asking for a postponement of certification of the EIR, because of the need for additional public participation, environmental review, and permit review.

These letters were provided to us by the City of Los Angeles after we requested these public records. We find these comments compelling. They further support our previous comments regarding the need to evaluate the upstream impacts of the Tesoro LARIC project as it relates to the Tesoro Savage terminal and other upstream elements of oil transport and extraction, as well as the impacts of the changes within the Los Angeles refinery complex that would occur due to the new crude oils that would be brought in through the Tesoro Savage terminal. Tesoro has also directly acknowledged the interconnectedness of these projects, and we understand that Mr. Nastri is still considering this issue.

G1-119.2

This email and the attached letters is an additional comment of CBE on the EIR and Title V documents that should be entered into the record. Thanks very much for your help.

G1-119.3

Julia May
Senior Scientist
Communities for a Better Environment (CBE)

November 29, 2016

The Honorable Eric Garcetti
Mayor of Los Angeles
200 North Spring Street
Los Angeles, CA 90012

Re: Oil-by-Rail Risks and Interstate Impacts of Tesoro Projects in Los Angeles, California and Vancouver, Washington

Dear Mayor Garcetti,

As city and county elected officials from the states of Oregon and Washington, we write about a problem common to our communities and Los Angeles: the risks to human health, public safety, and water from increased development of oil infrastructure along the West Coast. We are also members of the Safe Energy Leadership Alliance (SELA), a coalition of more than 165 elected local, Tribal and state leaders from four states and British Columbia advocating for assessment of the full costs and risks of proposals to ship crude oil and coal through our region.

G1-119.4

We understand that Los Angeles is evaluating the impacts of the Tesoro Refining & Marketing Company's Los Angeles Refinery Integration and Compliance Project (LARIC) in Carson and Wilmington, California. Here in the Pacific Northwest, we are assessing a parallel proposal. Tesoro has proposed North America's largest oil-by-rail shipping terminal in Vancouver, Washington. From statements made by Tesoro, it appears that the LARIC refinery project is intertwined with Tesoro's proposed shipping terminal in Vancouver, Washington.

G1-119.5

Based on your international leadership on environmental issues including climate and health, we know that the health, safety, and environment of your community are top priorities for you as well. We want to share our experience in assessing and addressing the regional risks of crude oil transport by rail and barge. We hope that you can advocate for assessment of regional impacts of Tesoro's LARIC proposal in California.

G1-119.6

This past June in Mosier, Oregon, an oil train derailed on Union Pacific's mainline, causing a large and dangerous fire, polluting groundwater and the Columbia River, and prompting the evacuation of a nearby elementary school and many nearby homes. Recent inspections conducted just weeks prior to the derailment had concluded that the Union Pacific track was safe. The U.S. Department of Transportation has warned the public that Bakken crude – the same crude that ignited in Mosier - is especially volatile. We learned this first-hand in Mosier, as the oil train fire required millions of gallons of water and over 15 hours to extinguish. We were fortunate that there was no loss of life, but it was a wake-up call about the magnitude of risks from oil spills, fires, and explosions to communities along rail and barge corridors.

G1-119.7

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Mayor Eric Garcetti
November 29, 2016
Page 2

Nearby on the same rail corridor along the Columbia River, Tesoro’s Vancouver, WA proposal would dramatically increase oil train traffic along the Columbia River and through our communities. The City of Vancouver has estimated that a worst-case oil train accident in the city could cause \$5 billion in damages or more. Despite the demonstrable recklessness of shipping oil in unsafe rail cars along the Columbia River, Tesoro continues to push forward its plans for North America’s largest oil-by-rail terminal in Vancouver. Because of the extreme health, safety, and environmental risks to our local communities and the region, we have expressed our public opposition to the approval of the Tesoro Savage in Vancouver.

G1-119.7
Cont’d

In the case of Tesoro in Vancouver, and several other proposed oil- and coal-by-rail facilities in the Pacific Northwest, environmental review has largely focused on the immediate local area surrounding proposed terminals and refineries. We have joined with other members of SELA to advocate for regional reviews that consider impacts and risks to public health and safety, environment, treaty rights, traffic, and economic development along rail and barge transport routes.

G1-119.8

Tesoro has publicly acknowledged the interconnection between its projects in Vancouver, Washington and Los Angeles in reports to investors.¹ If both the Tesoro Savage Vancouver terminal and the LARIC project were approved, the same oil that threatens our communities in unsafe oil trains threatens yours with increased air pollution, an issue on which you have shown consistent leadership.

G1-119.9

We understand that Tesoro plans to build new storage tanks at its Los Angeles refinery that would accommodate almost three and a half million barrels of additional crude oil, and that Tesoro has identified the Vancouver terminal as a transfer point to bring this crude oil to Los Angeles. The “upstream” oil transport impacts should be considered in the ongoing review of the LARIC project, and we hope that you can advocate for a regional assessment of impacts and risks.

G1-119.10

We know that you are in the forefront of work to protect the climate and the health of Los Angeles’ neighborhoods. Like you, our communities in Oregon and Washington strive to protect environmental health, and we hope our communities can learn from one another, as we have certainly learned from California’s leadership in addressing oil-related air pollution. Together, local governments must take the lead in calling for full assessment of risks that arise from our dependence on oil.

G1-119.11

We understand that the Mayor’s office is not the lead agency on this decision, but we believe your recommendation to decision-makers would be very influential. We appreciate your consideration of these issues which impact all of us locally, nationally, and globally.

G1-119.12

Please let us know if we can provide more information to help ensure that all of our communities get a full picture of Tesoro’s plans for oil-by-rail and oil refineries on the West Coast.

G1-119.13

¹ Please see attached.

APPENDIX G1: RESPONSE TO COMMENTS

Mayor Eric Garcetti
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Page 3

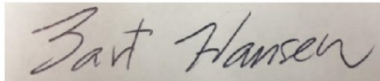
Sincerely,



Dow Constantine, Executive, King County,
Washington and Chair, SELA



Arlene Burns, Mayor, Mosier, Oregon



Bart Hansen, City Councilmember,
Vancouver, Washington



Paul Blackburn, Mayor, Hood River, Oregon

Mayor Eric Garcetti
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Edited Transcript TSO - Tesoro Corporation 2015 Analyst and Investor Day, December 09, 2015, p. 10, available at <http://phx.corporate-ir.net/phoenix.zhtml?c=79122&p=irol-presentations>

“When you think about formalizing competitive advantage and fully integrating our value chain, that is really what the Los Angeles Integration and Compliance Project is about. And when we think about creating value, we are not just thinking about advantaged crude oils in front of our refineries, but we’re thinking about how that supply to the west coast of advantaged crude oils can change the shape of the crude oil supply/demand dynamics for the west coast. And that’s what we are trying to accomplish through Vancouver Energy.”

G1-119.14

Tesoro Presentations webpage: Morgan Stanley Corporate Access Day, 5/12/16, Slideshow entitled: *Driven to Create Value, Morgan Stanley Refining Corporate Access Day, May 2016*, available at: <http://phx.corporate-ir.net/phoenix.zhtml?c=79122&p=irol-presentations>

Strategic Investments for Distinctive Value

- **Creating advantage through integration**
 - Los Angeles Refinery Integration and Compliance Project
- **Changing the West Coast crude oil supply dynamics**
 - Vancouver Energy Project
- **Capturing higher margins in a high growth market**
 - West Coast Mixed Xylenes Project
 - Anacortes Isomerization Project



G1-119.15

Supplying Advantaged Crude Oil to the West Coast

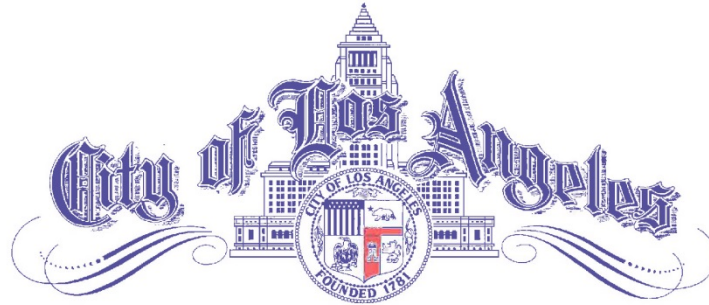
Vancouver Energy Project

- Joint venture with Savage Companies
- Up to 360 MBD Rail-to-Marine Terminal
- Most efficient route to West Coast for Bakken crude oil
- Significant infrastructure exists; low development cost

Strategic Crude Supply

- Increases West Coast competitive crude supply
- Relative refining values of \$3 to \$5 per barrel





ERIC GARCETTI
MAYOR

December 15, 2016

William Arthur Burke, Governing Board Chair
Wayne Nastri, Executive Officer
South Coast Air Quality Management District
21865 Copley Drive Diamond Bar CA 91765

Re: **Draft EIR Certification Postponement and Recirculation Request**

Dear Dr. Burke and Mr. Nastri,

I am writing to request the postponement of the certification of the Draft Environmental Impact Report (DEIR) for the Los Angeles Refinery Integration and Compliance Project (LARIC) proposed by the Tesoro Refining and Marketing Company LLC. The City of Los Angeles is a responsible agency with discretionary approval authority over a significant portion of the project. According to my staff, our Planning Department and the Port of Los Angeles have not participated in DEIR process.

The project seeks to link Tesoro's existing Wilmington refinery with the acquired Carson refinery, but it appears that the project will have broader environmental impacts across state and international boundaries that need to be fully addressed in the DEIR. The potential increase in air and water pollution, upstream greenhouse gases, and international safety hazards related to the use of Bakken Crude require a broader environmental analysis through your recirculation process. The City of Los Angeles has designated Wilmington as a "disadvantaged community" under our Clean Up Green Up policy and is a key environmental justice benchmark in the City's Sustainability Plan. While there was a public hearing held in the City of Carson this past May, the residents of Wilmington deserve to have a public hearing as well. We need to take seriously the community's concerns around petroleum related infrastructure as we learned the real risks that exists from accidents like that of the Aliso Canyon Storage Facility gas leak.

Additionally, I have concerns over the impact this project has on our region. The Regional Clean Air Incentives Market (RECLAIM) program has not been able to achieve the promised emissions reductions from local oil refineries. The U.S. EPA has also

G1-119.16

Dr. Burke and Mr. Nastri
December 15, 2016
Page 2

designated the Los Angeles County portion of the regional basin as non-attainment for the National Ambient Air Quality Standards under the Clean Air Act. These considerations and along with new appointment of Boardmember Sheila Kuehl to the South Coast Air Quality Management District require that we give this project additional time to be evaluated.

As we come to the close of the year, it is incredibly difficult for both local agencies and the public to participate in this important process with the holiday season this month. Postponing the DEIR certification until next year will allow full participation and will honor the spirit of the California Environmental Quality Act (CEQA).

G1-119.16
Cont'd

Sincerely,



ERIC GARCETTI
Mayor

CC: AQMD Governing Boardmember Joe Buscaino
AQMD Governing Boardmember Shiela Kuehl
Planning and Rules Manager Jillian Wong
Senior Enforcement Manager Danny Luong

Response to Comment Letter No. G1-119

Communities for a Better Environment

Comment G1-119.1

I know that the District already has at least one of the attached letters, but I wanted to make sure that these attachments are included as part of CBE comments on the Tesoro LARIC project EIR and Title V permit. They are:

1) a letter from Pacific Northwestern officials written to Mayor Garcetti, regarding the connection between the proposed Tesoro LARIC project and the Tesoro-Savage crude oil terminal in Vancouver WA, the need to investigate the upstream environmental impacts of the Los Angeles Project due to these interconnected projects, and additional environmental and safety concerns, and

2) a letter from Mayor Garcetti to the AQMD, asking for a postponement of certification of the EIR, because of the need for additional public participation, environmental review, and permit review.

G1-119.1

Response G1-119.1

The comment refers to a letter submitted to the Office of the Mayor of Los Angeles and a letter submitted from the Office of Mayor of Los Angeles to the SCAQMD. The comment does not raise issues related to the proposed project or the DEIR. The comment is noted and no response is necessary under CEQA.

Comment G1-119.2

These letters were provided to us by the City of Los Angeles after we requested these public records. We find these comments compelling. They further support ours previous comments regarding the need to evaluate the upstream impacts of the Tesoro LARIC project as it relates to the Tesoro Savage terminal and other upstream elements of oil transport and extraction, as well as the impacts of the changes within the Los Angeles refinery complex that would occur due to the new crude oils that would be brought in through the Tesoro Savage terminal. Tesoro has also directly acknowledged the interconnectedness of these projects, and we understand that Mr. Nastro is still considering this issue.

G1-119.2

Response G1-119.2

The comment summarizes the attached letters and will be directly addressed in Responses G1-119.4 to G1-119.16.

Comment G1-119.3

This email and the attached letters is an additional comment of CBE on the EIR and Title V documents that should be entered into the record. Thanks very much for your help.

G1-119.3

Response G1-119.3

The comment does not raise any issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA.

Comment G1-119.4

As city and county elected officials from the states of Oregon and Washington, we write about a problem common to our communities and Los Angeles: the risks to human health, public safety, and water from increased development of oil infrastructure along the West Coast. We are also members of the Safe Energy Leadership Alliance (SELA), a coalition of more than 165 elected local, Tribal and state leaders from four states and British Columbia advocating for assessment of the full costs and risks of proposals to ship crude oil and coal through our region.

G1-119.4

Response G1-119.4

The comment does not specify any issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA.

Comment G1-119.5

We understand that Los Angeles is evaluating the impacts of the Tesoro Refining & Marketing Company's Los Angeles Refinery Integration and Compliance Project (LARIC) in Carson and Wilmington, California. Here in the Pacific Northwest, we are assessing a parallel proposal. Tesoro has proposed North America's largest oil-by-rail shipping terminal in Vancouver, Washington. From statements made by Tesoro, it appears that the LARIC refinery project is intertwined with Tesoro's proposed shipping terminal in Vancouver, Washington.

G1-119.5

Response G1-119.5

As explained in Section 4.1.2.5 of the DEIR and Master Response 8, the Vancouver Energy Project is wholly independent from the proposed project and is undergoing separate environmental review by the Washington State EFSEC, which includes the evaluation of transportation hazards. Additionally, as described in Master Response 8, the Final EIS has not yet been issued for the Vancouver Energy Project, and the project has not been approved.

Comment G1-119.6

Based on your international leadership on environmental issues including climate and health, we know that the health, safety, and environment of your community are top priorities for you as well. We want to share our experience in assessing and addressing the regional risks of crude oil transport by rail and barge. We hope that you can advocate for assessment of regional impacts of Tesoro's LARIC proposal in California.

G1-119.6

Response G1-119.6

The comment does not raise any issues related to the proposed project or the DEIR. The DEIR assessed regional impacts including rail transport emissions (see Table 4.2-8 of the DEIR). Therefore, no further response is necessary under CEQA.

Comment G1-119.7

This past June in Mosier, Oregon, an oil train derailed on Union Pacific's mainline, causing a large and dangerous fire, polluting groundwater and the Columbia River, and prompting the evacuation of a nearby elementary school and many nearby homes. Recent inspections conducted just weeks prior to the derailment had concluded that the Union Pacific track was safe. The U.S. Department of Transportation has warned the public that Bakken crude – the same crude that ignited in Mosier - is especially volatile. We learned this first-hand in Mosier, as the oil train fire required millions of gallons of water and over 15 hours to extinguish. We were fortunate that there was no loss of life, but it was a wake-up call about the magnitude of risks from oil spills, fires, and explosions to communities along rail and barge corridors.

G1-119.7

Response G1-119.7

The comment refers to derailment of a train carrying Bakken crude oil in Mosier, Oregon. As explained in Response G1-81.57, there are no proposed project modifications to bring crude oil by rail to the Refinery. The Mosier derailment is not relevant to the DEIR analysis or the proposed project.

There have been previous volatility issues associated with the transport of Bakken crude oil. However, regulations have since been adopted that require a reduction in volatility of Bakken crude oil that is transported. For example, in December 2014, the Industrial Commission of North Dakota issued an order regarding conditioning of Bakken crude oil and limiting the RVP of crude oil provided for transport to 13.7 RVP. Thus, Bakken crude oil transported to the West Coast will be pipeline quality (i.e., qualified for safe transport) and will not have as high a vapor pressure as the Bakken crude oil produced at the wellhead. As with other U. S. crude oil production operations, the order adopted by the State of North Dakota will require that crude oil production facilities remove a significant portion of the light ends (ethane, propane, butane and pentane) prior to offering the crude oil for shipment to refineries for processing.

Because of Bakken crude oil's purported volatility, concerns were raised in the media as to whether Bakken crude oil was properly classified as a Class 3 hazardous material under U.S. DOT regulations. A Class 3 hazardous material is generally a flammable or combustible liquid that does not meet the regulatory classification requirements for other hazardous characteristics, such as toxicity, corrosivity, radioactivity or explosiveness. However, those concerns have since been resolved by repeated analysis and testing that demonstrates Bakken crude oil to be a Class 3 hazardous material, similar to other light sweet crude oils. After considering the information, the PHMSA Deputy Administrator testified to Congress that Bakken crude oil is accurately classified as a Hazard Class 3 Flammable Liquid.³⁶² This is consistent with the sampling and testing Tesoro has completed on Bakken crude oil. Therefore, Bakken crude oil has properties similar to other light crude oils, and is not classified as explosive.

³⁶² Written statement of Timothy P. Butters Before the Subcommittees on Energy and Oversight Committee on Science, Space and Technology, U.S. House of Representatives at page 12 (Sept. 9, 2014).

Comment G1-119.8

In the case of Tesoro in Vancouver, and several other proposed oil- and coal-by-rail facilities in the Pacific Northwest, environmental review has largely focused on the immediate local area surrounding proposed terminals and refineries. We have joined with other members of SELA to advocate for regional reviews that consider impacts and risks to public health and safety, environment, treaty rights, traffic, and economic development along rail and barge transport routes.

G1-119.8

Response G1-119.8

The comment does not specify any issues related to the proposed project or the DEIR. The proposed project does make or cause any changes to the routes mentioned in the comment. Therefore, no further response is necessary under CEQA.

Comment G1-119.9

Tesoro has publicly acknowledged the interconnection between its projects in Vancouver, Washington and Los Angeles in reports to investors.¹ If both the Tesoro Savage Vancouver terminal and the LARIC project were approved, the same oil that threatens our communities in unsafe oil trains threatens yours with increased air pollution, an issue on which you have shown consistent leadership.

G1-119.9

¹ Please see attached.

Response G1-119.9

As explained in Response G1-119.5, the Vancouver Energy Project is wholly independent from the proposed project.

Further, statements made by Tesoro regarding sourcing “advantaged crude oils”, as that term is used by Tesoro, including Bakken crude oil, are typically made with regard to its West Coast system, which includes the Kenai Refinery in Alaska, the Anacortes Refinery in Washington, and the two California refineries in Martinez and Los Angeles³⁶³, not specifically the Los Angeles Refinery. As explained in Response G1-78.94, it is correct to say that Tesoro makes ongoing efforts to provide “advantaged crude oil”, as that term is used by Tesoro (i.e., any economically advantaged crude oil capable of being processed at each of Tesoro’s refineries). Providing “advantaged crude oil” to Tesoro refineries, including the Los Angeles Refinery, is occurring, and will continue to occur, with or without the proposed project. Additionally, Responses G1-81.22 through G1-81.24 explain corporate statements made by Tesoro that, when

³⁶³ The reference to the “West Coast system” that appears in Tesoro’s corporate presentations and statements is a term that is used with varying meanings based on the context of the presentation or statement. Analyst day and earning statements presentations are given to an audience that routinely participates in the presentations and is familiar with Tesoro’s corporate structure and financial performance. Therefore, some of the references are not intended to be as explicit as they would be to an uninformed audience. At times, the term refers to Tesoro’s four west coast refineries, but it can also refer to those four refineries as well as Tesoro Logistics or a distribution system to third-party clients on the west coast. Thus, the context surrounding the use of this phrase is always necessary to understand the speaker’s intended meaning, but the phrase is not used to refer only to the Los Angeles Refinery in isolation.

put in proper context, do not support claims that the proposed project is dependent on processing any particular type of crude oil. There are no corporate statements that state or even imply that the proposed project is designed to facilitate a change in the crude oil blend processed by the Refinery.

Comment G1-119.10

We understand that Tesoro plans to build new storage tanks at its Los Angeles refinery that would accommodate almost three and a half million barrels of additional crude oil, and that Tesoro has identified the Vancouver terminal as a transfer point to bring this crude oil to Los Angeles. The “upstream” oil transport impacts should be considered in the ongoing review of the LARIC project, and we hope that you can advocate for a regional assessment of impacts and risks.

G1-119.10

Response G1-119.10

As explained in Response G1-119.5, the Vancouver Energy Project is wholly independent from the proposed project. Response G1-78.107 describes the purpose of the new and replacement storage tanks, which is to allow larger marine vessels to fully unload crude oil deliveries in one dock visit, improving efficiency and reducing marine vessel emissions and costs. The comment does not specify any issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA.

Comment G1-119.11

We know that you are in the forefront of work to protect the climate and the health of Los Angeles’ neighborhoods. Like you, our communities in Oregon and Washington strive to protect environmental health, and we hope our communities can learn from one another, as we have certainly learned from California’s leadership in addressing oil-related air pollution. Together, local governments must take the lead in calling for full assessment of risks that arise from our dependence on oil.

G1-119.11

Response G1-119.11

As explained in Section 4.2.2.2 of the DEIR, upon completion, the proposed project will result in regional and local reductions in CO emissions and local reductions of operational NOx, SOx, PM10, and PM2.5 emissions. The increase in operational VOC emissions associated with the proposed project was found to be less than significant. The proposed project emissions are discussed in detail in Section 4.2 of the DEIR and are summarized in Table 4.2-4 (see pages 4-16 through 4-18). The proposed project will result in local overall reductions in GHG emissions, as discussed in Section 5.2 of the DEIR and summarized in Table 5.2-8 (see page 5-26).

Section 3.3.6 of the DEIR describes existing Refinery safety systems at the Tesoro Refinery. As explained in Section 4.3 and Appendix C of the FEIR and Master Response 9, the proposed project has been fully analyzed for hazard impacts based on a worst-case consequence analysis. This includes proposed project equipment, including pipelines and storage tanks, and process units regardless of the cause of release (e.g., human error, equipment failure, sabotage, terrorism, natural disaster, or civil uprising). The DEIR found that hazards associated with the Naphtha

Isomerization Unit, new crude oil storage tanks, the SARP, and interconnecting pipelines are potentially significant based on worst-case release scenarios.

The hazard analysis takes a worst-case approach by assuming that the entire contents of a tank or other equipment would rapidly be released, and that no safety measures are implemented that could reduce the severity of an accidental release. It is expected that hazard impacts would be less than analyzed because the Refinery has safety measures in place and specified employees are trained regarding safety measures. Further, the DEIR imposes measures to mitigate hazard impacts (see Section 4.3.3 of the DEIR). Finally, as described in Section 3.3.7 of the DEIR, the Refinery is subject to many laws and regulations that address safety and emergency responses in the event of an accident. Nonetheless, the DEIR conservatively concluded that hazard impacts would remain significant.

Comment G1-119.12

We understand that the Mayor's office is not the lead agency on this decision, but we believe your recommendation to decision-makers would be very influential. We appreciate your consideration of these issues which impact all of us locally, nationally, and globally.

G1-119.12

Response G1-119.12

The comment does not raise any issues related to the proposed project or the DEIR. Therefore, no further response is necessary under CEQA.

Comment G1-119.13

Please let us know if we can provide more information to help ensure that all of our communities get a full picture of Tesoro's plans for oil-by-rail and oil refineries on the West Coast.

G1-119.13

Response G1-119.13

As indicated in the DEIR Sections 2.6.1 and 2.6.2 for the proposed project, crude oil is not currently transported directly to either the Wilmington or Carson Operations via rail. These locations do not currently have the facilities or SCAQMD permits to receive crude oil deliveries by rail. No new or modified facilities are included in the proposed project to enable crude oil deliveries by rail.

Comment G1-119.14

Edited Transcript TSO - Tesoro Corporation 2015 Analyst and Investor Day, December 09, 2015, p. 10, available at <http://phx.corporate-ir.net/phoenix.zhtml?c=79122&p=irol-presentations>

"When you think about formalizing competitive advantage and fully integrating our value chain, that is really what the Los Angeles Integration and Compliance Project is about. And when we think about creating value, we are not just thinking about advantaged crude oils in front of our refineries, but we're thinking about how that supply to the west coast of advantaged crude oils can change the shape of the crude oil supply/demand dynamics for the west coast. And that's what we are trying to accomplish through Vancouver Energy."

G1-119.14

Response G1-119.14

The claims in the comment alleging that Tesoro's corporate statements to investors reflect a different project objective, i.e. to change the crude oil blend processed by the Refinery, have taken those corporate statements out of context. There are no corporate statements that state or even imply that the proposed project is designed to facilitate a change in the crude oil blend processed by the Refinery. The statement cited in the comment is explained in detail in Response G1-78.136. The quotation is from an Analyst and Investor Day presentation. As described in Attachment C, the Declaration of Douglas Miller,³⁶⁴ it is important to note that analyst and investor discussions present a high level overview of strategic projects that Tesoro plans to implement at the time of the respective presentations. In fact, just prior to the selected quote, Keith Casey (Tesoro's Executive Vice President, Operations) stated, "Now, as I told you, I also get to update you on some strategic projects, and we have talked about a few of these for the last bit, but really give you some news on the exciting progress that we are making on each of these."³⁶⁵ Clearly, Mr. Casey is talking about more than one strategic project. Simply because the projects are summarized together in an overview is not an indication that the projects are related. The quotation references two separate projects—the proposed project and the Vancouver Energy Project—as each helping Tesoro accomplish general corporate goals, but the speaker never links the two projects together or states that Tesoro has plans to change the crude oil slate at the Refinery. The proposed project will not result in a significant change in the crude oil blend processed by the Refinery except as analyzed in the DEIR.

³⁶⁴ See Attachment C, Declaration of Douglas Miller, Vice President, California Value Chain Strategy of Tesoro Companies, Inc.

³⁶⁵ Thomson Reuters Streetevents Edited Transcript, TSO- Tesoro Corporation 2015 Analyst and Investor Day, December 9, 2015, 2:00PM, at page 10.

Comment G1-119.15

Tesoro Presentations webpage: Morgan Stanley Corporate Access Day, 5/12/16, Slideshow entitled: *Driven to Create Value, Morgan Stanley Refining Corporate Access Day, May 2016*, available at: <http://phx.corporate-ir.net/phoenix.zhtml?c=79122&p=irol-presentations>

Strategic Investments for Distinctive Value

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Supplying Advantaged Crude Oil to the West Coast

Vancouver Energy Project

- Joint venture with Savage Companies
- Up to 360 MBD Rail-to-Marine Terminal
- Most efficient route to West Coast for Bakken crude oil
- Significant infrastructure exists; low development cost

Strategic Crude Supply

- Increases West Coast competitive crude supply
- Relative refining values of \$3 to \$5 per barrel

G1-119.15

Response G1-119.15

The slides from Comment G1-119.15 are updates of several proposed investments planned by Tesoro Corporation. The planned investments (the proposed project, the Vancouver Energy Project, and the West Coast Mixed Xylenes and Anacortes Isomerization Projects) are not related simply because they are listed on the same “big picture” slide entitled “Strategic Investments for Distinctive Value.” (This is slide 13 of the Morgan Stanley Refining Corporate Access Day Presentation.³⁶⁶) Each of the bullet items on slide 13 represent separate, unrelated strategic investments, and the subsequent 4 slides in the Presentation (slide numbers 14, 15, 16, and 17) dedicate a slide to each specific strategic investment to explain the strategy and value of each, independent investment. Providing only the two slides in the comment, without the context of the Presentation slides that immediately follow them, removes the context of the separate strategic investments presented at the Morgan Stanley conference. When reviewing the slides shown in the comment in context with the omitted Presentation slides (see Figure 81.22-1), it is clear that the presentation is describing four separate and distinct strategic investments. Master

³⁶⁶ Morgan Stanley Refining Corporate Access Day Presentation <http://phx.corporate-ir.net/External.File?item=UGFyZW50SUQ9NjMzNDYwfENoaWxkSUQ9MzM4NDAYfFR5cGU9MQ==&t=1>.

APPENDIX G1: RESPONSE TO COMMENTS

Response 8 and Response G1-78.139 describe in detail that the Vancouver Energy Project is unrelated to the proposed project.

Comment G1-119.16

I am writing to request the postponement of the certification of the Draft Environmental Impact Report (DEIR) for the Los Angeles Refinery Integration and Compliance Project (LARIC) proposed by the Tesoro Refining and Marketing Company LLC. The City of Los Angeles is a responsible agency with discretionary approval authority over a significant portion of the project. According to my staff, our Planning Department and the Port of Los Angeles have not participated in DEIR process.

The project seeks to link Tesoro's existing Wilmington refinery with the acquired Carson refinery, but it appears that the project will have broader environmental impacts across state and international boundaries that need to be fully addressed in the DEIR. The potential increase in air and water pollution, upstream greenhouse gases, and international safety hazards related to the use of Bakken Crude require a broader environmental analysis through your recirculation process. The City of Los Angeles has designated Wilmington as a "disadvantaged community" under our Clean Up Green Up policy and is a key environmental justice benchmark in the City's Sustainability Plan. While there was a public hearing held in the City of Carson this past May, the residents of Wilmington deserve to have a public hearing as well. We need to take seriously the community's concerns around petroleum related infrastructure as we learned the real risks that exists from accidents like that of the Aliso Canyon Storage Facility gas leak.

Additionally, I have concerns over the impact this project has on our region. The Regional Clean Air Incentives Market (RECLAIM) program has not been able to achieve the promised emissions reductions from local oil refineries. The U.S. EPA has also designated the Los Angeles County portion of the regional basin as non-attainment for the National Ambient Air Quality Standards under the Clean Air Act. These considerations and along with new appointment of Boardmember Sheila Kuehl to the South Coast Air Quality Management District require that we give this project additional time to be evaluated.

As we come to the close of the year, it is incredibly difficult for both local agencies and the public to participate in this important process with the holiday season this month. Postponing the DEIR certification until next year will allow full participation and will honor the spirit of the California Environmental Quality Act (CEQA).

G1-119.16

G1-119.16
Cont'd

Response G1-119.16

This attached letter is a copy of a previously submitted Comment Letter Number G1-A8. See Response G1-A8.1 to G1-A8.5 for more details.

Comment Letter No. G1-120

Jillian Wong

From: Julia May <julia@cbeval.org>
Sent: Friday, December 30, 2016 4:39 PM
To: Jillian Wong; Danny Luong; Veera Tyagi
Cc: Gladys Limon
Subject: Additional CBE Comment on Tesoro LARIC EIR & Title V permit with 2 attachments
Attachments: 2016.11.29 Letter to Mayor Garcetti.pdf;
MEGTesoroDEIRLettertoSCAQMD-2016.12.15.pdf

Dear Ms. Wong, Mr. Luong, and Ms. Tyagi,

Please submit this email and its attachments as an additional CBE Comment on the Tesoro LARIC EIR and Title V Permit. We received the attached letters from the City of Los Angeles in response to our request to receive copies of these public documents. They are:

- 1) A letter from Pacific Northwestern officials regarding the interconnection of the Tesoro-Savage oil terminal in Vancouver WA with the Tesoro LARIC project (Los Angeles), and the need for additional environmental review of impacts upstream of the Los Angeles refinery (including the Pacific Northwest impacts outside of Los Angeles), and
- 2) A letter from Los Angeles Mayor Garcetti regarding the international impacts of the Tesoro LARIC project, the need for additional permitting and environmental review, additional public evaluation of the Project, and the need to defer certification of the EIR until these are carried out.

G1-120.1

We find these letters compelling. They also further support our concerns regarding the clear connection between the Tesoro LA Refinery modifications (the LARIC), and the Tesoro Savage terminal, which have also been publicly acknowledged by Tesoro. The upstream impacts of the refinery project including transportation and extraction impacts, as well as the impacts within the Los Angeles refinery complex due to the crude oils that would be transported through the Tesoro Savage terminal need to be assessed by the District, and the Draft EIR re-circulated. We understand that Mr. Natri is still considering this issue.

Please submit this email and its attachments as part of the Tesoro LARIC EIR and Title V comments. Thanks much for your assistance. (If you receive two similar copies of this email it is because the first one was sent but somehow disappeared, so I redrafted it.)

Julia May
Senior Scientist
Communities for a Better Environment (CBE)

November 29, 2016

The Honorable Eric Garcetti
Mayor of Los Angeles
200 North Spring Street
Los Angeles, CA 90012

**Re: Oil-by-Rail Risks and Interstate Impacts of Tesoro Projects in Los Angeles,
California and Vancouver, Washington**

Dear Mayor Garcetti,

As city and county elected officials from the states of Oregon and Washington, we write about a problem common to our communities and Los Angeles: the risks to human health, public safety, and water from increased development of oil infrastructure along the West Coast. We are also members of the Safe Energy Leadership Alliance (SELA), a coalition of more than 165 elected local, Tribal and state leaders from four states and British Columbia advocating for assessment of the full costs and risks of proposals to ship crude oil and coal through our region.

We understand that Los Angeles is evaluating the impacts of the Tesoro Refining & Marketing Company's Los Angeles Refinery Integration and Compliance Project (LARIC) in Carson and Wilmington, California. Here in the Pacific Northwest, we are assessing a parallel proposal. Tesoro has proposed North America's largest oil-by-rail shipping terminal in Vancouver, Washington. From statements made by Tesoro, it appears that the LARIC refinery project is intertwined with Tesoro's proposed shipping terminal in Vancouver, Washington.

Based on your international leadership on environmental issues including climate and health, we know that the health, safety, and environment of your community are top priorities for you as well. We want to share our experience in assessing and addressing the regional risks of crude oil transport by rail and barge. We hope that you can advocate for assessment of regional impacts of Tesoro's LARIC proposal in California.

This past June in Mosier, Oregon, an oil train derailed on Union Pacific's mainline, causing a large and dangerous fire, polluting groundwater and the Columbia River, and prompting the evacuation of a nearby elementary school and many nearby homes. Recent inspections conducted just weeks prior to the derailment had concluded that the Union Pacific track was safe. The U.S. Department of Transportation has warned the public that Bakken crude – the same crude that ignited in Mosier - is especially volatile. We learned this first-hand in Mosier, as the oil train fire required millions of gallons of water and over 15 hours to extinguish. We were fortunate that there was no loss of life, but it was a wake-up call about the magnitude of risks from oil spills, fires, and explosions to communities along rail and barge corridors.

APPENDIX G1: RESPONSE TO COMMENTS

Mayor Eric Garcetti
November 29, 2016
Page 2

Nearby on the same rail corridor along the Columbia River, Tesoro's Vancouver, WA proposal would dramatically increase oil train traffic along the Columbia River and through our communities. The City of Vancouver has estimated that a worst-case oil train accident in the city could cause \$5 billion in damages or more. Despite the demonstrable recklessness of shipping oil in unsafe rail cars along the Columbia River, Tesoro continues to push forward its plans for North America's largest oil-by-rail terminal in Vancouver. Because of the extreme health, safety, and environmental risks to our local communities and the region, we have expressed our public opposition to the approval of the Tesoro Savage in Vancouver.

In the case of Tesoro in Vancouver, and several other proposed oil- and coal-by-rail facilities in the Pacific Northwest, environmental review has largely focused on the immediate local area surrounding proposed terminals and refineries. We have joined with other members of SELA to advocate for regional reviews that consider impacts and risks to public health and safety, environment, treaty rights, traffic, and economic development along rail and barge transport routes.

Tesoro has publicly acknowledged the interconnection between its projects in Vancouver, Washington and Los Angeles in reports to investors.¹ If both the Tesoro Savage Vancouver terminal and the LARIC project were approved, the same oil that threatens our communities in unsafe oil trains threatens yours with increased air pollution, an issue on which you have shown consistent leadership.

We understand that Tesoro plans to build new storage tanks at its Los Angeles refinery that would accommodate almost three and a half million barrels of additional crude oil, and that Tesoro has identified the Vancouver terminal as a transfer point to bring this crude oil to Los Angeles. The "upstream" oil transport impacts should be considered in the ongoing review of the LARIC project, and we hope that you can advocate for a regional assessment of impacts and risks.

We know that you are in the forefront of work to protect the climate and the health of Los Angeles' neighborhoods. Like you, our communities in Oregon and Washington strive to protect environmental health, and we hope our communities can learn from one another, as we have certainly learned from California's leadership in addressing oil-related air pollution. Together, local governments must take the lead in calling for full assessment of risks that arise from our dependence on oil.

We understand that the Mayor's office is not the lead agency on this decision, but we believe your recommendation to decision-makers would be very influential. We appreciate your consideration of these issues which impact all of us locally, nationally, and globally.

Please let us know if we can provide more information to help ensure that all of our communities get a full picture of Tesoro's plans for oil-by-rail and oil refineries on the West Coast.

¹ Please see attached.

APPENDIX G1: RESPONSE TO COMMENTS

Mayor Eric Garcetti
November 29, 2016
Page 3

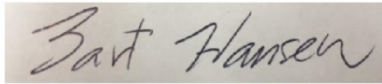
Sincerely,



Dow Constantine, Executive, King County,
Washington and Chair, SELA



Arlene Burns, Mayor, Mosier, Oregon



Bart Hansen, City Councilmember,
Vancouver, Washington



Paul Blackburn, Mayor, Hood River, Oregon

Mayor Eric Garcetti
November 29, 2016
Page 4

Edited Transcript TSO - Tesoro Corporation 2015 Analyst and Investor Day, December 09, 2015, p. 10, available at <http://phx.corporate-ir.net/phoenix.zhtml?c=79122&p=irol-presentations>

“When you think about formalizing competitive advantage and fully integrating our value chain, that is really what the Los Angeles Integration and Compliance Project is about. And when we think about creating value, we are not just thinking about advantaged crude oils in front of our refineries, but we’re thinking about how that supply to the west coast of advantaged crude oils can change the shape of the crude oil supply/demand dynamics for the west coast. And that’s what we are trying to accomplish through Vancouver Energy.”

Tesoro Presentations webpage: Morgan Stanley Corporate Access Day, 5/12/16, Slideshow entitled: *Driven to Create Value, Morgan Stanley Refining Corporate Access Day, May 2016*, available at: <http://phx.corporate-ir.net/phoenix.zhtml?c=79122&p=irol-presentations>

Strategic Investments for Distinctive Value

- **Creating advantage through integration**
 - Los Angeles Refinery Integration and Compliance Project
- **Changing the West Coast crude oil supply dynamics**
 - Vancouver Energy Project
- **Capturing higher margins in a high growth market**
 - West Coast Mixed Xylenes Project
 - Anacortes Isomerization Project



Supplying Advantaged Crude Oil to the West Coast

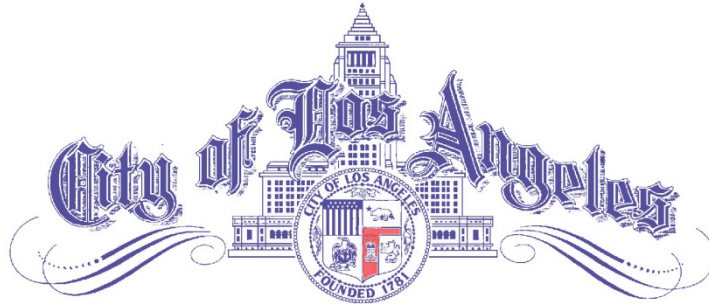
Vancouver Energy Project

- Joint venture with Savage Companies
- Up to 360 MBD Rail-to-Marine Terminal
- Most efficient route to West Coast for Bakken crude oil
- Significant infrastructure exists; low development cost

Strategic Crude Supply

- Increases West Coast competitive crude supply
- Relative refining values of \$3 to \$5 per barrel





ERIC GARCETTI
MAYOR

December 15, 2016

William Arthur Burke, Governing Board Chair
Wayne Nastri, Executive Officer
South Coast Air Quality Management District
21865 Copley Drive Diamond Bar CA 91765

Re: Draft EIR Certification Postponement and Recirculation Request

Dear Dr. Burke and Mr. Nastri,

I am writing to request the postponement of the certification of the Draft Environmental Impact Report (DEIR) for the Los Angeles Refinery Integration and Compliance Project (LARIC) proposed by the Tesoro Refining and Marketing Company LLC. The City of Los Angeles is a responsible agency with discretionary approval authority over a significant portion of the project. According to my staff, our Planning Department and the Port of Los Angeles have not participated in DEIR process.

The project seeks to link Tesoro's existing Wilmington refinery with the acquired Carson refinery, but it appears that the project will have broader environmental impacts across state and international boundaries that need to be fully addressed in the DEIR. The potential increase in air and water pollution, upstream greenhouse gases, and international safety hazards related to the use of Bakken Crude require a broader environmental analysis through your recirculation process. The City of Los Angeles has designated Wilmington as a "disadvantaged community" under our Clean Up Green Up policy and is a key environmental justice benchmark in the City's Sustainability Plan. While there was a public hearing held in the City of Carson this past May, the residents of Wilmington deserve to have a public hearing as well. We need to take seriously the community's concerns around petroleum related infrastructure as we learned the real risks that exists from accidents like that of the Aliso Canyon Storage Facility gas leak.

Additionally, I have concerns over the impact this project has on our region. The Regional Clean Air Incentives Market (RECLAIM) program has not been able to achieve the promised emissions reductions from local oil refineries. The U.S. EPA has also

APPENDIX G1: RESPONSE TO COMMENTS

Dr. Burke and Mr. Nastri
December 15, 2016
Page 2

designated the Los Angeles County portion of the regional basin as non-attainment for the National Ambient Air Quality Standards under the Clean Air Act. These considerations and along with new appointment of Boardmember Sheila Kuehl to the South Coast Air Quality Management District require that we give this project additional time to be evaluated.

As we come to the close of the year, it is incredibly difficult for both local agencies and the public to participate in this important process with the holiday season this month. Postponing the DEIR certification until next year will allow full participation and will honor the spirit of the California Environmental Quality Act (CEQA).

Sincerely,

A handwritten signature in black ink, appearing to read "E. Garcetti", with a horizontal line extending to the right.

ERIC GARCETTI
Mayor

CC: AQMD Governing Boardmember Joe Buscaino
AQMD Governing Boardmember Shiela Kuehl
Planning and Rules Manager Jillian Wong
Senior Enforcement Manager Danny Luong

Response to Comment Letter No. G1-120

Comment G1-120.1

Please submit this email and its attachments as an additional CBE Comment on the Tesoro LARIC EIR and Title V Permit. We received the attached letters from the City of Los Angeles in response to our request to receive copies of these public documents. They are:

- 1) A letter from Pacific Northwestern officials regarding the interconnection of the Tesoro-Savage oil terminal in Vancouver WA with the Tesoro LARIC project (Los Angeles), and the need for additional environmental review of impacts upstream of the Los Angeles refinery (including the Pacific Northwest impacts outside of Los Angeles), and
- 2) A letter from Los Angeles Mayor Garcetti regarding the international impacts of the Tesoro LARIC project, the need for additional permitting and environmental review, additional public evaluation of the Project, and the need to defer certification of the EIR until these are carried out.

We find these letters compelling. They also further support our concerns regarding the clear connection between the Tesoro LA Refinery modifications (the LARIC), and the Tesoro Savage terminal, which have also been publicly acknowledged by Tesoro. The upstream impacts of the refinery project including transportation and extraction impacts, as well as the impacts within the Los Angeles refinery complex due to the crude oils that would be transported through the Tesoro Savage terminal need to be assessed by the District, and the Draft EIR re-circulated. We understand that Mr. Nastri is still considering this issue.

Please submit this email and its attachments as part of the Tesoro LARIC EIR and Title V comments. Thanks much for your assistance. (If you receive two similar copies of this email it is because the first one was sent but somehow disappeared, so I redrafted it.)

G1-120.1

Response G1-120.1

The SCAQMD recognizes this comment letter as a resubmittal of Comment Letter Number G1-119. See Responses G1-119-1 to G1-119.16 for more details.

Comment Letter No. G1-A11



ORANGE COUNTY | LOS ANGELES | RIVERSIDE | CENTRAL VALLEY

Mark W. Steres
msteres@awattorneys.com
(310) 527-6660

2361 Rosecrans Ave., Suite 475
El Segundo, CA 90245
P (310) 527-6660
F (310) 532-7395

AWATTORNEYS.COM

March 15, 2017

VIA E-MAIL AND U.S. MAIL

Ms. Jillian Wong
Planning and Rules Manager
South Coast Air Quality Management District
21865 Copley Drive,
Diamond Bar, CA 91765-4178

Re: Draft EIR for the Tesoro Integration and Compliance Project: SCAQMD's Responses to City's Comments

Dear Ms. Wong:

Thank you for providing the City Carson with SCAQMD's responses to the City's comments to the Draft Environmental Impact Report ("EIR") for the Tesoro Refining & Marketing Company LLC Los Angeles Refinery Integration and Compliance Project (the "Tesoro Project"). The Tesoro Project is an extraordinary project; once completed, it will be the largest refinery in the West Coast located right in the City of Carson. Such a large project in a severely disadvantaged community deserves and requires a thoroughly detailed study and analysis. This EIR fails the task.

G1-A11.1

The City of Carson implores the SCAQMD to take the time to provide the further analysis necessary to protect the Carson community. SCAQMD wanted to be the lead agency and fought the City to do so. Carson, as a responsible agency, is relying on SCAQMD to do its job and take on the responsibility it accepted and asked to perform. The City is forced to rely on the EIR in its planning process when Tesoro embarks on its entitlement process at the City; and the City wants to get it right. This document, in its current form, cannot be relied upon by the City for informed decision making. When at the request of SCAQMD, the City relinquished its right to pursue becoming the lead agency, the City was promised by SCAQMD that the City would be fully involved in the process. But SCAQMD has thus far failed to fully address all of the City's comments.

G1-A11.2

Enclosed are comments from the City's consultant, MRS, to SCAQMD's responses to the City's comments to the EIR. On behalf of the City of Carson, its residents, businesses and visitors, we need SCAQMD to prepare further analysis and study in response to the City's concerns and comments.

G1-A11.3

The Tesoro Project is of enormous magnitude and the residents and businesses in Carson will be the most impacted by the Tesoro Project. Good public policy mandates that merely an

G1-A11.4

01007.0511/359748.1

APPENDIX G1: RESPONSE TO COMMENTS

Jillian Wong
March 15, 2017
Page 2

administrative certification of the EIR is not sufficient, but that a public hearing on the EIR, and in Carson, led by the lead agency (SCAQMD) is the minimum that is acceptable. The current Torrance refinery issues are just one example of the problems that refinery operations can cause in a community and SCAQMD appropriately held public hearings in Torrance. On behalf of the City of Carson, its residents, businesses and visitors, we demand that SCAQMD hold a public hearing on the EIR in the City of Carson prior to certifying the EIR.

G1-A11.4
cont'd.

Sincerely,

ALESHIRE & WYNDER, LLP



Mark W. Steres
Attorney for City of Carson

MWS:MFB
Encl.

cc: Kenneth C. Farfsing, City Manager
Sunny K. Soltani, City Attorney
John Raymond, Director of Community Development
Saied Naaseh, Planning Manager
Barbara Baird, Chief Deputy Counsel, SCAQMD
Wayne Nastri, Executive Officer, SCAQMD



**Tesoro Refinery Integration Project
Response to AQMD Response to Comments on the Final EIR**

March 13, 2017

The EIR for the Tesoro Refinery Integration and Compliance Project is an important document to guide the City of Carson in issuing discretionary permits for the Project. While the City understands that the Project may bring regional benefits, the EIR is missing important information which will limit the ability of the City of Carson to issue discretionary permits. While the AQMD Responses to Comments provides some clarification on issues, the underlying concerns related to appropriate disclosure of baseline conditions and quantification of potentially significant impacts remain a concern.

G1-A11.5

Carson is a severely disadvantaged community as defined by the CalEnviroScreen and the refineries are a huge source of stationary emissions within the City of Carson. Measures to reduce these impacts on the residences of the City of Carson and the additional impacts brought on by the Project that will exacerbate an already unhealthy situation, could be implemented through the Carson permitting process.

G1-A11.6

The City of Carson has provided comments to the SCAQMD staff and have met with the SCAQMD staff twice, yet many issues remain. Some of the important issues include the following.

G1-A11.7

Health Risk: Health risk is a very important issue for the City of Carson. Pollution from refinery operations not only produce regional health impacts, but localized health impacts as well. The quantification of the localized acute and chronic health risks is very important to understanding the Projects incremental increases in health risk. While the EIR utilized quantitative models for accessing the Projects incremental increases in health risk, the baseline analysis did not utilize these models and instead utilized a flawed approach of using regional information incorrectly applied to local conditions. This prevents the City of Carson from understanding the baseline and providing full disclosure of these baseline conditions to the decision makers, who must decide on approval or denial of the Project and what permit conditions may be necessary.

G1-A11.8

The most recent quantitative health risk assessment for either refinery uses emissions data from 10 years ago and does not use the most recent OEHHA guidelines and procedures to estimate health risk levels (OEHHA 2015). An updated analysis with both refineries operations combined should be presented in order to understand the effects of the two refineries combined emissions levels. This information was not presented in the EIR.

G1-A11.9

A health risk assessment examines a number of different health risk issues, including cancer, chronic, chronic-8 hour exposure and acute impacts. The cancer and chronic assessments are based on long term exposure (30 years and 1 year, respectively). However, the acute and chronic-8 hour exposure are based on short term exposures (1 hour and 8 hours respectively). It is the acute and chronic exposures which lack a baseline analysis in the EIR. These components of the health risk are defined in the significance criteria (Table 4.2-1) and are discussed and

G1-A11.10

APPENDIX G1: RESPONSE TO COMMENTS

March 13, 2017

Tesoro Refinery Final EIR Review
Page 2 of 4

modeled for the Project (Table 4.2-13), but the baseline information is either not presented or, in the FEIR, is flawed.

The baseline analysis in the EIR relies only on regional data gathered as a part of the MATES IV study, which, in addition to being regional and not local in nature, only looks at the health risks related to cancer. The FEIR, as per the response to comments (Response to Comment G1-A4.11), attempts to rectify this discrepancy by erroneously presenting an acute health hazard index (HI, defined as the pollutant concentration relative to an exposure level which could cause health effects) for toxic pollutant levels measured at the West Long Beach monitoring station (revised Table 3.2-5). This information is flawed in that the West Long Beach monitoring station only gathers information on pollutant concentrations using a 24 hour average. An acute analysis is always conducted using a 1 hour peak exposure, which can vary substantially from the 24 hour average (as much as 5 times, as per OEHHA 2015 page 4-36). The OEHHA Health Risk Assessment Guidance (OEHHA 2015, page 5-32, *Non-Cancer Inhalation Exposure for Workers and Residents*) and the Health Risk Assessment prepared by Tesoro for this EIR (page B-4-32) both indicate the need for a 1 hour exposure for acute impacts. For the chronic-8 hour, an 8 hour exposure is used, not a 24 hour average.

G1-A11.10
cont'd.

In addition, the use of a regional monitoring station does not capture the high variation in impacts that can occur close to a facility. The West Long Beach monitoring station is located about ½ mile from the eastern fence line of the refineries and more than 2 miles from the City of Carson. Examining the variation in acute risk levels associated with the EIR modeling analysis shows the difference between the Project-only acute levels at the refinery fence line versus the acute levels at the West Long Beach monitoring station to be a factor of 3-4 times, demonstrating the substantial levels of variability over relatively short distances. Therefore, in addition to the flawed use of a 24 hour average for representing acute 1-hour and chronic-8 hour conditions, the use of the West Long Beach monitoring data does not accurately represent the impacts that could be occurring within residential areas close to the refineries.

G1-A11.11

This is a clearly incorrect and flawed presentation of the acute and chronic-8 hour baseline information in the EIR and should be rectified by conducting a full health risk assessment on both refineries combined. This would provide information to the City of Carson to understand the existing conditions associated with the largest refinery on the West Coast and its current impacts on the residences of the City of Carson. Only a detailed analysis of this type would allow for an understanding of the pollutant source contributions to the risk levels and would allow for the implementation of effective measures in the permitting process to reduce impacts to the residents of the City of Carson and surrounding communities.

G1-A11.12

The Project would eliminate many refinery operations in Wilmington and move them into Carson, thereby further increasing localized pollution in the City of Carson. Chronic and acute impacts are associated with asthma, breathing issues and other, non-cancerous health effects which are issues of substantial concern to the residents of Carson. Historical complaints recorded by the SCAQMD total in the hundreds over the last 10 years, as per the SCAQMD files, and are an indicator of the extent of the existing health problems in the community. This information has not been disclosed in the EIR analysis and, therefore, renders the City incapable

G1-A11.13

mrs

March 13, 2017

Tesoro Refinery Final EIR Review
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of understanding the extent of the baseline situation and possible measures to include during the permitting process.

G1-A11.13
cont'd.

Hazards Significance Based on Consequence Only: The EIR significance criteria for hazard impacts is based entirely on consequence. Therefore, a change in the amount of material moved or transported through the community is not represented as an impact, or even assessed at all, thereby providing no opportunity for properly implementing a mitigation to address these potentially significant impacts. Because the volume of a single train car and/or a truck under the Project would be the same as the current operations, the EIR assumes that any increase in transportation of hazardous materials would have the same impacts. The FEIR continues to ignore this serious flaw in the determination of hazards significance.

The use of only consequence is not a worst case assessment, as the AQMD claims in response to comment G1-A4.18-20. As there are currently hazardous materials being moved into and out of the refineries, changes in the quantity of movement should be assessed to determine if they exceed acceptable risk levels. The EIR failed to do this analysis.

Impacts should be based on the risk of an accident, not just the consequence. A single truck carrying hazardous materials once per year is not the same impact as 100 trucks per day traveling through a community. Or, for a rail scenario, the Applicant is claiming that, because a railroad already carries one rail car of flammable materials, there would not be any increase in impacts associated with carrying thousands more. This is clearly a flawed analysis. The refineries propose to increase LPG shipments by over 3,650 rail cars per year.

G1-A11.14

Numerous EIRs have incorporated risk assessments that use both consequence and frequency to depict risk. These analysis are based on approaches defined by the Center for Chemical Process Safety (CCPS, Guidelines for Chemical Process Quantitative Risk Analysis, 1999) and include EIRs by agencies such as the County of Los Angeles, County of Santa Barbara, San Luis Obispo County and the California State Lands Commission (for example, the San Luis Obispo County *Phillips 66 Company Rail Spur Extension And Crude Unloading Project Final Environmental Impact Report, December 2015* and the *CSLC Venoco South Ellwood Project, Sept 2016* both used quantitative risk assessment approaches combining frequency and consequence in order to determine impacts).

In addition, by only using the consequences as a significance criteria, the EIR fails to address a potentially significant impact and to provide full disclosure of potential Project impacts and mitigation measures to the permitting agencies.

Increase in Coke Trucking: In the response to comments, the SCAQMD indicated that the truck transportation of coke from the refineries would increase by 1,460 trucks per year associated with the Project (Response to Comment G1-A4.12). This level of traffic increase was not addressed in the EIR and is new information. In the traffic analysis in the EIR, presented in Appendix E, on page E-30, the EIR states that an additional 10 truck trips per day may occur due to the Project. These trucks trips would be due to transporting spent sulfuric acid and one truck trip per day for other materials. No mention is made anywhere in the EIR of 1,460 truck trips

G1-A11.15

March 13, 2017

Tesoro Refinery Final EIR Review
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per year associated with coke hauling. This new information should be used to adjust the transportation analysis as well as other traffic and health risk analysis' presented in the EIR. Accurately presenting the characteristics of the Project is necessary to accurately defining the impacts. Traffic concerns are a major issue for the City of Carson and the impacts of the Project on traffic levels and corresponding health risks should be disclosed to the decision makers in order to effectively process the Project permits.

G1-A11.15
cont'd.

Analysis of Existing Pipelines: The EIR has also failed to provide information on the existing pipeline system which will be used to transport higher volumes of oil as part of the Project. Information on the existing pipeline system, its design, age, spill history, leak detection systems, all are essential components in assessing the potential for an oil spill that could occur because of the increase in volumes transported by the pipeline due to either the transfer of crude oil associated with the 6,000 bbl/day crude oil capacity increase, or the increased rate of transport inherent in the Project Description with the more rapid unloading of the tankers at the Port. Response to comment G1-A4.7 is unresponsive to the comment and disregards the added 6,000 bbl/day of added crude oil as negligible. However, without knowing the status of the existing pipeline system, it is impossible to know what the added risk of oil spills is as a result of using an old and potentially inadequate pipeline system with unknown leak detection capabilities. Pipeline spills could affect the City of Carson and its residents and this information needs to be appropriately disclosed in the environmental document.

G1-A11.16

Analysis of Odors: The City has repeatedly asked the SCAQMD to include an analysis of historical odors at the Refinery, which have affected the community for a number of years. Response G1-A4.17 erroneously claims that the issue of odors was dismissed as part of the NOP/IS and as such need not be analyzed further in the EIR. However, the NOP/IS is a preliminary document that should not exonerate the SCAQMD from including information on an issue that affects the residents of the City of Carson on a regular basis. Section 15143 of the CEQA Guidelines state: *"The EIR shall focus on the significant effects on the environment. The significant effects should be discussed with emphasis in proportion to their severity and probability of occurrence. Effects dismissed in an Initial Study as clearly insignificant and unlikely to occur need not be discussed further in the EIR unless the Lead Agency subsequently receives information inconsistent with the finding in the Initial Study. A copy of the Initial Study may be attached to the EIR to provide the basis for limiting the impacts discussed."* Clearly, the City has repeatedly provided information to the SCAQMD in regards to the number of odor complaints made by the public surrounding the refinery and the necessity to address odors as part of the EIR baseline analysis. The EIR failed to fully disclose the historical odors associated with the refineries baseline operations. Carson residents and schools have raised concerns about odors and reported historical odor complaints. Odors are an issue of concern related to the refinery operations and the residences located near the refineries. The City has received complaints about incidents from schools that required sheltering in place. Finally, the NOP/IS should not be the final conclusive evidence of no impact at the expense of ignoring the odor impacts suffered by the City of Carson and including some enforceable mitigation to reduce this undisclosed impact.

G1-A11.17

Response to Comment Letter No. G1-A11

Aleshire & Wynder, LLP, Attorney for City of Carson

Comment G1-A11.1

Thank you for providing the City Carson with SCAQMD’s responses to the City’s comments to the Draft Environmental Impact Report (“EIR”) for the Tesoro Refining & Marketing Company LLC Los Angeles Refinery Integration and Compliance Project (the “Tesoro Project”). The Tesoro Project is an extraordinary project; once completed, it will be the largest refinery in the West Coast located right in the City of Carson. Such a large project in a severely disadvantaged community deserves and requires a thoroughly detailed study and analysis. This EIR fails the task.

G1-A11.1

Response G1-A11.1

This comment introduces the comments of the City of Carson (the City), a responsible agency for the proposed project, which are responded to in detail in subsequent responses. However, the proposed project would not create a new or larger refinery or result in a substantial increase of crude oil throughput capacity, but would further integrate the already merged Refinery's Carson and Wilmington Operations.

Comment G1-A11.2

The City of Carson implores the SCAQMD to take the time to provide the further analysis necessary to protect the Carson community. SCAQMD wanted to be the lead agency and fought the City to do so. Carson, as a responsible agency, is relying on SCAQMD to do its job and take on the responsibility it accepted and asked to perform. The City is forced to rely on the EIR in its planning process when Tesoro embarks on its entitlement process at the City; and the City wants to get it right. This document, in its current form, cannot be relied upon by the City for informed decision making. When at the request of SCAQMD, the City relinquished its right to pursue becoming the lead agency, the City was promised by SCAQMD that the City would be fully involved in the process. But SCAQMD has thus far failed to fully address all of the City’s comments.

G1-A11.2

Response G1-A11.2

The DEIR identifies that the proposed project requires discretionary approvals from several agencies, including SCAQMD, the Alameda Corridor Transit Authority, and the City of Carson (see Table 2.10-1 of the DEIR). The SCAQMD understands that two project components—the new crude oil storage tanks and the Interconnecting Pipeline—require discretionary approvals by the City of Carson. The remaining 22 project components require only ministerial approvals from the local jurisdictions. The SCAQMD has the majority of the discretionary permitting action since air quality permits are required for proposed project components that are located at both the Carson and Wilmington Operations. Sections 2.7.1.1 through 2.7.1.9, 2.7.2.1 through 2.7.2.11, 2.7.3.1 and 2.7.3.3 of the FEIR describe individual elements of the proposed project, all of which require permits to construct from SCAQMD. Thus, the SCAQMD is the appropriate lead agency for the proposed project.

As the lead agency, the SCAQMD has fully complied with its obligations under CEQA to engage with responsible agencies. The City of Carson was engaged from the beginning of the

process through the City's Planning Department. The City and other responsible agencies were notified of and have been engaged in the CEQA review process. The SCAQMD has responded thoroughly to the City of Carson's comments on the DEIR, and has explained where in the record the SCAQMD's responses are supported by substantial evidence. The City of Carson's obligations as a responsible agency are contained in CEQA Guideline § 15096. The City must consider the environmental effects of the project as shown in this EIR, and cannot require a new EIR absent the circumstances described in CEQA Guideline § 15162.

The SCAQMD has provided a full and complete environmental analysis of the proposed project. The SCAQMD responded to all of the City's comments provided on the NOP/IS (see Appendix A of the DEIR, pages A-117 through A-128) and all of the City's comments provided on the DEIR in the Responses G1-A4.1 through G1-A4.38, G1-A9.1, G1-A9.2, G1-A10.1 through G1-A10.4, and, in this response, G1-A11.1 through G1-A11.17. The DEIR fully analyzed the proposed project's potential impacts and the comment does not provide any new information of environmental impacts that was not analyzed or that increases the severity of a significant impact or that changes the significance determinations made in the DEIR. Therefore, no revision and/or recirculation of the DEIR are necessary under CEQA.

Comment G1-A11.3

Enclosed are comments from the City's consultant, MRS, to SCAQMD's responses to the City's comments to the EIR. On behalf of the City of Carson, its residents, businesses and visitors, we need SCAQMD to prepare further analysis and study in response to the City's concerns and comments.

G1-A11.3

Response G1-A11.3

As described in Response G1-A11.2, the DEIR fully analyzed the proposed project's potential impacts and the comment does not provide any new information of environmental impacts that was not analyzed or that changes the significance conclusions made in the DEIR. Therefore, no revision and/or recirculation of the DEIR are necessary under CEQA.

Comment G1-A11.4

The Tesoro Project is of enormous magnitude and the residents and businesses in Carson will be the most impacted by the Tesoro Project. Good public policy mandates that merely an administrative certification of the EIR is not sufficient, but that a public hearing on the EIR, and in Carson, led by the lead agency (SCAQMD) is the minimum that is acceptable. The current Torrance refinery issues are just one example of the problems that refinery operations can cause in a community and SCAQMD appropriately held public hearings in Torrance. On behalf of the City of Carson, its residents, businesses and visitors, we demand that SCAQMD hold a public hearing on the EIR in the City of Carson prior to certifying the EIR.

G1-A11.4

G1-A11.4
cont'd.

Response G1-A11.4

Response G1-A11.1 explains that the scope of the proposed project does not create a new or larger Refinery.

APPENDIX G1: RESPONSE TO COMMENTS

The SCAQMD already held a Public Hearing on the Title V Permit and Public Meeting on the DEIR for the proposed project in Carson on May 17, 2016. All comments received at the Public Meeting are responded to in Appendix G2 of the FEIR and all other public comments received on the DEIR are responded to in Appendix G1 of the FEIR. As explained in detail in Master Response 1, the DEIR was circulated for an extended length of time. The proposed project has complied with and exceeded the public process required by CEQA Guidelines § 15087.

Comment G1-A11.5

The EIR for the Tesoro Refinery Integration and Compliance Project is an important document to guide the City of Carson in issuing discretionary permits for the Project. While the City understands that the Project may bring regional benefits, the EIR is missing important information which will limit the ability of the City of Carson to issue discretionary permits. While the AQMD Responses to Comments provides some clarification on issues, the underlying concerns related to appropriate disclosure of baseline conditions and quantification of potentially significant impacts remain a concern.

G1-A11.5

Response G1-A11.5

This comment summarizes the comments of the City, by their consultant, MRS, and states that there are issues with baseline conditions and proposed project impacts. The concerns raised in this comment are provided in more detail in subsequent comments and responded to in detail in subsequent Responses G1-A11.6 through G1-11.17.

Comment G1-A11.6

Carson is a severely disadvantaged community as defined by the CalEnviroScreen and the refineries are a huge source of stationary emissions within the City of Carson. Measures to reduce these impacts on the residences of the City of Carson and the additional impacts brought on by the Project that will exacerbate an already unhealthy situation, could be implemented through the Carson permitting process.

G1-A11.6

Response G1-A11.6

As explained in Response G1-A4.35, OEHHA has stated that the CalEnviroScreen tool was not developed to address CEQA analyses or impacts. CalEnviroScreen is not directly applicable to analysis of impacts in accordance with CEQA because it compares the relative burdens on communities but does not provide an absolute measure of those burdens. The City suggests in this comment that reducing existing Refinery impacts and those added by the proposed project could be implemented through the City's permitting process. Any measures imposed by the City of Carson beyond what is required to mitigate the significant impacts resulting of the proposed project are outside the scope of CEQA and these responses to comments.

Comment G1-A11.7

The City of Carson has provided comments to the SCAQMD staff and have met with the SCAQMD staff twice, yet many issues remain. Some of the important issues include the following.

G1-A11.7

Response G1-A11.7

SCAQMD received and responded previously to the City’s comments in Responses G1-A4.1 through G1-A4.38, G1-A9.1, G1-A9.2, G1-A10.1 through G1-A10.4, and to these additional comments in this response at G1-A11.1 through G1-A11.17.

Comment G1-A11.8

Health Risk: Health risk is a very important issue for the City of Carson. Pollution from refinery operations not only produce regional health impacts, but localized health impacts as well. The quantification of the localized acute and chronic health risks is very important to understanding the Projects incremental increases in health risk. While the EIR utilized quantitative models for accessing the Projects incremental increases in health risk, the baseline analysis did not utilize these models and instead utilized a flawed approach of using regional information incorrectly applied to local conditions. This prevents the City of Carson from understanding the baseline and providing full disclosure of these baseline conditions to the decision makers, who must decide on approval or denial of the Project and what permit conditions may be necessary.

G1-A11.8

Response G1-A11.8

In Section 4.2.2.5 and Appendix B-4, the DEIR discusses the health risks posed by the emission of toxic air contaminants from the proposed project’s new and modified equipment. The analysis used the actual 2012/2013 emissions from the Refinery’s existing equipment as the baseline for purposes of assessing the proposed project’s impacts. (See page 4-33.) Contrary to what the comment states, the DEIR did not use “regional information” (that is, the MATES IV study) as the baseline for assessing impacts from the proposed project’s new and modified equipment.

As explained in Responses G1-A4.11 and G1-A11.9 through G1-A11.12, the MATES IV study describes the background conditions in the project area with respect to health impacts from toxic air contaminants.

As explained in Response G1-A4.5, the DEIR analyzed the impacts from the proposed project. CEQA Guidelines § 15126.2(a) states “An EIR shall identify and focus on the significant environmental effects of the proposed project. In assessing the impact of a proposed project, the lead agency should normally limit its examination to changes in the existing physical conditions in the affected area as they exist at the time the notice of preparation is published, . . .” Consistent with the CEQA Guidelines, the SCAQMD adopted significance thresholds that evaluate the proposed project incremental change to health risks. As explained in Section 4.2.2.5 of the FEIR, the health impacts of the proposed project are considered less than significant.

Comment G1-A11.9

The most recent quantitative health risk assessment for either refinery uses emissions data from 10 years ago and does not use the most recent OEHHA guidelines and procedures to estimate health risk levels (OEHHA 2015). An updated analysis with both refineries operations combined should be presented in order to understand the effects of the two refineries combined emissions levels. This information was not presented in the EIR.

G1-A11.9

Response G1-A11.9

The comment presumably refers to an HRA prepared in connection with AB2588. As explained in G1-A4.11, the AB2588 HRA was limited, in that it did not take into account emissions from mobile sources. The MATES IV study, in contrast, includes mobile sources and therefore provides a much more comprehensive and better description of background conditions. A quantitative assessment of the proposed project emissions was performed (see Section 4.2.2.5 and Appendix B-4 of the FEIR).

Comment G1-A11.10

A health risk assessment examines a number of different health risk issues, including cancer, chronic, chronic-8 hour exposure and acute impacts. The cancer and chronic assessments are based on long term exposure (30 years and 1 year, respectively). However, the acute and chronic-8 hour exposure are based on short term exposures (1 hour and 8 hours respectively). It is the acute and chronic exposures which lack a baseline analysis in the EIR. These components of the health risk are defined in the significance criteria (Table 4.2-1) and are discussed and modeled for the Project (Table 4.2-13), but the baseline information is either not presented or, in the FEIR, is flawed.

G1-A11.10

The baseline analysis in the EIR relies only on regional data gathered as a part of the MATES IV study, which, in addition to being regional and not local in nature, only looks at the health risks related to cancer. The FEIR, as per the response to comments (Response to Comment G1-A4.11), attempts to rectify this discrepancy by erroneously presenting an acute health hazard index (HI, defined as the pollutant concentration relative to an exposure level which could cause health effects) for toxic pollutant levels measured at the West Long Beach monitoring station (revised Table 3.2-5). This information is flawed in that the West Long Beach monitoring station only gathers information on pollutant concentrations using a 24 hour average. An acute analysis is always conducted using a 1 hour peak exposure, which can vary substantially from the 24 hour average (as much as 5 times, as per OEHHA 2015 page 4-36). The OEHHA Health Risk Assessment Guidance (OEHHA 2015, page 5-32, *Non-Cancer Inhalation Exposure for Workers and Residents*) and the Health Risk Assessment prepared by Tesoro for this EIR (page B-4-32) both indicate the need for a 1 hour exposure for acute impacts. For the chronic-8 hour, an 8 hour exposure is used, not a 24 hour average.

G1-A11.10
cont'd.

Response G1-A11.10

The DEIR analysis used the actual 2012/2013 emissions from the Refinery’s existing equipment as the baseline for purposes of assessing the proposed project’s impacts from TACs (see page 4-33 of the DEIR). This baseline was used to assess both cancer risks and non-cancer risks, including the risks of acute and chronic exposures. Contrary to what the comment states, the DEIR did not use “regional information” (that is, the MATES IV study) as the baseline for assessing impacts from the proposed project’s new and modified equipment.

The DEIR did rely on the MATES IV study to describe background conditions. In Response G1-A4.12, the maximum 24-hour measured concentrations were compared to the acute REL for illustrative purposes, using the best information available, in order to provide the City with an idea of the relative magnitude of acute risks. While Table 4.2 of the OEHHA Guidance shows a range of 0.2 to 0.6 for the adjustment factor, the AERSCREEN recommended adjustment factor is 0.6, which is 1.7 times higher than the one-hour concentration, not five times as suggested by the comment. The 0.6 factor is applied to a one-hour value to estimate a 24-hour value. Page 4-36 of the 2015 OEHHA HRA Guidelines provides information on how to estimate concentrations for longer averaging periods from the 1-hour concentrations derived from

screening dispersion models. Screening dispersion models are used to provide a conservative 1-hour modeled concentration and the longer averaging periods (8-hour, 24-hour, and sometimes annual) can be estimated by applying a scaling ratio. However, this scaling ratio is not appropriate to be used for estimating 1-hour concentrations from 24-hour ambient measurements.

MATES IV concluded that the annual averages of pollutants measured were below the chronic reference exposure levels (RELs). Section 6.3 of the OEHHA Guidance discusses the eight-hour chronic RELs and explains that the eight-hour chronic RELs were developed because of concerns that applying the chronic REL in some scenarios was overly conservative. Since the chronic RELs were not exceeded, it then follows the eight-hour chronic RELs would be less and not exceeded.

Comment G1-A11.11

In addition, the use of a regional monitoring station does not capture the high variation in impacts that can occur close to a facility. The West Long Beach monitoring station is located about ½ mile from the eastern fence line of the refineries and more than 2 miles from the City of Carson. Examining the variation in acute risk levels associated with the EIR modeling analysis shows the difference between the Project-only acute levels at the refinery fence line versus the acute levels at the West Long Beach monitoring station to be a factor of 3-4 times, demonstrating the substantial levels of variability over relatively short distances. Therefore, in addition to the flawed use of a 24 hour average for representing acute 1-hour and chronic-8 hour conditions, the use of the West Long Beach monitoring data does not accurately represent the impacts that could be occurring within residential areas close to the refineries.

G1-A11.11

Response G1-A11.11

The prevailing wind direction is to the east. The West Long Beach station is located one-half mile downwind of the Refinery. The City of Carson is located upwind or crosswind from the Refinery. Based on the analysis in the DEIR, the greatest impacts are located downwind of sources. Therefore, TAC concentrations registered at the monitoring station would likely have higher values than locations farther away and upwind or crosswind from the Refinery. The closest resident in Carson is located 1,300 feet upwind of the Refinery and was not determined to be the maximum acute risk location for the proposed project. The maximum acute risk for the proposed project is located downwind of Refinery units along the Dominguez Channel at the fence line.

Comment G1-A11.12

This is a clearly incorrect and flawed presentation of the acute and chronic-8 hour baseline information in the EIR and should be rectified by conducting a full health risk assessment on both refineries combined. This would provide information to the City of Carson to understand the existing conditions associated with the largest refinery on the West Coast and its current impacts on the residences of the City of Carson. Only a detailed analysis of this type would allow for an understanding of the pollutant source contributions to the risk levels and would allow for the implementation of effective measures in the permitting process to reduce impacts to the residents of the City of Carson and surrounding communities.

G1-A11.12

Response G1-A11.12

As explained in G1-A4.11, G1-A4.12, G1-A11.10, and G1-A11.11, in accordance with CEQA, the DEIR analyzes impacts from the proposed project. Existing operations and activities are

limited by permits, and are considered the “baseline” condition against which impacts are measured.

Comment G1-A11.13

The Project would eliminate many refinery operations in Wilmington and move them into Carson, thereby further increasing localized pollution in the City of Carson. Chronic and acute impacts are associated with asthma, breathing issues and other, non-cancerous health effects which are issues of substantial concern to the residents of Carson. Historical complaints recorded by the SCAQMD total in the hundreds over the last 10 years, as per the SCAQMD files, and are an indicator of the extent of the existing health problems in the community. This information has not been disclosed in the EIR analysis and, therefore, renders the City incapable

G1-A11.13

of understanding the extent of the baseline situation and possible measures to include during the permitting process.

G1-A11.13
cont'd.

Response G1-A11.13

As explained in Response G1-A4.1, the proposed project would eliminate the Wilmington Operations FCCU and redistribute activities and associated emissions to various existing units in both the Carson and Wilmington Operations to accommodate the shutdown (see Figures A4.1-1 and A4.1-2). This redistribution of activities and associated emissions was fully analyzed in the FEIR. Health impacts of the proposed project are analyzed Section 4.2.2.5 of the FEIR and are considered less than significant.

As explained in Responses G1-4.17 and G1-A10.3, all complaints logged by the SCAQMD are investigated. As shown in the data provided to the City of Carson in Response G1-A10.3, not all complaints are related to odors. No nexus between complaints and health effects has been presented. Odors are regulated by the SCAQMD as nuisances under SCAQMD Regulation 402 and are investigated to identify the source and remedy the odor, if possible. If non-compliance with SCAQMD rules and regulations are discovered during the investigation, appropriate enforcement action is taken.

The inclusion of the NOP/IS in Appendix A and comments and responses in Appendix G1 regarding odors adequately characterizes the existing conditions and the proposed project impact, which has been determined to be less than significant.

Comment G1-A11.14

Hazards Significance Based on Consequence Only: The EIR significance criteria for hazard impacts is based entirely on consequence. Therefore, a change in the amount of material moved or transported through the community is not represented as an impact, or even assessed at all, thereby providing no opportunity for properly implementing a mitigation to address these potentially significant impacts. Because the volume of a single train car and/or a truck under the Project would be the same as the current operations, the EIR assumes that any increase in transportation of hazardous materials would have the same impacts. The FEIR continues to ignore this serious flaw in the determination of hazards significance.

The use of only consequence is not a worst case assessment, as the AQMD claims in response to comment G1-A4.18-20. As there are currently hazardous materials being moved into and out of the refineries, changes in the quantity of movement should be assessed to determine if they exceed acceptable risk levels. The EIR failed to do this analysis.

Impacts should be based on the risk of an accident, not just the consequence. A single truck carrying hazardous materials once per year is not the same impact as 100 trucks per day traveling through a community. Or, for a rail scenario, the Applicant is claiming that, because a railroad already carries one rail car of flammable materials, there would not be any increase in impacts associated with carrying thousands more. This is clearly a flawed analysis. The refineries propose to increase LPG shipments by over 3,650 rail cars per year.

Numerous EIRs have incorporated risk assessments that use both consequence and frequency to depict risk. These analysis are based on approaches defined by the Center for Chemical Process Safety (CCPS, Guidelines for Chemical Process Quantitative Risk Analysis, 1999) and include EIRs by agencies such as the County of Los Angeles, County of Santa Barbara, San Luis Obispo County and the California State Lands Commission (for example, the San Luis Obispo County *Phillips 66 Company Rail Spur Extension And Crude Unloading Project Final Environmental Impact Report, December 2015* and the *CSLC Venoco South Ellwood Project, Sept 2016* both used quantitative risk assessment approaches combining frequency and consequence in order to determine impacts).

In addition, by only using the consequences as a significance criteria, the EIR fails to address a potentially significant impact and to provide full disclosure of potential Project impacts and mitigation measures to the permitting agencies.

G1-A11.14

Response G1-A11.14

As explained in Responses G1-A4.19 and G1-A4-20, the SCAQMD assesses hazard impacts using a worst-case consequence methodology. The methodology is more conservative than other forms of risk assessment for two reasons.³⁶⁷ First, in a worst-case consequence analysis, the frequency (or probability) of the worst-case occurring is assumed to be 100 percent (or 1.0 if using probability). This is an extremely conservative approach since large (e.g., worst-case) releases do not happen frequently, although they can generate a large impact, while small (e.g., pin-hole leaks) releases happen much more frequently (but less than constantly, < 1.0), but do not generate any significant hazard to the public.

Second, the SCAQMD approach uses injury, not lethality, as the modeling “endpoint.” What this means is that the worst-case releases have to be modeled to an injury level which would extend further than the lethal level for the same release and same hazard. The result of the worst-case analysis is a representation (presented as a circle around the release point) to the largest extent of an injury impact (radiant, explosive, or toxic) for any release that could occur within the process being evaluated (e.g., process unit, pipeline, etc.).

³⁶⁷ Attachment H, Quest Consultants Memoranda

While other EIRs may have included probability in the hazard analysis, the significance criteria adopted by the SCAQMD through a public process are based solely on consequence. Therefore, the analysis presented in the FEIR is conservative consistent with the SCAQMD significance criteria.

Comment G1-A11.15

Increase in Coke Trucking: In the response to comments, the SCAQMD indicated that the truck transportation of coke from the refineries would increase by 1,460 trucks per year associated with the Project (Response to Comment G1-A4.12). This level of traffic increase was not addressed in the EIR and is new information. In the traffic analysis in the EIR, presented in Appendix E, on page E-30, the EIR states that an additional 10 truck trips per day may occur due to the Project. These trucks trips would be due to transporting spent sulfuric acid and one truck trip per day for other materials. No mention is made anywhere in the EIR of 1,460 truck trips per year associated with coke hauling. This new information should be used to adjust the transportation analysis as well as other traffic and health risk analysis' presented in the EIR. Accurately presenting the characteristics of the Project is necessary to accurately defining the impacts. Traffic concerns are a major issue for the City of Carson and the impacts of the Project on traffic levels and corresponding health risks should be disclosed to the decision makers in order to effectively process the Project permits.

G1-A11.15

G1-A11.15
cont'd.

Response G1-A11.15

An increase in 1,460 trucks annually translates into a maximum increase of four trucks per day, or no more than one truck per hour. The existing operational traffic study analyzed an increase of four trucks per hour (see Appendix E of the DEIR). This increase was found to have no change in the level of service (LOS) at any of the intersections analyzed (see Table 8 on page E-35) and, therefore, is considered less than significant. In fact, even the construction traffic analysis, which analyzed an increase of 470 and 476 vehicles trips in the morning and evening peak hours, respectively, found that only one intersection exceeded the significance threshold. The trucks associated with the coke transport will not travel through this intersection. The intersection found to have significant impacts from construction traffic is located at Interstate 405 and Wilmington Avenue at the northwest corner of the Carson Operations. Coke transport trucks from the Wilmington Operations occur approximately two miles southeast of the intersection at Interstate 405 and Wilmington Avenue and travel east on Sepulveda Boulevard to Interstate 710 south to the Port of Long Beach. Therefore, the annual increase in truck traffic will not change the significance analysis.

Furthermore, the significance thresholds are based on the peak day. The annual increase in truck traffic is not expected to change the peak day because the coke production peak day occurred in the baseline period.

Health risk impacts related to the coke trucks were added to the HRA presented in the FEIR. The results of the revised HRA are presented in Section 4.2.2.5 of the FEIR and do not change the significance determination presented in the DEIR.

The FEIR has been revised to include the disclosure of the additional coke trucks in the appropriate locations throughout the document.

Comment G1-A11.16

Analysis of Existing Pipelines: The EIR has also failed to provide information on the existing pipeline system which will be used to transport higher volumes of oil as part of the Project. Information on the existing pipeline system, its design, age, spill history, leak detection systems, all are essential components in assessing the potential for an oil spill that could occur because of the increase in volumes transported by the pipeline due to either the transfer of crude oil associated with the 6,000 bb/day crude oil capacity increase, or the increased rate of transport inherent in the Project Description with the more rapid unloading of the tankers at the Port. Response to comment G1-A4.7 is unresponsive to the comment and disregards the added 6,000 bbl/day of added crude oil as negligible. However, without knowing the status of the existing pipeline system, it is impossible to know what the added risk of oil spills is as a result of using an old and potentially inadequate pipeline system with unknown leak detection capabilities. Pipeline spills could affect the City of Carson and its residents and this information needs to be appropriately disclosed in the environmental document.

G1-A11.16

Response G1-A11.16

The comment claims that additional information regarding the existing pipeline system is required to assess potential impacts in the City of Carson from the transfer of additional volumes of crude oil from the marine terminals to the storage tanks [at the Carson Crude Terminal or the Refinery]. There will be no increase in the volume of crude oil transferred from Marine Terminal 1 to the Carson Crude Terminal. The new Carson Crude Terminal crude oil storage tanks are proposed to enable marine vessels to offload their cargo in one dock trip. The rate of offloading would not change; the new storage tanks would enable the marine vessels to fully unload without needing to partially unload, and then wait at anchor for additional on-shore storage tank unloading capacity to become available in order to continue offloading. Therefore, no increase is expected in the volume of crude oil transferred within the City of Carson from Marine Terminal 1.

As stated in Section 2.6.5 of the DEIR and reiterated in Response G1-A4.7, no physical changes to the marine terminals or pipelines connecting the marine terminals to the Refinery are included in the proposed project. The additional crude oil transfer is from the Long Beach Marine Terminal to the Wilmington Operations. The operation of the pipeline connecting the Long Beach Marine Terminal has already been used at the transfer rate of 15,000 bbl/hr when offloading to existing external floating roof tanks. Therefore, there is no change in operating pressure or transfer rate conditions associated with the pipeline in Long Beach that connects to the Wilmington Operations. With no physical or operational changes proposed, the need for information on the historical operation of the pipelines is unnecessary to determine the proposed project's impacts under CEQA.

The transfer lines from the marine terminals to the Refinery and the Carson Crude Terminal are regulated by U.S. DOT, as described in Section 3.3.7.1.5 of the DEIR. The State Fire Marshal enforces regulations to ensure the safe, reliable, and environmentally sound operation of pipelines within California, including Tesoro's crude oil transfer pipelines in Carson.

Comment G1-A11.17

Analysis of Odors: The City has repeatedly asked the SCAQMD to include an analysis of historical odors at the Refinery, which have affected the community for a number of years. Response G1-A4.17 erroneously claims that the issue of odors was dismissed as part of the NOP/IS and as such need not be analyzed further in the EIR. However, the NOP/IS is a preliminary document that should not exonerate the SCAQMD from including information on an issue that affects the residents of the City of Carson on a regular basis. Section 15143 of the CEQA Guidelines state: *“The EIR shall focus on the significant effects on the environment. The significant effects should be discussed with emphasis in proportion to their severity and probability of occurrence. Effects dismissed in an Initial Study as clearly insignificant and unlikely to occur need not be discussed further in the EIR unless the Lead Agency subsequently receives information inconsistent with the finding in the Initial Study. A copy of the Initial Study may be attached to the EIR to provide the basis for limiting the impacts discussed.”* Clearly, the City has repeatedly provided information to the SCAQMD in regards to the number of odor complaints made by the public surrounding the refinery and the necessity to address odors as part of the EIR baseline analysis. The EIR failed to fully disclose the historical odors associated with the refineries baseline operations. Carson residents and schools have raised concerns about odors and reported historical odor complaints. Odors are an issue of concern related to the refinery operations and the residences located near the refineries. The City has received complaints about incidents from schools that required sheltering in place. Finally, the NOP/IS should not be the final conclusive evidence of no impact at the expense of ignoring the odor impacts suffered by the City of Carson and including some enforceable mitigation to reduce this undisclosed impact.

G1-A11.17

Response G1-A11.17

The comment suggests that the FEIR only include analysis and mitigation of historic (baseline) odor conditions, even though the proposed project is not expected to have an impact on odors from the Refinery, and the comment does not provide any evidence that such an impact will result from the proposed project. Per CEQA Guidelines §§ 15126.2(a) and 15264(a)(3), the FEIR is required to assess project impacts and mitigate significant impacts, respectively, not impacts from baseline conditions.

The information provided by the City in their comments, including the associated SCAQMD complaint log and responses to those comments, are part of the FEIR. Response G1-A10.3 provides perspective on SCAQMD’s log of alleged complaints regarding the Refinery's Carson Operations from 2005 through mid-2016. The majority of the time period captured by the log includes operation under previous owners of Carson Operations. The log includes odor, noise, flaring, smoke and substance deposition complaints. Sorting the log, there are 261 entries that occur on 176 days during the span of 2005 to mid-2016 of which 113 days had alleged odor complaints. Upon receipt, each complaint was investigated by SCAQMD inspectors. In many cases, the source of the complaint was not verified in the field, or was found to be another facility. Of the 113 days with alleged odor complaints, the SCAQMD inspectors believed Carson Operations was the source of 22 complaints, none of which occurred since the time Tesoro acquired the Carson Operations. The historical information has no relation to the proposed project and no evidence was provided that the proposed project would generate odors. Therefore, the conclusion made in the NOP/IS related to odors that impacts are less than significant does not change.

Comment Letter No. G1-A12



MAYOR ROBERT GARCIA
CITY OF LONG BEACH

April 3, 2017

William Arthur Burke, Governing Board Chair
Wayne Nastri, Executive Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Re: Draft Environmental Impact Report Certification

Dear Dr. Burke and Mr. Nastri:

Before the SCAQMD moves forward with certifying the Draft Environmental Impact Report (DEIR) for the Integration and Compliance Project at the Tesoro Refinery in Carson, I want to raise concerns that community members in our city have brought to my attention. Potentially negative effects of this project extend into the City of Long Beach and beyond, and this is a concern for many of our residents.

G1-A12.1

The City of Long Beach and our elected leadership are working hard to improve the air quality and livability in west Long Beach, including the area of our City near the Tesoro Refinery. With some of the highest asthma rates in the nation in west Long Beach and the surrounding area, it is important to be cautious and deliberate while considering this project.

Long Beach appreciates that Tesoro created a citizens advisory group that sought participation from our residents. However, we feel more could be done to gather public input and inform communities. Without meaningful opportunity for the public to comment on the potential adverse environmental effects of Tesoro's project, certification of this DEIR would be premature.

G1-A12.2

Our city borders closely the location of the Tesoro Refinery, with Long Beach families less than a mile away; the health and well-being of all families are important to Long Beach. We also recommend that SCAQMD further assess the potential effects of the crude oil that Tesoro seeks to process at the facility.

G1-A12.3

It is critical that you consider these concerns before the Draft Environmental Impact Report is certified. I appreciate your consideration.

G1-A12.4

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert Garcia".

Mayor Robert Garcia
City of Long Beach

562.570.6801 | mayor@longbeach.gov | @LBMayorsOffice
333 West Ocean Blvd., Long Beach, California 90802

Response to Comment Letter No. G1-A12

City of Long Beach

Comment G1-A12.1

Before the SCAQMD moves forward with certifying the Draft Environmental Impact Report (DEIR) for the Integration and Compliance Project at the Tesoro Refinery in Carson, I want to raise concerns that community members in our city have brought to my attention. Potentially negative effects of this project extend into the City of Long Beach and beyond, and this is a concern for many of our residents.

The City of Long Beach and our elected leadership are working hard to improve the air quality and livability in west Long Beach, including the area of our City near the Tesoro Refinery. With some of the highest asthma rates in the nation in west Long Beach and the surrounding area, it is important to be cautious and deliberate while considering this project.

G1-A12.1

Response G1-A12.1

Thank you for your comments. The potential impacts to the surrounding community including Long Beach were fully analyzed in the DEIR (see Response G1-A12.3 for additional details).

As explained in Master Response 3, the DEIR fully analyzed and disclosed the proposed project's potential health impacts from all pollutants. The proposed project's potential cancer and non-cancer human health impacts, including asthma and other respiratory illnesses, were analyzed in the DEIR, and determined to be less than significant. The estimated cancer risk due to the operation of the proposed project was found to be less than the SCAQMD's cancer risk significance threshold of ten in one million (see Section 4.2.2.5 of the DEIR). The non-cancer chronic and acute hazard indices were found to be below the SCAQMD's non-cancer chronic and acute hazard index threshold of 1.0. Therefore, the proposed project is not expected to cause a significant adverse health impact.

Comment G1-A12.2

Long Beach appreciates that Tesoro created a citizens advisory group that sought participation from our residents. However, we feel more could be done to gather public input and inform communities. Without meaningful opportunity for the public to comment on the potential adverse environmental effects of Tesoro's project, certification of this DEIR would be premature.

G1-A12.2

Response G1-A12.2

The proposed project has complied with the public process required by CEQA Guidelines § 15087. As explained in detail in Master Response 1, the DEIR was circulated for an extended length of time. The public comment period closed on June 10, 2016, after two extensions. A 94-day public review and comment period (March 8, 2016 through June 10, 2016) was provided, which exceeds CEQA requirements. A public hearing on the Title V permit and public meeting on the DEIR was held on May 17, 2016. Copies of the DEIR were made available in neighborhood public libraries. Notices were published and distributed for the original public

comment period, the two extensions, and the public hearing on the Title V permit and public meeting on the DEIR.

In addition, Tesoro independently offered and provided community outreach to over 100 entities including public agencies, community organizations, neighborhood organizations, business associations, and other interested parties to explain the scope of the proposed project and the potential environmental effects of the proposed project. The community meetings were held on April 4, 11, and 14, 2016 in Carson, Wilmington, and Long Beach, respectively. Tesoro has identified that a total of 277 people attended the meetings.

Comment G1-A12.3

Our city borders closely the location of the Tesoro Refinery, with Long Beach families less than a mile away; the health and well-being of all families are important to Long Beach. We also recommend that SCAQMD further assess the potential effects of the crude oil that Tesoro seeks to process at the facility.

G1-A12.3

Response G1-A12.3

The DEIR included the Long Beach area east of the Refinery in the impact analysis of the proposed project. The ambient air quality analysis, health risk assessment, noise study, and traffic study included receptor locations and intersections in Long Beach (see Figure 4 and 5 of Appendix B-3, Figure 3 and 4 of Appendix B-4, Figure 4-1 through 4-5 of Appendix D, and Figure 5 of Appendix E of the FEIR). No significant impacts were identified in the City of Long Beach.

As discussed in Master Response 4, the Refinery is designed to and does process California crude oils as well as other North American and foreign crude oils. As discussed in the DEIR Section 2.5.4.1, the Refinery currently purchases crude oil from all over the world, based on the results of complex analysis that includes the use of Linear Program Modeling to ensure the crude oils purchased are suitable for processing at the Refinery. Crude oil produced at the THUMS islands in Long Beach are processed at the Refinery. The types of crude oil that can be processed in the Refinery are limited by the Refinery's unique configuration of process equipment.

The proposed project does not include any equipment or operational modifications necessary to significantly change the crude oil blend properties or proportion ranges of different types of crude oil. The Refinery will continue to receive a variety of crude oils with or without the proposed project. Therefore, the proposed project will not reasonably or foreseeably impact the types of crude oil being processed by the Refinery, and no additional analysis is required.

Comment G1-A12.4

It is critical that you consider these concerns before the Draft Environmental Impact Report is certified. I appreciate your consideration.

G1-A12.4

Response G1-A12.4

As discussed in Responses G1-A12.1 through G1-A12.3, the FEIR fully addressed the concerns raised. The comments do not specify any issues related to the proposed project impacts analyzed in the DEIR. Therefore, no further response is necessary under CEQA.