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**TESORO RELIABILITY IMPROVEMENT AND REGULATORY
COMPLIANCE PROJECT**

FINAL ENVIRONMENTAL IMPACT REPORT

**Attachment 1 – Findings; Statement of Overriding Considerations; and
Mitigation, Monitoring and Reporting Plan**

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1.0 INTRODUCTION

The Tesoro Refining and Marketing Company (Tesoro) is proposing a project at its Los Angeles Refinery (Refinery) and Sulfur Recovery Plant (SRP) to improve the reliability of refinery operations and to comply with regulatory requirements. The Tesoro Reliability Improvement and Regulatory Compliance Project (proposed project) includes the following changes to the Refinery: 1) install a new fuel gas treatment unit; 2) replace two existing cogeneration units with one new cogeneration unit and one emergency internal combustion engine; 3) replace four, existing steam boilers with two new boilers; 4) modify the Delayed Coking Unit (DCU), the Hydrocracking Unit (HCU) and the Fluid Catalytic Cracking Unit (FCCU) to increase recovery of LPG; 5) modify the existing coke handling, screening, and loading system; 6) modify the existing Hydrotreating Unit (HTU) No. 2 in order to comply with the revised California Air Resources Board's gasoline specifications (revised CARB Phase III); 7) upgrade the existing amine/sour water system to improve hydrocarbon removal efficiency; 8) connect certain existing atmospheric pressure relief devices (PRDs) to the existing flares to prevent direct atmospheric releases; 9) recover and treat sour gas from the spent acid storage tank and the liquefied petroleum gas (LPG) sulfur extraction unit; 10) modify the coke drum blowdown system; 11) modify heater number H-101 at the DCU; and, 12) install a new crude oil storage tank. The proposed project at the SRP will modify an existing Claus Unit to improve sulfur recovery. The proposed project will not increase or change the crude throughput capacity of the Tesoro Refinery.

The proposed refinery modifications were determined to be a “project” as defined by the California Environmental Quality Act (CEQA) and Public Resources Code (PRC) §21000 et. seq.). The SCAQMD is lead agency because it has primary approval authority over the project and, therefore, has prepared a Final Environmental Impact Report (EIR) pursuant to CEQA Guidelines §15089 and §15132.

To fulfill the purpose and intent of CEQA, the SCAQMD, as the lead agency for the proposed project, prepared and released a Notice of Preparation and Initial Study (NOP/IS) to address potential adverse environmental impacts associated with the proposed project. The NOP/IS was circulated for a 30-day comment period from February 21, 2008 through March 21, 2008. The NOP/IS was circulated to neighboring jurisdictions, responsible agencies, other public agencies, and interested individuals in order to solicit input on the scope of the environmental analysis to be included in the EIR. Six comment letters were received relative to the NOP/IS during the public comment period and responses to these comments are provided in Appendix A of the Final EIR. The NOP/IS formed the basis for and focus of the technical analyses in the Draft EIR. The following environmental topics were identified in the NOP/IS as potentially significant and are further addressed in the EIR: Air Quality, Hazards and Hazardous Materials, and Transportation/Traffic. The NOP/IS concluded that there would be no significant adverse impacts on aesthetics, agricultural resources, biological resources, cultural resources, energy, geology and soils, hydrology and water quality, land use and planning, mineral resources, noise, population and housing, public services, recreation,

and solid and hazardous waste. A copy of the NOP/IS is included in Appendix A of the Final EIR.

The Draft EIR for the Tesoro Reliability Improvement and Regulatory Compliance Project was released for a 45-day public review and comment period from January 21, 2009 through March 6, 2009. Nine comment letters were received during the public comment period on the Draft EIR and one comment letter after the close of the comment period. In addition, the same form letter was received from 57 individuals. Responses to the comment letters have been prepared and are included in Appendix F of the Final EIR. Changes to the proposed project were evaluated and minor modifications have been made to the Draft EIR such that it is now a Final EIR. However, none of the modifications alters any conclusions reached in the Draft EIR or provides new information of substantial importance relative to the draft document that would require recirculation of the Draft EIR pursuant to CEQA Guidelines §15088.5. The environmental disciplines that were determined to have potentially significant impacts, and were further analyzed in the EIR, included air quality, hazards and hazardous materials, and transportation/traffic during construction activities. After further environmental analyses, significant adverse environmental impacts are expected to occur after implementing mitigation measures for air quality and transportation/traffic during construction activities and for "worst case" hazards during operation activities associated with modifications to the Refinery and SRP, including the Amine/Sour Water Reliability Upgrades, the New Crude Oil Storage Tank, and the SRP modifications. Based on the analysis in the EIR, impacts to air quality during operation of the proposed project were determined not to be significant. Both Findings and a Statement of Overriding Considerations are required for the potentially significant adverse air quality and transportation/traffic impacts during construction and hazard impacts from operation of the proposed project per CEQA Guidelines §15091 and §15093, respectively.

The Final EIR consists of an NOP/IS (February 20, 2008), a Draft EIR (Volume I, January 2009), and a Health Risk Assessment (Volume II) (January 2009). The Final EIR includes the following: a project description, environmental setting, environmental impacts, mitigation measures, cumulative impacts, project alternatives, hazards analysis (Appendix D of the Final EIR), traffic analysis (Appendix E of the Final EIR), and responses to comments on the Draft EIR (Appendix F of the Final EIR). All documents comprising the Final EIR for the proposed project are available at the SCAQMD, 21865 Copley Drive, Diamond Bar, California, 91765. These documents can also be obtained by contacting the SCAQMD's Public Information Center at (909) 396-2039 or by accessing the SCAQMD's CEQA webpage at <http://www.aqmd.gov/ceqa/nonaqmd.html>.

When considering the approval of a proposed project that has one or more significant adverse effects, a public agency must make one or more written findings for each significant adverse effect, accompanied by a brief rationale for each finding (Public Resources Code §21081 and CEQA Guidelines §15091). The analysis in the Final EIR concluded that the proposed project has the potential to generate significant adverse air quality and transportation/traffic impacts during construction activities and hazard impacts from operation activities associated with the proposed project.

For a proposed project with significant adverse impacts, CEQA also requires the lead agency to balance the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental impacts when determining whether to approve the project. Under CEQA Guidelines §15093(a), “If the specific economic, legal, social, technological, or other benefits of a project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered ‘acceptable.’” Thus, in addition to adopting the Findings as discussed above, the agency must adopt a “Statement of Overriding Considerations” to approve a project with significant adverse environmental effects.

The following sections of this document include the Findings plus a Statement of Overriding Considerations and, pursuant to CEQA Guidelines §15097, a Mitigation, Monitoring and Reporting Plan.

2.0 SUMMARY OF THE PROPOSED PROJECT

The proposed modifications to the Refinery and SRP are summarized in this section. Several components of the proposed project are related to the replacement of existing equipment, while the balance is being proposed for the purpose of reducing emissions, complying with regulatory requirements, and improving process safety and reliability.

2.1 RECLAIM NO_x and SO_x Reduction

Emissions of nitrogen oxides (NO_x) and sulfur oxides (SO_x) at the Refinery and SRP are subject to SCAQMD’s Regulation XX - Regional Clean Air Incentive Market (RECLAIM). The RECLAIM program limits total facility NO_x and SO_x emissions and offers the flexibility of trading emissions with other facilities and/or reducing NO_x or SO_x emissions within the facility. In order to comply with RECLAIM, Tesoro has been purchasing NO_x RECLAIM Trading Credits (RTCs) from the market to comply with the facility’s annual allocation requirement. In lieu of continuing to purchase credits, Tesoro plans to upgrade the Refinery’s cogeneration system and steam boilers. The new cogeneration system and boilers will be equipped with best available control technology (BACT) and are expected to substantially reduce NO_x emissions and minimize the need for Tesoro to purchase NO_x RTCs.

2.1.1 Cogeneration Units

The Tesoro Refinery currently operates a cogeneration system that supplies a portion of electricity and steam used by various process equipment at the Refinery as a supplement to purchasing electricity from the Los Angeles Department of Water and Power (LADWP). The existing cogeneration system is a major source of NO_x emissions at the Refinery. Tesoro is proposing to replace two 30 megawatt (MW) existing cogeneration units (Cogens A and B) and their associated selective catalytic reduction (SCR) units with one new 61.02 MW cogeneration system (Cogen C), which includes installing

BACT consisting of an SCR Unit. A new emergency internal combustion engine will also be installed to supply power to the instrumentation and auxiliary equipment in the gas turbine, which will allow the new turbine to continue to operate and provide sufficient steam as necessary, and maintain a safe shutdown and start-up of the Refinery in the event of a power outage. The new emergency internal combustion engine will only be constructed as part of the installation of Cogen C. The proposed new cogeneration system would increase the maximum electrical generating capacity at the Refinery by about one megawatt while substantially reducing NOx emissions.

2.1.2 Steam Boilers

Currently the existing cogeneration system and four steam boilers (Boilers 7, 8, 9, and 10) generate steam at a total rate of 734.16 million British Thermal Units per hour (mmBtu/hr) for use by multiple process units at the Refinery. Tesoro will replace the four existing boilers with two new boilers (Boilers 11 and 12), each with total heat input rating of no more than 400 mmBtu/hr. The new boilers will burn refinery fuel gas or natural gas and will be equipped with new SCR units to reduce NOx emissions.

2.1.3 Fuel Gas Treatment Unit

A new fuel gas treatment unit will be installed to remove sulfur in fuel gas to allow Tesoro to meet future regulatory requirements (BACT requirements for sulfur limits in fuel gas). The custom designed fuel gas treatment unit will utilize hydrotreating technology to treat existing high sulfur fuel gas streams at the Refinery.

2.1.4 Ammonia Storage

Ammonia is an integral part of the SCR process for NOx control. The proposed project includes the installation of three new SCR Units and one new, 12,000-gallon aqueous ammonia storage tank to provide an adequate supply of aqueous ammonia for the three new SCR units – one for the Cogeneration Unit (Cogen C) and one for each of the two new boilers (Boilers 11 and 12).

2.2 Liquid Petroleum Gas (LPG) Recovery

The Tesoro Refinery is planning to recover liquid products (liquid petroleum gas or LPG) from light petroleum gases at the DCU, the HCU and the FCCU as outlined in the following subsections. The recovery of LPG will increase the amount of LPG produced at the Refinery and reduce the potential for entrained liquids to move into other portions of the Refinery.

2.2.1 Delayed Coking Unit (DCU) Modification

The Tesoro Refinery is proposing to remove water and recover more liquid products (i.e., LPG) from process gas in the DCU and existing equipment by: 1) replacing three existing fractionator overhead accumulators with three larger vessels, 2) adding a new

fractionator overhead wash water system; and 3) adding new pumps and piping as necessary. In addition, Tesoro plans to replace the deethanizer and depropanizer columns with identical columns.

2.2.2 Hydrocracking Unit (HCU) Modification

The HCU consists of a reaction section and a fractionation section. Proposed modifications to the fractionation section would include: 1) adding an amine scrubber feed knockout drum; and 2) adding booster pumps and piping. The purpose of the proposed modifications is to increase the amount of liquid fuel (i.e., LPG) recovered, reduce process gas by improving liquid/vapor separation, and reduce the potential for entrained liquids moving into the amine system.

2.2.3 Fluid Catalytic Cracking Unit (FCCU) Modification

In order to recover more liquid fuel and reduce process gas generation, two heat exchangers in the FCCU Recovery section will be replaced with more efficient heat exchangers to allow better heat transfer and better recovery of liquid fuel (i.e., LPG) from process gas.

2.3 Coke Handling, Screening, and Loading System

The existing coke storage facility will be replaced with a new coke storage facility. In addition to the new coke storage facility, Tesoro is proposing to build new coke loading facilities and make modifications to the associated coke transfer equipment as necessary.

2.4 Compliance with Revised CARB Phase III - Hydrotreating Unit (HTU) Modification

The proposed modifications to the HTU are designed to increase throughput of naphtha to allow the unit to desulfurize more naphtha in order to meet sulfur specifications for blending into revised CARB Phase III compliant gasoline products. In order to make cleaner gasoline meeting the revised CARB gasoline specifications, the proposed project will be completed solely by modifying existing heat exchangers or adding new heat exchangers. As a result of the modifications, the proposed HTU maximum capacity is expected to increase from 23,000 barrels per day to 27,000 barrels per day, which allows removal of sulfur from more of the existing product streams.

2.5 Amine/Sour Water Reliability Upgrades

The proposed reliability upgrades include the installation of a new larger amine flash drum. The existing flash drum will be modified for use primarily as a sour water flash drum and as a back-up to the new amine flash drum. The existing vapor recovery heat exchanger and knock out drum will also be replaced with a larger system to increase reliability of the amine system.

2.6 Recover/Treatment of Sour Gas from the Spent Acid Storage Tank and the LPG Sulfur Extraction Unit

Sour gas from the spent acid storage tank and the LPG Sulfur Extraction Unit at the Alkylation Unit will be modified to improve recovery and treatment. This proposed modification will reduce the sulfur emissions from a vent gas stream to improve compliance with the United States Environmental Protection Agency's (U.S. EPA) Maximum Achievable Control Technology (MACT) Standards for Petroleum Refineries (40 Code of Federal Regulations (CFR) Part 63, Subpart CC).

2.7 Connect Atmospheric Pressure Relief Devices to Flare

Tesoro proposes to connect PRDs to the flare gas recovery system whenever feasible. As part of the proposed project, Tesoro will connect all of the PRDs in the FCCU to the flare gas recovery system, except for the PRDs on the main fractionator, which cannot be connected due to design constraints (the vapor recovery system cannot handle a release from the fractionator because of its size). This modification will assist the Tesoro Refinery in complying with SCAQMD Rule 1173 - Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants.

2.8 Delayed Coker Unit (DCU) Modifications

2.8.1 Coke Drum Blowdown System Modifications

The coke drum blowdown system processes steam and hydrocarbons from coke drum decoking (i.e., removing the built-up coke) and warm-up. This system recovers water, oil, and any non-condensable gas. The proposed modifications to this system include: 1) removing and replacing the blowdown contactor and blowdown accumulator with larger vessels; and 2) adding a new heat exchanger and associated condensers. These proposed modifications will allow better oil and water separation while reducing the amount of heavy hydrocarbons being carried over to the slop oil storage tank.

2.8.2 DCU Heater H-101 Modification

Heater H-101 is proposed to be modified to improve heat transfer efficiency by enlarging the fire box to increase the heat transfer area. Additionally, new low NO_x burners will be installed to reduce NO_x emissions.

2.9 Crude Oil Storage Tank

The proposed project includes the construction of one new 500,000 barrel crude oil storage tank in order to provide additional crude oil storage capacity and to provide operational flexibility.

2.10 Sulfur Recovery Plant (SRP) Claus Units 600/700 Modification

One objective of the proposed project is to increase sulfur removal capacity of the SRP Claus Units 600 and 700 by adding oxygen to the inlet air. Liquid oxygen will be purchased from a local production facility and delivered by truck to the SRP where it will be stored in one new pressurized oxygen tank. The proposed project also includes the replacement of the reaction furnace burners, modification of the existing Safety Instrumented System, upgrades to modernize the Waste Heat Boilers, and installation of one new oxygen tank.

3.0 FINDINGS

CEQA prohibits a public agency from approving or carrying out a project for which a CEQA document has been completed which identifies one or more significant adverse environmental effects of the project unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each finding (CEQA Guidelines §15091). The following sets forth findings for the significant adverse impacts identified in the EIR that cannot be reduced to insignificance, those that can be mitigated to less than significant, and the rationale for each finding. The findings are supported by substantial evidence in the record as explained in each finding. These findings will be included in the record of project approval and will also be noted in the Notice of Determination.

3.1 POTENTIALLY SIGNIFICANT IMPACTS WHICH CANNOT BE MITIGATED TO A LEVEL OF INSIGNIFICANCE

The Final EIR identified three potentially significant adverse environmental impacts that cannot be reduced to a level of insignificance: (1) air quality emissions associated with construction activities; (2) traffic associated with construction activities, and (3) hazards associated with project operations. The Final EIR also identified one potentially significant cumulative adverse environmental impact that cannot be reduced to a level of insignificance, cumulative air quality impact associated with construction activities.

3.1.1 Construction emissions of nitrogen oxides (NOx) would exceed SCAQMD significance thresholds during maximum construction activity periods.

Finding: The SCAQMD makes the following findings with respect to this air quality impact: (1) mitigation measures were incorporated into the project that would reduce the significant adverse construction air quality impacts, but not to insignificance; (2) such mitigation measures are within the jurisdiction of the SCAQMD; and (3) no other feasible mitigation measures are available to lessen the significant impact to air quality during construction.

Explanation: The construction emissions of NOx are expected to exceed the applicable SCAQMD significance thresholds during peak construction activities

(see Final EIR pages 4-1 through 4-26). Eight mitigation measures to minimize these impacts were imposed on the proposed project and are set forth in this Mitigation, Monitoring and Reporting Plan.

Though these measures will not reduce NO_x construction emissions below the SCAQMD significance threshold for NO_x, no other feasible mitigation measures or project alternatives have been identified that would reduce the construction impacts to less than significant. Further, the construction emission calculations were based on conservative assumptions and will likely overestimate actual emissions. In addition, the construction emissions will not have a long-term adverse air quality impact because these emissions will cease following the completion of construction. Finally, the localized significance threshold analysis indicates that the proposed project will not generate significant adverse localized change in local ambient air quality for nitrogen dioxide (NO₂), carbon monoxide (CO), particulate matter less than 10 microns in diameter (PM₁₀), or particulate matter less than 2.5 microns in diameter (PM_{2.5}) impacts from construction activities associated with the proposed project. Therefore, no significant adverse localized impacts on air quality during construction activities are expected.

3.1.2 Traffic associated with construction activities could result in significant adverse transportation/traffic impacts.

Finding: The SCAQMD makes the following findings with respect to transportation/traffic impacts: (1) mitigation measures were included as part of the proposed project that would reduce the significant adverse traffic impacts, but not to insignificance; (2) such mitigation measures will be implemented by Tesoro; and (3) no other feasible mitigation measures or project alternatives have been identified to minimize the potentially significant adverse traffic impacts associated with construction of the proposed project.

Explanation: The proposed project could result in significant adverse impacts related to the traffic during construction activities (see Final EIR, pages 4-33 through 4-36). The traffic analysis is based on conservative assumptions that likely overestimate the traffic impacts. Actual impacts are expected to be less.

Mitigation measures include scheduling the construction work shift to begin at 7:00 a.m., so that traffic impacts during the morning peak hour will be avoided and encouraging voluntary ridesharing and public transit use to reduce single occupancy vehicle trips. However, there are no other feasible mitigation measures or project alternatives that could reduce significant adverse traffic impacts to insignificance.

3.1.3 Hazards associated with proposed project modifications could result in significant adverse hazard impacts during project operations

Finding: The SCAQMD makes the following findings with respect to hazard impacts: (1) no feasible mitigation measures were included as part of the proposed project that would reduce the significant adverse hazards impacts; however, rules, regulations and laws that Tesoro has complied or must comply with that serve to minimize the potential adverse impacts associated with hazards at the facility will minimize the hazards associated with the new units, but not to insignificance; and (2) no feasible mitigation measures or project alternatives have been identified to minimize the potentially significant adverse hazard impacts associated with the proposed project.

Explanation: The proposed project could result in significant adverse impacts associated with "worst-case" hazards in the Amine/Sour Water Unit, the new Crude Oil Storage Tank, and the SRP modifications (see Final EIR, pages 4-26 through 4-32). The hazard analysis is based on conservative assumptions that likely overestimate the hazard impacts and estimate impacts assuming a worst-case release.

No feasible mitigation measures have been identified, over and above the extensive safety regulations that currently apply to the Refinery and SRP. However, there are a number of rules, regulations, and laws that the Refinery and SRP has complied or must comply with that serve to minimize the potential adverse impacts associated with hazards at the facility and will minimize the hazards associated with the new units. There are no other feasible mitigation measures or project alternatives that could reduce significant adverse hazards impacts to insignificance.

3.1.4 Cumulative construction emissions of NOx associated with the proposed project and other cumulative projects could result in significant adverse air quality impacts.

Finding: The SCAQMD makes the following findings with respect to this air quality impact: (1) project-specific mitigation measures were incorporated into the proposed project that would reduce significant adverse cumulative construction air quality impacts, but not to insignificance; (2) such mitigation measures are within the jurisdiction of the SCAQMD; (3) no other feasible mitigation measures are available to lessen the significant impact to air quality during construction; and (4) feasible mitigation measures have not been identified for all other cumulative projects.

Explanation: The cumulative construction emissions of NOx are expected to exceed the applicable SCAQMD significance thresholds (see Final EIR pages 5-11 through 5-12). Eight project-specific mitigation measures that will contribute

to reducing cumulative impacts were imposed on the proposed project and are set forth in the Mitigation, Monitoring and Reporting Plan.

Though these measures will not reduce construction emissions below the SCAQMD significance thresholds, no other feasible mitigation measures or project alternatives have been identified. Tesoro does not have any authority to control construction emissions from the non-Tesoro owned/operated projects that were considered in the cumulative impacts analysis. For the cumulative projects listed where the SCAQMD is the lead agency, feasible mitigation measures will be imposed. However, most of the cumulative projects identified have another entity or agency (e.g., the Port of Los Angeles) acting as lead agency and implementing feasible mitigation measures. The construction emission calculations were based on conservative assumptions and assumed that all related projects were under construction at the same time, which will likely overestimate actual emissions. In addition, the construction emissions will not have a long-term adverse air quality impact because these emissions will cease following the completion of construction.

3.2 POTENTIALLY SIGNIFICANT IMPACTS WHICH CAN BE MITIGATED TO A LEVEL OF INSIGNIFICANCE

Operational VOC emissions from the proposed project are expected to result in a potentially significant adverse impact that can be reduced to less than significant.

Finding: The SCAQMD makes the following findings with respect to this impact: (1) compliance with Rule 1303(b)(2) offset requirements by applying Emission Reduction Credits (ERCs) will reduce the significant adverse VOC air quality impacts to less than significance for VOC emissions; and (2) enforcement of the Rule 1303(b)(c) offset requirement is within the jurisdiction of the SCAQMD.

Explanation: The proposed project could result in a significant adverse air quality impacts from VOC emissions during the operational phase. VOC emissions from the project are required to be offset pursuant to SCAQMD's New Source Review Program, specifically Rule 1303 – Requirements. It is important to note, however, that operational VOC emissions from mobile sources do not require offsets. Tesoro will offset the increase in stationary source VOC emissions resulting from implementing the proposed project by applying VOC ERCs. As an ozone precursor, VOCs contribute to regional impacts, not localized impacts, unless they are classified as an air toxic in SCAQMD Rule 1401, Table I. A health risk assessment (HRA) was prepared for all air toxics emitted by the proposed project, including VOCs, and concluded that cancer and non-carcinogenic health impacts would be less than significant. Therefore, the effect of applying the VOC ERC offsets to the proposed project is that the potentially significant adverse operational air quality impacts from VOCs will be reduced to less than significant.

3.3 IMPACTS ASSOCIATED WITH ALTERNATIVES

3.3.1 Project alternatives that would reduce the potentially significant impacts are not available.

Finding: The SCAQMD finds that the identified alternatives would not feasibly attain most of the basic objectives of the proposed project, nor would they result in fewer or less severe environmental impacts.

Explanation: Potential adverse environmental impacts from five project alternatives were analyzed and it was determined that no feasible project alternatives were identified that would feasibility attain most of the basic objectives of the project with fewer or less severe environmental impacts than the proposed project (see Final EIR, pages 6-1 through 6-13).

Alternatives evaluated in the EIR for the proposed project include the No Project Alternative, Eliminate Upgrades to the Boilers Alternative, Eliminate the New Cogeneration Facilities Alternative, Eliminate the New Fuel Gas Treatment Unit Alternative, and Eliminate the Crude Oil Storage Tank Alternative. No feasible alternatives have been identified that would reduce the proposed project's significant construction air quality, hazards/hazardous materials, or construction traffic impacts to less than significant while achieving the basic objectives of: (1) reducing NO_x and SO_x emissions to assist in compliance with SCAQMD Regulation XX – RECLAIM requirements through reducing onsite emissions rather than purchasing RTCs; (2) replacing existing equipment with new equipment to reduce overall Refinery emissions and improve operating efficiency; (3) complying with future anticipated regulatory requirements that may be promulgated to limit sulfur oxide emissions at the Refinery and SRP; (4) improving process efficiency and reliability at the Refinery and SRP; (5) recovering more liquid fuels and reducing the generation of process gas (reducing the potential for flaring events); (6) increasing the generation of electricity on-site to reduce the purchase of electricity from third-party electricity providers; (7) complying with the revised CARB Phase III gasoline specifications; and, (8) reducing the potential for atmospheric releases and related emissions from pressure relief valves in the FCCU. Consequently, the proposed project is preferred over the alternatives because it will ensure that Tesoro will be able to achieve the primary objectives of the proposed project.

3.4 FINDINGS CONCLUSION

Changes or alterations have been incorporated into the proposed project to mitigate or minimize the potentially significant adverse environmental effects associated with certain impacts, i.e., project-specific construction air quality, construction traffic impacts, and cumulative air quality impacts during construction. No feasible mitigation measures were identified to further reduce the project-specific hazard impacts associated with operation of the proposed project. No additional feasible mitigation measures or

alternatives to the proposed project, other than those already included in the Final EIR, have been identified that can further mitigate the potentially significant adverse project impacts on air quality and traffic during construction and hazards during operation while meeting the basic objectives of the proposed project.

Upon certification of the Final EIR for the proposed project, all feasible mitigation measures identified in the Final EIR will be required to be implemented as set forth in the Mitigation, Monitoring and Reporting Plan. The analysis in the Final EIR also indicates that the project alternatives would not reduce to insignificant levels the significant impacts identified for the proposed project.

The proposed project is intended to achieve the project objectives as described above in subsection 3.3.1. Based on achieving the project objectives described in subsection 3.3.1, the SCAQMD finds that the proposed project achieves the best balance between minimizing potential adverse environmental impacts and achieving the overall project objectives. The SCAQMD further finds that all of the findings presented here are supported by substantial evidence in the record.

Upon certification, the record of approval for this proposed project, i.e, the Notice of Determination, will be posted and recorded by the Los Angeles County Clerk.

4.0 STATEMENT OF OVERRIDING CONSIDERATIONS

If significant adverse impacts of a proposed project remain after incorporating feasible mitigation measures, or no feasible measures to mitigate the adverse impacts are identified, the lead agency must make a determination that the benefits of the proposed project outweigh the unavoidable, significant, adverse environmental effects if it is to approve the project. CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits of a proposed project against its unavoidable environmental impacts when determining whether to approve the project (CEQA Guidelines §15093(a)). If the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered acceptable (CEQA Guidelines §15093(a)). Accordingly, a Statement of Overriding Considerations regarding potentially significant adverse environmental impacts resulting from the proposed project, as set forth below, has been prepared for the SCAQMD's decision maker's consideration. Pursuant to CEQA Guidelines §15093(c), a Statement of Overriding Considerations will be included in the record of the project approval and will also be noted in the Notice of Determination.

Having reduced the potential effects of the proposed project through all feasible mitigation measures as described previously in this attachment, and balancing the benefits of the proposed project against its potential unavoidable adverse impacts on air quality, hazards, and traffic, the SCAQMD finds that the following legal requirements

and benefits of the proposed project individually and collectively outweigh the potentially significant unavoidable adverse impacts for the following reasons:

- (1) The proposed project includes replacing existing equipment with new equipment to reduce overall Refinery and SRP emissions, improve operating efficiency, and improve safety.
- (2) The proposed project will allow Tesoro to install new equipment and modify existing equipment to reduce NO_x and SO_x emissions to assist in compliance with SCAQMD Regulation XX – RECLAIM requirements. Compliance with these SCAQMD rules and regulations is expected to result in a decrease in overall emissions from the Refinery and SRP following the completion of construction activities.
- (3) Reductions in NO_x and SO_x emissions at the Refinery and SRP are expected to lead to reduced exposure to these pollutants and related beneficial health impacts to the surrounding community.
- (4) The proposed project includes modifications that will recover more liquid fuels and reduce the generation of process gas (reducing the potential for flaring events).
- (5) There will be significant adverse air quality impacts associated with NO_x emissions during the construction phase of the proposed project. The construction emissions of all other criteria pollutants are expected to be less than significant. NO_x emissions associated with the proposed project construction activities are expected to remain significant following mitigation. If only a portion of the proposed project is constructed, (i.e., the portion of the project that will result in an increase in VOC operational emissions associated with the LPG/HCU modifications, LPG/FCCU modifications, DCU modifications, fuel gas treatment unit, amine flash drum, coker blowdown modifications, sour gas treatment unit, HTU-2 modifications, Heater 101 modifications, installation of PRDs, and crude storage tank modifications), without the portion of the project that will result in emission reductions of CO, NO_x, SO_x, PM₁₀, and PM_{2.5}. [i.e., the replacement of the existing Cogeneration Unit and steam boilers and installation of a new emergency IC engine (an emergency engine that will be installed as part of the cogeneration unit)], the NO_x emissions associated with construction activities are expected to be less than NO_x emissions associated with the proposed project as a whole, but are still expected to be significant. However, significant adverse air quality impacts associated with the construction phase of the proposed project or a portion of the proposed project, both project-specific and cumulative, will be eliminated following the completion of construction activities. Further, even if only the portion of the proposed project associated with the VOC operational increases gets constructed, the overall benefits of improving safety, reliability, and efficiency of the affected units would outweigh the temporary significant air

quality impacts associated with construction of either whole or part of the proposed project.

- (6) To reduce significant air quality impacts during construction to the maximum extent feasible, the SCAQMD evaluated a wide range of potential mitigation measures and identified eight feasible mitigation measures that will be imposed on the proposed project to reduce construction-related emissions.
- (7) Although the proposed project is expected to increase construction emissions in the short-term, the proposed project will not create significant localized air or related health impacts during construction activities.
- (8) Although the proposed project is expected to increase construction emissions in the short-term, the proposed project is expected to result in long-term emissions benefit by reducing overall emissions at the Refinery and SRP. As a result, the proposed project is not expected to hinder progress in attaining all state and federal ambient air quality standards.
- (9) Pressure relief devices in the FCCU will be tied into the flare gas recovery system improving the safety of the system and reducing potential VOC emissions, in compliance with SCAQMD Rule 1173.
- (10) Significant adverse traffic impacts during the construction phase, both project-specific and cumulative, will be eliminated following completion of construction activities.
- (11) The analyses of the significant adverse impacts were based on conservative assumptions regarding the construction and operation of the proposed project. The actual project impacts (e.g., construction emission estimates) are expected to be less than estimated in the EIR. Further, the traffic impacts during construction are based on worst-case peak-day assumptions that do not include reductions due to carpooling, which is a common practice in the construction industry.
- (12) Portions of the proposed project are expected to result in an increase in emissions, while other portions of the project are expected to result in a decrease in emissions. For example, operation of the proposed project will result in an increase in VOC emissions associated with the LPG/HCU modifications, LPG/FCCU modifications, DCU modifications, fuel gas treatment unit, amine flash drum, coker blowdown modifications, sour gas treatment unit, HTU-2 modifications, Heater 101 modifications, installation of PRDs, and crude storage tank modifications. Operation of other portions of the proposed project, including the replacement of the existing Cogeneration Unit and steam boilers and installation of a new emergency IC engine (an emergency engine that will be installed as part of the cogeneration unit) are expected to result in emission reductions of CO, NO_x, SO_x, PM₁₀, and PM_{2.5}. Therefore,

the operation of the proposed project as a whole is expected to result in emission reductions in CO, NO_x, SO_x, PM₁₀, and PM_{2.5}. The VOC emission increases would exceed significance thresholds without mitigation; however, VOC emissions will be mitigated by offsetting stationary source emissions as required pursuant to SCAQMD Rule 1303. Following mitigation, the proposed project's VOC emissions will be less than significant, whereas CO, NO_x, SO_x, PM₁₀ and PM_{2.5} emissions will be less than significant prior to mitigation.

In balancing the benefits of the overall project described above with the proposed project's unavoidable and significant adverse environmental impacts, the SCAQMD's decisionmaker finds that the proposed project benefits individually and collectively outweigh the unavoidable adverse impacts, such that these impacts are acceptable. The SCAQMD further finds that substantial evidence presented in the Final EIR supports adopting the Final EIR despite the proposed project's potential adverse impacts.

5.0 MITIGATION, MONITORING AND REPORTING PLAN

When a public agency conducts an environmental review of a proposed project in conjunction with approving it, the lead agency shall adopt a program for monitoring or reporting on the measures it has imposed to mitigate or avoid significant adverse environmental effects per the requirements of CEQA Guidelines §15097 and Public Resources Code §21081.6. PRC §21081.6 states in part that when making the findings required by §21081(a):

“the public agency shall adopt a reporting or monitoring program for the changes made to the project or conditions of project approval, adopted in order to mitigate or avoid significant effects on the environment. The reporting or monitoring program shall be designed to ensure compliance during project implementation. For those changes which have been required or incorporated into the project at the request of a responsible agency or a public agency having jurisdiction by law over natural resources affected by the project, that agency shall, if so requested by the lead or responsible agency, prepare and submit a proposed reporting or monitoring program.”

Enforcement of the mitigation, monitoring and reporting requirements described in this plan is primarily the responsibility of the SCAQMD as the lead agency under CEQA. The mitigation measures discussed herein are primarily the responsibility of Tesoro to implement. To certify compliance, documentation that mitigation measures have been implemented will be maintained by Tesoro to ensure potential environmental impacts are mitigated to the greatest extent feasible.

5.1 Air Quality Impacts and Mitigation Measures

Construction-related emissions of NO_x would exceed the applicable SCAQMD significance thresholds for daily construction emissions. Emission sources include

worker vehicles, heavy construction equipment, and grading activities. The mitigation measures identified in the following discussion are intended to minimize the emissions associated with these emission sources. No feasible mitigation measures have been identified to reduce emissions to insignificance. CEQA Guidelines §15364 defines feasible as “. . . capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors.”

On-Road Mobile Sources:

- A-1 Develop a Construction Emission Management Plan for the proposed project. The Plan shall include measures to minimize emissions from vehicles including, but not limited to, consolidating truck deliveries, prohibiting truck idling in excess of five minutes, description of truck routing, description of deliveries including hours of delivery, description of entry/exit points, locations of parking, and construction schedule.

Off-Road Mobile Sources:

- A-2 Prohibit construction equipment from idling longer than five minutes at the Refinery and SRP.
- A-3 Use electricity or alternate fuels for on-site mobile equipment instead of diesel equipment to the extent feasible. The project has incorporated this measure to the extent predictable, but will continue to implement where opportunities arise.
- A-4 Tune-up construction equipment and maintain a two- to four-degree retard diesel engine timing.
- A-5 Use electric welders instead of gasoline or diesel welders in portions of the Refinery and SRP where electricity is available. The project has incorporated this measure to the extent predictable, but will continue to implement where opportunities arise.
- A-6 Use on-site electricity rather than temporary power generators in portions of the Refinery and SRP where electricity is available.
- A-7 Prior to construction, the project applicant will retrofit cranes at 200 hp and greater with diesel particulate filters to reduce PM10 emissions. In addition, the project applicant will evaluate the feasibility of retrofitting the off-road construction equipment 50 to 200 hp that will be operating for significant periods. Retrofit technologies such as selective catalytic reduction, oxidation catalysts, air enhancement technologies, etc., will be evaluated. Such technologies will be required if they are commercially available and can feasibly be retrofitted onto construction equipment.

A-8 Suspend use of all construction activities that generate air pollutant emissions during first stage smog alerts.

Other Mitigation Measures:

Other mitigation measures were considered but were rejected because they would not further mitigate the potential significant NOx impacts. These mitigation measures include: (1) provide temporary traffic control during all phases of construction activities (traffic safety hazards have not been identified); (2) implement a shuttle service to and from retail services during lunch hours (most workers eat lunch on-site and lunch trucks will visit the construction site); (3) use methanol, natural gas, propane or butane powered construction equipment (equipment is not CARB-certified or commercially available); and (4) pave unpaved roads (most Refinery roads are already paved).

5.2 Air Quality Mitigation Monitoring and Reporting

Implementing Party: The SCAQMD finds that air quality mitigation measures A-1 to A-8 during construction will be implemented by Tesoro.

Monitoring Agency: The SCAQMD has made these mitigation measures fully enforceable through a legally binding instrument, Attachment 2 for the Tesoro Reliability Improvement and Regulatory Compliance Project Declaration of Certification, signed by the Tesoro Refinery Manager and the SCAQMD’s Executive Officer. The SCAQMD through its discretionary authority to issue and enforce permits for the proposed project will ensure compliance with these mitigation measures. Mitigation monitoring and reporting will be accomplished as follows:

MMA-1: CONSTRUCTION EMISSION MANAGEMENT PLAN

Tesoro shall develop and submit a Construction Emission Management Plan to the SCAQMD for approval prior to starting construction activities. Upon approval, Tesoro shall train all personnel subject to the requirements set forth in the Construction Emission Management Plan on how to comply with the requirements in the plan, and document that training. The SCAQMD may conduct routine inspections of the site to verify compliance.

The Construction Emission Management Plan shall include all of the following: description of construction traffic control methods such as flag persons, contractor entry/exit gates, etc.; construction schedule including hours of operation; description of truck routing; and, description of deliveries including hours of delivery.

Traffic Control

Traffic requiring entrance onto the Refinery property will be directed toward any one of the prescribed multiple entry gates at the Refinery, so that congestion, as well as associated air pollution, will be minimized.

Points of entry will be selected to maximize Refinery security and reduce traffic-associated emissions. Tesoro Procurement will consider delivery items, time of delivery, in-plant congested areas, surrounding area traffic, and gate security issues when assigning a gate entry location.

On-site parking for construction workers will be used for the proposed project.

Construction Schedule

In an effort to reduce traffic congestion by construction workers, Tesoro has requested its contractors work a 7:00 a.m. to 4:00 p.m. shift. Most work will be scheduled to consist of a five-day work week and a eight-hour work day. Critical path work may require a deviation from the aforementioned workweek and start-and stop-times; however, deviations will be minimized. During process unit shutdowns, extended work shifts and night shifts scheduled six to seven days per week (i.e., deviations to the work schedules), are anticipated. This construction work schedule will continue to minimize congestion during peak travel periods.

Trip Reduction Plan

No feasible mitigation has been identified for the emissions from on-road vehicle trips. CEQA Guidelines §15364 defines feasible as “. . . capable of being accomplished in a successful manner.” No feasible mitigation measures for off-site motor vehicles have been identified. Health and Safety Code §40929 prohibits the air districts and other public agencies from requiring an employee trip reduction program making such mitigation infeasible. However, Tesoro will encourage voluntary ridesharing and public transit use to reduce single occupancy vehicle trips.

Delivery of Equipment and Materials

Tesoro will coordinate the delivery of equipment and materials to avoid peak hour traffic, whenever possible. That is, delivery of construction materials to the site will be scheduled to occur during off-peak periods (i.e., from 8:30 a.m. until 4:00 p.m. Monday through Friday). Tesoro will require that equipment and material deliveries be minimized between the hours of 7:00 to 8:00 a.m. and 4:30 p.m. to 5:30 p.m. to reduce traffic in and out of the facility during high traffic peak times. Exceptions will be made for trucks carrying time-critical materials, e.g., concrete delivery and soil hauling (which eliminates the double handling or on-site stock-piling of soil, preventing it from being moved from place to place due to lack of

adequate staging area, and subsequent removal at a later time via trucks). Delivery routes and schedules will be developed pursuant to the California Department of Transportation regulations.

It may be necessary to handle a limited amount of equipment as wide or special loads. These deliveries are subject to California Department of Transportation regulations and will be coordinated with local police departments. These trips will be scheduled to avoid peak hour traffic.

MMA-2: PROHIBIT CONSTRUCTION EQUIPMENT FROM IDLING LONGER THAN FIVE MINUTES AT THE REFINERY AND SRP

Tesoro will notify all workers and vendors that during construction activities, idling time will be limited to no longer than five minutes. For any delivery that is expected to take longer than five minutes, Tesoro will require the truck's operator to shut off the engine. When construction equipment is not in operation five minutes, the engine will be shut off. Tesoro will notify the vendors of these delivery requirements at the time that the purchase order is issued. Tesoro will notify all construction workers of these requirements during pre-work organizational meetings. Signs will be posted at the Refinery and SRP gates stating construction equipment and truck idling longer than five minutes is not permitted.

MMA-3: USE ELECTRICITY OR ALTERNATE FUELS FOR ON-SITE MOBILE EQUIPMENT INSTEAD OF DIESEL EQUIPMENT TO THE EXTENT FEASIBLE

Tesoro shall evaluate the use of electricity and alternate fuels for on-site mobile construction equipment prior to the commencement of construction activities, provided that suitable equipment is available for the proposed project. Equipment vendors will be contacted to determine the commercial availability of electric or alternate-fueled construction equipment. Equipment that will use electricity or alternate fuels will be included in the Construction Emission Management Plan.

The potential equipment that may be considered includes:

- Electric scissor lifts
- Electric golf carts
- Bicycles
- Boom lifts
- Electric Welders

Tesoro limits the number of personal and company vehicles allowed to enter the Refinery and SRP beyond the parking lots. This restriction helps minimize on-

site emissions and promotes the use of ride sharing and alternate-fueled transportation such as bicycles and electric golf carts.

MMA-4: MAINTAIN CONSTRUCTION EQUIPMENT, TUNED UP AND WITH TWO TO FOUR DEGREE RETARD DIESEL ENGINE TIMING

Tesoro, in cooperation with the construction contractors, will maintain vehicle and equipment maintenance records for the construction portion of the proposed project. All construction vehicles must be maintained in compliance with the manufacturer's recommended maintenance schedule. Tesoro will maintain their construction equipment and the construction contractor will be responsible for maintaining their equipment and maintenance records. All maintenance records for the Refinery and SRP and the construction contractor will remain on-site for a period of at least two years from completion of construction.

Tesoro, the construction contractor, and the equipment vendor will evaluate the practicality of retarding diesel engine timing on off-road construction equipment for the purpose of reducing emissions.

MMA-5: USE ELECTRIC WELDERS INSTEAD OF GAS OR DIESEL WELDERS IN PORTIONS OF THE REFINERY AND SRP WHERE ELECTRICITY IS AVAILABLE.

Tesoro and the construction contractor will conduct a survey of the proposed project area to assess whether the existing infrastructure can provide access to electricity, as available, within the Refinery and SRP. Construction areas within the Refinery and SRP where electricity is not available will be identified on a site plan as part of the Construction Emission Management Plan. The use of gasoline or diesel welders shall be prohibited in areas of the Refinery that are shown to have access to electricity. Tesoro will assess the number of electrical welding receptacles available, and will indicate whether diesel generators or welders are required for the proposed project. Tesoro shall include in all construction contracts the requirement that diesel welders are only allowed to operate in the portions of the Refinery as identified on the site plan as not being accessible to electric power. If gasoline or diesel welders are actually used, Tesoro shall maintain welder records that indicate the location, date(s) and time(s) of use, hours operated and fuel type of welders utilized for a period of at least two years from completion of construction.

MMA-6: USE ON-SITE ELECTRICITY RATHER THAN TEMPORARY POWER GENERATORS IN PORTIONS OF THE REFINERY AND SRP WHERE ELECTRICITY IS AVAILABLE.

The use of temporary power generators shall be prohibited in areas of the Refinery and SRP that have existing infrastructure to provide access to electricity.

Construction areas within the Refinery and SRP where electricity is not available will be identified on a site plan as part of the Construction Emission Management Plan. The use of temporary power generators within these identified areas of the Refinery and SRP will be allowed. The use of temporary power generators outside of these identified areas shall be prohibited. Tesoro shall include in all construction contracts the requirement that the use of temporary power generators is prohibited in certain portions of the Refinery and SRP as identified on the site plan. Tesoro shall maintain records that indicate the location where the generators are operated, if at all, date(s) and time(s) of use, hours operated and fuel type used for a period of at least two years from completion of construction.

MMA-7: PRIOR TO CONSTRUCTION, PROJECT APPLICANT WILL RETROFIT CRANES OF 200 HP AND GREATER WITH DIESEL PARTICULATE FILTERS THAT WILL REDUCE PM10 EMISSIONS. IN ADDITION, PROJECT APPLICANT WILL EVALUATE THE FEASIBILITY OF RETROFITTING CONSTRUCTION EQUIPMENT 50 TO 200 HP THAT WILL BE OPERATING FOR SIGNIFICANT PERIODS. RETROFIT TECHNOLOGIES SUCH AS SELECTIVE CATALYTIC REDUCTION, OXIDATION CATALYSTS, AIR ENHANCEMENT TECHNOLOGIES, ETC., WILL BE EVALUATED. SUCH TECHNOLOGIES WILL BE REQUIRED IF THEY ARE COMMERCIALY AVAILABLE AND CAN FEASIBLY BE RETROFITTED ONTO CONSTRUCTION EQUIPMENT.

All construction equipment diesel engines greater than 100 hp shall meet, at a minimum, the Tier 2 California Emission Standards for Off-Road Compression-Ignition Engines as specified in California Code of Regulations, Title 13, §2423(b)(1) unless such engine is not available for a particular item of equipment within the southern California area for the proposed project. Construction equipment engines will be required to meet Tier 1 California standards if equipment with engines that meet Tier 2 standards is not available.

Prior to construction, Tesoro will retrofit cranes of 200 hp and greater with diesel particulate filters that will reduce PM10 emissions. In addition, Tesoro shall evaluate the feasibility of equipping 50 to 200 hp-sized equipment with emission control devices (e.g., diesel particulate filters, etc.) or Tier 3 engines. If determined to be feasible, Tesoro will retrofit 50 to 200 hp-sized equipment, unless certified by engine manufacturers that the use of such devices is not practical or safe for specific engine types. Tesoro shall submit to the SCAQMD, prior to initiation of construction, information in writing on why particulate filters are not practical. For purposes of this condition, the use of such devices is “not practical” if, among other reasons:

- (1) There is no available particulate filter that has been certified by either the California Air Resources Board or U.S. Environmental Protection Agency for the engine in question; or
- (2) The construction equipment is intended to be on-site for 30 days or less.

The use of a particulate filter may be terminated immediately if one of the following conditions exists:

- (1) The use of the particulate filter is excessively reducing normal availability of the construction equipment due to increased downtime for maintenance, and/or reduced power output due to an excessive increase in backpressure;
- (2) The particulate filter is causing or is reasonably expected to cause significant engine damage; or
- (3) The particulate filter is causing or is reasonably expected to cause a significant risk to workers or the public.

During construction of the proposed project and for two years following completion of construction, Tesoro shall keep records onsite of applicable compliance activities to demonstrate the steps taken to assure compliance with Mitigation Measure A-7 as specified in Table 1.

MMA-8: SUSPEND ALL CONSTRUCTION ACTIVITIES THAT GENERATE AIR POLLUTANT EMISSIONS DURING FIRST STAGE SMOG ALERTS.

If and when any first stage smog alert or greater occurs, Tesoro will record the date and time of each alert, will suspend all construction activities that generate emissions, and will record the date and time when the use of construction equipment and construction activities are suspended. This log shall be maintained on-site for a period of at least two years from completion of construction.

5.3 Traffic Impacts and Mitigation Measures

Construction-related traffic impacts on the I-710 Freeway during the construction phase are potentially significant. The mitigation measures identified in the following discussion are intended to minimize the traffic associated with construction activities. No feasible mitigation measures have been identified to reduce impacts to insignificance. CEQA Guidelines §15364 defines feasible as “. . . capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors.”

- T-1 Tesoro will schedule the construction work shift to begin at 7:00 a.m. so that traffic impacts during the morning peak hour will be avoided.

T-2 Tesoro will encourage ridesharing to reduce single occupancy vehicle trips as well as encourage public transit use. Preferential parking for rideshare vehicles will be provided for construction workers.

5.4 Traffic Mitigation Monitoring and Reporting

Implementing Party: The SCAQMD finds that traffic mitigation measures T-1 and T-2 will be implemented by Tesoro during construction activities.

Monitoring Agency: The SCAQMD has made these mitigation measures fully enforceable through a legally binding instrument, Attachment 2 for the Tesoro Reliability Improvement and Regulatory Compliance Project Declaration of Certification, signed by the Tesoro Refinery Manager and the SCAQMD’s Executive Officer. The SCAQMD through its discretionary authority to issue and enforce permits for the proposed project will ensure compliance with these mitigation measures. Mitigation monitoring and reporting will be accomplished as follows:

MMT-1: TESORO WILL SCHEDULE THE CONSTRUCTION WORK SHIFT TO BEGIN AT 7:00 A.M. SO THAT TRAFFIC IMPACTS DURING THE MORNING PEAK HOUR WILL BE AVOIDED

Tesoro and its contractors shall schedule construction activities to start before 7 am to avoid traffic impacts during the morning peak hour. Tesoro shall implement this requirement as part of the contracts with contractors and subcontractors.

MMT-2: TESORO WILL ENCOURAGE RIDESHARING

Health and Safety Code §40929 prohibits the air districts and other public agencies from requiring an employee trip reduction program. However, Tesoro will encourage voluntary ridesharing and public transit use to reduce single occupancy vehicle trips. Tesoro or its contractors will make information on public transportation information available to construction workers. In addition, Tesoro will provide preferential parking for rideshare vehicles for construction workers.

6.0 CONCLUSION

During construction of the proposed project and for two years following completion of construction, Tesoro will maintain records on-site of applicable compliance activities to demonstrate the steps taken to assure compliance with imposed Mitigation Measures as specified in Table 1. Tesoro will be required to submit quarterly reports to the SCAQMD during the construction phase that identifies the construction progress, includes all required logs, inspection reports, and monitoring reports, identifies any problems, and provides solutions to problems, as necessary. SCAQMD staff and Tesoro will evaluate the effectiveness of this monitoring program during the construction period. If either the monitoring program or the mitigation measures as set forth above are deemed inadequate,

the SCAQMD or another responsible agency may require Tesoro to employ additional or modified monitoring measures and/or measures to effectively mitigate identified significant adverse impacts to the levels identified in the Final EIR.

Table 1
Mitigation, Monitoring and Reporting Plan for Tesoro Refinery and SRP

Mitigation Measure/Implementation Requirement	Party Responsible for Implementing Mitigation	Monitoring Action	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
A-1/ Schedule truck deliveries of over-sized equipment and materials for non-peak a.m. and p.m. periods (i.e., avoid deliveries between 7:00 a.m. – 8:00 a.m. and 4:30 p.m. – 5:30 p.m. periods), except for time-sensitive materials during construction activities	Tesoro	Maintain records of the date and time of each delivery of over-sized equipment and materials during construction activities.	1. SCAQMD 2. SCAQMD 3. Daily during all construction phases
A-1/Limit access to and from the construction site.	Tesoro	Submit plot plan to SCAQMD that indicates access points to and from the construction site. Maintain records documenting that all construction contractors and subcontractors have been directed to use only specified access points.	1. SCAQMD 2. SCAQMD 3. Prior to the start of construction
A-1/Provide sufficient parking on the Refinery and SRP sites or other local site to accommodate all the construction employees, and do not permit on-street parking	Tesoro	Submit plot plan to SCAQMD that indicates location(s) of construction employee parking and number of parking spaces available. Maintain records that all construction contractors and subcontractors have been directed to park only in designated areas and are not permitted to use on-street parking.	1. SCAQMD 2. SCAQMD 3. Prior to the start of construction

Table 1 (continued)
Mitigation, Monitoring and Reporting Plan for Tesoro Refinery and SRP

Mitigation Measure/Implementation Requirement	Party Responsible for Implementing Mitigation	Monitoring Action	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
A-1/Schedule construction delivery materials to occur during off-peak periods (i.e. from 8:30 a.m. until 4:00 p.m.) and/or after 5:30 p.m. and before 7:00 a.m., except for time-sensitive materials.	Tesoro	Maintain records of the date and time of each construction material delivery.	1. SCAQMD 2. SCAQMD 3. Daily during all construction phases
A-1/Record number of construction personnel on-site.	Tesoro	Maintain records of number of construction personnel on-site.	1. SCAQMD 2. SCAQMD 3. Daily during all construction phases
A-1/Record number of construction delivery trucks and haul trucks	Tesoro	Maintain records of number of construction delivery trucks and haul trucks entering the Refinery and SRP.	1. SCAQMD 2. SCAQMD 3. Daily during all construction phases
A-2/Notify vendors and contractors that truck and equipment operators are prohibited from idling longer than five minutes.	Tesoro	Prepare standard notification letter that explains idling limitation during deliveries and provide copy to all vendors. Post signs on-site.	1. SCAQMD 2. SCAQMD 3. At time purchase order is issued or contract is signed

Table 1 (continued)
Mitigation, Monitoring and Reporting Plan for Tesoro Refinery and SRP

Mitigation Measure/Implementation Requirement	Party Responsible for Implementing Mitigation	Monitoring Action	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
A-3/Identify on-site mobile construction equipment that will use electricity or alternate fuels.	Tesoro	Maintain on-site mobile construction equipment records as follows: (1) equipment ID; (2) Equipment type; (3) Equipment manufacturer/ model; (4) Engine horsepower rating; and (5) Power source/Fuel type.	1. SCAQMD 2. SCAQMD 3. Daily during all construction phases
A-3/Restrict the number of personal and company vehicles entering the Refinery beyond the parking lots.	Tesoro	Maintain records of number of personal entering the Refinery and SRP. Tesoro will restrict drive in authorization for contractors, to only those with specific permission.	1. SCAQMD 2. SCAQMD 3. Daily during all construction phases
A-4/Identify construction equipment that will undergo retarding of diesel engine timing for the purpose of reducing emissions.	Tesoro	Submit to SCAQMD a letter that identifies the construction equipment that will undergo retarding of diesel engine timing as follows: (1) Equipment ID; (2) Equipment type; (3) Equipment manufacturer/model; (4) Engine horsepower rating; and (6) Power source/Fuel type.	1. SCAQMD 2. SCAQMD 3. Submit letter to SCAQMD prior to scheduled use in the field and quarterly thereafter during all construction phases
A-4/Schedule periodic maintenance activities for all vehicle and construction equipment, including regular tune-ups and retard diesel engine timing.	Tesoro	Maintain records of maintenance activities for all vehicle and construction equipment.	1. SCAQMD 2. SCAQMD 3. Daily during all construction phases

Table 1 (continued)
Mitigation, Monitoring and Reporting Plan for Tesoro Refinery and SRP

Mitigation Measure/Implementation Requirement	Party Responsible for Implementing Mitigation	Monitoring Action	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
A-5/Use electric welders during construction activities where existing infrastructure to provide access to electricity is available.	Tesoro	Submit to SCAQMD a site plan that identifies the construction areas within the Refinery and SRP where electricity is not available.	1. SCAQMD 2. SCAQMD 3. Prior to scheduled use in the field
A-5/Identify diesel and gasoline welders used during construction.	Tesoro	Maintain records of diesel and gasoline welders used during construction that specify the following: 1. Equipment ID; 2. Welder type; 3. Manufacturer and model number; 4. Date, time and duration of operation; 5. Location within the Refinery and SRP where operated; and 6. Amount and type of fuel used (applies to non-electric welders).	1. SCAQMD 2. SCAQMD 3. Daily during all construction phases
A-6/Use on-site electricity during construction instead of temporary power generators where existing infrastructure to provide access to electricity is available.	Tesoro	Submit to SCAQMD a site plan that identifies the construction areas within the Refinery and SRP where electricity is not available.	1. SCAQMD 2. SCAQMD 3. Prior to scheduled use in the field

Table 1 (continued)
Mitigation, Monitoring and Reporting Plan for Tesoro Refinery and SRP

Mitigation Measure/Implementation Requirement	Party Responsible for Implementing Mitigation	Monitoring Action	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
A-6/Identify temporary diesel power generators used, the equipment rating, the date, time and duration of operation, and the location within the Refinery and SRP where operated.	Tesoro	Maintain records of temporary power generators used during construction by identifying each unit as follows: 1. Equipment ID; 2. Generator type; 3. Equipment manufacturer and model; 4. Engine horsepower rating; 5. Date on-site and hours of operation; 6. Type and amount of fuel used; and 7. Equipment location.	1. SCAQMD 2. SCAQMD 3. Weekly during all construction phases
A-7/Evaluate feasibility of retrofitting large 50 to 100 hp-sized construction equipment. Verify that each diesel engine meets Tier 2 California Emission Standards for Off-Road Compression-Ignition Engines or that such an engine is not available. Verify that each construction equipment diesel engine that does not meet Tier 2 standards, meets Tier 1 standards or that such engine is not available.	Tesoro	Submit a list to SCAQMD of all large off-road construction equipment that specifies: 1. Equipment ID; 2. Equipment description/ type; 3. Manufacturer and model number; 4. Engine horsepower rating; 5. Engine emission certification; 6. If not certified to Tier 2 or better, documentation that a California Tier 2 engine is not available; and 7. Retrofit method or reason why the equipment will not be retrofitted.	1. SCAQMD 2. SCAQMD 3. Prior to scheduled use in the field and quarterly thereafter during all construction phases

Table 1 (continued)
Mitigation, Monitoring and Reporting Plan for Tesoro Refinery and SRP

Mitigation Measure/Implementation Requirement	Party Responsible for Implementing Mitigation	Monitoring Action	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
A-7/ Equip diesel construction engines 100 hp or above, scheduled to operate one month or greater, that do not meet California Tier 1 or 2 standards with particulate filters.	Tesoro	Submit a list to SCAQMD of all diesel-fueled equipment rated at 100 hp that do not meet California Tier 1 standards, that specifies: (1) Equipment ID; (2) Equipment description/type; (3) Manufacturer/model; (4) Engine horse-power rating; and (5) A statement that the engine will be equipped with a particulate filter or a statement documenting why use of a particulate filter is not practical.	1. SCAQMD 2. SCAQMD 3. Prior to scheduled use in the field and quarterly thereafter during all construction phases
A-7/Retrofit cranes of 200 hp and greater with diesel particulate filters.	Tesoro	Submit letter to SCAQMD verifying retrofitting has occurred including manufacturer information for particulate filters.	1. SCAQMD 2. SCAQMD 3. Prior to scheduled use in the field
A-8/Suspend use of construction equipment during first stage smog alert or greater.	Tesoro	Maintain records of date and time of each first stage smog alert or greater.	1. SCAQMD 2. SCAQMD 3. Per first stage smog alert or greater
T-1/Schedule shift to begin by 7:00 am	Tesoro	Submit letter to SCAQMD verifying construction schedule.	1. SCAQMD 2. SCAQMD 3. Prior to start of construction
T-2/Encourage Ridesharing and use of public transportation	Tesoro	Submit letter to SCAQMD providing information on public transit to be provided to construction workers and location of preferential parking.	1. SCAQMD 2. SCAQMD 3. Prior to start of construction