



# South Coast Air Quality Management District

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Emailed: April 17, 2014  
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April 17, 2014

Mr. Ken Robertson  
Community Development Director  
City of Hermosa Beach  
1315 Valley Drive  
Hermosa Beach, CA 90254

## **Review of the Draft Environmental Impact Report (Draft EIR) for the E&B Oil Drilling and Production Project**

The South Coast Air Quality Management District (SCAQMD) staff appreciates the opportunity to comment on the Draft EIR for this project as a commenting and responsible agency. We also appreciate your willingness to accept these late comments. The comments below are intended as guidance and should be incorporated into the Final EIR as appropriate.

The project includes the relocation of an existing city maintenance yard, and the subsequent placement of an oil drilling and production facility. The nearest residents are approximately 160 feet away and the nearest businesses are 100 feet away. This facility would include 30 production wells and 4 water injection wells, with a maximum capacity of 8,000 barrels per day of crude oil and 2.5 million standard cubic feet per day of natural gas. Among various facility appurtenances, the project would also include an oil treatment system, a gas treatment system, a vapor recovery system, a flare, five natural gas micro-turbines with a total capacity of 1,000 kW, two oil storage tanks, and offsite pipeline construction. The project will not perform hydraulic fracturing.

SCAQMD staff has three primary concerns with the potential air quality impacts and analysis of the proposed project. These include: 1) potential for significant impacts to neighbors during drilling and operation of the facility, 2) apparent inaccuracies in the dispersion modeling analysis that may underestimate impacts, and 3) inadequate mitigation to reduce significant impacts. Details regarding these comments are attached. In order to most effectively address these concerns, the project applicant should contact SCAQMD staff to ensure that the air quality analysis accurately discloses potential impacts to the community and is adequate for any permits needed from our agency.

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Community Development Director

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Pursuant to Public Resources Code 21092.5, SCAQMD staff requests that the lead agency provide the SCAQMD with written responses to these comments prior to adoption of the Final EIR. Staff is available to work with the lead agency to address these and any other air quality concerns that may arise. Should you have any questions regarding these comments, please contact me at (909) 396-3244.

Sincerely,



Ian MacMillan  
Program Supervisor  
Planning, Rule Development & Area Sources

Attachment

LAC140213-01  
Control Number

### **1. Potential for Significant Impacts to Community**

The Draft EIR acknowledges that the proposed project may have significant odor impacts due to its close proximity to existing homes in the neighborhood. SCAQMD staff has found that other petroleum operations in our jurisdiction have also caused air quality problems, in part due to their close proximity to residents. Although many of the mitigation measures put forward in the Draft EIR should have some effectiveness at reducing odor impacts, the ultimate conclusion that odor impacts will remain significant due to the proximity to residents is concerning. The Draft EIR indicates that the lead agency appears willing to lock in a long-term problem for local residents that may also affect our agency's resources if we are required to address persistent air quality complaints. We therefore recommend that the proposed Odor Minimization Plan contain contingency measures that are enforceable by the lead agency to ensure that any nuisance odors from the facility are eliminated.

### **2. Dispersion Modeling for Localized Impacts and HRA**

SCAQMD appreciates that the lead agency conducted a detailed quantitative analysis of potential air quality impacts. The Draft EIR indicates that dispersion modeling shows that all operational criteria pollutant and health risk impacts would be less than significant after incorporating mitigation. SCAQMD staff notes that we were not able to completely review this analysis because some of the input files were not provided for review. However, based on the files provided it appears that localized particulate matter and health risk impacts may be significant if the modeling analysis is corrected to be consistent with procedures required for permitting. In particular, the following corrections should be made in the Final EIR:

- The most recent version of AERMOD should be used. Version 09292 was used, however at the time of the model was run the current version of the software was Version 13350. This update may yield substantial differences to predicted concentrations. The most recent version of AERMOD would also be required for air quality permitting purposes.
- Annual particulate matter impacts should be based on calendar year impacts, consistent with SCAQMD recommended methodology.
- All sources modeled in AERMOD for HARP need to use unitized emission rates (e.g., 1 g/s). It appears that some of the area sources did not correctly do this. Non-unitized emission rates may present inaccuracies in reported risks.

Without making these adjustments, it appears that there may be undisclosed and unmitigated significant impacts for carcinogenic health risks, and exceedances of the 24-hour and annual PM10 standards. In addition, all electronic modeling files should be provided to SCAQMD staff, with sufficient time for our review prior to adoption of the Final EIR. Missing files from the Draft EIR analysis include the BPIP input files, a complete set of HARP input and output files, and complete input and output files of mitigated scenarios.

### **3. Mitigation**

Mitigation measure AQ-4 requires the applicant to “limit the microturbine PM emissions to 0.0035 lbs/mmBtu, or an equivalent reduction in the number and/or size of the micro-turbines, in order to reduce emissions to below the localized thresholds.” Although the goal of this measure appears to be targeted at keeping project impacts below SCAQMD CEQA significance thresholds, it is unclear how it can be enforced. For example, this limit would presumably be imposed during the air quality permitting process. However air quality permits are applied to each permit unit, not to the facility as a whole. Because the mitigation measure and the CEQA thresholds apply to the entire facility, there is no method defined to ensure that this measure would be enforced at the time of permitting. The project applicant has not yet applied for permits with our agency and it is not clear when this may occur. The mitigation measure should therefore include a provision that the lead agency will be responsible for ensuring that the applicant will take permit conditions that apply to the entire facility, not just individual permit units.