



South Coast Air Quality Management District

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SENT VIA E-MAIL:

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Mitigated Negative Declaration (MND) for the Proposed Berths 148-151 (Philips 66) Marine Oil Terminal Wharf Improvements Project (Proposed Project)

South Coast Air Quality Management District (South Coast AQMD) staff appreciates the opportunity to comment on the above-mentioned document. The City of Los Angeles Harbor Department (LAHD) is the California Environmental Quality Act (CEQA) Lead Agency for the Proposed Project. The following comments on the MND include enforceability of air quality mitigation measures and South Coast AQMD rules that LAHD should include in the Final MND.

Based on the MND, the Proposed Project consists of three main elements: improvements to existing Berths 148-149 to allow for marine vessel mooring and loading/unloading during construction of Berths 150-151; improvements to existing Berths 150-151, including demolition of an existing timber wharf and construction of a new concrete wharf; and improvements to existing marine oil terminal topside and landside operations to allow for commodity transfers between the new wharf to 11 refurbished and three new storage tanks and 17 new pipelines. Berth improvements are anticipated to result in clean-up dredging of up to 2,000 cubic yards. The Proposed Project is located near the southwest corner of Pier A Street and Pier A Place within the Port of Los Angeles in the designated AB 617 Wilmington, Carson, West Long Beach community.

The Proposed Project will be constructed in multiple phases. Improvements to Berths 148-149 will occur first, allowing these Berths to operate temporarily as a marine oil transfer facility while Berths 150-151 undergo demolition and construction¹. Berth and landside improvements are anticipated to take up to three years to complete from 2022 to 2025. Berths 148-151 will become fully operational in 2025 which will overlap with three additional years of construction activities for tank farm refurbishment from 2025 to 2028². Once operational, the facility will operate 24 hours a day, seven days a week, 365 days a year and will require the same number of workers as under existing conditions³. The Proposed Project would result in an estimated 79 percent increase in annual product throughput, handling a peak estimate of 13,724,000 barrels of oil annually⁴.

¹ MND. Section 2. Project Description. Pages 14 to 15.

² *Ibid.*

³ *Ibid.* Pages 15 to 16.

⁴ *Ibid.* Table 2.2.-1 *Baseline and Projected Future Year Operational Activity Levels*. Page 8.

Based on a review of the MND and supporting technical documents, South Coast AQMD staff has two main comments. A summary of these comments is provided as follows with additional details provided in the attachment.

1. Enforceability of Air Quality Mitigation Measures: The MND assumes that construction activities will be completed with the use of Tier 4 off-road and Tier 3 marine-based construction equipment. However, there is no discussion of a project design feature, condition of project approval, or CEQA air quality construction mitigation measure that would enforce their uses. Therefore, South Coast AQMD staff recommends LAHD incorporate a project requirement, a permit condition, or a CEQA mitigation measure to ensure enforceability, or alternatively explain how they will be enforced in the Final MND. Additionally, the MND assumes a peak daily operational shipping schedule that, when compared to baseline conditions, would result in a reduction of operational NO_x and other criteria pollutant emissions. Since this assumption forms the basis for calculating the Proposed Project's operational emissions, it needs to be included as a project requirement, condition of project approval, or CEQA mitigation measure to limit peak daily shipping operations to the levels analyzed in the MND. Otherwise, it is uncertain that the MND properly analyzed the magnitude of operational impacts from shipping activities.
2. South Coast AQMD Rules and Permits: The Proposed Project includes marine oil terminal operations, including storage tanks and pipelines to transfer oil commodity. The Proposed Project may be subject to the requirements of South Coast AQMD Regulation XIII, New Source Review and Regulation XXX, Title V Permits, and may require South Coast AQMD permits.

South Coast AQMD staff is available to work with LAHD to address any air quality questions that may arise from this comment letter. Please feel free to contact Alina Mullins, Air Quality Specialist, at amullins@aqmd.gov, if you have questions or wish to discuss the comments.

Sincerely,

Lijin Sun

Lijin Sun

Program Supervisor, CEQA IGR

Planning, Rule Development & Area Sources

Attachment
MM/LS:AM
LAC211118-01
Control Number

ATTACHMENT**South Coast AQMD Staff's Summary of the Air Quality Analysis and Health Risk Assessment in the MND**

In the Air Quality Analysis Section of the MND, LAHD quantified the Proposed Project's maximum daily construction emissions. Based on the analysis, LAHD found that, regional construction activities would not exceed South Coast AQMD's regional CEQA air quality significance thresholds for construction⁵. The air quality construction analysis assumed use of Tier 4 off-road and Tier 3 marine based construction equipment⁶. Since construction and operational activities at the Proposed Project would overlap during the last three years of construction, LAHD quantified the Proposed Project's maximum daily operational emissions with three years of overlapping construction activities. Based on this analysis, LAHD found that the Proposed Project would result in 306 pounds per day (lbs/day) of NOx emissions, which would exceed South Coast AQMD's regional CEQA air quality significance threshold for operational NOx at 55 lbs/day⁷. LAHD has committed to implementing mitigation measure (MM) AQ-1, which requires vessel speed reduction of all large, Aframax-class vessels calling at the Proposed Project to reduce in- and out-bound speeds to no greater than nine nautical miles per hour between the outer boundary of the South Coast Air Basin and Point Fermin⁸. LAHD is also going to implement MM AQ-2, which requires temporary construction restrictions whenever a vessel larger than the largest vessel to have called at the Proposed Project during baseline operations makes berth at the Proposed Project⁹. With implementation of MMs AQ-1 and AQ-2, LAHD found that the Proposed Project's peak daily operational emissions, which include three years of overlapping construction activities, would result in no net new emissions above 2019 baseline emissions¹⁰.

South Coast AQMD staff's detailed comments on the MND are provided as follows.

1. Enforceability of Air Quality Mitigation Measures*A. Tier 4 Off-Road and Tier 3 Marine-Based Construction Equipment*

In the MND, LAHD assumes that the Proposed Project's unmitigated construction activities will be carried out using Tier 4 off-road engines and Tier 3 marine-based construction equipment¹¹. However, the MND does not include this assumption as a project design feature, condition of project approval, or CEQA mitigation measure. Because LAHD is basing the Proposed Project's construction air quality analysis on the assumption that Tier 4 off-road engines and Tier 3 marine-based equipment will be used during construction activities, this assumption needs to be enforceable. Therefore, South Coast AQMD staff recommends that LAHD require the use of Tier 4 off-road and Tier 3 marine-based construction equipment and include this requirement as

⁵ MND. Air Quality. Pages 39 to 41.

⁶ MND. Appendix A Air Emissions. Page A-12.

⁷ *Ibid.* Air Quality Pages 41 to 44.

⁸ *Ibid.* Pages 44 to 46.

⁹ *Ibid.*

¹⁰ *Ibid.*

¹¹ MND. Appendix A Air Emissions. Page A-12; Technical Air Quality Appendices, Table 8. Off-road Engine Emission Factors.

a project design feature, condition of project approval, or CEQA mitigation measure in the Final MND. Otherwise, it is uncertain how the use of these equipment will be enforceable.

B. Limit Peak Daily Shipping Activity to that Analyzed in the MND

In the MND, LAHD calculated the Proposed Project's peak daily operational emissions from ships at berth, in transit, or at anchorage to result in a total of 2,072 lbs/day of NOx emissions¹². That is a reduction in NOx emissions by 107 pounds from baseline conditions. Although the Proposed Project would increase oil commodity throughput at the terminal, LAHD concluded that peak day operational emissions from all shipping activities would be below the baseline conditions because of the assumptions used to establish the Proposed Project's peak day activity¹³. Specifically, LAHD assumed ships operating at the Proposed Project would berth for the same amount of time, spend more time in transit, and less time at anchorage than baseline conditions¹⁴. This assumption is then used to calculate operational emissions and to support the less than significant conclusion for NOx and other criteria pollutant emissions during operation as compared to the CEQA (2019) baseline. LAHD should limit operational daily shipping activity at the Proposed Project to the peak daily activity levels that were analyzed in the MND and include a project requirement, condition of project approval, or CEQA mitigation measure to enforce the limit. Otherwise, the MND may have underestimated the magnitude of operational air quality impacts from shipping activities.

2. South Coast AQMD Rules and Permits

Since the Proposed Project includes operation of marine oil terminal with storage tanks and multiple pipelines to transfer petroleum commodities, South Coast AQMD permits may be required. As such, LAHD identified South Coast AQMD as a Responsible Agency under CEQA for the Proposed Project in the MND¹⁵.

At the time of the release of the MND, South Coast AQMD has not received permit applications for the refurbishment of 11 idle storage tanks, the construction and operation of three new storage tanks, and the relocation of the vapor recovery system or thermal oxidizer identified in the MND¹⁶. Depending upon the material to be stored in tanks, South Coast AQMD permits may be required. Additionally, the Proposed Project may be subject to the requirements of the following South Coast AQMD Regulations, which should be discussed in the Final MND to demonstrate that the Proposed Project will comply with them. Information on each of the rules and regulation is available on the South Coast AQMD's website at: <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book>.

- Regulation XIII – New Source Review
- Regulation XXX – Title V Permits

¹² MND. Air Quality. Table 4.3-4 Peak Daily Operational Emission With Mitigation. Pages 45 to 46.

¹³ *Ibid.* Page 43.

¹⁴ Technical Air Quality Appendices. POLA P66 MOTEMS v7 Peakday Aframax VSRP Mitigation Final rev1.xlsx.

¹⁵ MND. Page 16 to 17.

¹⁶ *Ibid.* Page 14.

It is important that impacts from the permits be fully and adequately evaluated and disclosed as required under CEQA Guidelines Section 15096(b). The assumptions used in the air quality analysis in the Final MND will be used as the basis for evaluating the permits under CEQA and imposing permit conditions and limits. The 2015 revised Office of Environmental Health Hazard Assessment (OEHHA) methodology¹⁷ is being used by South Coast AQMD for determining operational health impacts for permitting applications and also for all CEQA projects where South Coast AQMD is the Lead Agency. Should there be any questions on permits, please contact South Coast AQMD's Engineering and Permitting staff at (909) 396-3385. For more general information on permits, please visit South Coast AQMD's webpage at: <http://www.aqmd.gov/home/permits>.

Conclusion

Pursuant to CEQA Guidelines Section 15074, prior to approving the Proposed Project, LAHD shall consider the MND for adoption together with any comments received during the public review process. Please provide South Coast AQMD with written responses to all comments contained herein prior to the adoption of the Final MND. When LAHD's position is at variance with recommendations raised in the comments, the issues raised in the comments should be addressed in detail, giving reasons why specific comments and suggestions are not accepted. There should be good faith, reasoned analysis in response. Conclusory statements unsupported by factual information do not facilitate the purpose and goal of CEQA on public disclosure and are not meaningful, informative, or useful to decision makers and the public who are interested in the Proposed Project.

¹⁷ Office of Environmental Health Hazard Assessment. "Notice of Adoption of Air Toxics Hot Spots Program Guidance Manual for the Preparation of Health Risk Assessments 2015". Accessed at: <https://oehha.ca.gov/air/crnr/notice-adoption-air-toxics-hot-spots-program-guidance-manual-preparation-health-risk-0>.