

CALIFORNIA STATE LANDS COMMISSION
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August 24, 2001

File Ref: W9777.216

Ms. Nadell Gayou
The Resources Agency
1020 Ninth Street
Sacramento, CA 95814

Ms. Kathy C. Stevens *Barbara R.*
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765-4182

RECEIVED
AUG 29 2001
ENVIRONMENTAL AUDIT

Dear Ms. Gayou and Ms. Stevens:

Staff of the California State Lands Commission (CSLC or Commission) has reviewed the Draft Environmental Impact Report (DEIR) for the Equilon Enterprises, LLC, Los Angeles Refinery, CARB Phase 3 Proposed Project, SCH#2000081086. Based on this review, we offer the following comments.

Jurisdiction

A portion of the project, Berths 167-169, Port of Los Angeles, involves sovereign tidelands and submerged lands granted in trust, by the Legislature, to the City of Los Angeles, pursuant to Chapter 656, Statutes 1911, and as amended, with minerals reserved to the State of California. The California State Lands Commission (CSLC) is, therefore, a trustee Agency under the California Environmental Quality Act (CEQA).

As a result of the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act (Act) of 1990, as amended, California State Lands Commission (CSLC) has adopted regulations for the inspection and monitoring of marine oil terminals, inspection and testing of marine oil terminal pipelines, testing and certification of marine oil terminal personnel, and structural requirements for vapor recovery systems (2 CCR 2300 through 2571). In further keeping with the mandates of the Act (Public Resources Code § 8755) regulations on performance standards of existing and proposed marine terminals within the state are in the draft stages.

7-1

Post-it® Fax Note	7671	Date	8-29-01	# of pages	5
To	Debbie Bright	From	B. Radlein		
Co./Dept.	Env. Audit	Co.	SCAAMD		
Phone #	714.632.8521	Phone #	909.396.2716		
Fax #	714.632.6754	Fax #			

cc: Charlie Wyatt @ Equilon 310.522.4898

On October 8, 1999, the Governor of California signed into law AB703, "The Ballast Water Management For Control of Nonindigenous Species Act" (Act), which became effective January 1, 2000 (Public Resources Code § 71200 - 71271). The Act established a statewide mandatory ballast water management and control program under the jurisdiction of the CSLC. (Public Resources Code § 71206 - 71207).

7-1
cont'd

General Comments

1. **Terminal Modifications - Will the proposed modifications at the marine terminal result in pipelines and storage tanks dedicated exclusively to ethanol? Alternatively, will other byproducts, such as oil based additives be transferred via these lines? If so, CSLC has jurisdiction (2 CCR 2560(c)) over the pipelines that are within or a part of the marine terminal and are used to transfer oil. This should be addressed in the EIR.**
2. **Terminal Modifications - The following information should be included the FEIR. CSLC requires, under 2 CCR 2563, that "any repairs, alterations or modifications to existing transfer pipeline systems shall meet the design and construction criteria specified in Subparts C and D, Part 195, Titled 49 of CFR" and undergo "Static Liquid Pressure Test" as described in 2 CCR 2565.**
3. **Terminal Modifications - It is recommended that all marine oil terminal design changes be reviewed by CSLC staff for compliance with appropriate API and OCIMF standards, guidelines and recommended practices.**
4. **CSLC requires the Operations Manual to accurately list each product transferred at the terminal (CCR Section 2385(d)(E)). The applicant will be required to amend its Operations Manual, as described in CCR Section 2385(f), prior to the transfer of ethanol at this terminal.**
5. **Risk of Upset: Depending on the changes proposed at the marine oil terminal, the document should discuss the timing of construction as it relates to transfer operations at the terminal. To reduce any potential fire hazard during the project construction period, the marine oil terminal shall not perform any construction activities during petroleum transfer operations because most construction equipment requiring electricity is not intrinsically safe. Arc or gas welding is an ignition source, and sparks may be inadvertently generated from impact of metal tools or construction materials (see National Electric Code).**
6. **Although ethanol may not be a regulated product, CSLC has an interest in the design and safe operation of a dedicated ethanol transfer pipeline at the marine oil terminal. A fire event caused by the ethanol could cause a petroleum product release from adjacent pipelines. These issues should be addressed in the EIR.**

7-2

7-3

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7-5

7-6

7-7

7. The facility should verify existing HAZOPS to determine the impact of proposed changes.

7-8

Specific Comments

1. On page 1-5, the DEIR describes the proposed modifications to the Equilon Mormon Island Marine Terminal as minor and to include the modification of an existing above ground storage tank to handle ethanol, replacement of one pump with a larger capacity pump, and piping modifications to place blind flanges on some pipelines. The Table on page 2-6, in Volume III also lists one tank for ethanol. However, the information given in Table 2-5 on page 2-23 and statement on page 2-24, Volume I lists two tanks that will be renovated for storage of ethanol. The Final EIR should describe the proposed modifications in a consistent manner. The marine terminal operations manual should be updated to include the changes.

7-9

2. On page 1-7, an earthquake has been identified as a natural hazard which could result in release of hazardous substances. We suggest that during the next risk assessment exercise at the marine terminal, response to a tsunami warning may be considered.

7-10

3. Table 1.1 - Compliance with an existing regulation is not considered mitigation and should not be included in this table.

7-11

4. Ballast water is not discussed in the document and should be addressed. The ballast water management program is a mandatory program within the State of California (Public Resources Code Section 71200-71217). All vessels entering the waters of the state after operating outside the US EEZ must comply with mandatory ballast water management procedures, which include mid-ocean ballast water exchange, complete retention of ballast water on-board, or an approved alternative management technology. The State Lands Commission must approve any alternative treatment before a vessel begins the voyage (Section 71204(a)(3)). An increase of six vessels per year also is a possible increase in ballast that may be discharged in California waters; this potentially significant impact needs to be discussed.

7-12

5. Blending operations at the Marine Terminal described on page 2-24 needs further clarification. The FEIR should describe where the blending of neat ethanol with approximately five-percent gasoline would take place.

7-13

6. Page 3-37 refers to ballast water stored in tanks for further treatment and disposal. The FEIR should describe whether this would include all the regular ballast tanks, and whether this will replace ballast water exchange at sea or something else. The description should also detail the average amount of ballast water treated, how it will be treated, where it will be disposed, and the exact source of the water in the tanks to be treated, etc.

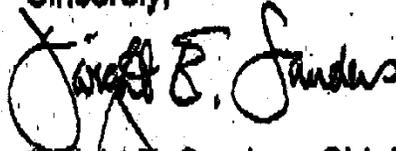
7-14

7. The Mormon Island marine terminal will receive, store and distribute ethanol. Volumes I and II talk about two tanks being converted for storage of ethanol, one MTBE and one gasoline. Volume III only lists one tank conversion, the gasoline tank. Once ethanol is in place, the MTBE would no longer be handled. Volume III should list the two tanks. 7-15
8. The DEIR states that the ethanol would be pumped from the ship to the storage tanks on Mormon Island (MI) and thence to the Carson terminal via existing pipeline and that ethanol would only be at the MI terminal while the ship is unloading. The FEIR should clarify whether the ship will fill the tank/tanks or whether they will be pumped to the Carson terminal and the MI tank/tanks simultaneously. 7-16
9. The DEIR states that the cumulative health risks associated with the MI marine terminal were not calculated because the project is expected to result in a reduction of VOC emissions. Vapors from one MBTE tank and one gasoline tank would be replaced by vapors from two ethanol tanks. The ethanol tanks would be domed as an alternative to the floating roofs now in place for the MTBE and gasoline. Please present scientific data to support the expected reduction of VOC emissions. 7-17
10. It appears that the worst case consequence analysis was done using one ethanol tank at MI versus the two noted in other sections. Volume III, pg. 2-8, table 2-2 should reflect two ethanol tanks at MI. The statement is made that potential hazards due to marine operations will not be altered by the importation of ethanol; the pre- and post-worst case hazards are identical. The FEIR should identify whether this is true for one ethanol tank or two. 7-18
11. Cumulative Impacts- The document does not discuss the ever-increasing number of vessel calls throughout the port through the various container terminal projects and other projects. The increase in vessel calls for the projected growth of the Los Angeles-Long Beach Port complex presents a significant cumulative impact with the potential for non-indigenous species introductions. The FEIR should address this issue. 7-19
12. Within Volume II, on page 3-37, the document mentions that ballast water will be stored in landside tanks. Please refer to comment #6., above. The FEIR should clarify whether the storage of ballast water will apply to all vessels visiting the terminal, the number of vessels that have the capability to offload to landside tanks, and how and where ballast water will be treated. 7-20

Ms. Nadell Gayou
Ms. Kathy C. Stevens
August 24, 2001
Page 5

We appreciate the opportunity to comment on this environmental document. Please contact Maurya Falkner at (562) 499-6312, concerning the specific comments.

Sincerely,

A handwritten signature in black ink that reads "Dwight E. Sanders". The signature is written in a cursive style with a large, stylized 'D' and 'S'.

Dwight E. Sanders, Chief
Division of Environmental
Planning and Management

cc: Maurya Falkner



CITY OF CARSON

RECEIVED
SEP - 4 2001
ENVIRONMENTAL AUDIT

August 27, 2001

Ms. Barbara Radlein
SCAQMD Headquarters
21865 East Copley Drive
Diamond Bar, CA 91765

Post-It® Fax Note	7671	Date	9-4-01	# of pages	8
To	Debbie Bright	From	B. Radlein		
Co./Dept.	Env. Audit.	Co.	SCAQMD		
Phone #		Phone #	909 3962716		
Fax #	714.632.6754	Fax #			

Re: Equilon - HARD COPY TO FOLLOW...

Subject: Equilon Enterprises, LLC
Los Angeles Refinery CARB Phase 3 Proposed Project

Dear Ms. Radlein:

Thank you for including the City of Carson in the environmental review of the proposed Equilon Enterprises LLC project. We have reviewed the DEIR and offer the following comments:

Traffic counts were taken during May, June and November 2000. The Del Amo Boulevard overpass (over Alameda) began construction in January 2000. The environmental document may underestimate the traffic impacts of the project as a result of low traffic counts resulting from the construction of the Del Amo Boulevard overpass. As a result, project impacts may be greater. Therefore, a mitigation measure should be included to avoid the Wilmington/I-405 ramps and the Wilmington/223rd Street intersection during peak hours. Peak hours are generally observed to be 6:30 a.m. to 8:30 a.m. and 3:30 p.m. to 6:00 p.m.

8-1

The environmental document fails to adequately address the impacts of rail to the Carson Terminal. Del Amo Boulevard is a major arterial that is anticipated to increase in traffic volume as a result of the completion of overpasses at Alameda Street and the San Diego Freeway. Significant delays may result from the time period necessary for the rail cars to enter the Carson Terminal. Time restrictions on rail car delivery during peak hours should be included to reduce impacts on traffic. The alternative Lomita Terminal may be a preferred location due to the elimination of rail car delivery to the Carson Terminal.

8-2

The environmental document does not identify the amount of time for the rail cars to enter into the Carson Terminal. The impact on traffic and the adjacent fire station is not addressed. A maximum time limit of 3 minutes should be established to assure the street is not blocked for an unreasonable time period.

The Dominguez Technology Center and Dominguez Hills Village are not listed as projects near the Carson Terminal. A specific plan for the Dominguez Technology Center

8-3

approved approximately 4.2 million square feet of light industrial, research & development and office space. A specific plan for the Dominguez Hills Village approved 650 homes, a day care facility, a commercial center of 50,000 square feet and light industrial of 433,000 square feet. The environmental document does not adequately address cumulative impacts due to the absence of these major developments.

8-3
cont'd

If you have any questions regarding these comments, please call me at (310) 952-1761.

Sincerely,



Sheri Repp Loadsman
Planning Manager

cc: Richard Garland, Traffic Engineer

STATE OF CALIFORNIA
Document Details Report
State Clearinghouse Data Base



seen
for

SCH# 2000091086
Project Title Equilon Enterprises California Air Resources Board Phase 3 Reformulated Gasoline Project
Lead Agency South Coast Air Quality Management District

Type EIR Draft EIR
Description The Equilon Enterprises Los Angeles Refinery proposes to modify existing process units, install new equipment, and modify ancillary terminals in order to manufacture gasoline that complies with the Governor's MTBE phase-out mandate and the California Air Resources Board's Reformulated Gasoline Phase 3 specifications.

Lead Agency Contact
Name Barbara A. Radlein
Agency South Coast Air Quality Management District
Phone (909) 396-2716 **Fax**
email
Address 21865 Copley Drive
City Diamond Bar **State** CA **Zip** 91765

Project Location
County Los Angeles, San Bernardino
City
Region
Cross Streets 2010 East Pacific Coast Highway, Wilmington
Parcel No.
Township **Range** **Section** **Base**

Proximity to:
Highways
Airports LAX
Railways BNSF, UP, Metro Green Line
Waterways Santa Monica Bay
Schools
Land Use Heavy Industrial (M2)

Project Issues Air Quality; Coastal Zone; Forest Land/Fire Hazard; Geologic/Seismic; Noise; Other Issues; Public Services; Solid Waste; Toxic/Hazardous; Traffic/Circulation; Water Quality; Cumulative Effects

Reviewing Agencies Resources Agency; California Coastal Commission; Department of Conservation; Department of Fish and Game, Region 5; Department of Water Resources; California Highway Patrol; Caltrans, District 7; Department of Health Services; Air Resources Board, Transportation Projects; Integrated Waste Management Board; State Water Resources Control Board, Clean Water Program; Regional Water Quality Control Board, Region 4; Department of Toxic Substances Control; California Energy Commission; State Lands Commission

Date Received 07/13/2001 **Start of Review** 07/13/2001 **End of Review** 08/27/2001

Note: Blanks in data fields result from insufficient information provided by lead agency.

Responses to Comments

**COMMENT LETTER NO. 1
LETTER FROM CITY OF SIGNAL HILLS**

Gary Jones
July 23, 2001

Response 1-1

The comments regarding the land use and zoning requirements are acknowledged. The SCAQMD understands that the facility is a non-conforming land use which are allowed to continue operations within certain limitations.

Table 1 below provides the total tank capacity of the Equilon Signal Hills Terminal

**TABLE 1
EQUILON ENTERPRISES, LLC
EXISTING TANK STORAGE CAPACITY**

TANK NO.	CAPACITY (Gallons)	SAFE-FILL (Gallons)⁽¹⁾
SH-10	9,492	9,198
SH-15	16,506	16,002
SH-34	42,000	33,600
SH-80	342,145	281,526
SH-100	448,560	408,660
SH-101	225,000	222,600 ⁽²⁾
SH-380	1,607,676	1,553,874
SH-AG-1	9,996	9,450
TK-20	10,080	9,744
TOTAL	2,711,455	2,544,654

(1) Amount that tank is limited to, to avoid overfilling the tank.

(2) Vapor bladder tank.

The throughput capacity of the Signal Hill terminal is limited by the California Air Resources Board. Historically that limit has been 115,000 gallons/hour or 2,118,404 gallons/ day.

The historical average throughput is provided in Table 2.

TABLE 2

**EQUILON ENTERPRISES, LLC
HISTORICAL AVERAGE THROUGHPUT**

YEAR ⁽¹⁾	THROUGHPUT (gallons) ⁽²⁾
2000	381,603,513
1999	338,708,580
1998	331,569,000
1997	331,411,080
1996	338,814,000
1995	351,399,720
1994	394,758,000
1993	477,708,000
1992	305,676,000
1991	330,867,264

(1) 1992-2000 fiscal year (July 1 through June 30).

(2) Throughput numbers taken from SCAQMD annual emission fee reports.

Response 1-2

The Federal Clean Air Act requires that reformulated gasoline (RFG) contain oxygen to reduce harmful emissions of ozone, a major component of smog. RFG is a cleaner-burning gasoline required by federal law to be used in certain major metropolitan areas of the United States with the worst ozone air pollution problems. Southern California is one of these areas. Currently in California, MTBE is the additive used in gasoline to meet the oxygen level requirements. On March 26, 1999 Governor Gray Davis issued Executive Order D-5-99 for the phase out of MTBE from California gasoline. The Governor's Order requires phase out of MTBE by the earliest practical date but not later than December 31, 2002. In order to comply with Federal regulations and the State mandate, Equilon must change the oxygenate from MTBE to ethanol. Ethanol is currently the only oxygenate that can be used to comply with the state oxygenate requirements. This will require additional storage to be constructed at the Equilon Signal Hill terminal.

Response 1-3

MTBE must be removed from the gasoline and replaced with another oxygenate. That oxygenate is ethanol. While MTBE containing gasolines could be shipped in underground pipelines from the refineries, ethanol containing gasolines cannot. Pipelines contain water and ethanol mixes easily with water. The ethanol will precipitate out of the gasoline when water is present. The gasoline would therefore have a reduced level of the mandated oxygenate causing it to be non-compliant. The existing storage tanks at the facility are already in service storing various products distributed from the facility. In order to comply with the Federal regulation and the Governor's mandate, Equilon must add new storage to accommodate having to store an additional product (ethanol).

Response 1-4

An expansion of the facility would involve increasing the volume of products stored and distributed at the facility. MTBE, added during the manufacturing process at the refinery makes up approximately 11 percent of the gasoline by volume. The ethanol, which replaces MTBE, will make up less than 6 percent of the gasoline by volume. Therefore Equilon will not need to increase the overall storage and throughput capacity of the facility and expects to stay well within the historical throughput numbers provided in the baseline data. Note that the EIR (see page 2-1) indicates that the project is not expected to increase the gasoline produced by the Equilon Refinery or terminals.

Response 1-5

The City of Long Beach Fire Department has been given the information on the proposed project. Equilon representatives met with Captain Hank Teran, Deputy Fire Marshal, Bureau of Fire Prevention with the City of Long Beach to discuss the process for submitting plans for the new storage tanks. Equilon will submit the appropriate information required by the Long Beach Fire Department and a fire permit will be required from the City of Long Beach Fire Department prior to construction of the new tank to ensure compliance with fire codes. However, no formal comments have been received on the CEQA documents for the proposed project from the City of Long Beach Fire Department at this time.

Response 1-6

The Signal Hill terminal is an industrial facility with existing storage tanks. The new storage tank will not change the visual character of the site and will blend in with the existing storage tanks already present in tank farm. Therefore, no significant visual impacts have been identified (see EIR, Appendix A). Nevertheless, Equilon is willing to discuss this issue with the City outside of the context of the CEQA process in order to ensure Equilon addresses all applicable concerns.

COMMENT LETTER NO. 2 PORT OF LOS ANGELES

Ralph G. Appy
August 23, 2001

Response 2-1

Although it is true that the Lawrence Livermore National Laboratory (LLNL) report identified individual concerns regarding use of ethanol, overall the report concluded that, when all data are evaluated in their entirety, it was determined that the use of ethanol as an oxygenate is preferable to the use of MTBE. While the LLNL report indicated that there is the potential for enhanced mobilization of existing contamination by an ethanol release, it also concluded that the overall benefits from using ethanol are preferable to using MTBE.

The potential release of ethanol is not mitigated by eliminating MTBE. However, a potential release of ethanol at the Equilon marine terminal is mitigated by the following: (1) leaks of ethanol are not expected due to existing source control programs, the use of cathodic protection, the required periodic testing of pipelines, and so forth; and (2) the Marine Terminal has an existing ground water sampling program. This program will be modified to test for the presence of ethanol in ground water prior to bringing any ethanol to the facilities. In addition, ethanol will be included in the semi-annual ground water sampling and analysis so that leaks of ethanol would be more readily detected; (3) ethanol will only be stored in limited quantities at the site as it is unloaded from a ship. Ethanol will then be transferred via existing pipelines directly to the Carson terminal for storage and ultimate blending with gasoline. A small amount of ethanol may not be fully drained from the storage tank and remain at the marine terminal; and (4) even though the presence of ethanol in the subsurface environment could have adverse impacts on existing free product contamination, the LLNL report concluded that “the estimated potential future increase in public wells impacted by MTBE is significantly higher if MTBE remains the primary fuel oxygenate” as compared to the use of ethanol. Therefore, the potential for enhanced mobilization of the existing contamination by an ethanol release is not expected to result in a significant impact to surface water and ground water at the Marine Terminal because significant leaks of ethanol are not expected. The proposed project is not expected to contaminate ground water with ethanol because ethanol at the Marine Terminal will be stored in a tank with cathodic protection and a leak detection system. The proposed project is not expected to adversely impact ground water quality or the existing ground water monitoring/remediation program and no mitigation measures are required.

Response 2-2

See Response 2-1 regarding the potential for routine leaks. The proposed project involves changing the service of two tanks that are currently in gasoline service to ethanol service. The existing setting involves the potential release of gasoline from these two tanks, in the event of an earthquake. The hazards following implementation of the proposed project involves the potential release of ethanol (instead of gasoline) from these tanks in the event of an earthquake or

other event that could generate a release. No significant impacts were identified because the hazards associated with gasoline or MTBE are generally greater than the hazards associated with ethanol. No new tanks are proposed to be constructed at the marine terminal. It should also be pointed out that the Marine terminal has a Spill Prevention, Control and Countermeasures (SPCC) Plan to minimize the potential for a release of spilled materials outside of the containment areas. All tanks at the site have secondary containment to prevent the release of materials off-site in the event of a tank failure.

Following seismic activities, terminal operations are halted until the equipment at the site can be evaluated to determine if any damage to structures has occurred. Containment berms that will hold 110 percent of the contents of the tank, are located around the storage tanks. The berms will contain the material until it can be removed or pumped to another tank. More subtle leaks will be detected through the site's monitoring program.

Based on the above, even though the site could be damaged by earthquakes, the impacts of those hazards associated with the project changes, are expected to be less than significant.

Response 2-3

There is concern that there will not be sufficient quantities of ethanol in California to meet the CARB Phase 3 requirements. Equilon currently anticipates that ethanol will come via railcar from the mid-west portion of the United States. However, in order to be sure that ethanol from various suppliers can be used, Equilon needs the flexibility to receive ethanol from marine vessels. Ethanol received from marine vessel will be off-loaded into the two ethanol tanks at the marine terminal. These two tanks will essentially serve as surge tanks since the pumps from the marine vessel pump faster than the pipeline pumps. The pipeline pumps will be turned on at approximately the same time the marine vessel pumps are turned on. However, the pipeline pumps cannot keep up with the marine pumps so the storage tanks will be used to store the ethanol until the pipeline pumps can move most of the material to the Carson Terminal. Therefore, these tanks will only store limited quantities of ethanol during the marine vessel unloading phase until the pipeline pumps can move most of the material to the Carson Terminal, an estimated two to three hours per delivery. Small amounts of ethanol may remain that did not completely drain from the storage tank. The minimal time that most of the ethanol is stored at the marine terminal will minimize the potential for an ethanol release at the marine terminal.

Response 2-4

The SCAQMD disagrees with this comment. The release of ethanol at the site may be potentially significant, however, because of the following control measures, no significant ethanol release or impacts are expected because: (1) source control programs, cathodic protection, periodic testing of pipelines, and so forth, are standard practice at the terminal; (2) the Marine Terminal has an existing ground water sampling program which will be expanded to include ethanol; and (3) ethanol will only be stored temporarily at the site as it is unloaded from a ship.

It is also important to note that the study completed by Lawrence Livermore National Laboratory (LLNL) is only one of a number of reports used by the state to review the elimination of MTBE from gasoline. Extensive analyses were completed by the University of California, California Air Resources Board, Regional Water Quality Control Board, among others, associated with SB 521. The LLNL report (UCRL-AR-135949, 1999) presents information on releases of ethanol to soil and surface waters. This document was prepared as part of Senate Bill 521 (SB 521), enacting the MTBE Public Health and Environmental Protection Act of 1997 which directed the University of California to conduct research on the effects of MTBE. On the whole, the reports conclude that the use of ethanol would present less of a risk to the environment than MTBE. SB 521 also required the Governor to take appropriate action based on the findings of the report and information from public hearings. In consideration of this study, public testimony, and other relevant information, California's Governor Davis found that, "on balance, there is significant risk to the environment from using MTBE in gasoline in California." In response to this finding, on March 25, 1999, the Governor issued Executive Order D-5-99 which directed, among other things, that California phase out the use of MTBE in gasoline by December 31, 2002. The LLNL report also indicates that eliminating the use of MTBE and replacing it with ethanol is expected to mitigate the ground water problems created by MTBE. Therefore, on balance, the decision to eliminate MTBE is expected to provide beneficial impacts to ground water quality throughout the state.

COMMENT LETTER NO. 3
DEPARTMENT OF TRANSPORTATION

Stephen Buswell
August 14, 2001

Response 3-1

The comment is noted that any work performed within the State Right-of-way will need an encroachment permit from the California Department of Transportation. Construction activities associated with the proposed project are not expected to occur within the State Right-of-Way. All construction activities are expected to occur within the confines of the existing refinery or terminals. In any event, the proposed project will comply with all applicable permit requirements.

Response 3-2

Truck operations for the delivery of over-size equipment and materials will be conducted to the maximum extent possible during off-peak hours to minimize construction traffic impacts. Construction worker traffic is expected to avoid the morning peak hour but not the evening peak hour traffic. Traffic analyses indicate that no significant impacts were expected due to construction worker vehicles.

The truck traffic associated with the operation of the proposed project is expected to occur throughout a 24-hour period. It is expected that most of the project-related trips will be during off-peak commute period. A mitigation measure has been imposed to minimize the impacts of truck traffic on certain intersections during the peak evening commute period. As shown in Table 2-6, transportation permits to transport over-sized or over-weight loads over state highways will be acquired through the California Department of Transportation.

Response 3-3

The proposed project is expected to increase the peak hour traffic by about 19 trucks. The incremental impact of the proposed project on the mainline freeway is determined by reviewing the capacity of the on/off ramps to the freeway. The capacity of the Wilmington Avenue/Interstate 405 north and south bound on/off ramps is about 10,000 vehicles with an existing demand of about 7,250 during the morning peak hour, or an Level of Service (LOS) of C. The existing demand during the evening peak hour is about 8,050, resulting in an existing LOS of D. The proposed project is expected to add a maximum of 57 passenger car equivalents (PCE) during the morning and evening peak hours. The LOS during the morning and evening peak hours is not expected to change and will remain C and D, respectively. The proposed mitigation measure would eliminate traffic on the Wilmington Avenue/Interstate 405 north and south bound on/off ramps during the evening peak hour. Further the project's contribution to the total traffic is less than one percent so that no significant impacts are expected on the mainline demand-to-capacity ratios.

COMMENT LETTER NO. 4
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
Santa Ana Region

David G. Woelfel
July 30, 20001

Response 4-1

It is noted that Equilon's Refinery and storage terminals are subject to California's Aboveground Petroleum Storage Act (APSA).

Response 4-2

As noted on page 4-40 of the Draft EIR, all Equilon facilities have a Spill Prevention Control and Countermeasure Plan (SPCC) per the requirements of 40 CFR §112. The SPCC Plans are required to be modified within six months of new construction activities to include the new facilities.

Response 4-3

The comment is noted and all affected Equilon facilities will amend their Storage Statement in accordance with §25270.6 of the APSA.

**COMMENT LETTER NO. 5
CITY OF ANAHEIM**

Joseph W. Wright
August 7, 2001

Response 5-1

The SCAQMD understands that the City of Anaheim has no comments on the Draft EIR. Any notices or documents related to this project will be forwarded to the City.

COMMENT LETTER NO. 6
DEPARTMENT OF TOXIC SUBSTANCES CONTROL

Harlan R. Jeche
August 7, 2001

Response 6-1

The potential for soil contamination is addressed in the Draft EIR, Chapter 3, Section B – Geology/Soils (page 3-25) and Chapter 4, Section B – Geology/Soils. According to CEQA Guidelines §15126.2, an EIR must include a description of the physical environmental conditions in the vicinity of the project at the time the notice of preparation is published, from both a local and regional perspective. The environmental setting will normally constitute the baseline physical conditions by which a lead agency determines whether an impact from a proposed project is significant. The environmental setting is described in Section 3.0 of this EIR. Section 4.0 identifies and focuses on the significant environmental effects of the proposed project (as per §15126.1 of the CEQA Guidelines). These sections include a description of the contaminants that could be found in excavated soils (heavy metals and hydrocarbons) that may be encountered during project construction. As explained on Page 4-30, contaminated soil would be handled in accordance with appropriate federal, state, and local regulations, including SCAQMD Rule 1166 – Volatile Organic Compound Emissions from Decontamination of Soil, the federal Resource Conservation and Recovery Act, the RWQCB's Remedial Action Plan requirements, and the DTSC's Hazardous Waste Management Program. Additionally, the Equilon facilities and proposed project are subject to numerous rules and regulations that help to minimize the release of hazardous substances including Federal OSHA regulations (29 CFR Part 1910, §119), Title 8 of the California Code of regulations (§5189), California Health and Safety Code §25534, 40 CFR Part 68, and Title 1, §112(2)(7).

Response 6-2

The comments regarding the Preliminary Endangerment Assessment, Voluntary Cleanup Program, and Urban Cleanup Program are noted. These programs will be used as necessary and applicable. Equilon is not expected to be eligible for funds under the Urban Cleanup Program as the refinery is not located within an under utilized area where redevelopment is likely to have beneficial impacts to the community.

COMMENT LETTER NO. 7
CALIFORNIA STATE LANDS COMMISSION

Dwight Sanders
August 24, 2001

Response 7-1

The SCAQMD understands that the California State Lands Commissions (CSLC) is a trustee Agency under the Equilon CEQA process and that the CSLC has adopted regulations affecting marine terminals under the Oil Spill Prevention and Response Act of 1990.

Response 7-2

The proposed modifications at the marine terminal will result in pipelines and storage tanks dedicated exclusively to ethanol services. Other products will not use these tanks or pipelines. The proposed project does not include constructing any new tanks or pipelines at the marine terminal. It is expected that the CSLC has jurisdiction over other existing pipelines used to transfer oil which are not a part of the proposed project.

Response 7-3

The requested information has been added to the Chapter 4, Hazards/Hazardous Materials section of the Final EIR (see page 4-43).

Response 7-4

To further ensure safe design and operation of the proposed project modifications, the design changes will be submitted to CSLC for review, as applicable per existing regulatory requirements, for compliance with appropriate API and OCIMF standards, guidelines and recommended practices.

Response 7-5

The operations manual for the marine terminal will be modified, as appropriate, to account for the proposed project modifications.

Response 7-6

As noted in this comment, any physical modifications associated with construction activities at the Marine Terminal that could result in a potential fire hazard will not coincide with petroleum transfer operations at the Terminal. Equilon requires that permits be issued for all work involving welding and other similar activities. Contractors must be issued a permit that specifies under what conditions the activities can occur. The permit prohibits the use of welding or other

type of activity that could generate a spark or flame during transfer operations. The conditions of the permit are enforced through the contract.

Response 7-7

The hazards associated with the storage of ethanol are addressed in Volume III of the Draft EIR. The thermal radiation associated with a fire with ethanol was determined to have smaller impacts than the baseline condition, i.e., thermal radiation associated with a gasoline fire was determined to have greater impacts. Therefore, the thermal radiation hazards at the existing facility are greater than those associated with the proposed project. The proposed project will result in a decrease in the impacts of a fire from the two tanks and the potential to impact adjacent structures (pipeline, tanks, etc.). Therefore, no significant impacts are expected. Hot work performed at the Mormon Island Terminal requires a work permit issued by the Terminal and another permit issued by the Port of Los Angeles which will also minimize the potential for fires at the facility.

Response 7-8

See Response 7-7. The hazards at the existing facility are greater than those associated with the proposed project.

Response 7-9

Volume I, Chapter 2 correctly identifies the modifications to the marine terminal as modifications of two existing above ground storage tanks to handle ethanol, replacement of one pumps with a larger capacity pump and modification to some piping. Volume 1, Chapter 1 and Volume III have been revised to reflect the fact that two tanks at the marine terminal are being changed from gasoline service to ethanol service. The marine terminal operations manual will be modified, as applicable, to incorporate the proposed project changes.

Response 7-10

There is no known requirement for the preparation of a “risk assessment exercise” at the marine terminal. Nonetheless, the potential impact from a tsunami within the Port of Long Beach is minimized by the presence of breakwaters that protect the port. The location of Mormon Island near the Wilmington area and in the northern area of the Port, relative to other portions of the Port shows that in the event of a tsunami, this portion of the Port would be the most protected. Therefore, the breakwaters constructed around the ports are expected to provide sufficient protection from a tsunami. Further, the Emergency Response Plan prepared by the Port of Long Beach includes an evaluation of a tsunami hazard. No further evaluation is expected to be necessary.

Response 7-11

It is assumed that this comment is referring to Table 1-1, which provides a summary of the impacts and mitigation measures associated with the proposed project. Compliance with an

existing regulation was not considered to be mitigation in the EIR. However, for some resources, no additional feasible mitigation measures over compliance with existing regulation were identified, e.g., Hazards. For these resources, the document explains the existing regulations so that the reader is informed as to why additional feasible mitigation measures were not identified.

Response 7-12

The vessels that deliver materials to the Equilon terminal are not owned by Equilon and compliance with the ballast water management program is the responsibility of the owner/operator of the vessel. Therefore, Equilon is not responsible for compliance with this program.

Ships arriving at the Port associated with the proposed project are not expected to arrive with ballast. Ballast is used to balance a ship that is empty of cargo. Therefore, ballast would be discharged when a ship that is empty of cargo arrives at berth and starts to take on a shipment. This situation is not expected to occur at the Equilon marine terminal. The proposed project is expected to result in elimination in shipments of MTBE to the Port and an increase in shipments of ethanol and alkylate. The ships delivering material (ethanol or alkylate) to the marine terminal are expected to come into port full, discharge their cargo, and leave. If necessary, these vessels would take on ballast and discharge it at a port where they take on their next cargo, which is not expected to be in California.

The Equilon marine terminal maintains facilities to store and treat ballast prior to discharge, in the event of an emergency only. Equilon does not routinely accept ballast water but can in an emergency. However, the proposed project is not expected to result in an increase in ballast handled by the terminal or discharged into California waters.

Response 7-13

Currently, Equilon plans to purchase ethanol that is denatured with gasoline so that blending is not expected to routinely be required. However, it is possible that neat or pure ethanol could be purchased and arrive at the marine terminal. In those situations, the ethanol would be discharged from the vessel and blended with gasoline in-line, i.e., in the pipeline that carries the ethanol from the vessel to the storage tank. Note that the gasoline would be supplied from the existing storage tanks at the marine terminal. In order to comply with other regulations, the ethanol must be blended prior to receipt in the storage tank.

Response 7-14

Page 3-37 is describing the existing spill containment systems at the marine terminal that minimize the discharge of petroleum products to the harbor. The marine terminal can take ship washings and ballast water, under emergency conditions, and treat it in the existing wastewater treatment system. However, the marine terminal does not routinely take ballast from vessels that visit the terminal and would only do so under unusual circumstances. The proposed project is

not expected to result in an increase in ballast handled at the facility as the ships are expected to arrive full and without ballast. See Response 7-12.

Response 7-15

See Response 7-9.

Response 7-16

See Response 2-3. Ethanol will be pumped to the tanks at the marine terminal at the same time it is being pumped to the Carson Terminal.

Response 7-17

The emission calculations for the two tanks at Mormon Island are provided in Appendix B, Page B-39. The modifications are expected to result in an overall emission decrease of about 8,405 pounds per year. The proposed project includes installing domed roofs on storage tanks which results in further control of emissions over the current tank configuration.

Response 7-18

See Response 7-9. The hazard analysis has been revised to include the additional ethanol tank. Note that the hazard analysis conclusions have not changed from the Draft EIR and no significant hazard impacts are expected from the proposed project. The worst case hazards at the marine terminal are related to the storage of gasoline in Tank 27. The proposed project will not alter Tank 27.

Response 7-19

The cumulative impacts associated with vessel traffic are discussed on page 5-45 of the Draft EIR. The proposed project is expected to result in an increase of about six ships per year. This will result in a small incremental increase in ship calls to the San Pedro ports which are estimated to be about 7,000 vessel arrivals per year. The overall changes in marine traffic associated with the RFG Phase 3 traffic (for all oil companies) are expected to be less than significant as the overall vessel traffic within the Port is expected to decrease. Therefore, no significant impacts associated with vessel traffic are expected.

Response 7-20

In Volume I, page 3-37 the storage of ballast water is discussed. See Response 7-12.

COMMENT LETTER NO. 8
CITY OF CARSON

Sheri Repp Loadsman
August 27, 2001

Response 8-1

It is recognized that the traffic counts were taken during a period that construction activities are occurring near the Carson Terminal. The construction of the Del Amo Boulevard overpass (over Alameda Street) is expected to improve traffic conditions by allowing vehicle traffic to avoid the railroad crossing at Alameda Street. The Del Amo Boulevard overpass is still under construction at this time. Traffic counts were taken to determine the existing traffic levels near and around the Equilon Carson Terminal.

The estimated traffic from the project remains at 150 trucks and this was evaluated in the EIR. If the existing traffic counts are undercounted then the project impacts become a higher portion of the total traffic. This scenario represents a more conservative analysis than using higher traffic counts.

Completion of the Del Amo overpass is expected to improve traffic conditions in the area and when completed, provides an additional access from the Carson Terminal to the Long Beach Freeway that could be used to avoid other more congested intersections.

The traffic analysis assumed that about 150 trucks per day would transport ethanol from the Carson Terminal to other distribution terminals. These truck trips would occur throughout the day with an estimated six to seven trucks per hour. The traffic analysis determined that the trucks leaving the terminal during the pm peak hours could result in significant impacts at the Wilmington Avenue/I-405 southbound ramps as that is the predominant traffic flow during the evening peak hour. A mitigation measure was imposed that prohibits trucks from using the Wilmington Avenue/I-405 southbound ramps during the pm peak hours. It should also be noted that the project's contribution to this intersection would be less than one percent since this intersection is impacted by traffic from other refineries and industrial facilities located closer to the intersection.

The traffic analysis indicates that no significant traffic impacts were expected during the morning peak hours because the truck traffic from the Carson Terminal would be against the general traffic flow. So no significant traffic impacts were identified during the morning peak hour and no mitigation measures are required.

Response 8-2

The source and details regarding the delivery of ethanol to the Carson Terminal are still unknown. Equilon is reviewing all feasible options for the delivery of ethanol including delivery by marine vessel, by railcar, and by pipeline. The EIR assumes a worst-case analysis, e.g.,

assumes that all ethanol is coming in via railcar as well as all ethanol is being delivered by marine vessel. This allows Equilon the flexibility to look at all feasible sources of ethanol, while complying with the state requirement to eliminate MTBE by December 31, 2002.

The project has the potential to increase traffic delays on Del Amo Boulevard if significant numbers of railcars are delivered to the terminal at one time. The Carson Terminal currently receives about five to eight rail cars per day. The Carson Terminal currently has an agreement with the local residents to avoid rail traffic between 10 pm and 6 am to avoid noise impacts. Further, the Carson Terminal currently requests that the railroad company deliver materials during non peak traffic hours.

As part of the proposed project, Equilon will continue to require delivery of railcars between 7 pm and 10 pm so that peak traffic conditions are avoided. Further, Equilon expects that about 15-20 railcars would arrive at one time minimizing the time delay at Del Amo Boulevard.

Equilon is continuing to review all options available for the delivery of ethanol to the Carson Terminal. Development of the terminal at the Lomita site may be a feasible alternative. Equilon will work with the City to avoid significant traffic delays associated with the delivery of ethanol, when the details of the sources of ethanol, transportation routes, delivery schedule and so forth are known. The resulting schedule will also be provided to the local fire department

Response 8-3

The City of Carson was contacted (as late as July 2001) during the preparation of the EIR to determine proposed project (and potentially cumulative projects) within one mile of the Carson Terminal. No information was provided on the Dominguez Technology Center and Dominguez Hills Village, probably because the projects are located over a mile away so these projects were not included in the EIR. These projects are located over about a mile away so no direct cumulative impacts are expected.

**COMMENT LETTER NO. 9
GOVERNOR'S OFFICE OF PLANNING AND RESEARCH
STATE CLEARINGHOUSE**

Terry Roberts
August 28, 2001

Response 9-1

This letter transmitted the comments from state agencies to the SCAQMD and acknowledges that the public review requirements under CEQA have been met for the proposed project.

DABWORD:1994RTC2