



**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

November 13, 2014

Sarah Mongano
Division of Environmental Planning and Management
California State Lands Commission
100 Howe Avenue, Suite 100 - South
Sacramento, CA 95825

Subject: Tesoro Avon Marine Oil Terminal Lease Consideration Project

Dear Ms. Sarah Mongano:

Bay Area Air Quality Management District (Air District) staff has reviewed the California State Lands Commission's (CSLC) Draft Environmental Impact Report (DEIR) prepared for the Tesoro Avon Marine Oil Terminal Lease Consideration Project (Project).

According to the DEIR, the Project involves Tesoro Refining and Marketing Company, LLC (Tesoro) entering into a new 30-year lease of State sovereign land with the CSLC to continue operations at, and maintain the level of refined petroleum product exported through, the existing Avon Terminal located near the Tesoro's associated Golden Eagle Refinery (Refinery). The Project also involves the decommission of Berths 1 and 5, and the construction of Berth 1A.

Air District staff has the following comments on the DEIR:

- Berth 1A will require a new Air District permit for certain sources associated with the Project. Accordingly, the Air District recommends that the DEIR state that Berth 1A will require an Air District permit.
- The new permit for Berth 1A will require a quantification of the Project's ocean-going vessel (OGV) transit emissions within the Bay (roundtrip from the San Francisco Bar Pilot Station), tugboat emissions, OGV hoteling emissions, OGV loading emissions, and fugitive emissions. Accordingly, we recommend that the DEIR include and quantify these emissions as well.
- To satisfy the Air District's requirements for new permits, a health risk assessment (HRA) will be conducted for Berth 1A. We recommend that the Final EIR include this HRA (or conduct and include another HRA for this Project) to support its conclusions on potential impacts related to air toxics.
- The DEIR analyzed operational-related air quality and greenhouse gas (GHG) impacts by comparing the existing emissions (derived from a 10-year baseline period) to anticipated emissions associated with continued operation of the Avon Terminal. Please note that the Air District typically uses a 3 year baseline period for calculating emission reduction credits and emission increases for new source review permits. The Air District recommends analyzing operational-related air quality and GHG impacts against a 3-year baseline period (to be consistent with Air District regulations) rather than a 10-year baseline period, unless the 10-year baseline is more representative of normal operations. If the revised operational emission estimates based on the revised baseline result in potentially significant impacts, mitigation measures should be identified that will be implemented to reduce the air quality and GHG impacts to less than significant levels.

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The DEIR analyzed the temporary construction-related emissions and found that the emissions will exceed the Air District's recommended 1999 thresholds. The DEIR indicated that the Project would implement the Air District's Basic Control Measures to mitigate construction emissions. However, implementation of the Basic Control Measures will only reduce dust-related emissions and not exhaust emissions from heavy duty construction equipment. Therefore, the Air District recommends the Project be required to implement the following measures to ensure that construction emissions remain below the significance level:

- All off-road equipment shall have: 1) engines that meet or exceed either US EPA or ARB Tier 2 off-road emission standards; and 2) engines are retrofitted with an ARB Level 3 Verified Diesel Emissions Control Strategy, if one is available for the equipment being used.
- Idling time of diesel powered construction equipment and trucks shall be limited to no more than two minutes. Clear signage shall be provided for construction workers at all access point.
- All construction equipment shall be maintained and properly tuned in accordance with the manufacturers' specifications.
- Portable diesel generators shall be prohibited. Grid power electricity should be used to provide power at construction sites; or propane and natural gas generators may be used when grid power electricity is not feasible.

Air District staff is available to assist CSLC staff in addressing these comments. If you have any questions, please contact Jackie Winkel, Environmental Planner, at (415) 749-4933.

Sincerely,



for

Jean Roggenkamp
Deputy Air Pollution Control Officer

cc: BAAQMD Director John Gioia
BAAQMD Director David Hudson
BAAQMD Director Mary Piepho
BAAQMD Director Mark Ross