

BAY AREA **AIR QUALITY** MANAGEMENT

CEQA INITIAL STUDY

MODIFICATION OF SCHNITZER STEEL PRODUCTS CO. PERMIT TO OPERATE PLANT #208 (PERMIT APPLICATION #16721)

SCHNITZER STEEL PRODUCTS CO. 1101 EMBARCADERO WEST OAKLAND, CA 94604

December 4, 2008

Prepared by: Bay Area Air Quality Management District (CEQA Lead Agency) 939 Ellis Street San Francisco, CA 94109

1. Project Title: Modification of Schnitzer Steel Products Co. Permit to Operate Plant #208

2.	Lead Agency Contact:	Juan Ortellado Air Quality Planning Manager Engineering Division Bay Area Air Quality Management District 939 Ellis Street San Francisco, CA 94109 Tel. (415) 749-5183 Fax (415) 749-5030 jortellado@baaqmd.gov
3.	Project Contact:	Melisa Cohen Environmental Administrator Schnitzer Steel Products Co. 1101 Embarcadero West Oakland, CA 94604 Tel. (510) 452-6378 Fax (510) 444-3370 melisacohen@yahoo.com
4.	Project Location:	1101 Embarcadero West Oakland, CA 94607
5.	General Plan Designation:	General Industry and Transportation
6.	Zoning:	General Industrial (IG)
7.	Summary of Project:	Application for Permit to Operate modification to increase throughput of shredder operations.

8. Surrounding Land Uses and Setting.

The proposed project site is located in a heavy industrial area, in the vicinity of railroad lines and the Port of Oakland marine terminals. It has been in continuous use since 1970 and covers 26.5 acres. Railroad lines and the Oakland Naval Supply Center occupy land to the west. Warehouses, Duke Energy Peaker Unit Power Plant and the Port of Oakland property occupy land to the east. More warehouses and industrial/commercial businesses and the Nimitz freeway occupy land to the north. The Oakland Inner Harbor and marine terminal lies to the south and southeast. The nearest residences (four to five one-family homes) are located approximately 3,000 feet northeast of the Schnitzer facility at the corner of 4th and Brush Streets. The nearest school is located approximately 4,500 feet due north of the facility at 10th and Union Streets. There are no other homes, apartment houses, shops or department stores within one mile from the facility. The community of West Oakland resides approximately 1 mile due north of the facility.

9. Other public agencies whose approval is required (e.g., permits, financing approval, or

participation agreement.) None.

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Environmental Impacts:

	Linnonmental impacts.				
Issue	es (and Supporting Information Sources):	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
1.	AESTHETICS—Would the project:				
a)	Have a substantial adverse effect on a scenic vista?				\boxtimes
b)	Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?				\boxtimes
c)	Substantially degrade the existing visual character or quality of the site and its surroundings?				\square
d)	Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?				\boxtimes
2.	AGRICULTURE RESOURCES In determining whether impacts to agricultural resources are significant environmental effects, lead agencies may refer to the California Agricultural Land Evaluation and Site Assessment Model (1997) prepared by the California Department of Conservation as an optional model to use in assessing impacts on agriculture and farmland. Would the project:				
a)	Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non- agricultural use?				
b)	Conflict with existing zoning for agricultural use, or a Williamson Act contract?				\boxtimes
c)	Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use?				
3.	AIR QUALITY Where available, the significance criteria established by the applicable air quality management or air pollution control district may be relied upon to make the following determinations. Would the project:				
a)	Conflict with or obstruct implementation of the applicable air quality plan?			\boxtimes	
b)	Violate any air quality standard or contribute substantially to an existing or projected air quality violation?				

Issue	es (and Supporting Information Sources):	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
c)	Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?				
d)	Expose sensitive receptors to substantial pollutant concentrations, including criteria pollutants, toxic air contaminants and hazardous air emissions?			\boxtimes	
e)	Create objectionable odors affecting a substantial number of people?			\boxtimes	
f)	Result in a considerable contribution of greenhouse gas emissions?			\boxtimes	
4.	BIOLOGICAL RESOURCES— Would the project:				
a)	Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special- status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?				
b)	Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?				
c)	Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?				
d)	Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?				
e)	Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?				\boxtimes
f)	Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?				
5.	CULTURAL RESOURCES— Would the project:				
a)	Cause a substantial adverse change in the significance of a historical resource as defined in §15064.5?				

Issues	s (and S	Supporting Information Sources):	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
b)	signif	e a substantial adverse change in the ficance of a unique archaeological resource ant to \$15064.5?				\boxtimes
c)	Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?					\square
d)		rb any human remains, including those ed outside of formal cemeteries?				\square
6.		RGY— ld the project:				
a)		It in a substantial increase in overall or per a energy consumption?				\boxtimes
b)	Incre	ase reliance on natural gas and oil?				\boxtimes
c)	Resul energ	It in wasteful or unnecessary consumption of sy?				\boxtimes
d)	Require or result in the construction of new sources of energy supplies or additional energy infrastructure capacity?					\boxtimes
e)	Comply with adopted energy efficiency standards?					\boxtimes
7.	GEOLOGY AND SOILS—Would the project:					
a)	Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:					
	i)	Rupture of a known earthquake fault, as delineated on the most recent Alquist- Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.				
	ii)	Strong seismic ground shaking?				\boxtimes
	iii)	Seismic-related ground failure, including liquefaction?				\boxtimes
	iv)	Landslides?				\boxtimes
b)		It in substantial soil erosion or the loss of il?				\boxtimes
c)	topsoil? Be located on geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction, or collapse?					

<u>Issue</u> s	s (and Supporting Information Sources):	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
d)	Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?				\boxtimes
e)	Have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater?				
8.	HAZARDS AND HAZARDOUS MATERIALS Would the project:				
a)	Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?				
b)	Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?				
c)	Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?				\boxtimes
d)	Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment?				
e)	For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?				
f)	For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?				\boxtimes
g)	Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?				\boxtimes
h)	Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?				
9.	HYDROLOGY AND WATER QUALITY— Would the project:				
a)	Violate any water quality standards or waste discharge requirements?				\square

	Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)? Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which		\boxtimes
c)	the site or area, including through the alteration of		
	would result in substantial erosion of siltation on- or off-site?		
	Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off- site?		
e)	Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?		\boxtimes
f)	Otherwise substantially degrade water quality?		\boxtimes
	Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?		\boxtimes
	Place within a 100-year flood hazard area structures which would impede or redirect flood flows?		\boxtimes
	Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?		\boxtimes
j)	Inundation of seiche, tsunami, or mudflow?		\square
10.	LAND USE AND PLANNING— Would the project:		
a)	Physically divide an established community?		\boxtimes
b)	Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?		
c)	Conflict with any applicable habitat conservation plan or natural community conservation plan?		

Issues	(and Supporting Information Sources):	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
11.	MINERAL RESOURCES—Would the project:				
a)	Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?				\boxtimes
b)	Result in the loss of availability of a locally- important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?				\boxtimes
12.	NOISE—Would the project result in:				
a)	Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?				\boxtimes
b)	Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?				\boxtimes
c)	A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?				\boxtimes
d)	A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?				\boxtimes
e)	For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?				
f)	For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?				\boxtimes
13.	POPULATION AND HOUSING— Would the project:				
a)	Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?				
b)	Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				\boxtimes
c)	Displace substantial numbers of people necessitating the construction of replacement housing elsewhere?				\boxtimes

Issue	s (and S	Supporting Information Sources):	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
14.	PUB	LIC SERVICES— Would the project:				
a)	assoc altere physi const envir accep	It in substantial adverse physical impacts itated with the provision of new or physically ed governmental facilities, need for new or ically altered governmental facilities, the ruction of which could cause significant onmental impacts, in order to maintain otable service ratios, response times, or other rmance objectives for any of the public ces:				
	i)	Fire protection?				
	Ii)	Police protection?				\boxtimes
	Iii)	Schools?				\boxtimes
	Iv)	Parks?				\boxtimes
	v)	Other public facilities?				\boxtimes
15.	REC	REATION:				<u>N_7</u>
a)	neigh recrea deter	Id the project increase the use of existing aborhood and regional parks or other ational facilities such that substantial physical ioration of the facility would occur or be erated?				
b)	Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?					\boxtimes
16.		NSPORTATION / TRAFFIC— ld the project:				
a)	Cause an increase in traffic which is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume-to-capacity ratio on roads, or congestion at intersections)?					
b)	level conge	ed, either individually or cumulatively, a of service standard established by the county estion management agency for designated s or highways?				
c)	either	It in a change in air traffic patterns, including r an increase in traffic levels or a change in ion that results in substantial safety risks?				\boxtimes
d)	featur inters	tantially increase hazards due to a design re (e.g., sharp curves or dangerous sections) or incompatible uses (e.g., farm oment)?				\boxtimes
e)	Resu	It in inadequate emergency access?				\boxtimes

Issues	(and Supporting Information Sources):	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
f)	Result in inadequate parking capacity?				
g)	Conflict with adopted policies, plans, or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks)?				
17.	UTILITIES AND SERVICE SYSTEMS— Would the project:				
a)	Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?				\boxtimes
b)	Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				\boxtimes
c)	Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				\boxtimes
d)	Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?				\boxtimes
e)	Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?				
f)	Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?				\boxtimes
g)	Comply with federal, state, and local statutes and regulations related to solid waste?				\boxtimes
18. M	ANDATORY FINDINGS OF SIGNIFICANCE				
a)	Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self- sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?				
b)	Does the project have impacts that are individually limited, but cumulative considerable? ("Cumulative considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects)?				

Issues	(and Supporting Information Sources):	Potentially Significant Impact	Less Than Significant with Mitigation Incorporation	Less Than Significant Impact	No Impact
c)	Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?				\boxtimes

DETERMINATION

On the basis of this initial evaluation:

<u>X</u>	I find the proposed project COULD NOT have a significant effect on the environment. Therefore an environmental impact report (EIR) is not required, and a negative declaration is sufficient to comply with CEQA.
	I find that although the proposed project could have a significant effect on the environment, there would not be a significant effect in this case because the mitigation measures described on an attached sheet have been added to the project. A NEGATIVE DECLARATION would be prepared.
	I find the proposed project MAY have a significant effect on the environment, and an ENVIRONMENTAL IMPACT REPORT is required.
	I find the proposed project MAY have a significant effect on the environment, but at least one "potentially significant impact" or "potentially significant unless mitigated" impact (1) has been adequately analyzed in an earlier document pursuant to applicable legal standards, and (2) has been addressed by mitigation measures based on the earlier analysis as described on attached sheets. An ENVIRONMENTAL IMPACT REPORT is required, but it must analyze only the effects that remain to be addressed.
	I find that, although the proposed project could have a significant effect on the environment, there WILL NOT be a significant effect in this case because all potentially significant effects (1) have been analyzed adequately in an earlier EIR pursuant to applicable standards, and (2) have been avoided or mitigated pursuant to that earlier EIR, including revisions or mitigation measures from the EIR that are imposed upon the

proposed project.

Juan Ortellado Date Air Quality Planning Manager

Reviewed by:

Barry G. YoungDateManager, Permit Evaluation

Brian Bateman Date Engineering Division Director

Date

Brian C. Bunger District Counsel Jack P. Broadbent Executive Officer/APCO Date

Jeff McKay Date Deputy Air Pollution Control Officer

DISCUSSION OF ENVIRONMENTAL IMPACTS

PROJECT SUMMARY

Background

Schnitzer Steel Products ("Schnitzer" or "the applicant") operates a 26.5-acre automobile/appliance shredding facility for scrap metals ("the facility" or "the site"), located at 1101 Embarcadero West in Oakland, California. Schnitzer is an appliance recycler certified by the California Environmental Protection Agency (Cal EPA) and the Department of Toxic Substances Control (DTSC). The scrap metal processed at the facility is bound for marine transport. The facility is located in a heavy industrial area surrounded by several other industrial facilities, railroad lines, and marine terminals. An aerial view of the facility is presented in Figure 1.

In 2006, Schnitzer replaced the shredder at the facility with a new unit that was more efficient. The new shredder, identified as source S-6 Shredder by the Bay Area Air Quality Management District ("BAAQMD" or "the District"), was installed and became operational on November 1, 2006 and is currently in use at the facility. The S-6 Shredder is composed of multiple steel alloy hammers that are rotated by an electric motor and impacted against the material to be shredded. Infeed material consists primarily of automobile and white goods (i.e., appliances) that have been pre-processed to minimize the amount of hazardous fluids and non-usable metal content. The S-7 Infeed Conveyor is an electric-powered conveyor system that is loaded with infeed material by manually operated cranes, which is then fed into the shredder at a regulated mass rate.

The current Permit to Operate (PO) for the S-6 Shredder was issued by the District on April 26, 2007. The throughput limit in the current PTO is based on the 2005 throughput (431,471 tons in any consecutive 12-month period). The estimated toxic air contaminant (TAC) emissions in the Authority to Construct (AC) application presented to the District and the associated cancer risk estimated by the District were based on emission data contained in a report prepared by Versar, Inc. ("Versar Report") as well as the 2005 shredder throughput of 431,471 tons. Since no source test data were available for the S-6 Shredder at the time the PO was issued, the Versar Report used emission factors from similar shredder operations.

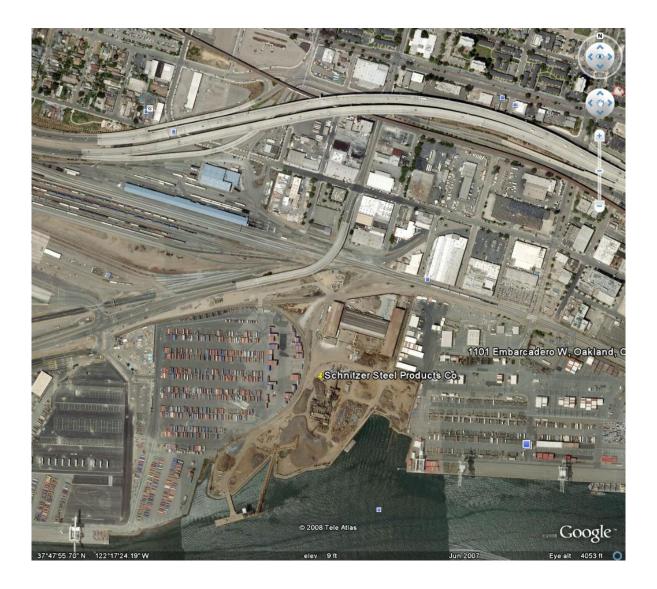


Figure 1 – Aerial View of Schnitzer Steel Products Co. Facility

Proposed Modifications to Permitted Operations

On September 14, 2007, Schnitzer submitted an application to the District requesting that the S-6 Shredder throughput limit be increased from 431,471 tons in any consecutive 12-month period to 720,000 tons in any consecutive 12-month period ("the proposed project" or "the project") pursuant to BAAQMD Regulation 2, Rule 1, Section 404 to handle:

- Additional throughput during the first few months of operation with the S-6 Shredder due to inventory backlog;
- Higher recycling and recovery rates from numerous sources; and
- An increase in worldwide demand for scrap metal processing.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

The California Environmental Quality Act (CEQA) requires environmental review for projects developed or approved by state, regional, or local governments in California. Schnitzer has submitted an application to modify conditions to an existing PTO for approval by the District. This application does not qualify under any of the CEQA exemptions contained in District's Regulation 2-1-311 (ministerial exemption), Regulation 2-1-312 (categorical exemption), or Section 15061 of the State CEQA Guidelines. The District is not aware of any other public agency that would be preparing a Negative Declaration or EIR for this project. Accordingly, the District is the Lead Agency for this project under CEQA.

The District has received from the applicant a completed preliminary environmental study as required by Regulation 2-1-426.1, with information equivalent to that contained in Appendix H of the State CEQA Guidelines (Environmental Information Form).

SPECIFIC IMPACTS

The following sections provide additional detail about why particular items in the preceding CEQA checklist were checked.

1. AESTHETICS

There would be no new physical change and, thus, no potential for future obstructions to the scenic view or alterations to the light reflection from the facility due to the proposed throughput expansion. According to the Environmental Information Form received from the applicant, there would be no change on the existing plant site and there would be no change in scenic views or vista from existing residential areas or public lands or roads due to the project. Additionally, there would be no changes in dust, ash, smoke, fumes or odors in the vicinity. Thus, no new impacts are anticipated with approval of the proposed project.

2. AGRICULTURE RESOURCES

Neither the continued operation of the facility nor the approval of the proposed project would result in any construction outside of existing facilities, which is located in a heavy industrial urban area. Thus, no impacts to agriculture resources are anticipated.

3. AIR QUALITY

Based on the environmental checklist in the *CEQA Guidelines*¹, a project could have a potentially significant air quality impact on the environment if it would:

a) Conflict with or obstruct implementation of the applicable air quality plan.

b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation.

c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable national or state ambient air quality standard (including releasing emissions that exceed quantitative thresholds for ozone precursors).

d) Expose sensitive receptors to substantial pollutant concentrations.

e) Create objectionable odors affecting a substantial number of people.

Additionally, a project could have a potentially significant air quality impact on the environment if it would:

¹ California Code of Regulations (CCR), 2004. Title 14, Chapter 3, Guidelines to Implementation of the California Environmental Quality Act, Appendix G, 6 February.

f) Result in considerable contribution of greenhouse gas emissions.

Each of these potential scenarios for the proposed project is addressed below.

a) Would the project conflict with or obstruct implementation of the applicable air quality plan?

An air quality plan describes air pollution control strategies to be implemented by a city, county or region classified as a non-attainment area. The purpose of an air quality plan is to bring the area into compliance with the requirements of federal and state air quality standards. The most recent document developed by the District to bring the San Francisco Bay Area region into attainment, is the 2005 Ozone Strategy. Additionally, the *2001 Ozone Attainment Plan*, developed by the District in conjunction with the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) is the most recent EPA-approved plan for attaining the federal ozone standard; and the *2004 Revision to the California State Implementation Plan for Carbon Monoxide*, developed by the California Air Resources Board (CARB) for ten federal planning areas in California, is the most recent EPA-approved plan for maintenance of the federal CO standard.

The current attainment status of the San Francisco Bay Area air basin with respect to federal and State standards is presented in the Table 1. Since the incremental increase in air emissions from the proposed project would not violate air quality standards or exceed emission thresholds as discussed in section b) below, and is generally consistent with current air quality management policies, the project is not anticipated to conflict with the District's attainment plan.

	A	California	Standards ¹	National Standards ²		
Pollutant	Averaging Time	Concentration	Attainment Status	Concentration ³	Attainment Status	
Ozone	8 Hour	0.070 ppm (137µg/m ³)	N^9	0.075 ppm	N^4	
Ozone	1 Hour	0.09 ppm (180 μg/m ³)	Ν		See footnote # 5	
Carbon Monoxide	8 Hour	9.0 ppm (10 mg/m ³)	А	9 ppm (10 mg/m ³)	A^6	
	1 Hour	20 ppm (23 mg/m ³)	А	35 ppm (40 mg/m ³)	А	
Nitrogen Dioxide	1 Hour	0.18 ppm (338 μg/m ³)	А			
Tritogen Dioxide	Annual Arithmetic Mean	0.030 ppm (56 μg/m ³)		0.053 ppm (100 μg/m ³)	А	
	24 Hour	0.04 ppm (105 μg/m ³)	А	0.14 ppm (365 μg/m ³)	А	
Sulfur Dioxide	1 Hour	0.25 ppm (655 μg/m ³)	А			
	Annual Arithmetic Mean			0.030 ppm (80 μg/m ³)	А	
Particulate Matter (PM10)	Annual Arithmetic Mean	$20 \ \mu g/m^3$	N^7			
	24 Hour	$50 \ \mu g/m^3$	Ν	$150 \mu g/m^3$	U	
Particulate Matter - Fine	Annual Arithmetic Mean	$12 \ \mu g/m^3$	N^7	$15 \mu g/m^3$	А	
(PM2.5)	24 Hour			$\frac{35 \mu g/m^3}{\text{See Footnote 10}}$	U	
Sulfates	24 Hour	$25 \ \mu g/m^3$	Α	2		
Lead	Calendar Quarter	(1 - (3)		$(0.5 \mu g/m^3)$	Α	
	30 Day Average	$(1.5 \mu g/m^3)$	Α			
Hydrogen Sulfide	1 Hour	0.03 ppm $(42 \ \mu g/m^3)$	U			
Vinyl Chloride (chloroethene)	24 Hour	0.010 ppm (26 μg/m ³)	No information available			
Visibility Reducing particles	8 Hour(1000 to1800 PST)	See Footnote 8	U			
A=Attainment N=Nonattainment U=Unclassified						

Table 1 - Ambient Air Quality Standards and Bay Area Attainment Status

 mg/m^3 =milligrams per cubic meter ppm=parts per million $\mu g/m^3$ =micrograms per cubic meter Notes on Table 1

- 1. California standards for ozone, carbon monoxide (except Lake Tahoe), sulfur dioxide (1-hour and 24-hour), nitrogen dioxide, suspended particulate matter PM10, and visibility reducing particles are values that are not to be exceeded. The standards for sulfates, Lake Tahoe carbon monoxide, lead, hydrogen sulfide, and vinyl chloride are not to be equaled or exceeded. If the standard is for a 1-hour, 8-hour or 24-hour average (i.e., all standards except for lead and the PM10 annual standard), then some measurements may be excluded. In particular, measurements are excluded that CARB determines would occur less than once per year on the average. The Lake Tahoe carbon monoxide standard is 6.0 ppm, a level one-half the national standard and two-thirds the state standard.
- 2. National standards other than for ozone, particulates and those based on annual averages are not to be exceeded more than once a year. The 1-hour ozone standard is attained if, during the most recent three-year period, the average number of days per year with maximum hourly concentrations above the standard is equal to or less than one. The 8-hour ozone standard is attained when the 3-year average of the 4th highest daily concentrations is 0.075 ppm (75 ppb) or less. The 24-hour PM10 standard is attained when the 3-year average

of the 99th percentile of monitored concentrations is less than 150 μ g/m3. The 24-hour PM2.5 standard is attained when the 3-year average of 98th percentiles is less than 35 μ g/m3.

Except for the national particulate standards, annual standards are met if the annual average falls below the standard at every site. The national annual particulate standard for PM10 is met if the 3-year average falls below the standard at every site. The annual PM2.5 standard is met if the 3-year average of annual averages spatially-averaged across officially designed clusters of sites falls below the standard.

- 3. National air quality standards are set by US EPA at levels determined to be protective of public health with an adequate margin of safety.
- 4. In June 2004, the Bay Area was designated as a marginal nonattainment area of the national 8-hour ozone standard. US EPA lowered the national 8-hour ozone standard from 0.80 to 0.75 PPM (ie.e. 75 ppb) effective May 27, 2008. EPA would issue final designations based upon the new 0.75 ppm ozone standard by March 2010.
- 5. The national 1-hour ozone standard was revoked by U.S. EPA on June 15, 2005.
- 6. In April 1998, the Bay Area was redesignated to attainment for the national 8-hour carbon monoxide standard.
- 7. In June 2002, CARB established new annual standards for PM2.5 and PM10.
- 8. Statewide VRP Standard (except Lake Tahoe Air Basin): Particles in sufficient amount to produce an extinction coefficient of 0.23 per kilometer when the relative humidity is less than 70 percent. This standard is intended to limit the frequency and severity of visibility impairment due to regional haze and is equivalent to a 10-mile nominal visual range.
- 9. The 8-hour CA ozone standard was approved by CARB on April 28, 2005 and became effective on May 17, 2006.
- 10. U.S EPA lowered the 24-hour PM2.5 standard from $65 \ \mu g/m^3$ to $35 \ \mu g/m^3$ in 2006. The U.S. EPA is required to designate the attainment status of BAAQMD for the new standard by December 2009. Effective December 18, 2008 the U.S. EPA intends to designate the Bay Area as "nonattainment" for the new federal PM2.5 standard.

b) Would the project violate any air quality standard or contribute substantially to an existing or projected air quality violation?

The proposed project includes emissions from diesel engines used to power the pier crane, standby generator set, off-road equipment, trucks and ships necessary for operations at the facility. Per information provided by Schnitzer in a letter to the District dated November 18, 2008, the number and usage of current off-road equipment would not increase with the additional proposed throughput. The diesel-powered pier crane use is expected to increase; however, the District has a permit handbook chapter for diesel engines and, therefore, this engine is ministerial in nature and is exempt from CEQA review. The District has reviewed and issued permits to operate the crane diesel engine and standby diesel engine generator set as part of Application Number 18078. The proposed shredder throughput increase is not expected to violate any air quality standard or contribute substantially to an existing or projected air quality violation.

BAAQMD has developed thresholds of significance for total reactive organic gases (ROG), oxides of nitrogen (NOx), and particulate matter (PM10) emissions, shown in Table 2, from project operations. Project-related ROG, NOx, or PM10 incremental emissions would be considered significant if they were to exceed these thresholds.

Pollutant	tons/year	lb/day	kg/day
ROG	15	80	36
NOx	15	80	36
PM10	15	80	36

Table 2 - Thresholds of Significance for Project Operations

The total additional operational emissions from the proposed project, which are not expected to exceed the thresholds in Table 2, are estimated to be:

- ROG: 0.89 tons/year
- NOx: 13.36 tons/year
- PM10: 1.32 tons/year
- c) Would the project result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?

Currently, Alameda County is in "non-attainment" status for the State of California 1-hour and 8-hour ozone; 24-hour and annual PM10, and annual PM2.5; and the federal 8-hour ozone standard. Based on the information presented previously, in subsection b), the proposed project would not result in considerable or significant increases of NOx, ROG or PM10. The BAAQMD CEQA Guidelines indicate that if a project is proposed in a city or county with a general plan that is consistent with the Clean Air Plan and the project is consistent with that general plan (i.e., it does not require a general plan amendment), then the project will not have a significant cumulative impact, provided the project does not individually have any significant impacts. These conditions apply to the proposed project and, therefore, no further analysis regarding cumulative impacts is necessary.

d) Expose sensitive receptors (children, senior citizens, etc.) to substantial pollutant concentrations?

The increase in throughput to 720,000 tons in any given consecutive 12-month period would not cause a significant increase in TAC and PM emissions. This conclusion is based on the HRSA conducted by District staff, presented in Appendix A. Therefore, any sensitive receptors located outside of the boundaries of the site (schools, hospitals, etc.) would not be exposed to significant risk levels.

Shredder Emissions

A source test conducted by the Avogadro Group, LLC on the facility's shredder system from February 28, 2007 to March 2, 2007 ("2007 Source Test") showed that the TAC and PM emissions are much lower than the emissions estimated in the Versar Report, as indicated in Table 3.

	2006 Estimated Factors (Versar Report)		2007 Source Test Results	
Pollutant	(lbs/hour)	(lbs/ton of feed) ₃	(lbs/hour)	(lbs/ton of feed)
РМ	2.83 ¹	0.00809	0.276	0.0013
Total Chromium	0.000448	0.0000137	0.000251	0.00000116 ⁴
Chromium (VI)	0.000448 ²	0.0000137	0.00000660	0.000000337
Total PCBs	0.0306	0.0000874	0.000334	0.00000164
Benzene	0.140	0.0004	0.00238	0.0000117
Total TAC Emissions ⁵	0.1710	0.0005	0.0030	0.000013

<u>Notes</u>

1. Permit limit in condition 3 of the ATC

2. Hexavalent Chromium (Chromium VI) emissions assumed to equal Total Chromium emissions

3. Based on feed throughput of 350 tons/hour

4. Based on feed throughput of 225 tons/hour

5. Total TAC emissions included Chromium VI, Total PCBs and Benzene

District staff conducted a Health Risk Screening Analysis (HRSA) Evaluation of Toxic Air Contaminant Impacts for CEQA, presented in Appendix A, to estimate the incremental potential impacts of the shredder emissions as well as of the marine and truck diesel engine emissions for the most recent PO application (720,000 tons/year throughput). Data from both the Versar Report and the 2007 Source Test were used to estimate emissions. The HRSA estimates that the highest increased cancer risk to any individual receptor is 5.9 in a million and the highest non-cancer chronic hazard index is 0.01; these values are below the significant level thresholds for the purpose of CEQA review or public notification under the Air Toxics Hot Spots (ATHS) Program. Most of this risk is attributable to cargo ship hotelling, for which fuel sulfur content is assumed to be 2.5%. On July 24, 2008, CARB adopted fuel sulfur regulations that are expected to limit fuel sulfur content to 0.5% for marine diesel oil and 1.5% for marine gas oil, beginning in early 2009. A decrease in diesel sulfur content also decreases diesel particulate matter. As a result, the HRSA results are conservative.

Emissions from Ships and Tugboats

It is expected that an additional 10 cargo ship trips per year will be needed to serve the facility, with 2 tug boats meeting each cargo ship at the south side of the Bay Bridge to escort it to the Schnitzer berth.

As previously mentioned, District staff conducted a HRSA Evaluation of Toxic Air Contaminant Impacts for CEQA, presented in Appendix A, to estimate the potential impacts of the shredder emissions as well as of the marine and truck diesel engine emissions. The HRSA estimates that the highest increased cancer risk to any individual receptor is 5.9 in a million and the highest noncancer chronic hazard index is 0.01; these values, which are considered conservative, are below the significant level thresholds for the purpose of CEQA review or public notification under the ATHS Program.

Emissions from Trucks

Trucks would be utilized to bring material/scrap to/from the site (estimated increment of approximately 70 trips per day). To avoid any increased traffic congestion, the trucks are not allowed to use Market Street due to provisions set with Howard Terminal and truck drivers are instructed to enter the site via Martin Luther King Jr. Way.

The BAAQMD CEQA Guidelines state that localized carbon monoxide (CO) concentrations should be estimated if the project traffic would increase traffic volumes on nearby roadways by more than 10%. According to the California Department of Transportation (CDOT), the annual average daily trips (AADT) of vehicles along Highway 880 in Oakland (the segment of highway the majority of the trucks serving the site would use) was 198,000 (northbound) and 194,000 (southbound) in 2007. The addition of 70 trips per day would only increase the traffic along Highway 880 by less than 0.04%. Per data obtained from the CDOT, the average daily traffic volume along the Broadway and Jackson Streets on- and off-ramps varied from approximately 7,524 to 20,588. Therefore, the addition of 70 trips per day would only increase traffic at those on- and off-ramps between 0.3% and 0.9%..

As previously mentioned, District staff conducted a HRSA Evaluation of Toxic Air Contaminant Impacts for CEQA, presented in Appendix A, to estimate the potential impacts of the shredder emissions as well as of the marine and truck diesel engine emissions. The HRSA estimates that the highest increased cancer risk to any individual receptor is 5.9 in a million and the highest noncancer chronic hazard index is 0.01; these values, which are considered conservative, are below the significant level thresholds for the purpose of CEQA review or public notification under the ATHS Program.

e) Would the project create objectionable odors affecting a substantial number of people?

The proposed project would not result in any new process or operations that could result in objectionable odors. Based on information provided by the District's Enforcement Division, there has been only one unconfirmed "rusty odor" complaint in the last five years of operation. The new shredder has been in operation for over a year and no new odors are emitted as a result of it.

f) Would the project result in a considerable contribution of greenhouse gas emissions?

It is estimated that, as a result of the project, approximately 754 tons/year of incremental carbon dioxide equivalent (CDE) would be emitted by the additional number of trips of the trucks, ships and tugboats needed to service the facility. As a comparison, the District estimates that 85.4 million tons of CDE greenhouse gases were emitted in the Bay Area in 2002, with approximately 50% of those emissions coming from the transportation sector (i.e., mobile sources). To put this in another perspective, the additional number of truck trips (approximately 25,550 trips/year) and ship trips (approximately 10 trips/year) that are estimated to be needed to operate at the proposed

shredder throughput can be considered negligible when compared to the number of trips by trucks (3,532,700 trips/year) and ships (1,966 ship visits/year) that operate in the Port of Oakland area. Furthermore, the recycling of steel, a process in which the facility plays an important role, is expected to have net beneficial climate change impacts when compared to the production of steel from raw materials. Thus, the impacts of the project on global warming can be considered to be less than significant.

4. BIOLOGICAL RESOURCES

Per the Environmental Information Form submitted by the applicant, this project would not have any impact on biological resources. The proposed project would be implemented within the existing facility area. There are no endangered plants or animal species within the project site, which could be impacted. There would be no changes in the diversity of species, number of plants or changes in the animal life, including reptiles. There would be no additional deterioration to existing wildlife habitat on the site.

5. CULTURAL RESOURCES

Per the Environmental Information Form submitted by the applicant, there would be no impact on cultural resources due to this project and no alteration or destruction of a prehistoric or historic archaeological site. The proposed project is located within the existing developed facility, which is not within a historic conservation area. There is no potential for impact on any cultural resources. No physical change will be made that would affect unique ethnic cultural values.

6. ENERGY

The proposed project would result in a net increase of energy consumption. In a letter to the District dated November 18, 2008 Schnitzer indicates that it has worked with PG&E to establish a dedicated substation off the public grid which can serve adequately the facility's increase demands. Schnitzer participates in the PG&E Demand Response and Energy Conservation Programs to optimize energy efficiency at the facility. Additionally, Schnitzer operates the shredder during non-peak periods utilizing already available grid capacity. The new shredder is also more energy efficient per ton of white goods and vehicles processed than the previous shredder. Based on a comparison of utility usage information from 2005 (baseline year) and 2007, the new shredder uses approximately 26% less energy per ton of material processed.

7. GEOLOGY / SOILS

Neither the prior installation nor the continued operation of the facility, nor the approval of the proposed project, would result in any construction outside of existing facilities. Per the Environmental Information Form submitted by the applicant, the project site as it presently exists would not be altered upon completion of the proposed project. The proposed project would not result in any change to geologic substructures, disruptions, displacements, and compaction or over covering of soil, topography or ground surface relief features. No soil would be disturbed with the implementation of the proposed project, and it would not involve any structures that would be seismically unstable. Approval of the proposed project would not have any anticipated geologic impacts.

8. HAZARDS & HAZARDOUS MATERIALS

Per the Environmental Information Form submitted by the applicant, this project would not result in the use or disposal of potentially hazardous materials, such as toxic substances, flammables or explosives. The proposed project would not alter the existing setting and would not result in any increase in hazardous material use, storage, and transport activity above current facility baseline conditions.

9. HYDROLOGY / WATER QUALITY

Per the Environmental Information Form submitted by the applicant, this project would not result in change of ocean, bay, lake, stream or groundwater quality or quantity, or alteration of existing drainage patterns, or change any existing features of any bays, tidelands, beaches, or hills, or substantial alteration of ground contours. Operation of the existing equipment is not associated with water discharges and does not impact the hydrology or water quality of the plant. Approval of the proposed project would not change the facility's current operations and there is no anticipated impact to hydrology and water quality.

10. LAND USE AND PLANNING

Per the Environmental Information Form submitted by the applicant, this project would not change the pattern, scale or character of the general area of the project. The site is currently used for scrapping of motor vehicles. No change in site use is proposed. Installation and operation of the processing equipment at the facility did not change any land use designation of the facility or its immediate surroundings, which is compatible with the site's existing zoning as "General Industrial." Approval of the proposed project would not change the facility from its existing baseline and no impacts on land use and planning are anticipated.

11. MINERAL RESOURCES

The installation and operation of the existing facility did not involve the significant impact of any existing mineral resources. The proposed project does not involve any soil disturbance or construction and, thus, would not have any impact on existing mineral resources.

12. NOISE

The noise levels due to the operation of the facility have been at this site for several years. The proposed project is not expected to result in significant increases to existing noise. Per the Environmental Information Form submitted by the applicant, this project would not substantially change existing noise or vibration levels in the vicinity. Approval of the proposed project would not result in any new noise impacts above the plant's existing baseline conditions.

13. POPULATION AND HOUSING

Per information provided by the applicant, the proposed project would not require any additional employees. Therefore, the proposed project, would continue to have no anticipated impact on local population and housing.

14. PUBLIC SERVICES

Prior fire protection and police protection for the facility remain adequate. Per the Environmental Information Form submitted by the applicant, this project would not substantially increase the demand for municipal services (police, fire, water, sewage, etc.). Thus, the proposed project is anticipated to have an insignificant impact on the need for public services.

15. RECREATION

Neither the prior installation nor the continued operation of the existing facility, nor the approval of the proposed project, would result in any construction outside of existing facilities. Therefore, the facility had and continues to have no impact on the quality or quantity of recreational resources. The approval of the proposed project would not result in any future impacts on recreation resources.

16. TRANSPORTATION / TRAFFIC

Trucks would be utilized to bring the additional throughput material to the site; the maximum increase is estimated to be approximately 70 trips per day. To avoid any increased traffic congestion, the trucks are not allowed to use Market Street due to provisions set with Howard Terminal and truck drivers are instructed to enter the site via Martin Luther King Jr. Way.

Per the CDOT, in 2007 there were 198,000 (northbound) and 194,000 (southbound) AADT of motor vehicles along Highway 880 in Oakland (the segment of highway the majority of the trucks serving the site would use). This means that the addition of 70 trips per day would only increase the traffic along Highway 880 by less than 0.04%. Per data obtained from the CDOT, the average daily traffic volume along the Broadway and Jackson Streets on- and off-ramps varied from approximately 7,524 to 20,588. Therefore, the addition of 70 trips per day would only increase traffic at those on- and off-ramps between 0.3% and 0.9%.

17. UTILITIES / SERVICES SYSTEMS

Per the Environmental Information Form submitted by the applicant, this project would not substantially increase the demand for municipal services (police, fire, water, sewage, etc.) and would not create significant incremental amounts of solid waste or litter. Therefore, the proposed project would have no impact on utilities and service systems.

18. MANDATORY FINDINGS OF SIGNIFICANCE

The proposed project is not expected to have impacts on biological resources. The proposed project would be implemented within the existing processing area of the facility. No endangered plant or animal species would be impacted by the proposed project.

The proposed project does not present the potential to significantly degrade the quality of the environment or eliminate important examples of major periods of California history or prehistory. Long-term growth-inducing impacts are not expected to occur as a result of this project.

No cumulative impact analysis is required since the proposed project is not expected to have an incremental impact that is considered cumulatively significant. There is no area where the potential impacts from these facilities overlap to such an extent that individually insignificant impacts could combine to become significant. Therefore, there is no environmental insight gained from a cumulative analysis of separate facilities.

The transportation-related emissions that would result from the proposed project are expected to be only a small percentage of the total emissions attributable to truck traffic and marine engines in the Bay Area.

No substantial adverse effects to human beings, either directly or indirectly, are expected as a result of the implementation of the proposed project.

Appendix