



**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

February 23, 2015

Mr. Kieron Slaughter
City of Richmond, Planning Division
450 Civic Center Plaza, 2nd Floor
P.O. Box 4046
Richmond, CA 94804

Re: Richmond Terminal Neat Ethanol Project-Initial Study

Dear Mr. Slaughter:

Bay Area Air Quality Management District (Air District) staff has reviewed the Initial Study (IS) for the Richmond Terminal Neat Ethanol Project (Project). The Project is intended to upgrade the existing ethanol process distribution system to allow more efficient ethanol throughput at the British Petroleum (BP) Terminal (Terminal) in Richmond. This upgrade will enable the Terminal to receive, process, and distribute denatured ethanol to service stations throughout the Bay Area for blending with fuels. The Project proposes to increase the volume of ethanol delivered to the Terminal by up to 50,056,000 gallons per year. A minimum of sixteen additional ships would be required to deliver the ethanol and 8,794 additional truck trips will be used to transport the denatured ethanol to service stations. The Project will require an Authority to Construct and Permit to Operate from the Air District.

Air District staff has the following comments on the air quality analysis in the Initial Study:

1. Per the IS, emission increases from the 16 additional ship calls per year would result in significant impacts for nitrogen oxide (NOx). Page 35 of the IS states that BP would mitigate this impact to a less than significant level by providing offsets for the amount of NOx emission from the ships. Air District staff recommends that the Project sponsor document the potential source(s) of the offsets, and demonstrate that the emission reductions are permanent, quantifiable, and enforceable. Air District staff also strongly encourages BP to review alternative mitigations such as installing shore power to reduce emissions from vessels so that the local community being impacted from the Project benefits from the mitigation measures.
2. According to the IS, the increase in daily tanker truck traffic at the Terminal and along I-580 will result in significant air quality impacts. Air District staff recommends the Project implement the following measures to ensure operational emissions are minimized:
 - All diesel trucks shall have: 1) engines that meet or exceed either US EPA or ARB Tier 2 emission standards; and 2) engines that are retrofitted with an ARB Level 3 Verified Diesel Emission Control Strategy; and
 - Idling time of diesel powered trucks shall be limited to no more than two minutes.

ALAMEDA COUNTY

Tom Bates
Margaret Fujioka
Scott Haggerty
Nate Miley

CONTRA COSTA COUNTY

John Gioia
David Hudson
Karen Mitchoff
Mark Ross

MARIN COUNTY

Katie Rice

NAPA COUNTY

Brad Wagenknecht

SAN FRANCISCO COUNTY

John Avalos
Edwin M. Lee
Eric Mar
(Vice-Chair)

SAN MATEO COUNTY

David J. Canepa
Carole Groom
(Chair)

SANTA CLARA COUNTY

Cindy Chavez
Liz Kniss
(Secretary)
Jan Pepper
Rod G. Sinks

SOLANO COUNTY

James Spering

SONOMA COUNTY

Teresa Barrett
Shirlee Zane

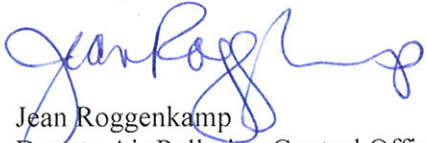
Jack P. Broadbent
EXECUTIVE OFFICER/APCO

3. The IS assumes a minimum of 16 vessel calls will be required to transport 85,000,000 gallons per year. Air District staff recommends that the analysis in the IS not evaluate a “best case” scenario using the “minimum” number of vessels needed to deliver the 85,000,000 gallons per year unless there is a high probability that this will actually occur. We recommend that the IS assume a range of possibly delivery options based on existing or expected shipping practices for delivering this product to the facility.
4. Page 30, 36, and other pages in the Air Quality Section of the Initial Study state that 85,000,000 gallons of neat ethanol per year will be shipped to the Terminal. Page 12 states that the Project would increase the volume of ethanol delivered, stored and blended at the Terminal by 50,056,000 gallons per year. Please verify the discrepancies between the two statements or provide further explanation in the document.
5. Many of the default emission factors and modeling parameters to estimate impacts from trucks transporting ethanol were taken from a CAPCOA presentation on Health Risk Assessments and Land Use given at the Air District office on May 3, 2010. However, the presentation material showed example calculations that are not meant to represent Air District approved default values. For example, a release height of 4.57 meters is used to model exhaust emissions from ethanol trucks while idling emissions were modeled with a release height of 3.4 meters. The Air District recommends further justification for using these values.
6. Air District staff recommends that the health risk assessment evaluate potential impacts from increased truck traffic along the I-580 corridor. The current analysis only looks at impacts adjacent to Canal Boulevard up to I-580.
7. Table 2-2 presents a comparison of existing conditions and the proposed BP Terminal operations. Please clarify why the base year for vessel calls was averaged from 2009 through 2013 and the emissions associated with tanker trucks and rail cars were averaged from 2011 through 2013 (e.g., footnote 2 on Table 2-2).
8. Air District staff recommends that the air quality analysis include re-suspended particulate matter from vehicle travel on roads.
9. Appendix B indicates that tugs and vessels were modeled assuming a 25 meter length. Please explain why similar lengths were used to characterize emissions from these sources.
10. The cumulative health risk impact analysis does not include all sources to accurately characterize the potential health impacts from the Project. The analysis does not take into account existing emissions from permitted sources, vessels calls, railcars and truck trips that transport products to and from the Terminal. For example, the emissions from the Wastewater Treatment Plant adjacent to Washington Elementary School (shown in Figure 4-7 of the Initial Study) are not included in Table 4-10. Air District staff recommends that the impacts from these sources be included in the health risk assessment.
11. On Page 15, the 41 vessel calls/year does not correspond with the 35 vessel calls/year value in Table 2-2. Please resolve this inconsistency.
12. Please correct the discrepancy between the current outbound truck loading and offloading operations number on Page 11, and the outbound truck number shown in Table 2-2 on Page 16.

13. The last sentence of the third paragraph on page 16 of the IS says "All other operations would remain unchanged." Please be specific and explain fully in the IS which operations are addressed in this statement, for example rail and pipeline, as applicable.

Air District staff is available to assist the City of Richmond in addressing these comments. If you have any questions, please contact Andrea Gordon, Senior Environmental Planner, at (415) 749-4940 or agordon@baaqmd.gov. For questions regarding Air District permits for this project or to discuss any equipment modifications, alterations or use of new equipment at the site, please contact Ying Yu, Air Quality Technician at (415) 749- 8433 or Yyu@baaqmd.gov.

Sincerely,



Jean Roggenkamp
Deputy Air Pollution Control Officer

cc:BAAQMD Director John Gioia
BAAQMD Director David Hudson
BAAQMD Director Karen Mitchoff
BAAQMD Director Mark Ross