



February 8, 2016

**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

Ms. Amy Million
City of Benicia
Community Development Department
250 East L. Street
Benicia, CA 94510

RE: Valero Benicia Crude-by Rail Project Final Environmental Impact Report (FEIR)

ALAMEDA COUNTY
Tom Bates
Margaret Fujioka
Scott Haggerty
Nate Miley

Dear Ms. Million:

CONTRA COSTA COUNTY
John Gioia
David Hudson
(Secretary)
Karen Mitchoff
Mark Ross

Several Air Pollution Control and Air Quality Management Districts (Air Districts) submitted a coordinated comment letter to the City of Benicia (City) on October 26, 2015 regarding the air quality evaluation for the affected “uprail” air basins identified in the Valero Benicia Crude-by Rail Project (Project) Revised Environmental Impact Report (RDEIR). The RDEIR concludes that the Project, if approved, will result in a substantial increase in ozone precursors and toxic air contaminants (TACs) in numerous air basins.

MARIN COUNTY
Katie Rice

NAPA COUNTY
Brad Wagenknecht

SAN FRANCISCO COUNTY
John Avalos
Edwin M. Lee
Eric Mar
(Chair)

The Air Districts recommended that the City evaluate a potential mitigation measure requiring the Project to implement an offsite mitigation program to lessen the significant air quality impacts identified within each Air District. The Air Districts offered to assist the City and Project proponents in implementing this mitigation measure. The recommended mitigation measure would not place any burden on Union Pacific Railroad (UPRR) by requiring cleaner locomotives to be used for the Project, and therefore would not conflict with the federal preemption.

SAN MATEO COUNTY
David J. Canepa
Carole Groom
Warren Slocum

SANTA CLARA COUNTY
Cindy Chavez
Liz Kniss
(Vice-Chair)
Jan Pepper
Rod G. Sinks

The City did not evaluate the feasibility of the recommended mitigation measure in the Draft Environmental Impact Report (DEIR) or FEIR, and did not provide an adequate response as required by the California Environmental Quality Act (CEQA). Pursuant to CEQA Guideline Section 15088 (a) “The Lead Agency shall evaluate comments on environmental issues received from persons who reviewed the draft EIR and shall prepare a written response, and (c) The written response shall describe the disposition of significant environmental issues raised (e.g., revisions to the proposed project to mitigate anticipated impacts or objections). In particular, the major environmental issues raised when the Lead Agency’s position is at variance with recommendations and objections raised in the comments must be addressed in detail giving reasons why specific comments and suggestions were not accepted. There must be good faith, reasoned analysis in response. Conclusory statements unsupported by factual information will not suffice.”

SOLANO COUNTY
James Sperring
Osby Davis

SONOMA COUNTY
Teresa Barrett
Shirlee Zane

Jack P. Broadbent
EXECUTIVE OFFICER/APCO

A similar mitigation measure to the one recommended by the Air Districts for this Project was recently included in a DEIR and FEIR for a crude by rail project in San Luis Obispo County, which states:

Prior to issuance of the Notice to Proceed, the Applicant shall provide a mitigation, monitoring and reporting plan. The plan shall investigate methods for reducing the locomotive emissions through contracting arrangements that require the use of Tier 4 locomotives or equivalent emission levels. The plan shall indicate that, on an annual basis, if the mainline rail emissions of ROG+NOx with the above mitigations still exceed the applicable Air District thresholds, the Applicant shall secure emission reductions in ROG + NOx emissions or contribute to new or existing programs within each applicable Air District, similar to the emission reduction program utilized by the SLOCAPCD, to ensure that the main line rail ROG + NOx emissions do not exceed the Air District thresholds for the life of the project. The Applicant shall provide documentation from each Air District to the San Luis Obispo County Planning and Building Department that emissions reductions have been secured for the life of the project prior to issuance of the Notice to Proceed.

Bay Area Air District staff maintains that the offsite mitigation measure is feasible for this Project to implement and therefore recommends that the City require the Project proponents to mitigate the air quality impacts associated with this Project within each air basin to the maximum extent feasible. Bay Area Air District staff is prepared to work with the City of Benicia to develop and implement a successful offsite mitigation program to lessen the air quality impacts of this project.

In addition, Bay Area Air District staff commented on the proposed Project on September 14, 2014 and October 28, 2015. Air District staff identified a number of issues related to the cumulative air quality impact analysis and the health risk analysis in the DEIR and the RDEIR.

After review of the FEIR, Bay Area Air District staff remain concerned that the cumulative air quality impact and health risk analysis provided in the FEIR do not accurately characterize the potential air pollution emissions or health impacts associated with this Project. The analysis relies in part on an outdated health risk assessment from the 2002 Valero Improvement Project DEIR, underestimates the number of remaining ship calls to the refinery, uses unreasonable locomotive fuel efficiency estimates, omits some sources of emissions, and does not evaluate the potential health impacts from PM_{2.5} emissions.

In our comment letters, Bay Area Air District staff requested that the City provide additional analysis in the FEIR to make up for these deficiencies (and others) so that the Project's air quality impacts would be more accurately characterized. The City did not attempt to revise or expand on the Project's cumulative air quality and health risk analyses. Instead, the City claims that the cumulative analysis and health risk assessment reflects the "most recent data available." Air District staff respectively disagrees with this opinion.

February 8, 2016

If you have any questions, please contact Andrea Gordon, Senior Environmental Planner with the Bay Area Air Quality Management District at (415) 749-4940.

Sincerely,



Jean Roggenkamp
Deputy Executive Officer

cc: BAAQMD Director James Spering