City of Pittsburg
Community Development Department – Planning Division
65 Civic Avenue, Pittsburg, CA 94565 | Tel: (925) 252-4920 | Fax: (925) 252-4814

NOTICE OF PREPARATION

TO: California Office of Planning and Research,
State Clearinghouse
1400 Tenth Street
Sacramento, CA 95814

TO: Responsible and Trustee Agencies, and Other Interested Parties

Subject:	**Notice of Preparation of a Second Recirculated Draft Environmental Impact Report (EIR)**
Application No(s):	AP-11-761
Project Name:	WesPac Pittsburg Infrastructure Project
Project Applicant:	WesPac Energy – Pittsburg LLC
Lead Agency:	City of Pittsburg

The City of Pittsburg will be the Lead Agency and will prepare a second recirculated environmental impact report for the project identified below. We need to know the views of your agency as to the scope and content of the environmental information, which is germane to your agency's statutory responsibilities in connection with the proposed project. Your agency may need to use the EIR prepared by our agency when considering your permit or other approval for the project.

The project description, location, and the potential environmental effects are contained in the attached materials. A copy of the Initial Study (☐ is ☒ is not) attached.

Due to the time limits mandated by State law, your response must be sent at the earliest possible date but not later than 30 days after receipt of this notice.

Please send your response to Kristin Pollot, Planning Manager at the address shown above. We will need the name for a contact person in your agency.

Date July 1, 2015

Signature

Title Planning Manager

Telephone (925) 252-6941

Email: kpollot@ci.pittsburg.ca.us

Reference: California Code of Regulations, Title 14, (CEQA Guidelines) Sections 15082(a), 15103, 15375.

PROJECT LOCATION: The proposed project is located on approximately 125 acres onshore within the existing NRG Energy, Inc. (NRG, formerly GenOn Delta, LLC) Pittsburg Generating Station, at 696 West 10th Street, Pittsburg, California (APN 096-100-034). An additional approximately 43 acres of submerged tidelands would be leased from the City of Pittsburg (City) for the marine terminal portion of the facility. The project location is shown on **Figure 1**, and an aerial photograph of the project facilities is shown on **Figure 2** (attached).

BACKGROUND AND PREVIOUSLY CIRCULATED DRAFT EIRS: WesPac Energy-Pittsburg, LLC (WesPac) is proposing to modernize and reactivate the existing oil storage and transfer facilities located at the NRG Pittsburg Generating Station. The land and facilities for the project, including storage tanks and dock, are expected to be purchased from NRG by WesPac, and would operate as the WesPac Energy-Pittsburg Terminal (Terminal). The facilities (marine terminal, storage terminal, pipelines, and ancillary equipment) were formerly used to store and supply fuel oil to the generating station, and have not been used for that purpose for over 15 years. These facilities would be modernized and upgraded to transport and store virgin and partially refined crude oil, and diesel. No other finished products other than diesel (such as gasoline) would be handled.

The original Draft Environmental Impact Report (DEIR) for the project was made available for public comment for a 45-day public review/comment period beginning on June 12, 2012, and ending on July 27, 2012. After the close of the public comment period, a revision to the project description was requested by the applicant to add a new method for oil delivery via rail, which was originally excluded from the project analysis. Due to significant changes in the scope of the project description and to conduct additional analyses deemed necessary in response to comments received on the DEIR, it was determined that a recirculation of the document was warranted.

A Recirculated DEIR (Recirculated DEIR) was made available for public review/comment between July 23, 2013, and September 13, 2013. Upon close of that public comment period and review of the letters received, the City of Pittsburg, as lead agency, determined that additional information would need to be added to the DEIR to ensure that the environmental analysis is complete and comprehensive. To accomplish this, it was determined that a second recirculation of the DEIR would be required. Following this determination, the applicant (WesPac) placed their application on hold.

In early 2015, the applicant notified the City of its plans to reactivate the project proposal and include a modification to the project description to **exclude** any rail activity associated with the project. The new 2015 proposal essentially reverts back to the original project (from 2012), with a focus on virgin and partially refined crude oil, and diesel transport by water and/or pipeline only (no rail transport), with on-site storage. City staff has determined that a second recirculation of the DEIR is still required for this modified proposal.

PROJECT NEED: The California Energy Commission and other industry sources have identified the lack of adequate storage and receiving capacity for crude oil in the San Francisco Bay Area as a major concern. The demand for additional crude oil marine terminals and storage capability is increasing as California oil production declines and is replaced with distant (waterborne) sources. All of the current regional marine oil terminals are near capacity, and ships often need to wait in the bay for a place to berth, adding to local air pollution and congestion in shipping lanes. This project is proposed to relieve some of that congestion and add much-needed reserve storage capacity to help stabilize the supply base. The site of the

proposed project meets the applicant's need because of its existing infrastructure and availability.

PROJECT DESCRIPTION

The main components of the project consist of the modernization and reactivation of the existing fuel storage and distribution systems at the facility, including: (1) the existing marine terminal; (2) the existing onshore storage terminal; (3) existing pipeline connection to the existing Shell San Pablo Bay Pipeline, a proposed new pipeline connection to the existing Chevron KLM Pipeline, and a proposed new pipeline connection to the existing Kinder Morgan Pipeline; and (4) the upgrade of other existing ancillary equipment.

Marine Terminal

The marine terminal was historically used to berth and moor vessels, and to support the required equipment to transfer product between the vessels and the storage tanks located onshore. The existing terminal was placed into "caretaker status" in 2003 and is not currently in service. The marine berth is proposed to be upgraded to meet the new Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) established by the California State Lands Commission. MOTEMS standards apply to all existing and new marine oil terminals in California, and include criteria for inspection, structural analysis and design, mooring and berthing, geotechnical considerations, and mechanical and electrical systems. The existing capability to receive and unload products from ships and barges would be enhanced to allow loading of ships and barges.

Storage Terminal

The existing storage tanks are proposed to be modernized and equipped with "Best Available Control Technology" to minimize emissions, and to comply with applicable rules and regulations of the Bay Area Air Quality Management District. Some of these improvements may include retrofitting tanks with new internal floating roofs and tank bottoms featuring secondary containment and leak detection systems. Tanks would be used for temporary storage and transfer of the crude oil and partially refined crude oil, and diesel oil.

Shipping and Piping

In addition to receiving and delivering crude oil at the marine terminal, the facility can receive and deliver crude oil from the existing Shell San Pablo Bay Pipeline, which connects directly to the Shell and Tesoro refineries. A new pipeline segment (less than 1 mile long) is proposed to be installed to connect the facility to the existing Chevron KLM Pipeline to the south, thereby allowing shipment to additional refineries. This new pipeline segment is proposed to consist of two parallel pipes installed in the same alignment to allow for simultaneous receipts and deliveries. An additional new pipeline segment (less than 1 mile long) is proposed to be installed to connect the facility to the existing Kinder Morgan Pipeline to the south, thereby allowing receipts and deliveries of diesel oil.

Ancillary Equipment

In addition to upgrading and modernizing the existing oil storage tanks and dock, the project includes evaluation of all of the existing equipment for condition and suitability for service. It is anticipated that much of the existing equipment (pumps, motors, heaters, electrical switchgear and valves) would be replaced, upgraded, or repaired in accordance with applicable permit requirements by the City of Pittsburg Building Division and industry standards. In addition, a new Terminal control (office) building and parking area for the entire facility would be installed.

DISCUSSION OF POTENTIAL IMPACTS

The second Recirculated DEIR will assess the physical changes to the environment that would likely result from construction and operation of the WesPac Pittsburg Energy Infrastructure Project, including direct, indirect, and cumulative impacts. This section provides a brief discussion of the probable environmental effects associated with the proposed project. For any potentially significant effects that are identified, mitigation measures will be recommended.

In addition, since this revised project is essentially the same project as what was originally proposed in 2011, and is the same project that was analyzed in the first DEIR, the comment letters received on the first Notice of Preparation (NOP), which was dated July 21, 2011, are attached to this document for reference (see Exhibit A[1]). Comments made on the first NOP need not be repeated at this time, as they will all be addressed in the second Recirculated DEIR.

The following subject areas will be re-analyzed in the second Recirculated DEIR:

Aesthetics

The proposed project would result in short-term construction impacts. The proposed project would be constructed at an existing oil storage and transfer facility. The adjacent Pittsburg shoreline is comprised primarily of industrial uses, and visual receptors are limited. The EIR will address the potential for visual impacts to nearby residential areas and recreational users (e.g., recreational boaters) that would result from upgrading and reactivating the facility, and from potential accidental spill releases.

Air Quality, Greenhouse Gas Emissions, and Climate Change

The proposed project would result in short-term construction, long-term operational, and cumulative air quality changes. The proposed project would be designed to comply with all federal, state, and local laws, regulations, and rules pertaining to air quality. The EIR will identify sensitive receptors in the immediate project area and surrounding region; discuss potential emissions of odors and/or hazardous air pollutants generated by stationary, mobile, and area sources; discuss compliance with applicable rules; discuss San Francisco Bay Area criteria air pollutant attainment status; include a general conformity applicability analysis; and determine the significance of air quality impacts in comparison with applicable local, state, and federal standards and significance thresholds.

The EIR will also include an analysis of potential effects on global climate change. This analysis will include a quantitative estimate of operational carbon dioxide emissions, as well as potential regional reductions, from both stationary (e.g., tanks) and mobile (e.g., ship expeditions related to materials transport) sources. In addition, the EIR will cite recent studies regarding the impact of sea-level rise in the San Francisco Bay Area, and will analyze the potential impact on the marine terminal and vessel traffic related to the project.

Biological (Aquatic and Terrestrial) Resources

Biological resources have the potential to be impacted by routine operations related to the Terminal, or by an accidental release of crude oil or product. The EIR will identify the potential for sensitive or special-status species or critical habitat within the vicinity of the proposed project area, and discuss applicable environmental laws or regulations or adopted Habitat Conservation

[1] Exhibit A is available in electronic form on the City's website at: www.ci.pittsburg.ca.us/wespac, or a hard copy may be viewed at the Pittsburg City Hall (Planning Counter) and the Pittsburg Library during regular business hours

Plans, Natural Community Conservation Plans, or other approved local, regional, or state habitat conservation plans designed to protect wildlife, plants, or habitat areas. The EIR will include an analysis of noise disturbance on fish and birds from vessel traffic, and impacts on marine species as a result of dredging. The effects of a potential oil spill at the Terminal on biological resources will also be analyzed in the EIR, and strategies to protect sensitive resources most at risk from a spill will be discussed.

Cultural Resources
The proposed project is not expected to result in impacts to cultural resources. The facility was constructed in the 1950s and the entire project site is disturbed. The project is not located in an area that would be considered culturally sensitive due to the existing land use. No historic structures are present and no paleontological resources are known to exist in the area.

Geology, Soils, and Seismicity
The proposed project is located in the seismically active San Francisco Bay Area, and moderate to severe earthquakes on faults in the area could impact the site. The proposed project would be designed to comply with applicable federal, state, and local building codes. In addition, the proposed project would comply with MOTEMS, which require that a marine oil terminal facility satisfy Level 1 and Level 2 seismic performance criteria. Seismic performance criteria depend on the predicted maximum earthquake motions at the site and the potential size of an oil spill. The EIR will also identify the soil types at the site and their potential for expansion, liquefaction, subsidence, or erosion.

Hazards and Hazardous Materials
The proposed project could result in construction and operational impacts from hazardous materials. The proposed tanks would be used to store and transfer virgin and partially refined crude oil, and diesel. Construction activities would not involve hazardous materials, except for equipment fuel and fluids, and possible lead paint and asbestos-containing materials associated with demolition activities (e.g., tank refurbishment, demolition of heaters, piping). Potential construction impacts could involve mechanical failure on some equipment resulting in fuel or fluid spills; however, standard best management practices for construction sites for spill prevention, response, and safety would be implemented (e.g., no unattended pumping of fuel, use of secondary containment, no smoking near fuels, container labeling). Because the upgraded tanks would contain hazardous materials during operation, there is an inherent risk of containment leaks and/or fire during operation. The EIR will discuss in detail the site's emergency response capabilities and mitigation measures designed to avoid or minimize impacts from leaks and fires. There is also a risk of oil spill during operation of the facility. The EIR will analyze the risk and outline the emergency response procedures in place should a spill occur.

Land Use and Recreation
The proposed project site is an existing marine oil terminal facility. The EIR will discuss the existing land use and recreation conditions surrounding the proposed project site, review the project's consistency with applicable land use plans and policies, and summarize potential land use and recreation-related impacts associated with upgrading and reactivating the facility.

Noise and Vibration
Operation of the proposed project would produce both mobile- and stationary-source noise emissions. Mobile-source noise emissions are associated with the operation of ships that call on the Terminal, and stationary-source noise is associated with Terminal operations such as noise from pumps and operation of the vapor recovery system. The EIR will identify sensitive noise

receptors, including nearby residences, and will compare the facility operations to City of Pittsburg regulations to determine whether operation of the facility would exceed established noise criteria for the area.

Public Services and Utilities
There is a potential for impacts to public services during operation of the proposed project if, for example, an oil spill were to occur. The EIR will describe the existing public services, such as fire and police services, and utilities that serve the site. The EIR will then discuss in detail the emergency response capabilities at the site and in the vicinity, including the first and second responders and the types of equipment they have.

Population and Housing
The proposed project could impact population and housing during construction and operation. The EIR will describe the existing conditions of the vicinity, including the nearby residential areas, and the potential for increase in employment and population growth in the area resulting from project construction and operation. The potential impacts of the project on the existing residential areas and on a proposed residential development nearby will be described in detail.

Transportation (By Land and Water, Including Marine Terminal Operations)
The proposed project may result in impacts to vehicular transportation during construction and to marine transportation during operation. The EIR will provide the numbers of vehicles and equipment needed during construction and analyze the level of service of the roadways that would be used during construction to determine the extent to which traffic would be impacted. The EIR will also discuss factors affecting vessel safety such as weather, currents, and water depth, and describe San Francisco Bay Area vessel traffic control systems and analyze the potential for impacts from the proposed project.

The EIR will analyze data from spill trajectory modeling to estimate how large an area could be impacted by an oil spill during marine terminal operations. The impacts of potential spills on the public will be assessed based on the likelihood of people coming into contact with the spilled oil, considering geographic setting and also the intervening effects of spill contingency plans that would be in place.

Water Resources
The proposed project could result in impacts to water quality from operation of the facility or from a potential oil spill. The EIR will describe the existing water and sediment quality in the San Francisco Bay Estuary and in Suisun Bay, as well as for the immediate vicinity of the proposed project area. The EIR will also identify applicable laws, regulations, plans, and policies such as the water quality objectives detailed in the Water Quality Control Plan for San Francisco Basin. Operational impacts to water quality could occur from release of ballast water, runoff of contaminants from the dock, suspension of sediments by ship propellers or maintenance dredging, or by disposal of dredged sediments. An oil spill could have wide-range effects within the San Francisco Bay Estuary. The EIR will discuss the potential effects and mitigation measures.

Environmental Justice
The EIR will evaluate and determine whether the proposed project may affect low-income or minority populations by identifying the project's "footprint" for each resource topic using 2010 United States Census data to determine the location of such populations and local agency criteria. If such communities are found to exist, the EIR will analyze whether such communities may be disproportionately affected by the project.

Cumulative Impacts and Indirect Effects
In consideration of the development and redevelopment that has occurred or is planned in the vicinity of the project area, the EIR will identify recently approved and reasonably anticipated projects likely to occur in the area, as well as projects that may currently be under construction. The EIR will also identify growth contemplated in the City of Pittsburg that may result in cumulative impacts when combined with the proposed project. Cumulative impact findings will be made for each of the resource areas described above.

Growth-inducement
The proposed project would increase the number of jobs available in the region on a temporary basis during construction and on a long-term basis during facility operations. The EIR will summarize the employment projection for the proposed project and the resultant potential for population growth.

Alternatives
Project Scoping is conducted to develop the scope and content of the information to be included and analyzed in the EIR. Alternatives to the proposed project will be developed in consultation with City of Pittsburg staff. Public input will be considered during the development of these alternatives. In addition to the No Project Alternative, the EIR will evaluate feasible alternatives to the proposed project that can reduce significant impacts of the proposed project.

FOCUSED TOPICS TO BE INCLUDED BASED ON PUBLIC COMMENTS

As discussed previously, the first Recirculated DEIR was made available for public review/comment between July and September, 2013. Upon close of that public comment period and review of the letters received, the City of Pittsburg, as lead agency, determined that additional information would need to be added to the DEIR to ensure that the environmental analysis is complete and comprehensive. Below is a list of topics that were mentioned most often in the public comments and for which the second Recirculated DEIR will include more information and detail.

Purpose and Need: The EIR will include an updated discussion of current need for crude oil to be brought to the San Francisco Bay Area.

Crude Oil Type: Analysis in the EIR will include the characteristics of the various types of crude oil that might be imported, based on the premise that different types of crude oils have different constituents that result in potentially different emissions, and impacts to public safety at the facility. As part of this analysis, a "worst-case scenario" crude slate will be identified and analyzed.

Development Agreement: A brief discussion will be provided regarding the proposed development agreement associated with the project.

Waterfront Recreational Access: The EIR will include a discussion regarding how the applicant has agreed to work with the East Bay Regional Park District to define an appropriate alignment for a multi-use trail easement to be part of the Great California Delta Trail.

Non-Local Emissions Reduction Credits: Although local emissions reduction credits (ERCs) would be pursued, such offsets are not always available, and therefore, cannot be incorporated

as a viable mitigation measure. The EIR will describe the process of purchasing ERCs and how the applicant would pursue local ERCs over non-local options.

Odor Impacts: The EIR will include a discussion of how odors were analyzed and an evaluation of how the proposed use of current Best Available Control Technology-compliant equipment would reduce odors below previously experienced levels.

Vulnerable Populations and Asthma: The EIR will include relevant statistics and information regarding asthma rates in the area and other related health impacts and how they could be effected by the proposed project.

Liquefaction: The EIR will provide a more detailed analysis of potential for liquefaction at the tank farm, which is rated a high hazard area on the Association of Bay Area Governments Liquefaction Hazard Zone Map. The discussion will describe the MOTEMS design requirements for the tanks and analyze the potential for tank failure due to liquefaction.

Fire Response: The City of Pittsburg facilitated discussions between Contra Costa County Fire Protection District (CCCFPD) staff and the applicant for a better understanding of the CCCFPD's current fire protection and response capabilities in light of the cutbacks in staffing and personnel that the CCCFPD experienced during the planning of the proposed project. The EIR will include an updated fire response discussion in accordance with the agreement between the CCCFPD and the applicant that resulted from the discussions.

PUBLIC SCOPING MEETING

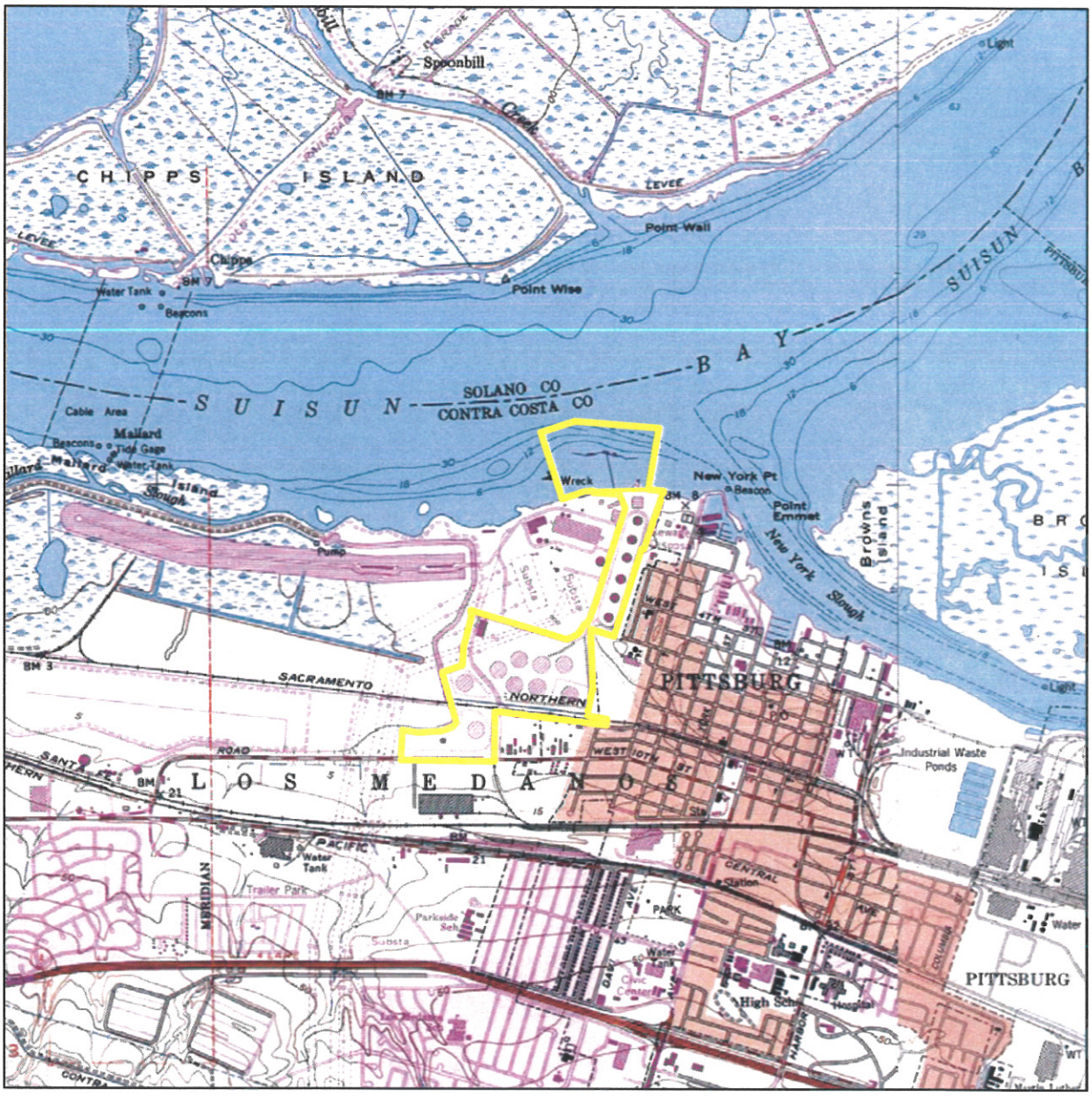
A scoping meeting open to the public will be held to receive public comments and suggestions on the project. At this meeting, staff will give a brief presentation of the EIR process and will take public comment on the proposed EIR. The scoping meeting will be open to the public and held at the following location:

DATE: July 22, 2015
TIME: 6:00 p.m.
LOCATION: Pittsburg City Hall, 65 Civic Avenue, Pittsburg, CA 94565

The purpose of the EIR is to provide information about potential significant physical environmental impacts of the proposed project, to identify possible ways to minimize those significant impacts, and to describe and analyze possible alternatives to the proposed project if potential significant impacts are identified. Preparation of an NOP or EIR does not indicate a decision by the City to approve or disapprove the project. However, prior to making any such decision, the City Council must review and consider the information contained in the EIR.

Written comments on the scope of the WesPac Pittsburg Energy Infrastructure Project and EIR are welcome. **Please submit comments by 5:00 p.m. on Friday, July 31, 2015**. Written comments should be sent to Kristin Pollot, Planning Manager, at 65 Civic Avenue, Pittsburg, CA 94565, or via email at kpollot@ci.pittsburg.ca.us, or via fax at 925-252-4814.

If you have any questions concerning the environmental review of the proposed project, please contact Kristin Pollot at (925) 252-6941; however, please note that comments on the Draft EIR cannot be accepted over the phone. To be considered during preparation of the EIR, comments must be received in writing by the deadline identified above.



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APPROXIMATE SCALE (MILES)

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SOURCE:
United States Geological Survey
7.5 Minute Topographic Map:
Honker Bay Quadrangle, California

LEGEND

APPROXIMATE SITE BOUNDARY

WesPac Energy-Pittsburg LLC

PROJECT LOCATION

WesPac Energy-Pittsburg Terminal
696 West 10th Street
Pittsburg, California

FIGURE 1

WesPac Energy–Pittsburg, LLC 686 West 10th Street Pittsburg, California	**PROPOSED PROJECT LAYOUT** WesPac Energy-Pittsburg Terminal 696 West 10th Street Pittsburg, California	PLOTTED BY: SPC	PROJECT NO: 4924–EX–004A
	FIGURE 2	SCALE: 1"=800'	DATE: 04/09/15