

California Environmental Quality Act (CEQA)

NOTICE OF DETERMINATION

**To: Contra Costa County
Clerk Recorder's Office
555 Escobar Street
Martinez, CA 94553**

**From: Bay Area Air Quality Management District
375 Beale St, Suite 600
San Francisco, CA 94105
Contact: Danny Nip, (415) 749-4706**

SUBJECT: FILING OF NOTICE OF DETERMINATION PURSUANT TO PUBLIC RESOURCES CODE SECTION 21152(A) AND CEQA GUIDELINES SECTION 15094.

Project Title: Martinez Refinery Renewable Fuels Project – Issuance of Authority to Construct (Application Number 30768)

Public Agency Approving Project (Lead Agency): Contra Costa County Conservation and Development

Project Applicant and Entity Carrying Out Project: Tesoro Refining & Marketing Company LLC, a wholly-owned subsidiary of Marathon Petroleum Corporation (collectively, "Marathon")

Project Applicant Contact Person: Sharon Lim, 150 Solano Way, Martinez, Contra Costa County, CA 94553, (925) 335-3467

Project Location: 150 Solano Way, Martinez, Contra Costa County, California 94553

Project Description:

The Bay Area Air Quality Management District (Air District) has issued an Authority to Construct/Certificate of Exemption for the sources below. The Authority to Construct authorizes Marathon to install new sources and modify existing permitted sources. All Air District source numbers are associated with Plant No. 14628, unless specified otherwise.

Air District Source No.	Source Description	Permit Action
Source 115	Bulk Plant (truck/rail)	Authority to Construct
Source 323	Tank A-323, Slop Oil, A14 Vapor Recovery	Authority to Construct
Source 598	Tank A-598, Renewable Naphtha	Authority to Construct
Source 601	Tank A-601, Recovered Oil, Gas Oil	Authority to Construct
Source 613	Tank A-613, Vapor Storage Tank, A14 Vapor Recovery	Authority to Construct
Source 621	Tank A-621, Intermediate HDO Product	Authority to Construct
Source 650	Tank A-650, Sour Waste Water	Authority to Construct
Source 651	Tank A-651, Oil/Water Mixture, Sour Waste Water	Authority to Construct
Source 652	Tank A-652, Renewable Naphtha	Authority to Construct
Source 656	Tank A-846, Foul Water Stripper Charge Tank, Sour Waste Water; A-12 Vapor Recovery, A-14 Vapor Recovery	Authority to Construct
Source 658	Tank A-847, Foul Water Stripper Charge Tank, Sour Waste Water, A-12 Vapor Recovery, A-14 Vapor Recovery	Authority to Construct
Source 692	Tank A-692, Gasoline, Renewable Naphtha Storage Tank	Authority to Construct
Source 695	Tank A-695, Renewable Naphtha	Authority to Construct
Source 699	Tank A-699, API Separator Recovered Oil; A-14 Vapor Recovery	Authority to Construct
Source 700	Tank A-700, API Separator Sludge	Authority to Construct
Source 819	API Oil-Water, Separator/Dissolved Nitrogen Flotation System; Abated by A-39 Thermal Oxidizer or A-14 Vapor Recovery	Authority to Construct
Source 830	Wastewater Surge Ponds	Authority to Construct
Source 831	Bio-Oxidation Pond, Open pond	Authority to Construct
Source 842	Wastewater Treatment Plant Clarifiers, filters, and granular activated carbon	Authority to Construct
Source 846	Diesel HDO Unit No. 3 (formerly No. 3 HDS Unit) Cooling Tower	Authority to Construct
Source 850	Diesel HDO Unit No. 3 (formerly No. 3 HDS Unit)	Authority to Construct
Source 854	East Air Flare	Authority to Construct
Source 919	No. 2 HDS Depent Reboiler (F19)	Authority to Construct
Source 920	No. 2 HDS Charge Heater (F20)	Authority to Construct
Source 928	HDN Reactor A Heater (F28)	Authority to Construct
Source 929	HDN Reactor B Heater (F29)	Authority to Construct
Source 930	HDN Reactor C Heater (F30)	Authority to Construct
Source 931	Hydrocracker Reactor 1 Heater (F31)	Authority to Construct
Source 932	Hydrocracker Reactor 2 Heater (F32)	Authority to Construct
Source 933	Hydrocracker Reactor 3 Heater (F33)	Authority to Construct
Source 934	Hydrocracker Stabilizer Reboiler (F34)	Authority to Construct
Source 937	Hydrogen Plant Heater (F37)	Authority to Construct
Source 944	North Steam Flare	Authority to Construct

Source 945	South Steam Flare	Authority to Construct
Source 973	No. 3 HDS Recycle Gas Heater (F55); Abated by A-31 SCR	Authority to Construct
Source 976	No. 5 Gas Plant Cooling Tower	Authority to Construct
Source 978	Foul Water Stripper Cooling Tower	Authority to Construct
Source 980	Diesel HDO Unit No. 1 and Diesel Isomerization Unit (formerly Hydrocracker) Cooling Tower	Authority to Construct
Source 982	Diesel HDO Unit No. 2 (formerly No. 2 HDS) Cooling Tower	Authority to Construct
Source 985	No. 1 Gas Plant Cooling Tower	Authority to Construct
Source 992	Emergency Flare	Authority to Construct
Source 1002	Propane Dryers (formerly No. 1 HDS Unit)	Authority to Construct
Source 1003	Diesel HDO Unit No. 2 (formerly No. 2 HDS Unit)	Authority to Construct
Source 1005	No. 1 Hydrogen Plant	Authority to Construct
Source 1007	Diesel Isomerization Unit (formerly 2nd Stage Hydrocracker Unit)	Authority to Construct
Source 1008	Diesel HDO Unit No. 1 (formerly 1st Stage Hydrocracker Unit)	Authority to Construct
Source 1012	West Air Flare	Authority to Construct
Source 1025	Bulk Plant; Bottom Loading Facilities, A-14 Vapor Recovery	Authority to Construct
Source 1026	DNF Effluent Air Stripper, Abated by A-39 Thermal Oxidizer	Authority to Construct
Source 1463	Tank A-867, Gas Oil, Renewable Feedstock	Authority to Construct
Source 1464	Tank A-868, Diesel, R100 Renewable Diesel Storage Tank	Authority to Construct
Source 1465	Tank A-869, Diesel, R100 Renewable Diesel Storage Tank	Authority to Construct
Source 1511	Hot Oil Heater #1 (F78), Abated by A-1511 SCR	Authority to Construct
Source 1512	Hot Oil Heater #2 (F79), Abated by A-1512 SCR	Authority to Construct
Source 1517	Coker Flare	Authority to Construct
Source 1526	No. 5 Gas Plant, Abated by A2001 H2S Adsorption Vessels	Authority to Construct
Source 1560	Avon Wharf Berth No. 1A, Marine Bulk Plant with A1560 Vapor Recovery System	Authority to Construct
Source 1564	Tank A-938 Avon Wharf Recovered Oil Tank, Berth 1A	Authority to Construct
Source 1600	Foul Water Strippers; Abated by A2002 H2S Adsorption Vessels and A2000 Sour Water Stripper Thermal Oxidizer	Authority to Construct
Source 2001	Stage 1 Wastewater Treatment Unit	Authority to Construct
Source 2003	DAF Unit	Authority to Construct
Source 2010	Tank A-876, Stage 1 WWTP, Equalization Tank (formerly S-1496)	Authority to Construct
Source 2013	Tank A-432, Moving Bed Biofilm Reactor (formerly S-432)	Authority to Construct
Source 2023	Tank TK-1044, Polymer Storage Tank	Authority to Construct
Source 2025	Pretreatment Unit	Authority to Construct
Abatement 2000	Sour Water Stripper Off-Gas Thermal Oxidizer	Authority to Construct
Abatement 2001	H2S Adsorption Vessels #1 (No. 5 Gas Plant)	Authority to Construct
Abatement 2002	H2S Adsorption Vessels #2 (Sour Water Stripper)	Authority to Construct
Source 19 (Plant #21200)	B19 Tank (from Plant #14629), Renewable Diesel Storage Tank	Authority to Construct
Source 21 (Plant #21200)	Tank B-21 (from Plant #14629), Renewable Diesel Storage Tank	Authority to Construct
Source 126	LPG Truck Loading Rack	Certificate of Exemption
Source 127	LPG Tank Car Loading Rack	Certificate of Exemption
Source 517	Tank A-517, Renewable Feedstock (Clean)	Certificate of Exemption
Source 620	Tank A-620, Renewable Feedstock (Raw)	Certificate of Exemption
Source 622	Tank A-622, R100 Renewable Diesel Storage Tank	Certificate of Exemption
Source 648	Tank A-648, Renewable Propane Tank	Certificate of Exemption
Source 649	Tank A-649, Renewable Propane Tank	Certificate of Exemption
Source 666	Tank A-666, Renewable Propane Tank	Certificate of Exemption
Source 667	Tank A-667, Renewable Propane Tank	Certificate of Exemption
Source 668	Tank A-668, Renewable Propane Tank	Certificate of Exemption
Source 669	Tank A-669, Renewable Propane Tank	Certificate of Exemption
Source 670	Tank A-670, Renewable Propane Tank	Certificate of Exemption
Source 873	Tank A-895, Renewable Feedstock (Raw)	Certificate of Exemption
Source 1468	Tank A-877, Spent Sulfidic Caustic	Certificate of Exemption
Source 1554	Tank A-943, Renewable Feedstock (Clean)	Certificate of Exemption
Source 2002	Tank TK-1048, Antifoam Tank	Certificate of Exemption
Source 2004	Tank TK-845, Sodium Hypochlorite Tank	Certificate of Exemption
Source 2005	Tank MTK-10162, Demulsifier Tank	Certificate of Exemption

Source 2006	Tank TK-958, Fresh Caustic Storage Tank	Certificate of Exemption
Source 2007	Tank A-905, R99 Renewable Diesel Storage Tank	Certificate of Exemption
Source 2008	Tank A-933, R99 Renewable Diesel Storage Tank	Certificate of Exemption
Source 2009	Renewable Feedstock Unloading Rack	Certificate of Exemption
Source 2011	Tank A-981, Fossil Diesel Storage Tank	Certificate of Exemption
Source 2012	Tank A-961, Fossil Diesel Storage Tank	Certificate of Exemption
Source 2014	Sodium Sulfide Tank No. 1	Certificate of Exemption
Source 2015	Sodium Sulfide Tank No. 2	Certificate of Exemption
Source 2016	Neutralization Tank T-796, FRT	Certificate of Exemption
Source 2017	Neutralization Tank T-797, FRT	Certificate of Exemption
Source 2018	Tank TK-1036, Sulfuric Acid Tank	Certificate of Exemption
Source 2019	Tank TK-10193, Coagulant Tank	Certificate of Exemption
Source 2022	Tank TK-10198, Urea Storage Tank	Certificate of Exemption
Source 2024	Tank TK-1035, Phosphoric Acid Tank	Certificate of Exemption
Source 2026	Tank NV-406, Weak Acid Tank Storage Tank	Certificate of Exemption
Source 2028	Tank A-932, FRT, R99 Renewable Diesel Storage Tank	Certificate of Exemption
Source 55 (Plant #14629)	Amorco Terminal	Certificate of Exemption

On November 1, 2020, Tesoro Refining & Marketing Company LLC, an indirect, wholly owned subsidiary of Marathon Petroleum Corporation, submitted an application for a Land Use Permit to implement the Martinez Refinery Renewable Fuels Project (**Project, County Permit No. CDLP20-02046 and CEQA State Clearinghouse Number 2021020289**). The permit would allow the conversion of Marathon's Martinez Refinery facility from the processing of crude oil, to the processing of renewable feedstocks. The renewable feedstocks are expected to include biological based oils (i.e. soybean oil and corn oil), rendered fats, and other miscellaneous renewable feedstocks including used cooking oils or other vegetable oils. The feedstocks would be processed into renewable diesel, naphtha, propane and treated fuel gas.

Notice of Determination:

Contra Costa County has plenary land use authority over this Project and is the Lead Agency under the California Environmental Quality Act (CEQA) for this project. Contra Costa County has prepared an Environmental Impact Report (EIR) for the Project. On February 17, 2021, the County released a Notice of Preparation and held a scoping meeting on March 15, 2021. On October 14, 2021, the County posted a Notice of Availability for the Draft Environmental Impact Report (DEIR). The comment period began on October 18, 2021 and was extended to December 17, 2021. The Air District submitted comments on the DEIR, including recommendations to improve the efficacy and enforceability of Mitigation Measures AQ-1 and AQ-2, which were accepted by the Contra Costa County. The Final EIR was presented to the County Planning Commission for adoption on March 23, 2022 and was appealed. The Final EIR was certified by the Contra Costa Board of Supervisors on May 3, 2022 pursuant to the provisions of CEQA. The EIR identified certain potentially significant environmental impacts that could occur as a result of the Project. The Final EIR and associated documents for the Project are available to the general public for review at the Contra Costa County Community Development Department, 651 Pine Street, 4th Floor, North Wing, Martinez, CA, 94553, or online at <https://www.contracosta.ca.gov/7961/Martinez-Refinery-Renewable-Fuels-Projec>.

This is to certify that the Air District has reviewed and considered Contra Costa County's EIR, incorporated the EIR's analysis into its decision-making process, and found, pursuant to CEQA Guidelines Section 15091, that, for each of the impacts identified in the Final EIR, changes or alterations have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the Final EIR to the extent feasible. In issuing the current Authority to Construct/Certificate of Exemption, the Air District reviewed and considered Contra Costa County's EIR for the Project pursuant to CEQA and based on the EIR has made its own findings regarding the project as required by CEQA. The Air District found that certain significant environmental impacts could occur as a result of the Project. For each such impact: (i) changes or alterations have been required in and/or incorporated into the Project which avoid or substantially lessen the significant impacts; (ii) changes or alterations within the responsibility and jurisdiction of other public agencies have been (or can and should be) adopted by such other agencies; and/or (iii) there are specific economic, legal, social, technological, and other considerations that make it infeasible to impose mitigation measures or alternatives addressed in the Final EIR. In approving the Conditional Use Permit for this Project, Contra Costa County adopted mitigation measures as a condition of the approval and adopted a Mitigation Monitoring and Reporting Program. However, potentially significant and unavoidable impacts remain after mitigation. The Air District has determined that the significant and unavoidable adverse impacts of the Project as documented in the Final EIR are acceptable in light of the specific economic, legal, social, technological and other benefits of the project, which outweigh the significant and unavoidable adverse impacts. The Air District bases this conclusion about the Project's overriding considerations on the evidence and analysis provided in the County's Final EIR and its detailing of the Project's benefits in the County's Statement of Overriding Considerations, and on the Air District's own analysis of the Project and its impacts and benefits.

The Air District made findings and adopted a Statement of Overriding Considerations for the Project pursuant to CEQA Guidelines Sections 15091, 15093, and 15096. The Air District's CEQA Findings, Supporting Facts and Statement of Overriding Considerations is attached to this Notice of Determination. The Air District record of project approval is available for review at the Air District's offices at 375 Beale Street, Suite 600, San Francisco, CA, 94105. (District Permit Application Number: 30768).

Pamela J. Leong
Director of Engineering
Bay Area Air Quality Management District

Date

**TESORO REFINING & MARKETING COMPANY LLC, A WHOLLY-
OWNED SUBSIDIARY OF MARATHON PETROLEUM CORPORATION**

MARTINEZ REFINERY RENEWABLE FUELS PROJECT

**BAAQMD CEQA FINDINGS, SUPPORTING FACTS AND
STATEMENT OF OVERRIDING CONSIDERATIONS**

The County of Contra Costa (County) acted as Lead Agency under the California Environmental Quality Act (CEQA) for Tesoro Refining & Marketing Company's (Marathon)' s proposed Martinez Refinery Renewable Fuels Project, County Permit No. CDLP20-02046 and CEQA State Clearinghouse Number 2021020289 (Project). As a responsible agency under CEQA, the Bay Area Air Quality Management District (Air District) participated in the EIR process and has closely reviewed and relies on the County's Final EIR. Marathon has submitted Application #30768 to the Air District for an Authority to Construct/Permit to Operate the Project.

PROJECT DESCRIPTION

The permit would allow the conversion of Marathon's Martinez Refinery facility from the processing of crude oil, to the processing of renewable feedstocks. The renewable feedstocks are expected to include biological based oils (i.e. soybean oil and corn oil), rendered fats, and other miscellaneous renewable feedstocks including used cooking oils or other vegetable oils. The feedstocks would be processed into renewable diesel, renewable naphtha, renewable propane and treated fuel gas.

The conversion would include modifications to existing processing units, the installation of new units, and removal of obsolete units. New facilities include a renewable feedstock pretreatment unit, wastewater treatment equipment, and an advanced three-stage low-NOx thermal oxidizer. Removed equipment would include a crude unit, gasoline hydrotreater, alkylation unit, fluidized catalytic cracking unit, reformers, delayed coker, steam boilers, and other units.

Refinery feedstocks and products are to be transported to and from the refinery using trucks, rail, marine vessel, and pipeline. Most of the existing truck traffic hauls petroleum coke and transportation fuels. Truck traffic following the renewable fuels conversion is expected to remain about the same, where petroleum coke trucks would be replaced with renewable diesel product. Existing rail traffic at the refinery averages about 13 railcars per day with a peak of 27 railcars per day. The renewable fuels project would utilize existing railcar loading racks. Initially, rail traffic would not substantially change. Depending on still undetermined future transportation and logistical plans, rail traffic could increase to over 50 cars per day. The refinery uses two marine terminals for materials shipping and receipt, the Avon and Amorco Marine Terminals. Under the Project, the Avon Marine Terminal would be converted from distribution only to both receiving feedstocks and receipt and distribution of products. The Amorco Marine Terminal would be converted from receiving crude to distributing renewable diesel products. The two marine terminals currently handle approximately 210 ships per year. Under the Project, the two marine terminals are expected to handle approximately 400 ships per year. The majority of the renewable feedstock is expected to be delivered in smaller barges with capacities of 25,000 to 50,000 barrels per vessel, thus resulting in a higher number of smaller marine vessels calling at the marine terminals.

The changes to the two terminals would require amendments to the lease agreements between Marathon and the State Lands Commission (SLC). Any significant change, modification, or re-design to the built facilities (i.e., structural, mooring, fire, piping/pipelines, mechanical or electrical systems) at the Amorco and Avon Terminals, as well as pending and routine compliance issues, will be subject to the Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS) and require SLC review.

Outside the refinery's conversion to feedstock refinement, many of the facility's other operations, including the receipt, storage, and shipment of petroleum-based transportation fuels, would continue, with some modification of existing equipment.

The following timeline illustrates the land use permit application's progress from preparation of the initial draft EIR to present:

- September 2000 - Marathon submitted its land use permit application to the County.
- February 17, 2021 - The County released a Notice of Preparation.
- March 15, 2021 – The County held a scoping meeting.
- October 14, 2021 - The County posted and circulated a Notice of Availability for the Draft Environmental Impact Report (DEIR). The comment period began on October 18, 2021 and was extended to December 17, 2021.
- December 17, 2021 - The Air District submitted written comments on the DEIR.
- From December 2021 to March 2022 – Comments were reviewed and responded to by the County.
- March 23, 2022 - The Final EIR was presented to the County Planning Commission for adoption and was appealed.
- May 3, 2022 – The Final EIR was presented to the County Board of Supervisors for adoption. The Board of Supervisors unanimously approved the project at their May 3, 2022 hearing.

AIR DISTRICT CEQA FINDINGS AND SUPPORTING FACTS

In accordance with Air District Rules and Regulations and CEQA, the Air District has reviewed and considered the Final EIR prepared and certified by Lead Agency the County of Contra Costa and has incorporated the Final EIR's analysis into its decision-making process. The Final EIR consists of the Draft EIR, Comments Received, Responses to Comments, Revisions to the Draft EIR, and all documents and analyses attached thereto or referenced therein. All contents of the Final EIR are incorporated herein by reference. All impacts of the Project are discussed in great detail in the Final EIR. Also incorporated herein by reference is the Air District's file on Marathon's application for an Authority to Construct from the Air District for the Project, including all supporting information submitted by Marathon, comments received and analysis completed by the Air District. The Board of Supervisors unanimously approved the project at their May 3, 2022 hearing.

The Final EIR concluded that there would be certain significant impacts in four impact areas - Air Quality, Biological Resources, Cultural and Tribal Cultural Resources, and Geology and Soils, - that could be mitigated to below the level of significance. A detailed CEQA Mitigation and Monitoring Plan was adopted by the County and incorporated into the Project's Final Conditions of Approval (Conditions of Approval).

The Final EIR concluded that there would be additional significant and unavoidable impacts in 3 areas - Air Quality, Biological Resources, and Hydrology/Water Quality, but the County found that there were overriding considerations related to the benefits of the Project that outweighed these significant and unavoidable impacts. The County made findings based on the Final EIR that all significant impacts had been eliminated or substantially lessened where feasible, and that any remaining significant impacts were unavoidable and acceptable due to the overriding considerations. The County therefore adopted CEQA Findings and a Statement of Overriding Considerations and approved the Project.

After a careful review of the record and its own analysis, the Air District makes the following findings as required by Section 21081 of CEQA and Section 15091 of the CEQA Guidelines.

First, the Air District finds that neither recirculation of the Final EIR nor a preparation of a subsequent/supplemental EIR is required for the Project, as (1) no substantial changes have been proposed in the Project which will require major revisions of the Final EIR due to new significant environmental effects or a substantial increase in the severity of effects; (2) no substantial changes have or will occur with respect to the circumstances under which the project is undertaken which will require major revisions of the Final EIR; and (3) no new information that was not known at the time the Final EIR was prepared is present showing there will be additional significant effects not discussed in the Final EIR, an increase in the severity of significant effects, mitigation measures /alternatives are feasible that were previously found infeasible, and/or mitigation measures /alternatives are available that Marathon declines to adopt.

The Air District also finds based on a careful review and analysis of the County's Final EIR and Conditions of Approval and its own analysis and independent judgment that the Project will have certain impacts that are less than significant as documented in the Final EIR, certain impacts that are significant but have been mitigated to below the level of significance through the Conditions of Approval, and certain other impacts that are significant and unavoidable - namely certain Air Quality, Biological Resources, and Hydrology/Water Quality impacts, as documented in the Final EIR.

Appendix M - Air District's CEQA Findings, Supporting Facts and Statement of Overriding Considerations and Notice of Determination
All Air Quality impacts are discussed below. Significant impacts found in impact areas other than air quality are addressed following the Air Quality discussion.

Findings Regarding Air Quality Impacts

The following discussion summarizes the air quality related impacts identified in the Final EIR and during the Air District's review of the CEQA documents and air permit application and presents facts to support the Air District's findings.

Impact 1: Construction emissions or health risk below the thresholds of significance identified in the BAAQMD CEQA Guidelines

The impact of construction emissions is less than significant before mitigation. The impact will be further reduced with implementation of Basic Construction Measures described in BAAQMD's CEQA Air Quality Guidelines (BAAQMD 2017) and Best Management Practices (BMP) described below.

The BAAQMD Basic Construction Measures in Mitigation Measure AQ-1a and the best management practices for construction activities in AQ-1b will ensure that the impact is further reduced. In the December 17, 2021 comment letter, the Air District requested that the County add best practices in Mitigation Measure AQ-1 and the County added them. In addition, the BAAQMD commented during meetings with the County staff to add a few Basic Construction Measures to memorialize Regulation 6, Rule 6 standards and improve the enforceability of the list of Basic Construction Measures in AQ-1a. The County Planning Commission added all of the Air District's suggestions to the land use permit conditions. As specified in the EIR, construction-related PM₁₀ emissions would be mitigated by implementing dust control measures specified by Air District CEQA guidelines and short-term exhaust emissions from construction-related equipment would be mitigated through the EIR's operational limits. The Air District finds that changes or alterations have been required in and/or incorporated into the Project to mitigate or avoid these impacts and have been adopted by the County. Thus, the Air District finds that impacts related to project construction emissions as mitigated with Mitigation Measure AQ-1a and AQ-1b would be **less-than- significant**.

Impact 2: Operations emissions in excess of the thresholds of significance identified in the CEQA Guidelines

As shown in the DEIR analysis starting on Page 3.3-34 of the DEIR, the Project would result in emission reductions of all criteria pollutants from both stationary and mobile sources. Emissions from the Project would be below the BAAQMD CEQA significance thresholds and there would be no impact on localized CO concentrations. As the DEIR noted, however, NOx emissions from rail traffic in Placer County and marine vessels in the San Joaquin Valley Air Pollution Control District would exceed significance thresholds. Therefore, the DEIR concludes that the impact would be **significant and unavoidable**. The Air District finds that impacts related to the NOx emissions from rail and marine vessels are thoroughly analyzed in the DEIR. On page 3.3-38 of the DEIR, the County explains its considerations: "The NOx emissions from marine vessels (tugs and barges) and rail traffic in the SJVAPCD region are estimated to be 27.06 tpy which would exceed the SJVAPCD CEQA threshold of 10 tpy, with a majority (26.3 tpy) from marine vessels. Emissions of other pollutants would be below their respective significance thresholds (refer to Table B-9b, Appendix B of the Air Quality and GHG Technical Analysis [ALG and Barr 2021a]). The NOx emissions would be further reduced with implementation of CARB's Commercial Harbor Craft regulation (CARB 2021). This regulation would take effect beginning in 2023 and will require harbor craft engines to meet Tier 3 or Tier 4 standards. As shown in Table 3.3-16, the overall project will decrease NOx emissions by over 500 tpy. The majority of the emission reductions would take place in the BAAQMD. However, it is well known that Bay Area emissions are transported to the San Joaquin Valley and contribute to air quality standard violations in that region (CARB 2001). Therefore, a substantial reduction in NOx emissions in the Bay Area would have a positive effect on air quality in the San Joaquin Valley." The Air District agrees that the Project would result in significant emission reductions overall as presented in the DEIR, but finds that NOx emissions from rail traffic in Placer County and marine vessels in the San Joaquin Valley Air Pollution Control District would be **significant and unavoidable**. The Air District has no authority over air pollution emissions within the Placer County or San Joaquin Valley Air District and thus it is not feasible for the Air District to require further mitigation of these emissions.

Impact 3: Health risk from Project operations in excess of the thresholds of significance identified in the BAAQMD CEQA Guidelines

As explained in the DEIR starting on Page 3.3-39, the health risk from Project operations is less than significant and no mitigation is required. The Air District provided comments on the DEIR's health risk assessment and

Appendix M - Air District's CEQA Findings, Supporting Facts and Statement of Overriding Considerations and Notice of Determination those comments have been addressed by the County in the FEIR. Therefore, the Air District finds that impacts to health risk from Project operations are **less than significant**.

Impact 4: Cumulative criteria pollutant health risk in excess of the thresholds of significance identified in the BAAQMD CEQA Guidelines

The DEIR has analyzed the cumulative health risks starting on Page 3.3-39 of the DEIR and has determined that these impacts are **Significant and Unavoidable**. While the Project itself results in a net decrease in health risk from criteria pollutant emissions, the existing area already suffers from high PM2.5 emissions (in large part from mobile emissions from nearby highways, and emissions from a local cement and aggregate materials handling facility) that impact health risk and create a significant and unavoidable impact. Additional PM2.5 emissions reductions from non-Project sources would be required to reduce PM2.5 concentrations to below the significance threshold. Reductions from other sources are outside the purview of this Project; therefore, the Air District finds that mitigation of this impact is infeasible and the impact on cumulative PM2.5 concentration is **Significant and Unavoidable**.

Impact 5: Creation of objectionable odors

In the Air District's December 17, 2021 comment letter to the County, the Air District expressed concerns with the DEIR's description of the potential impacts due to the creation of objectionable odors. In particular, there was a lack of details provided on the proposed Odor Management Plan. Subsequent discussions with the County led to the Odor Management Plan being renamed to the Odor Prevention Management Plan. Technical staff from the Air District's Compliance & Enforcement Division and Engineering Division met with the County staff to discuss and incorporate important modifications to Mitigation Measure AQ-2 that would help to address the Air District's concerns, including requiring that the County and Air District coordinate on the review/creation of the Odor Prevention Management Plan (OPMP). This will ensure that the Air District's expertise in air pollution matters is utilized in the development of the OPMP. With these changes, the Air District agrees with the EIR's determination and finds that the Project's creation of objectionable odors are **potentially significant, but would be less than significant with the implementation of Mitigation Measure AQ-2**. Mitigation Measure AQ-2 will require the Air District's technical staff and the County staff to work together to ensure that the necessary details, actions, and procedures are incorporated into the OPMP to address potential compliance and enforcement issues.

Impact 6: Conflict with or Obstruct Implementation of an Applicable Air Quality Plan

As explained in the DEIR starting on Page 3.3-42, the County describes why these impacts are **less than significant**. The Air District agrees and finds that the Project will not conflict with or obstruct implementation of an application air quality plan; this impact is **less than significant**.

Findings Regarding Impacts other than Air Quality

The Air District also finds and determines that, with regard to the Final EIR's identified environmental impacts other than Air Quality, as detailed in Table ES-1 of the DEIR found at: <https://www.contracosta.ca.gov/DocumentCenter/View/72957/Martinez-Refinery-Renewable-Fuels-DEIR-Vol-1-Complete-DEIR> and fully incorporated herein, (i) changes or alterations have been required in and/or incorporated into the project to mitigate or avoid these significant impacts; (ii) any changes or alterations within the responsibility and jurisdiction of other public agencies have been (or should be) adopted by such other agencies; and/or (iii) there are specific economic, legal, social, technological, and other considerations that make it infeasible to impose other mitigation measures or alternatives addressed in the Final EIR or otherwise. All Mitigation Measures adopted by the County have been incorporated into the Project's Conditions of Approval and are described thoroughly in the Final EIR, incorporated herein. The Air District does not have any authority over these non-air quality related impacts and thus cannot impose any further mitigation measures.

The Air District further finds that there are no feasible alternatives to the Project that would lessen its environmental impacts. The Air District finds that all significant impacts have been eliminated or substantially lessened where feasible, and that any remaining significant impacts are unavoidable and acceptable due to the overriding considerations discussed below. The Air District bases these findings on the evidence and analysis provided in the County's Final EIR and on its own independent analysis of those documents and the Project.

STATEMENT OF OVERRIDING CONSIDERATIONS

The Air District has reviewed the County's Statement of Overriding Considerations. The County acknowledged

Appendix M - Air District's CEQA Findings, Supporting Facts and Statement of Overriding Considerations and Notice of Determination that the Project would have several significant environmental impacts that cannot be mitigated to a level of less than significant. These impacts include (1) Air Quality, (2) Biological Resources, and (3) Hydrology/Water Quality. The County carefully studied all of these impacts and mitigated them to the fullest extent feasible. As discussed above, the Air District has no authority to further mitigate the significant Air Quality impacts that may result from the Project because (with regard to impact area AQ-2) these impacts occur outside of the San Francisco Bay Area air basin; and (with regard to impact area AQ-4) these impacts do not result from the Project but rather result from preexisting cumulative conditions that are in fact improved by the Project. The Air District thus finds that, if further mitigation is possible, any changes or alterations within the responsibility and jurisdiction of other public agencies should be adopted by such other agencies. The Air District does not have any authority over impacts 2 and 3, but finds that, if further mitigation is possible, any changes or alterations within the responsibility and jurisdiction of other public agencies should be adopted by such other agencies.

The County also explained the benefits of the Project, which the Air District recognizes. These include producing renewable fuels; eliminating the refining of crude oil at the Martinez Refinery while creating high quality jobs; providing renewable fuels to allow California to achieve significant progress towards meeting its renewable energy goals; producing renewable fuels that significantly reduce the lifecycle generation of greenhouse gas emissions, as well as other criteria pollutants including particulate matter; reducing emissions from mobile sources by providing cleaner burning fuels; repurposing/reusing existing critical infrastructure, to the extent feasible.

Project benefits related to greenhouse gas emissions are described starting in Section 3.8 Greenhouse Gas Emissions starting on Page 3.8-18 of the DEIR, "The change in feedstock could result in lower emissions from the wastewater treatment plant. However, information on the impact is not readily available and potential emission reductions were not included in this analysis. With the exception of GHG emissions from the hydrogen plant, there would be a decrease in GHG emissions from existing emission units at the Refinery and MOTs. Post-project GHG emissions from on-site new and existing sources would be less than pre-project emissions. There would be an increase in emissions from off-site stationary sources within the BAAQMD jurisdiction. The Project would result in an overall decrease in electricity, natural gas and water consumption as well as waste generation. Therefore, indirect GHG emissions will also be reduced. Because there would be a decrease in both direct emissions and mobile source emissions, additional reductions in indirect emissions from these sources were not quantified."

The Air District finds and determines that (i) changes or alterations have been required in and/or incorporated into the project to mitigate or avoid the significant impacts; (ii) any changes or alterations within the responsibility and jurisdiction of other public agencies have been (or should be) adopted by such other agencies; and/or (iii) there are specific economic, legal, social, technological, and other considerations that make it infeasible to impose other mitigation measures or alternatives addressed in the Final EIR.

The Air District has determined that the significant and unavoidable adverse impacts of the Project as documented in the Final EIR are acceptable in light of the specific economic, legal, social, technological and other benefits of the project, which outweigh the significant and unavoidable adverse impacts. The Air District bases this conclusion about the Project's overriding considerations on the evidence and analysis provided in the County's Final EIR and its detailing of the Project's benefits related to the County's Statement of Overriding Considerations, and on the Air District's own analysis of the Project and its impacts and benefits.

The Air District will issue a Notice of Determination regarding the Air District's consideration of CEQA issues concurrently with the issuance of the Authority to Construct for the Project (BAAQMD Permit Application Number 30768). The Air District will provide notice to the public regarding this Notice of Determination in accordance with the requirements of CEQA.

The documents and other materials that constitute the record of proceedings upon which this decision is based are available to the general public at the BAAQMD offices, 375 Beale Street, San Francisco, CA 94105. Also, the County has posted the Project EIR at: <https://www.contracosta.ca.gov/7961/Martinez-Refinery-Renewable-Fuels-Projec>

Pamela J. Leong
Director of Engineering
Bay Area Air Quality Management District

Date