

1.0 INTRODUCTION

1 The California State Lands Commission (CSLC) has prepared this Environmental
2 Impact Report (EIR) pursuant to the California Environmental Quality Act (CEQA) and
3 State CEQA Guidelines,¹ to provide the public, and responsible and trustee agencies,
4 with information about the potential environmental effects of the proposed Amorco
5 Marine Oil Terminal Lease Consideration Project (Project). The CSLC is the CEQA lead
6 agency for the Project because Tesoro Refining and Marketing Company, LLC (Tesoro)
7 has applied to the CSLC for a new 30-year lease of sovereign land to continue
8 operations at the Amorco Marine Oil Terminal (Amorco Terminal), a tanker petroleum
9 unloading facility.

10 Although the Amorco Terminal is currently operating and no changes to the facility or its
11 operations are proposed, the CSLC has determined that the issuance of a 30-year
12 lease requires the preparation of an EIR because, among other potentially significant
13 impacts, there are inherent risks to the public health, and safety and the environment at
14 any facility where crude oil is routinely transferred over water.

15 This section provides a brief introduction to the Amorco Terminal and Project study
16 area, introduces the Applicant's Project objective, and summarizes the environmental
17 review process for this Project. For a detailed description of the proposed Project,
18 including existing conditions and operations, see Section 2.0, Project Description.

19 1.1 PROJECT LOCATION AND BACKGROUND

20 The Amorco Terminal and its associated Golden Eagle Refinery (Refinery) have
21 operated at their current locations, offshore and onshore within the city of Martinez,
22 Contra Costa County, since 1923 and 1913, respectively (see Figure ES-1). The
23 existing Amorco Terminal is located on an approximately 16.6-acre parcel of sovereign
24 land in the Carquinez Strait, approximately 0.25 mile west of the Benicia-Martinez
25 Bridge. The proposed 30-year lease request for continued operation of the Amorco
26 Terminal includes a reduced parcel size, changing from approximately 16.6 acres to
27 approximately 14.9 acres. The Refinery is located approximately 2.5 miles east of the
28 Amorco Terminal near Tesoro's Avon Marine Oil Terminal. Activities at these facilities
29 include the transfer and processing of crude oil and various hydrocarbon fuels.

30 The western portion of the existing Amorco wharf, approach trestle, and five dolphins
31 (Dolphins A-32, A-33, A-34, A-35, and A-36) was constructed in 1925 (see Section 2.0,
32 Project Description, for component descriptions and illustrations). The Amorco Terminal
33 was expanded in 1954 to include the eastern portion of the existing wharf, including the

¹ Public Resources Code section 21000 et seq. and California Code of Regulations, Title 14, section 15000 et seq., respectively.

1 main transfer operations platform dolphin (A-71), seven additional dolphins (A-68, A-69,
2 A-70, A-72, A-73, A-74, and A-75), as well as a pipeway and roadway. Five dolphins (A-
3 76, A-77, A-78, A-79, and A-80) were added in 1963, and three more dolphins (A-81, A-
4 82, and A-83) were added in 2001. Seismic structural strengthening and comprehensive
5 structural and non-structural improvements of the Amorco Terminal were completed
6 between 2008 and 2013.

7 On March 1, 1966, the CSLC authorized the issuance of Lease No. PRC 3453.1, a
8 General Lease-Industrial Use, to the Tidewater Oil Company for what is currently known
9 as the Amorco Terminal. Subsequently, several amendments and lease assignments
10 have been authorized to various operators. The CSLC issued the current lease in 1984
11 for a term of 25 years. In 2002, the CSLC authorized the assignment of this lease to
12 Ultamar, Inc., which shortly thereafter sold the Amorco Terminal to Tesoro. In 2003, the
13 CSLC authorized the assignment of the lease to Tesoro. The existing lease expired on
14 December 31, 2008 and Tesoro is presently in a “holdover” month-to-month tenancy.²

15 In its lease application, Tesoro has requested a new 30-year lease from the CSLC to
16 allow the Amorco Terminal to continue operations, which would enable the associated
17 Refinery to continue to receive petroleum products from tankers that dock at the
18 Amorco Terminal. With the exception of a reduced parcel size, no changes to the wharf
19 or Amorco Terminal operations are proposed. Operations at the Amorco Tank Farm,
20 located upland from the wharf, and Refinery are not under the CSLC’s jurisdiction, and
21 are addressed in this EIR as they pertain to Amorco Terminal operations or as Project
22 alternatives.

23 **1.2 PROJECT OBJECTIVE**

24 The Applicant has identified the following basic objective for the Project:

25 *To obtain a CSLC lease to continue operations at, and maintain the level of crude oil*
26 *feedstock imported through, the existing Amorco Terminal, thereby maintaining the*
27 *operation and viability of Tesoro’s associated Golden Eagle Refinery.*

28 **1.3 OVERVIEW OF THE ENVIRONMENTAL REVIEW PROCESS**

29 CEQA’s primary objectives are to:

- 30 • ensure that the significant environmental effects of proposed activities are
31 disclosed to decision makers and the public;
- 32 • identify ways to avoid or reduce environmental damage;

² Holdover status means that the Terminal is continuing to operate under the terms of its existing lease while a decision on a new lease is pending.

- 1 • prevent environmental damage by requiring implementation of feasible
2 alternatives and/or mitigation measures;
- 3 • make public the reasons for agency approval of projects with significant
4 environmental effects;
- 5 • foster interagency coordination in the review of projects; and
- 6 • enhance public participation in the planning process.

7 With certain limited exceptions, CEQA requires all State and local government agencies
8 to consider the environmental consequences of projects over which they have
9 discretionary authority before taking action on those projects. It establishes both
10 procedural and substantive requirements that agencies must satisfy to meet CEQA's
11 objectives. In accordance with these requirements, the CSLC, as the lead agency with
12 decision-making authority over Tesoro's Project, must first assess whether it would
13 result in significant environmental impacts. Because the CSLC determined, based on
14 Tesoro's lease application, that the Project could result in significant environmental
15 impacts, CEQA requires that the CSLC prepare an EIR analyzing both the proposed
16 Project and a reasonable range of potentially feasible alternatives. Other key
17 requirements include carrying out specific noticing and distribution steps to maximize
18 public involvement in the environmental review process and developing a plan for
19 implementing and monitoring the success of the identified mitigation measures.

20 The EIR is an informational document used in the planning and decision-making
21 process. It is not the purpose of an EIR to recommend either approval or denial of a
22 project. Consistent with CEQA requirements, the CSLC has engaged in a good-faith,
23 reasonable effort toward full public disclosure of the potential effects of Tesoro's Project.
24 Prior to a decision on whether and how to issue the lease requested by Tesoro, the
25 CSLC must certify that (State CEQA Guidelines § 15090, subd. (a)):

- 26 • the final EIR has been completed in compliance with CEQA;
- 27 • the final EIR was presented to the CSLC and the CSLC reviewed and considered
28 the information contained in the final EIR prior to approving the project; and
- 29 • the final EIR reflects the CSLC's independent judgment and analysis.

30 In addition to disclosing the environmental effects, CEQA requires that a lead agency
31 (1) avoid or reduce significant effects to the extent feasible (Pub. Resources Code §
32 21002) and (2) prepare written findings of fact for each significant environmental impact
33 identified in the document upon certification of the EIR and prior to approval of the
34 Project (State CEQA Guidelines § 15121, subd. (b)). The possible findings are (State
35 CEQA Guidelines § 15091, subd. (a)):

- 1 • changes or alterations have been required in, or incorporated into, the Project
2 which avoid or substantially reduce the significant environmental effect as
3 identified in the final EIR;
- 4 • such changes or alterations are within the responsibility and jurisdiction of
5 another public agency and not the CSLC. Such changes have been adopted by
6 such other agency or should be adopted by such other agency; or
- 7 • specific economic, legal, social, technological, or other considerations make
8 infeasible the mitigation measures or project alternatives identified in the final
9 EIR.

10 Under CEQA, if the CSLC finds that the above-specified considerations make identified
11 mitigation measures or alternatives infeasible, and as a result, implementation of the
12 Project would result in the occurrence of one or more significant effects, the CSLC
13 would only be allowed to approve the lease if it prepares a written statement that the
14 Project's environmental benefits (including economic, legal, social, technological, or
15 other region-wide or statewide benefits) outweigh the unavoidable adverse
16 environmental effects. This statement of "overriding considerations" must be supported
17 by the specific reasons and evidence in the record for making such a determination.

18 The State CEQA Guidelines indicate that the EIR should identify the ways in which the
19 lead and responsible agencies would use this document in the approval or permitting
20 processes. In addition to the lease from the CSLC, Tesoro may need to obtain other
21 permits or approvals to implement the Project. The following subsections summarize the
22 roles of the agencies and the public participation process for this EIR.

23 **1.3.1 Responsible and Coordinating Agencies/Permitting**

24 As noted above, the CSLC will use this EIR when exercising its jurisdictional
25 responsibilities on whether or how to approve Tesoro's lease application. In addition,
26 the CSLC's Marine Facilities Division has regulatory responsibility for the Marine Oil
27 Terminal Engineering and Maintenance Standards (MOTEMS), which became effective
28 on February 6, 2006, and are codified in California Code of Regulations, Title 24, Part 2,
29 California Building Code, Chapter 31F – Marine Oil Terminals (Cal. Code Regs., tit. 24,
30 § 3101F et seq.). These standards apply to all existing and new marine oil terminals in
31 California, and include criteria for inspection, structural analysis and design, mooring
32 and berthing, geotechnical considerations (a seismic and structural assessment based
33 on current seismic criteria), and analysis and review of the fire, piping, mechanical, and
34 electrical systems. MOTEMS require each terminal to conduct periodic audits and
35 inspections to determine its level of compliance and an evaluation of the continuing
36 fitness-for-purpose of the facility. Depending on the results, operators (such as Tesoro)
37 must then determine what actions are required, and provide Marine Facilities Division
38 staff with a schedule for implementation of deficiency corrections and/or rehabilitation.

1 As these future actions may include physical changes to the wharf and associated lease
 2 area, depending on the nature and extent of any such changes, additional discretionary
 3 review by the CSLC may be required. Such discretionary review may also trigger CEQA
 4 review of future actions.

5 The Project may also require permits and approvals from other local, State, federal,
 6 and/or regional reviewing authorities and regulatory agencies that may have oversight
 7 over aspects of the Project activities, including the agencies listed in Table 1-1.

8 **Table 1-1: Agencies with Potential Project Oversight**

Local and Regional	City of Martinez
	Contra Costa County
	Bay Area Air Quality Management District (BAAQMD)
State	California Department of Fish and Wildlife (CDFW), including Office of Spill Prevention and Response (OSPR)
	California Coastal Commission (CCC)
	California State Fire Marshal (CSFM)
	San Francisco Bay Conservation and Development Commission (BCDC)
	San Francisco Bay Regional Water Quality Control Board (RWQCB)
	State Water Resources Control Board (SWRCB)
Federal	National Oceanic and Atmospheric Administration (NOAA) National Marine Fisheries Service (NMFS)
	U.S. Army Corps of Engineers (USACE)
	U.S. Coast Guard (USCG)
	U.S. Environmental Protection Agency (USEPA)
	U.S. Fish and Wildlife Service (USFWS)

9 While permits could vary, requirements likely to apply to the Project include compliance
 10 with the following:

- 11 • All regulations under the authority of the Public Resources Code section 8750, et
 12 seq., USCG, and/or CSFM inspection requirements and regulations for a marine
 13 oil terminal operations manual;
- 14 • 33 Code of Federal Regulations (CFR), section 158: USCG Certificate of
 15 Adequacy as an oily waste reception facility;
- 16 • Government Code section 8670.28: OSPR and USEPA regulations and
 17 guidelines for oil spill response plans, including spill prevention, response
 18 planning, and response capability;
- 19 • California Marine Invasive Species Act of 2003, including subsequent
 20 amendments; and

- 1 • Federal, State, and local regulations and standards regarding air pollutant
2 emissions, including a BAAQMD Major Facility Review Permit.

3 Other requirements that might be triggered by dredging or other regulated Project
4 activities may include compliance with the following:

- 5 • Provisions of the federal and State Endangered Species Acts, including USFWS
6 and/or NMFS Section 7 Consultation;
- 7 • Federal and State protection of cultural, historical, and paleontological resources,
8 including State Historic Preservation Office Section 106 Permit;
- 9 • Federal Clean Water Act (CWA) stipulations regarding placement of fill materials
10 in jurisdictional waters of the United States, including USACE CWA Section 404
11 Permit and Rivers and Harbors Act Section 10 Permit;
- 12 • Compliance with SWRCB Section 401 Water Quality Certification and National
13 Pollutant Discharge Elimination System Permit requirements; and
- 14 • Compliance with the Dredge Material Management Office and the CSLC lease
15 agreement regarding dredging adjacent to the Project area.

16 Additional information on relevant regulations and likely compliance requirements for
17 various types of resources is presented in Section 4.0, Environmental Impact Analysis.

18 **1.3.2 Public Participation**

19 Opportunities for public involvement in the EIR process are summarized below.

20 **Scoping**

21 On May 10, 2012, pursuant to CEQA section 21080.4 and State CEQA Guidelines
22 section 15082, subdivision (a), the CSLC provided a Notice of Preparation (NOP) for the
23 proposed Project to responsible and trustee agencies and to other interested parties.
24 Through the NOP, the CSLC solicited both written and verbal comments on the EIR's
25 scope during a 30-day comment period and provided information on a forthcoming
26 public scoping meeting. On May 31, 2012, the CSLC staff held a public and agency
27 scoping meeting in the city of Martinez, California, to solicit verbal comments on the
28 scope of the EIR. No verbal comments were provided. Written comments were received
29 in response to the NOP from the following:

- 30 • Linda Scourtis, Coastal Planner, BCDC
- 31 • Scott Wilson, Acting Regional Manager, CDFW, Bay Delta Region; and
- 32 • Shane McAfee, General Manager, Greater Vallejo Recreation District.

1 Appendix A contains a copy of the NOP, mailing list, comment letters received, and an
 2 index indicating where the scoping comments are addressed in the EIR.

3 **Public Comment**

4 This EIR is being circulated to local, regional, federal, and State agencies; property
 5 owners and occupants adjacent to the proposed Project; and to other interested parties.
 6 Written comments may be submitted to the CSLC during a 45-day public review period.
 7 Verbal and written comments on this EIR will be accepted at a noticed public meeting
 8 (either noticed in this document or under separate cover). All comments received will be
 9 addressed in a finalizing addendum, which, together with this EIR, will constitute the
 10 Final EIR for the Project.

11 **EIR Information and Repository Sites**

12 Placing CEQA documents in “repository” sites in or near the Project area can be an
 13 effective way to provide ongoing information about a project to the public. This EIR is
 14 available for public review at the locations listed below and is also posted on the CSLC
 15 website (www.slc.ca.gov, under the “Information” tab and “CEQA Updates” link).

Martinez Library 740 Court Street Martinez, CA 94553 (925) 646-2898	CSLC, Marine Facilities Division 750 Alfred Noble Drive, Ste. 201 Hercules, CA 94547 (510) 741-4950	CSLC, Division of Environmental Planning and Management 100 Howe Avenue, Ste.100-South Sacramento, CA 95825 (916) 574-1310
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16 **1.4 PURPOSE AND SCOPE OF THE EIR**

17 **1.4.1 Study Area Boundary**

18 The scope of this EIR covers the environmental impacts associated with operation of
 19 the Amorco Terminal, with particular emphasis on oil transfer operations and vessel
 20 transit along shipping routes within San Francisco Bay and along the outer coast. This
 21 scope does not cover construction at, operation of, or maintenance to any associated
 22 Tesoro-owned upland facilities, including the Refinery and Amorco Tank Farm.

23 **1.4.2 Baseline and Future Conditions**

24 Baseline conditions are defined as the existing physical setting that may be affected by
 25 the Project (State CEQA Guidelines § 15125, subd. (a)). Specifically, baseline
 26 conditions are the local and regional physical environmental conditions in the Project
 27 vicinity, as they exist at the time the NOP was published (May 1, 2012), unless specified
 28 otherwise. This environmental setting will constitute the baseline physical conditions by
 29 which the CSLC will determine whether or not impacts from the proposed Project and

1 alternatives are significant. The impacts of the Project are defined as changes to the
2 environmental setting that are attributable to Project components or operations.

3 Future Conditions in the Project area include planned and approved projects. The
4 CEQA requires an EIR to discuss the cumulative impacts of a project when the project's
5 incremental effect is "cumulatively considerable" (State CEQA Guidelines § 15130). A
6 cumulative impact is an impact that is created through a combination of the project
7 being analyzed in the EIR and other projects in the area causing related impacts.
8 Section 3.0, Alternatives and Cumulative Projects, defines the applicable geographic
9 scope of the cumulative analysis ("Cumulative Projects Study Area"), and lists projects
10 to be included in the cumulative environment.

11 Because the Amorco Terminal is currently existing and operating, this EIR examines the
12 impact of continued Amorco Terminal operations on the environment during the
13 proposed 30-year lease period. A description of the existing environmental setting within
14 the Project area as it pertains to each physical resource analysis for potential impact is
15 included in Section 4.0, Environmental Impact Analysis.

16 **1.4.3 Impacts of Proposed Project and Summary of Alternatives Evaluated**

17 This EIR identifies the potential environmental impacts of the Project on the existing
18 environment and indicates if and how those impacts can be avoided or reduced by
19 mitigation measures and/or Project alternatives. This document is intended to provide
20 the CSLC with the information required to decide whether to issue the lease required to
21 continue operations at the Amorco Terminal. As described in more detail in Section 4.0,
22 Environmental Impact Analysis, and Section 6.0, Commercial and Sport Fisheries,
23 potentially significant environmental impacts or no significant impacts are anticipated for
24 the following resource areas.

<i>Potentially Significant Impacts</i>	<i>No Significant Impacts</i>
<ul style="list-style-type: none">• Operational Safety/Risk of Accidents• Biological Resources• Water Quality• Land Use and Recreation• Visual Resources, Light and Glare• Commercial and Sport Fisheries	<ul style="list-style-type: none">• Air Quality and Greenhouse Gas Emissions• Geology, Sediments, and Seismicity• Cultural Resources• Land-based Transportation• Noise

25 Pursuant to State CEQA Guidelines section 15126, subdivision (d), an EIR must also
26 describe and evaluate a reasonable range of alternatives that would feasibly attain most
27 of the Project's basic objectives, and, when feasible, would avoid or substantially lessen
28 any of the significant impacts of the Project as proposed. The State CEQA Guidelines
29 also state that the range of alternatives required to be evaluated in an EIR is governed
30 by the "rule of reason"—that is, an EIR needs to describe and evaluate only those

1 alternatives necessary to permit a reasoned choice and to foster informed decision
2 making and public participation. This EIR will be used by the CSLC in determining
3 whether to approve Tesoro's proposal for a new 30-year lease of State sovereign lands.

4 Following is a summary of the alternatives analyzed in this EIR. They are explained in
5 greater detail in Section 3.0, Alternatives and Cumulative Projects.

- 6 • **No Project Alternative.** Under the No Project Alternative, Tesoro's Amorco
7 lease would not be renewed and the existing Amorco Terminal would be
8 subsequently decommissioned. Tesoro may choose to pursue transitioning the
9 Avon Terminal (currently an export-only marine oil terminal) to absorb import
10 operations from the Amorco Terminal. They may also choose to pursue various
11 non-marine sources such as rail cars and trucks, and/or pipeline connections to
12 other San Francisco Bay Area Marine Oil Terminals or a combination thereof, in
13 order to meet regional refining demands. Pipeline delivery may require
14 construction of new pipelines and/or the purchase of existing pipeline capacity
15 from other local petroleum refinery competitors. The Refinery is part of the
16 greater San Francisco Bay Area refining industry, and the future demand for
17 crude oil at nearby refineries is not expected to decrease. This alternative
18 assumes Refinery operations would be dependent on crude oil receipts through
19 various other sources in order to meet regional refining demands.
- 20 • **Restricted Lease Taking Amorco Out of Service for Oil Transport.** Under
21 Alternative 2, Tesoro's Amorco Terminal lease would be renewed with
22 modification to restrict its allowed use. The existing Amorco Terminal would be
23 left in place, but taken out of service for any petroleum produce transfer. This
24 alternative also assumes Refinery operations would be dependent on crude oil
25 receipts through various other sources in order to meet regional refining
26 demands.

27 1.4.4 Organization of the EIR

28 In addition to this Introduction, the EIR contains the following sections:

- 29 • **Section 2.0 – Project Description** describes the proposed Project, its location
30 and facilities, an overview of its operation, and schedule;
- 31 • **Section 3.0 – Alternatives and Cumulative Projects** describes the alternatives
32 to the Project carried forward for analysis, the alternatives that were considered
33 but eliminated from detailed evaluation, and those projects considered during the
34 evaluation of cumulative impacts to the Project;
- 35 • **Section 4.0 – Environmental Impact Analysis** describes existing
36 environmental conditions within issue areas, Project-specific impacts and
37 associated mitigation measures, and includes impact analysis of Project
38 alternatives and cumulative impacts;

- 1 • **Section 5.0 – Other Required CEQA Sections** addresses other required CEQA
2 elements, including evaluation of growth-inducing impacts of the Project;
- 3 • **Section 6.0 – Commercial and Sport Fisheries** addresses impacts to these
4 resources;
- 5 • **Section 7.0 – Socioeconomics and Environmental Justice** describes existing
6 conditions and Project-related effects related to socioeconomics and
7 environmental justice;
- 8 • **Section 8.0 – Mitigation Monitoring and Reporting Program** provides a
9 tabular summary of all applicant-proposed measures and recommended
10 mitigation measures identified to avoid or reduce significant impacts, the
11 party(ies) responsible for tracking each mitigation measure, and how compliance
12 with the mitigation measure will be reported; and
- 13 • **Section 9.0 – List of Preparers and References** presents information on the
14 individuals who prepared the EIR and their qualifications and list of reference
15 materials used to prepare the report.

16 Information from relevant documents, including the Shell Martinez Marine Oil Terminal
17 Lease Consideration Project Final EIR (CSLC 2011a, State Clearinghouse [SCH] No.
18 2004072114) and the Shore³ Terminals LLC Martinez Marine Terminal Lease
19 Consideration Project Final EIR (CSLC 2012, SCH No. 2007112108), has been
20 referenced, as appropriate for the preparation of this EIR. Information from previous
21 EIRs pertinent to oil spill modeling has been reviewed for applicability to the Project.
22 The types of significant impacts that could occur from vessels transiting to and/or from
23 the Amorco Terminal in the San Francisco Bay and along the outer coast have
24 remained similar to impacts discussed in both the 2004 and 2011 analyses. Particularly
25 relevant are the data presented in the Shell Martinez Marine Oil Terminal Lease
26 Consideration Project EIR, as both the Shell and Tesoro facilities are located on the
27 Carquinez Strait, just west of the Benicia-Martinez Bridge, less than 0.5 mile from one
28 another (see Figure 2-1 of Section 2.0, Project Description). Other resource information
29 referenced has been reviewed for the age of data and validity to the current Project.
30 Where appropriate, these information sources have been included.

³ Formerly known as the Wickland Marine Oil Terminal, this marine oil terminal is currently known as the Shore Selby Marine Oil Terminal-Plains Products Terminals, LLC under current ownership titles by NuStar.