San Francisco Bay Conservation and Development Commission
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July 16, 2015

TO: Commissioners and Alternates

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SUBJECT: Revisions to Staff Recommendation on Permit Application No. 2014.006.00;

Tesoro Refining and Marketing Company LLC, Marine Oil Terminal Compliance Project, City of Martinez, Contra Costa County
(For Commission consideration on July 16, 2015)

Proposed Revisions

Since the mailing of the Staff Recommendation on July 10, 2015, the staff would like to make the following changes to the document. Added language is underlined, and deleted language has been ~~struck through~~, as shown below:

1. **Page 2, Section I.A.2 (Authorization)**

Berth 1A, Approachway, and Pipeway. Construct, use and maintain~~in-kind~~—except where the existing pipelines along the pipeway and the new pipelines at Berth 1A "tie-in" (i.e., are connected) at Bent 22A of the pipeway (see Special Condition II.J) —an approachway, and a pipeway trestle covering a total of approximately 60,595 square feet (1.39-acre) of Bay surface area with the following primary features: (a) an approximately 14,910-square-foot (0.34 acre) pile-supported concrete platform with infrastructure, including an above-deck pipeline system, a two-story operator control building, an approximately 75-foot-tall loading hose/boom tower, utilities, a marine vapor recovery "skid" system, a mooring line tension monitoring system, fire and smoke detectors, firewater monitors, pumps, and emergency shutdown valves, and seismic instrumentation; (b) an approximately 6,090-square-foot (0.14 acre) pile-supported trestle to support ~~existing~~ new pipelines, including an additional two-inch-diameter fire-fighting line; (c) an approximately 825-square-foot floating spill response boat dock with a pile-supported gangway; (d) two emergency egress vessel boat lifts covering a total of approximately 192 square feet; (e) an approximately one-half-mile-long, pile-supported approachway, including an approximately 4,000-square-foot vehicle parking area, and an adjoining trestle supporting pipelines covering a total of approximately 38,578 square feet (0.88 acre); and (f) associated steel pilings consisting of 12, 72-inch-diameter pilings; four, 48-inch-diameter pilings; 71, 36-inch-diameter pilings; 176, 30-inch-diameter pilings; and 135, 24-inch-diameter pilings, together displacing a total of approximately 1,125 cy of Bay volume;

2. **Page 7, Section II (Special Conditions)**

J. **Seismic Criteria and Engineering Review.** Prior to the commencement of any construction associated with the "tie-in" at Bent 22A of the pipeway where new pipelines from Berth 1A will meet and be coupled with existing pipelines of the pipeway, ~~By March 1, 2016,~~ the permittee shall submit a seismic displacement analysis of the pipeway trestle and associated pipelines to the Commission staff, which will distribute the analysis to the Commission's Engineering Criteria Review Board ("ECRB"). Within 45 days of staff receipt of the information, the permittee shall present the displacement analysis at an ECRB meeting after which the ECRB shall advise the Commission staff as to whether the analysis supports a finding that the pipeway will be operated in accord with sound safety standards. Subsequently, the permittee shall seek an amendment of this authorization to permit the construction, use and maintenance of the "tie-in" at Bent 22A of the pipeway where new pipelines from Berth 1A will meet and be coupled with existing pipelines on the pipeway. The Executive Director, acting on behalf of the Commission, will determine if the work, improvements, and uses associated with the "tie-in" constitute a material change to this authorization, and notify the Commission of his/her decision and the process for any additional action by or on behalf of the Commission. At no time prior to obtaining a permit amendment to authorize the "tie-in" at the area of Bent 22A of the pipeway where pipelines from Berth 1A will meet and be coupled with existing pipelines shall the permittee have authorization to construct, use or maintain this component of the project. ~~In the event that the information considered indicates that operation of the pipeway system would be consistent with the Commission's law and policies, based upon the advice of the ECRB, the Executive Director on behalf of the Commission will provide the permittee with written notification that pipeway and pipeline operation is authorized to proceed. In the event that the ECRB does not provide advice to support the sound operation of the pipeway, the Commission's Executive Director will inform the permittee that the pipeway system operation is not allowed until the matter is resolved. In the event that the permittee wishes to dispute the ECRB's advice, within 30 days of the ECRB meeting, the permittee may appeal the matter, including specific reasons for the appeal, to the Commission's Executive Director and, subsequently, the permittee, the Executive Director, and the Commission's Chairperson shall consult and resolve the dispute. If the dispute remains unresolved, the Commission's Executive Director and Chair shall refer the permittee's dispute to the full Commission for resolution.~~

K. **Abandonment**. If either (1) the Commission determines that the improvements in the Bay authorized herein have been abandoned for a period of two years or more and, as a result of abandonment, have deteriorated to the point that public health, safety or welfare is adversely affected, or (2) if the permit is not amended prior to August 1, 2017 to allow the "tie-in" at Bent 22A of the pipeway where new pipelines from Berth 1A will meet and be coupled with existing pipelines on the pipeway, the Commission may require the permittee, its assignees, successors in interest, or owner of the improvements, to remove abandoned, unused or unauthorized improvements within 180 days of notification or such other reasonable time as the Commission may direct.

3. **Page 18, Section III.B.5.d (Findings and Declarations, Sound Safety Standards, Seismic Criteria)**

Following the mailing of the Application Summary on July 2, 2015, Tesoro provided additional information on the analysis of the pipeway displacement in a seismic event ~~analysis~~. Members of ~~which~~ the ECRB reviewed the additional information and concluded that they were ~~it was~~ unable, at this time, to advise the Commission that the pipeway (trestle and ~~and, by association,~~ pipelines) would operate in accordance with sound safety standards. In an attempt to resolve the matter, the ECRB recommended to the Commission staff that "[c]onsidering that earthquake ground motions are expected to vary significantly along the length of the pipeline due to variations in thickness and seismic velocities of the soil layers at each [pipeline] anchor support," Tesoro should do the following: (1) develop site-specific earthquake ground-motion maximum displacement estimates for the locations of the anchor support systems; (2) use these site-specific ground-motion estimates to infer estimates of the maximum differential ground motion expected between the locations of the anchor supports; and (3) consider these differential ground motion displacements, based on a reasonable estimate of how they are transmitted concurrently over time into the various anchor support systems, in the evaluation of pipe stresses and the resultant design of the pipeline.

The Staff Recommendation mailed on July 10, 2015 included ~~Therefore,~~ Special Condition II.J~~II.L contained herein~~ require~~s~~ing the permittee, following permit issuance, to provide the ECRB with ~~the~~ additional information ~~such as noted above, within six months of permit issuance~~ analyzing ~~regarding~~ the pipeway's displacement in a seismic event ~~analysis and, thereby,~~ to facilitate the ECRB's analysis of the project and its ability to provide~~sion of~~ advice to the Commission, through the Executive Director, as to whether the operation of the facility authorized herein would be in accord with sound safety standards. However, upon reviewing the staff recommendation, the Attorney General's office advised the Commission staff that if it followed the proposed approach, the Commission would not have substantial evidence at the time for a vote to support a finding that the project is consistent with its laws and policies regarding safety of fills in the Bay.

The Staff Recommendation has been revised to address this concern. Section I.A.2 of the authorization is revised specifically to exclude the construction, use and maintenance of the "tie-in"– the coupling of the old and new pipelines at Bent 22A of the pipeway—until the permittee complies with Special Condition II.J, discussed as follows. Special Condition II.J is included to require the permittee to submit a displacement analysis of the pipeway for the ECRB's review at a meeting after which the ECRB will advise the Commission staff as to whether the analysis supports the operation of the pipeway in accord with sound safety standards. Subsequently, the special condition requires the permittee to seek an amendment to the subject permit to authorize the construction, use and maintenance of the "tie-in" at Bent 22A of the pipeway where pipelines from Berth 1A will meet and be coupled with

existing pipelines. Further, based on the displacement analysis, the ECRB's advice and any other relevant evidence, the Executive Director will determine if the requested work, improvements, and use would constitute a material change to the project authorized in the permit and will notify the Commission of his/her determination. Additionally, Special Condition II.K regarding abandonment has been moved from the Standard Conditions Section IV of the Recommendation to highlight the importance of the permittee's responsibility to remove any structures that may be abandoned in the event the structures fall into a state of disuse or disrepair, or do not receive required authorization from the Commission.

4. **Page 23, Section IV (Standard Conditions)**

~~P. **Abandonment**. If, at any time, the Commission determines that the improvements in the Bay authorized herein have been abandoned for a period of two years or more, or have deteriorated to the point that public health, safety or welfare is adversely affected, the Commission may require that the improvements be removed by the permittee, its assignees or successors in interest, or by the owner of the improvements, within 60 days or such other reasonable time as the Commission may direct.~~