Meeting Date: 08/17/23 Lease Number: PRC 600 Staff: M. Schroeder

Staff Report 38

LESSEE:

Phillips 66 Company

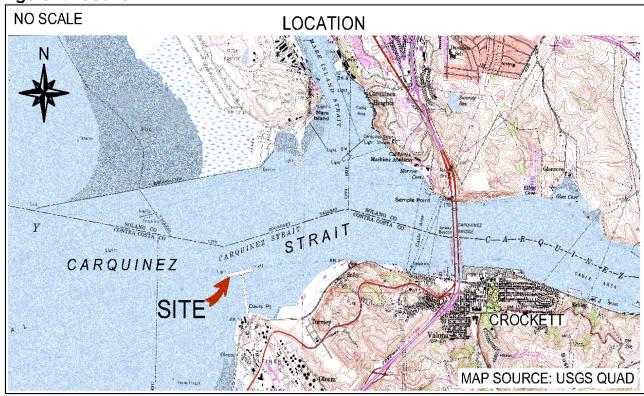
PROPOSED ACTION:

Amendment of General Lease – Industrial Use.

AREA, LAND TYPE, AND LOCATION:

Filled and unfilled sovereign land in Carquinez Strait, town of Rodeo, Contra Costa County (as shown in Figure 1).

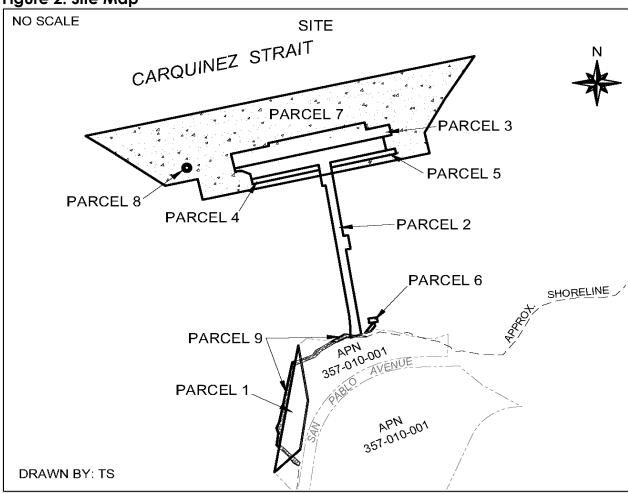
Figure 1. Location



AUTHORIZED USE:

The continued operation and maintenance of an existing marine oil terminal and annual maintenance dredging of a maximum of 90,000 cubic yards of material (as shown in Figure 2).

Figure 2. Site Map



NOTE: This depiction of the lease premises is based on unverified information provided by the Applicant or other parties and is not a waiver or limitation of any State interest in the subject or any other property.

TERM:

30 years, beginning September 1, 2001

CONSIDERATION:

Base Rent of \$489,607 per year, with an annual Consumer Price Index (CPI) adjustment, provided that the Adjusted Annual Rent will never be lower than the Base Rent then in effect.

PROPOSED AMENDMENT:

- Expand the authorized uses of the leased lands to include the transfer of renewable fuels and their constituent components (i.e., feedstocks including plant oils and animal fats); and to require that all existing Commission regulations previously applicable only to oil be expanded to renewable feedstocks for the term of the lease.
- Authorize installation of a Metocean Monitoring Buoy System within Parcel 8 for purposes of compliance with Marine Oil Terminal Engineering Maintenance Standards (MOTEMS) (2022 Cal. Code of Regs., tit. 24, part 2, ch. 31F).
- Authorize installation of two new pump skids, modified gangway system, and associated piping to the existing butane rail rack area located on Parcel 1, as part of the Rodeo Renewed project, for offloading of renewable feedstocks.
- Amend the existing Exhibit A, Land Description, to add Parcels 8 and 9 wherein Parcel 9 includes bank protection.
- Exhibit B, Authorized Improvements is deleted and replaced with Site and Location Map.
- Exhibit D, Mitigation Monitoring and Reporting Plan is deleted and replaced with the Mitigation Monitoring Program, as Exhibit D.
- Construction activities will be performed pursuant to the specific terms identified in the Lease and Amendment, and Lessee shall obtain and submit all necessary permits and authorizations prior to commencing work including requirements pertaining to construction.

All other terms and conditions of the lease will remain in effect without amendment.

STAFF ANALYSIS AND RECOMMENDATION:

AUTHORITY:

Public Resources Code sections 6005, 6216, 6301, 6321, 6321.2, 6501.1, 6503, 8750, and 8755; California Code of Regulations, title 2, sections 2000, 2003, 2300-2571, and title 24, part 2, Chapter 31F.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

On September 17, 2001, the Commission authorized a General Lease – Industrial Use for a marine oil terminal to Tosco Corporation (Item 52, September 17, 2001),

effective September 1, 2001. On January 1, 2003, the Lessee's name was changed to ConocoPhillips Company. On January 26, 2012, the Commission authorized a revision in rent from \$235,000 to \$287,628 (Item 36, January 26, 2012), effective January 1, 2012.

On December 5, 2012, the Commission authorized the amendment of the lease to include maintenance dredging, revise the lease area, and assign the lease to Phillips 66 Company (Item 36, December 5, 2012), effective December 5, 2012. On February 28, 2023, the Commission authorized a revision in rent from \$406,935 to \$489,607 and an increase in the surety bond from \$2,000,000 to \$2,600,000 (Item 60, February 28, 2023), effective January 1, 2023. That lease will expire on December 31, 2031.

The Lessee is now applying to amend the lease to authorize installation of a Metocean Monitoring Buoy System; installation of two new pump skids, modified gangway system, and associated piping to the existing butane rail rack area; and to expand the authorized uses to include transfer of renewable fuels and their constituent components (i.e., feedstocks including plant oils and animal fats).

The Lessee is proposing to install a Metocean Monitoring Buoy System for compliance with MOTEMS. The purpose of the buoy is to collect current, sample wave, and water level data to assess the mooring loads on vessels during transfer operations at the marine oil terminal. The buoy system would be installed within a location that is representative of the currents seen by vessels docking at the terminal. The buoy will have a ballast weight to anchor it in place and a navigation light to indicate the position of the buoy to passing vessels. Deployment of the buoy would occur in one day.

The Lessee is also proposing the Rodeo Renewed Project (Project) at its existing Rodeo Refinery located on private uplands. The refinery manufactures transportation fuels through conversion of crude oil into liquefied petroleum gas, gasoline, jet fuel, and diesel fuel. The Project would repurpose the existing refinery from a facility that processes crude oil into a facility that would process renewable feedstocks into renewable diesel fuel, renewable components for blending with other transportation fuels, and renewable fuel gas. After implementation of the Project, which is anticipated to take three years to complete, crude oil will no longer be transferred to the refinery, pursuant to changes in county permitting, and the transfer of crude oil across the marine terminal will cease. The refinery would still receive gasoline and gasoline blend stock to maintain the ability to supply regional market demand for transportation fuels, including renewable and conventional fuels. Gasoline products will continue to be transferred across the terminal by vessel or barge.

Under the Project, the terminal and rail facilities are used for the import and export of blending stocks, and feedstock. Marine vessels using the terminal include tankers and barges. Rail facilities include one locomotive with railcars. Renewable feedstocks would be delivered to the facility through tanker vessels, barges, and railcars. The Project is expected to process up to 67,000 barrels per day of renewable transportation fuels and 40,000 barrels per day of petroleum-based transportation fuels or gasoline. Marine vessel traffic would increase from 80 tankers of various sizes to 201 tankers and from 90 barges to 161 barges per year. The increase results in approximately four tankers and three barges per week. No physical changes are proposed at the terminal. Rail traffic would increase from one locomotive moving 5 railcars per day to one locomotive moving 16 railcars per day.

The refinery produces butane that can be used as a gasoline blend stock, as a refinery fuel, or it can be loaded into railcars for shipment to customers. The railcar infrastructure has two butane loading racks. This facility is located on filled sovereign land identified as parcel 1 (as shown on the site map). The facility would be modified to eliminate butane exports and instead off-load renewable feedstocks. Installation of two new pump skids, new steam piping connections, and an unloading safety access system with four tracking gangways would occur to facilitate the project.

In July 2021, the Governor signed AB 148, which expanded the definition of "Oil" under the Commission's spill prevention authority to expressly include renewable fuels that are refined primarily from plant and animal matter, as opposed to crude oil. Of note, the expanded definition of oil does not cover the constituent components (i.e., feedstocks) used to refine renewable fuel, like rendered fats, soybean, corn, or other plant-based oils. The proposed Amendment will expressly authorize the transportation of these feedstocks across the marine oil terminal and require that the equipment and measures used in their handling be consistent with MOTEMS and Article 5 through 5.5 of the Commission's spill prevention regulations (2 CCR section 2300 et seq.). The goal is to ensure that regulatory safety and inspection requirements are in place to prevent a release of feedstocks into the marine environment.

The number of vessels and barges calling at the marine oil terminal will increase in comparison to prior years. However, because the overall operations of the marine oil terminal will remain consistent with Commission spill prevention requirements, staff believes that the proposed lease amendment for the proposed Project at the marine oil terminal in San Pablo Bay will not substantially interfere with the Public Trust needs and values at this location and will have minimal impact on the recreational use of the San Pablo Bay.

CLIMATE CHANGE:

The Environmental Impact Report (EIR) for the project analyzed climate change-related impacts, such as flooding due to sea level rise and increased storm surges. Flood risk was assessed for land uses within and adjacent to Federal Emergency Management Agency-designated flood zones and using the Adapting to Rising Tides Bay Area Sea-Level Rise Maps from the Bay Conservation and Development Commission. This analysis shows that while flooding in the near-term due to a 100-year storm surge may be minimal, flooding due to sea level rise could affect low-lying areas adjacent to the coastline. There is no substantial flooding risk at 36 inches of sea level rise, but with 36 inches of sea level rise plus a 100-year storm surge, there is potential for some areas within the Project boundary to become inundated up to a depth of 2 feet. These areas include small portions at the waterline perimeter of Parcel 1 of the leased area. However, the two new pump skids, modified gangway system, and associated piping that are the subject of this lease application are located inland of the potentially at-risk areas.

The combination of these projected conditions, including more frequent and stronger storm events, could also increase the likelihood of damage to the existing marine oil terminal pier and causeway during the term of the lease.

Future activities within the lease area will incorporate flood mitigation design, as appropriate and required by the San Francisco Bay Regional Water Quality Control Board. The EIR identified a number of actions to be completed over the next five years by Phillips 66 to continue monitoring sea level rise and to mitigate potential impacts. Actions relevant to the lease area include:

- Continue to update sea level rise data and maps from BCDC accredited sources and reassess areas of risk (including risk of inundation on Parcel 1).
- Continue to update tidal data to assess the efficiency of the existing outfall system (included in the existing lease) and evaluate whether structural updates are required.

Regular maintenance, as referenced in the lease, may reduce the likelihood of severe structural degradation or dislodgement. Pursuant to the proposed lease, the Applicant acknowledges that the lease premises and adjacent upland (not within the lease) are located in an area that may be subject to the effects of climate change, including sea level rise.

ENVIRONMENTAL JUSTICE:

Consistent with the Commission's Environmental Justice Policy, staff reviewed environmental justice data that indicated high pollution burdens to the surrounding communities. These burdens may result in impacts to health such as asthma,

cardiovascular disease, and low birth weight. In addition, the same data showed high burdens related to groundwater threats, hazardous waste, and cleanup sites. As part of an environmental justice outreach and engagement effort, staff sent letters on April 18, 2023, to environmental justice organizations in Contra Costa County, providing notification of the proposed lease amendment and requesting input. The letter included a brief description of the Project and conveyed a desire to learn from the perspectives of the local community. Commission staff sent follow-up emails and phone calls to the environmental justice organizations. As of the posting of this staff report, no responses to the outreach effort have been received.

CONCLUSION:

For all the reasons above, staff believes approval of the proposed amendment will not substantially interfere with the public rights to navigation, fishing, and commerce; or substantially interfere with Public Trust needs and values at this location, at this time, and for the foreseeable term of the lease; and is in the best interests of the State.

OTHER PERTINENT INFORMATION:

- Approval or denial of the proposed amendment is a discretionary action by the Commission. Each time the Commission approves or rejects a use of sovereign land, it exercises legislatively delegated authority and responsibility as trustee of the State's Public Trust Lands as authorized by law. The lessee has no right to a new lease or to renewal of any previous lease.
- 2. This action is consistent with the "Meeting Evolving Public Trust Needs," "Prioritizing Social, Economic, and Environmental Justice," and "Leading Climate Activism" Strategic Focus Areas of the Commission's 2021-2025 Strategic Plan.
- 3. An EIR, State Clearinghouse No. 2020120330, was prepared for this project by Contra Costa County and certified on May 3, 2022. As part of its project approval, Contra Costa County made a Statement of Facts and Findings and Statement of Overriding Considerations and adopted a Mitigation Monitoring and Reporting Program. Staff has reviewed these documents and prepared an independent Mitigation Monitoring Program (MMP) (attached, Exhibit A) that incorporates Contra Costa County's document. Staff recommends adoption of Exhibit A by the Commission.

Staff also prepared Findings made in conformance with the State CEQA Guidelines (Cal. Code Regs., tit. 14, §§ 15091, 15096) contained in the attached Exhibit B. The Findings determined that all but three potential impacts would be

less than significant or less than significant with mitigation. The Findings identified that the project could cause a potentially significant impact to Air Quality, Biological Resources, and Hazards and Hazardous Materials due to risk of oil spills and introduction of nonindigenous species, despite implementation of mitigation measures. Staff prepared a Statement of Overriding Considerations made pursuant to the State CEQA Guidelines (Cal. Code Regs., tit. 14, § 15093) that balances the benefits of the project against its unavoidable impacts and finds that the potential impact is acceptable in light of the project benefits. Staff recommends the Commission adopt the Findings and Statement of Overriding Considerations contained in the attached Exhibit B.

4. This activity involves lands identified as possessing significant environmental values pursuant to Public Resources Code section 6370 et seq., but such activity will not affect those significant lands. Based upon staff's consultation with the persons nominating such lands and through the CEQA review process, it is staff's opinion that the project, as proposed, is consistent with its use classification.

APPROVALS OBTAINED:

U.S. Army Corps of Engineers
San Francisco Bay Regional Water Quality Control Board
San Francisco Bay Conservation and Development Commission
Bay Area Air Quality Management District
Contra Costa County

EXHIBITS:

- A. Mitigation Monitoring Program
- B. CEQA Findings and Statement of Overriding Considerations

RECOMMENDED ACTION:

It is recommended that the Commission:

CEQA FINDING:

Find that an EIR, State Clearinghouse No. 2020120330, was prepared for this project by Contra Costa County and certified on May 3, 2022, and that the Commission has reviewed and considered the information contained therein.

Adopt the Mitigation Monitoring Program, as contained in the attached Exhibit A.

Adopt the Findings, made in conformance with California Code of Regulations, title 14, sections 15091 and 15096, subdivision (h), as contained in the attached Exhibit B.

Adopt the Statement of Overriding Considerations made in conformance with California Code of Regulations, title 14, section 15093, as contained in the attached Exhibit B.

PUBLIC TRUST AND STATE'S BEST INTERESTS:

Find that the proposed amendment would not be materially adverse to public health and safety; or substantially interfere with the Public Trust needs and values at this location, at this time, and for the foreseeable term of the lease; and is in the best interests of the State.

SIGNIFICANT LANDS INVENTORY FINDING:

Find that this activity is consistent with the use classification designated by the Commission for the land pursuant to Public Resources Code section 6370 et seq.

AUTHORIZATION:

Authorize amendment of Lease No. PRC 600, a General Lease – Industrial Use, effective August 17, 2023; to allow for the transfer of renewable fuels and their constituents across the Lease Premises, to install a Metocean Monitoring Buoy System; and to install two new pump skids, modified gangway system and associated piping to the existing butane rail rack area; to include the attached Exhibit A, Mitigation Monitoring Program; all other terms and conditions of the lease will remain in effect without amendment.

EXHIBIT A CALIFORNIA STATE LANDS COMMISSION MITIGATION MONITORING PROGRAM PHILLIPS 66 RODEO RENEWED PROJECT

(A3713, State Clearinghouse No. 2020120330)

The California State Lands Commission (Commission or CSLC) is a responsible agency under the California Environmental Quality Act (CEQA) for the Phillips 66 Rodeo Renewed Project (Project) at the Phillips 66 Rodeo Marine Oil Terminal. The CEQA lead agency for the Project is Contra Costa County (County).

In conjunction with approval of this Project, the Commission adopts this Mitigation Monitoring Program (MMP) for the implementation of mitigation measures for the portion(s) of the Project located on State lands. The purpose of a MMP is to impose feasible measures to avoid or substantially reduce the significant environmental impacts from a project identified in an Environmental Impact Report (EIR) or a Mitigated Negative Declaration (MND). State CEQA Guidelines¹ section 15097, subdivision (a), states in part:

In order to ensure that the mitigation measures and project revisions identified in the EIR or negative declaration are implemented, the public agency shall adopt a program for monitoring or reporting on the revisions which it has required in the project and the measures it has imposed to mitigate or avoid significant environmental effects. A public agency may delegate reporting or monitoring responsibilities to another public agency or to a private entity which accepts the delegation; however, until mitigation measures have been completed the lead agency remains responsible for ensuring that implementation of the mitigation measures occurs in accordance with the program.

August 2023

¹ The State CEQA Guidelines are found at California Code of Regulations, title 14, section 15000 et seq.

The lead agency certified an EIR, State Clearinghouse No. 2020120330, adopted a Mitigation Monitoring and Reporting Program (MMRP) for the whole of the Project (see Exhibit A, Attachment A-1), and remains responsible for ensuring that implementation of the mitigation measures occurs in accordance with its program. The Commission's action and authority as a responsible agency apply only to the mitigation measures listed in Table A-1 below. The full text of each mitigation measure, as set forth in the MMRP prepared by the CEQA lead agency and provided in Attachment A-1, is incorporated by reference in this Exhibit A, with one exception: mitigation measure HAZ-2 (USCG Ports and Waterways Safety Assessment (PAWSA) Workshops, Spill Response and Pilotage Requirements) was included in both the Draft EIR and the certified Final EIR, but was not included in the MMRP when it was adopted by the County on May 5, 2022. The Commission is including mitigation measure HAZ-2 in this MMP to correct the administrative oversight.

Table A-1. Project Impacts and Applicable Mitigation Measures

Potential Impact	Mitigation Measure (MM) ²	
IMPACT 4.3-1.	MM AQ-1.	
IMPACT 4.3-2.	MM AQ-2.	
IMPACT 4.3-5.	MM AQ-4.	
IMPACT 4.4-1.	MM BIO-1a.	
	MM BIO-1b.	
IMPACT 4.4-4.	MM BIO-2.	
	MM BIO-3.	
IMPACT 4.4-5.	MM BIO-4a.	
	MM BIO-4b.	
IMPACT 4.4-7.	MM BIO-5.	
IMPACT 4.4-9.	MM BIO-6.	
IMPACT 4.4-10.	MM BIO-7.	
IMPACT 4.4-11.	MM BIO-8.	
IMPACT 4.5-2.	MM CUL-1.	

² See Attachment A-1 for the full text of each MM taken from the MMRP prepared by the CEQA lead agency.

Potential Impact	Mitigation Measure (MM) ²	
IMPACT 4.5-3.	MM CUL-2.	
IMPACT 4.7-1.	MM GEO-1.	
IMPACT 4.9-2.	MM HAZ-1.	
	MM HAZ-2.	
IMPACT 4.10-1.	MM HAZ-1.	
	MM HAZ-2.	

<u>Mitigation Measure HAZ-2: USCG Ports and Waterways Safety Assessment</u> (PAWSA) <u>Workshops, Spill Response and Pilotage Requirements</u>

- Phillips 66 shall participate in the USCG's PAWSA workshops for the San Francisco Bay Area (Bay Area) to support overall safety improvements to the existing Vessel Traffic Service in the Bay Area or approaches to the bay if such workshops are conducted by the USCG during the life of the lease.
- Spill Response to Vessel Spills. Phillips 66 shall respond to any spill near the
 Marine Terminal from a vessel traveling to or from the Marine Terminal or
 moored at the Marine Terminal as if it were its own, without assuming
 liability, until such time as the vessel's response organization can take over
 management of the response actions in a coordinated manner.
- For all tankers and barges, Phillips 66 shall require that pilotage is utilized while transiting the Bay Vessels 300 GRT or larger and will cooperate in meeting USCG/NOAA VSR program to keep speed limited to 10 knots in the Bay and lower upon approach to the Marine Terminal due to tug escort speed limitations.

Vessel owners/operators are responsible for spills from their tankers. Tanker and barge owners/operators are required by federal and state regulations to demonstrate that they have, or have under contract, sufficient response assets to respond to worst-case releases. Tankers and barges operating in United States and California waters must certify that they have the required capability under contract. All terminals are under contract with one or more OSRO to respond to spills with all the necessary equipment and manpower to meet the response requirements dictated by regulations.

This mitigation would further reduce the risk of spills in the San Francisco Bay or near approaches to the bay by requiring participation in USCG Ports and Waterways Safety Assessment workshops for the Bay Area to improve transit issues and response capabilities in general, and to support overall safety improvements to the existing VTS in the future.

While vessel owners/operators are responsible for their spills, if a spill were to occur near the Marine Terminal, Phillips 66 and its contractors may be in a better position to provide immediate response to a spill using their own equipment and resources, rather than waiting for mobilization and arrival of the vessel's response organization. The Phillips 66 staff is fully trained to take immediate action in response to spills. Such action could result in a quicker response and more effective control and recovery of spilled product. This mitigation would also require Phillips 66 to respond to any spill from a vessel traveling in the San Francisco Bay to or from the Marine Terminal or moored at its wharf, without assuming liability, until the vessel's response organization can take over management of the response actions in a coordinated manner. This requirement would further limit the potential for impacts from spills in the San Francisco Bay from vessels calling at the Marine Terminal.

In addition, Phillips indicates that it is their policy to utilize pilots for all tankers and barges while within the bay, even if the tanker or barge is under the required size requirements, and to limit vessels speeds below the required maximum. This mitigation ensures that all tankers and barges utilize pilots and speed limits in order to reduce the probability of groundings, collisions or allisions.

ATTACHMENT A-1

MITIGATION MONITORING AND REPORTING PROGRAM ADOPTED BY CONTRA COSTA COUNTY FOR THE PHILLIPS 66 RODEO RENEWED PROJECT

Exhibit A-1

MITIGATION MONITORING AND REPORTING PROGRAM Phillips 66 Rodeo Renewed Project

Introduction

The California Environmental Quality Act (CEQA) requires a Mitigation Monitoring and Reporting Program (MMRP) for projects where mitigation measures are a condition of project approval and development. The Contra Costa County Conservation and Development Department prepared an Environmental Impact Report in response to Phillips 66 application for a land use permit to modify the existing Rodeo Refinery into a repurposed facility that would process renewable feedstocks into renewable diesel fuel, renewable components for blending with other transportation fuels, and renewable fuel gas.

Project Overview

Repurposing of the Rodeo Refinery would assist California in meeting its stated goals of reducing greenhouse gas emissions and ultimately transitioning to carbon neutrality. It would also provide a mechanism for compliance with California's Low-Carbon Fuel Standard and Cap and Trade programs and the federal Renewable Fuels Standard, while continuing to meet regional market demand for transportation fuels.

The Project would produce up to 55,000 bbrl/d of a variety of renewable transportation fuels from renewable feedstocks. The Rodeo Refinery as a whole post-Project would produce up to 67,000 bbrl/d. To maintain current facility capacity to supply regional market demand for transportation fuels, including renewable and conventional fuels, the post-Project facility configuration could receive, blend, and ship up to 40,000 bbrl/d of gasoline and gasoline blendstocks.

Because the Project would discontinue processing crude oil at the Rodeo Refinery, other sites owned and operated by Phillips 66 located throughout the state would be affected. Therefore, the Project consists of activities at the following four sites:

- Rodeo Site—is within the Rodeo Refinery where the proposed modifications would occur.
- Carbon Plant—is within the Rodeo Refinery in nearby Franklin Canyon and would no longer be necessary. It would be demolished.

- Santa Maria Refinery—is located in San Luis Obispo County and would no longer be necessary to provide semi-refined feedstock to the Rodeo Refinery. It would be demolished.
- Pipeline Sites—these collect crude oil for the Santa Maria Refinery and deliver semi-refined feedstock to the Rodeo Refinery and, therefore, would not be necessary. The pipelines would be cleaned and taken out of service or sold.

Purpose of the MMRP

This MMRP has been prepared in conformance with CEQA (Public Resources Code section 21081.6) and CEQA Guidelines section 15097. The MMRP is based on the information and mitigation measures contained in the EIR for the Project. Pursuant to Public Resources Code section 21081.6(b), each of the mitigation measures identified in the MMRP will be included as enforceable permit terms in any permit issued by Contra Costa County. The purpose of this MMRP is to:

- Verify compliance with the mitigation measures identified in the EIR;
- Provide a framework to document implementation of the mitigation measures included in the EIR;
- Provide a record of mitigation requirements;
- Identify monitoring and enforcement agencies;
- Establish and clarify administrative procedures for the clearance of mitigation measures;
- · Establish the frequency and duration of monitoring; and
- Utilize the existing agency review processes wherever feasible.

Phillips 66 as the Permittee shall be responsible for implementing each mitigation measure and shall be obligated to provide verification to the appropriate monitoring and enforcement agencies that each mitigation measure has been implemented. The Permittee shall maintain records demonstrating compliance with each mitigation measure. Such records shall be made available to the Contra Costa County Conservation and Development Department upon request.

All documents and other information that constitute the public record for this project shall be maintained by the Contra Costa County Conservation and Development Department and shall be available for public review at the following address:

Contra Costa County Conservation and Development Department 30 Muir Road, Martinez CA 94553

Organization

As shown in the following table, each mitigation measure for the Project is listed and categorized by impact area, with identification of:

- Implementation Schedule The phase of the Project during which the mitigation measure shall be monitored; relevant phases include preconstruction, construction, and operation and maintenance.
- Responsible Party The party responsible for implementing each mitigation measure and providing verification of implementation.
- Monitoring/Enforcement The agency, or agencies, responsible for monitoring the compliance and implementation, and enforcement of the mitigation measure.

MMRP Modification

Minor changes and modifications to the MMRP are permitted, subject to Contra Costa County Conservation and Development Department approval. Contra Costa County Conservation and Development Department, in conjunction with appropriate agencies, will determine the adequacy of any proposed change or modification, and whether the change or modification requires additional environmental review. This flexibility is sometimes necessary to protect the environment with a workable program. No changes will be permitted unless the MMRP continues to satisfy the requirements of CEQA, as determined by the Contra Costa County Conservation and Development Department.

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
Air Quality				
Mitigation Measure AQ-1: Implement BAAQMD Basic Control Measures	Ongoing during construction and demolition	Phillips 66	Contra Costa Conservation	
Construction contractors shall implement the following applicable BAAQMD basic control measures as best management practices (BMPs):			and Development; BAAQMD	
 All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day. 				
 All haul trucks transporting soil, sand, or other loose material offsite shall be covered. All visible mud or dirt track-out onto adjacent 				
public roads shall be removed using wet power vacuum street sweepers at least 2 times per day, not less than 4 hours apart, on San Pablo Avenue, between the refinery and Interstate 80, and on the access roads between the Carbon Plant and Highway 4. The use of dry power sweeping is prohibited.				
 All vehicle speeds on unpaved roads shall be limited to 15 miles per hour. 				
 All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used. 				
 Idling times shall be minimized either by shutting equipment off when not in use or reducing the 				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
maximum idling time to 2 minutes as recommended by the BAAQMD, and not to exceed 5 minutes as required by the California airborne toxics control measure Title 13, Section 2485 of the California Code of Regulations (CCR). Clear signage shall be provided for construction workers at all access points. • All construction equipment shall be maintained and properly tuned in accordance with				
 All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation. Post a publicly visible sign with the telephone number and person to contact at the Lead Agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations. Construction contractors shall implement the following 				
 Advanced Construction Mitigation Measures: All exposed surfaces shall be watered at a frequency adequate to maintain minimum soil moisture of 12 percent. Moisture content can be verified by lab samples or moisture probe. All excavation, grading, and/or demolition activities shall be suspended when average wind speeds exceed 20 mph. Wind breaks (e.g., trees, fences) shall be installed 				

Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
Mitigation Measure AQ-2: Implement a NOx Mitigation Plan Phillips 66 shall prepare a NOx Mitigation Plan (NM Plan) prior to the issuance of construction-related permits for site preparation. The purpose of the NM Plan is to document expected construction and transitional phase NOx emissions in detail; and, if necessary, to identify feasible and practicable contemporaneous measures to reduce aggregated construction and transition NOx emissions to below the BAAQMD's 54 pounds per day threshold of significance.	Prior to BAAQMD permit issuance and county construction permit issuance	Phillips 66	Contra Costa Conservation and Development; BAAQMD	
The NOx emissions estimate for the Project shall include consideration of readily available NOx construction and transition emission reduction measures, and/or other emission reduction actions that shall be implemented during construction and transitional phase of the Project. The NM Plan shall describe the approximate amount of NOx emissions reductions that will be associated with each action and reduction measure on a best estimate basis.				
The NM Plan shall be submitted to the Contra Costa County Department of Conservation and Development and the BAAQMD for review and approval, or conditional approval based on a determination of whether the NM Plan meets the conditions described below. The NM Plan shall include those recommended measures listed below needed to reduce the Project's construction and transition NOx emissions to less than the BAAQMD's threshold of significance.				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
The NM Plan shall include a detailed description of the NOx emissions for all construction and transition activities based on BMPs and use data at the time of Project approval and current estimation protocols and methods. The plan shall, at a minimum, include the following elements:				
1. Project Construction and Transition NOx Emissions				
The Project's construction and transition NOx emission estimates presented in the NM Plan will be based on the emission factors for offroad and onroad mobile sources used during construction and transition, over and above baseline, along with the incorporation of vehicle fleet emission standards. Project construction and transition NOx emission estimates will be based upon the final Project design, Project-specific traffic generation estimates, equipment to be used onsite and during transition, and other emission factors appropriate for the Project prior to construction. The methodology will generally follow the approach used in this Draft EIR and in Appendix B.				
2. NOx Emission Reduction Measures				
The NM Plan shall include feasible and practicable NOx emission reduction measures that reduce or contemporaneously offset the Project's incremental NOx emissions below the threshold of significance. Planned emission reduction measures shall be verifiable and quantifiable during Project construction and transitional phase. The NM Plan shall be consistent with current applicable regulatory requirements. Measures shall be				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
implemented as needed to achieve the significance threshold and considered in the following order: (a) onsite measures, and (b) offsite measures within the San Francisco Bay Area Air Basin. Feasible ¹ onsite and offsite measures must be implemented before banked emissions offsets (emission reduction credits) are considered in the NM Plan.				
a. Recommended Onsite Emission Reduction Measures:				
 i. Onsite equipment and vehicle idling and/or daily operating hour curtailments; 				
 ii. Construction "clean fleet" using Tier 4 construction equipment to the maximum extent practicable; 				
iii. Reductions in Vessel and/or Rail Traffic;				
iv. Other onsite NOx reduction measures (e.g., add-on NOx emission controls); or				
v. Avoid the use of Suezmax vessels to the maximum extent practicable.				
Contra Costa County Department of Conservation and Development in its consideration of the NM Plan shall have the option to require daily NOx reductions at the Carbon Plant necessary to achieve the NOx daily emissions significance threshold. Daily idling of one kiln would provide sufficient NOx reductions to offset the Project's incremental NOx emissions to below the NOx daily emissions threshold of significance on individual days that construction				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
emissions are estimated to potentially be above the daily NOx significance threshold.				
Additional measures and technology to reduce NOx emissions may become available during the Project construction and operation period. Such measures may include new energy systems (such as battery storage) to replace natural gas use, new transportation systems (such as electric vehicles or equipment) to reduce fossil- fueled vehicles, or other technology (such as alternatively-fueled emergency generators or renewable backup energy supply) that is not currently available at the project-level. As provided in the NM Plan, should such measures and technology become available and be necessary to further reduce emissions to below significance thresholds, Phillips 66 shall demonstrate to the Contra Costa County Department of Conservation and Development and BAAQMD satisfaction that such measures are as, or more, effective as the existing measures described above.				
 b. Recommended Offsite Emission Reduction Measures: 				
Phillips 66, with the oversight of the Contra Costa County Department of Conservation and Development and BAAQMD, shall reduce emissions of NOx by directly funding or implementing a NOx control project (program) within the San Francisco Bay Area Air Basin to achieve an annual reduction equivalent to the				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
total estimated construction NOx emission reductions needed to lower the Project's NOx impact below the 54 pound per day significance threshold. The offsite measures will be based on the NOx reductions necessary after consideration of onsite measures.				
To qualify under this mitigation measure, the NOx control project must result in emission reductions within the San Francisco Bay Area Air Basin that would not otherwise be achieved through compliance with existing regulatory requirements or other program participation. Phillips 66 shall notify Contra Costa County within six months of completion of the NOx control project for verification.				
3. Annual Verification Reports				
Phillips 66 shall prepare an Annual NM Verification Report in the first quarter of each year following construction or transitional phase activities, while Project construction activities at the site are ongoing. The reporting period will extend through the last year of construction. The purpose of the Report is to verify and document that the total Project construction and transitional phase NOx emissions for the previous year, based on appropriate emissions factors for that year and the effectiveness of emission reduction measures, were implemented.				
The Report shall also show whether additional onsite and offsite emission reduction measures, or additional NOx controls, would be needed to bring				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
the Project below the threshold of significance for the current year. The Report shall be prepared by Phillips 66 and submitted to the Contra Costa County Department of Conservation and Development and the BAAQMD for review and verification. NOx offsets for the previous year, if required, shall be in place by the end of the subsequent reporting year. If Contra Costa County and the BAAQMD determine the report is reasonably accurate, they can approve the report; otherwise, Contra Costa County and/or the BAAQMD shall identify deficiencies and direct Phillips 66 to correct and re-submit the report for approval.				
Mitigation Measure AQ-4: Odor Management Plan	Obtain	Phillips 66	Contra Costa	
Phillips 66 shall develop and implement an Odor Management Plan (OMP). The OMP shall be an integrated part of daily operations at the Rodeo Site, to effect diligent identification and remediation of any potential odors generated by the Facility.	approval of OMP prior to Project operation; ongoing		Conservation and Development; BAAQMD	
 The OMP shall be developed and reviewed by the County and the BAAQMD prior to operation of the Project and implemented upon commencement of the renewable fuels processes. 				
The OMP shall be an "evergreen" document that provides continuous evaluation of the overall system performance, identifying any trends to provide an opportunity for improvements to the plan, and updating the odor management and				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
 control strategies as necessary. The OMP shall include guidance for the proactive identification and documentation of odors through routine employee observations, routine operational inspections, and odor compliant investigations. All odor complaints received by the facility shall be investigated as soon as is practical within the confines of proper safety protocols and site logistics. The goal of the investigation will be to determine if an odor originates from the facility and, if so, to determine the specific source and cause of the odor, and then to remediate the odor. 				
 The OMP shall be retained at the facility for Contra Costa County, the BAAQMD, or other government agency inspection upon request. 				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
Biological Resources			1	
Mitigation Measure BIO-1a: Update Pre-Arrival Documents Phillips 66 shall update pre-arrival document materials	commencement	Phillips 66	Contra Costa Conservation	
and instructions sent to tank vessels agents/operators scheduled to arrive at the Marine Terminal with the following information and requests:	of transitional phase; ongoing		and Development	
 Available outreach materials regarding the Blue Whales and Blue Skies incentive program; 				
 Whale strike outreach materials and collision reporting from NMFS; 				
 Request extra vigilance by ship crews upon entering the Traffic Separation Scheme shipping lanes approaching San Francisco Bay and departing San Francisco Bay to aid in detection and avoidance of ship strike collisions with whales; 				
 Request compliance to the maximum extent feasible (based on vessel safety) with the 10-knot voluntary speed reduction zone. 				
 Encourage participation in the Blue Whales and Blue Skies incentive program. 				
Mitigation Measure BIO-1b: California Department of Fish and Wildlife (CDFW) and Research Sturgeon Support	Prior to the commencement	Phillips 66	Contra Costa Conservation	
Phillips 66 will conduct and support the following activities to further the understanding of vessel strike vulnerability of sturgeon in San Francisco and San Pablo Bay.	of transitional phase; ongoing		and Development	
Coordinate with CDFW and Research Sturgeon to ensure appropriate messaging on information flyers suitable for display at bait and tackle shops, boat rentals, fuel docks,				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
fishing piers, ferry stations, dockside businesses, etc. to briefly introduce interesting facts about the sturgeon and research being conducted to learn more about its requirements and how the public's observations can inform strategies being developed to improve fisheries habitat within the estuary.				
Mitigation Measure BIO-3: Update and Review Facility Response Plan and Spill Prevention, Control, and Countermeasure Plan with OSPR	Prior to the commencement of transitional	Phillips 66	Contra Costa Conservation and	
The Facility Response Plan and Spill Prevention, Control, and Countermeasure (SPCC) Plan shall be updated to address the Project operational changes, including changes in proposed feedstocks and types of vessels and trips. The SPCC shall address the operational changes of the Transitional Phase and post Project. Phillips 66 will consult with OSPR during update of the SPCC Plan, especially adequacy of booms at the Marine Terminal to quickly contain a spill of renewable feedstocks • In accordance with CCR Title 14, Chapter 3, Subchapter 3, several types of drills are required at specified intervals. Due to the potential for rapid dispersion of biofuels and oils under high energy conditions, Phillips 66 shall increase the frequency of the following drills to increase preparedness for quick response and site-specific deployment of equipment under different environmental conditions	phase; ongoing		Development	
 Semi-annual equipment deployment drills to test the deployment of facility-owned equipment, which shall include immediate containment 				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
strategies, are required on a semiannual pass/fail basis - if there is fail during first six months, then another drill is required. Phillips 66 will require that both semi-annual drills are conducted and schedule them under different tide conditions.				
 An OSRO field equipment deployment drill for on-water recovery is required at least once every three years. Phillips will increase the frequency of this drill to annual. CDFW-OSPR shall be provided an opportunity to help design, attend and evaluate all equipment deployment drills and tabletop exercises. To ensure this, Phillips 66 shall schedule annual drills during the first quarter of each year to ensure a spot on OSPR's calendar. 				
Mitigation Measure BIO-4a: Prohibit Ballast Water Exchange	During operation and	Phillips 66	Contra Costa Conservation	
Phillips 66 shall prohibit vessels from ballast water exchange at the Marine Terminal.	maintenance; ongoing		and Development	
Mitigation Measure BIO-4b: Update Pre-Arrival Documentation Phillips 66 shall update pre-arrival document materials and instructions sent to tank vessels agents/operators to ensure they are advised prior to vessel departure of California's Marine Invasive Species Act and implementing regulations pertinent to (1) ballast water management, and (2) biofouling management. Additionally, Phillips 66 will request that vessel operations	Prior to the commencement of transitional phase; ongoing	Phillips 66	Contra Costa Conservation and Development	

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
provide documentation of compliance with regulatory requirements (e.g., copy of ballast water management forms and logs of hull husbandry cleaning/inspections).				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
Cultural Resources				
Mitigation Measure CUL-1: Inadvertent Discovery of Archaeological Resources • Pursuant to CEQA Guidelines Section 15064.5(f), "provisions for historical or unique archaeological resources accidentally discovered during construction" shall be instituted. In the event that any cultural resources are discovered during ground-disturbing activities, all work within 100 feet of the find shall be halted and Phillips 66 shall consult with the County and a qualified archaeologist (as approved by the County) to assess the significance of the find pursuant to CEQA Guidelines Section 15064.5. If cultural resources are recovered on State lands, submerged or tidal lands, all work within 100 feet of the find shall be halted and Phillips 66 shall consult with the California State Lands Commission. If any find is determined to be significant, representatives of the County and the qualified archaeologist would meet to determine the appropriate course of action. • Avoidance is always the preferred course of action for archaeological sites. In considering any suggestion proposed by the consulting archaeologist to reduce impacts to archaeological resources, the County would determine whether avoidance is feasible in light of factors such as the nature of the find, project design, costs, and other considerations. If avoidance is infeasible, other appropriate	Ongoing during construction and demolition	Phillips 66	Contra Costa Conservation and Development	

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
measures (e.g., data recovery, interpretation of finds in a public venue) would be instituted. Work may proceed on other parts of the Project site while mitigation for archaeological resources is carried out. All significant cultural materials recovered shall be, at the discretion of the consulting archaeologist, subject to scientific analysis, professional museum curation, and documented according to current professional standards.				
 Mitigation Measure CUL-2: Inadvertent Discovery of Human Remains The treatment of human remains and associated, or unassociated funerary objects discovered during any ground-disturbing activity shall comply with applicable state law. Project personnel shall be alerted to the possibility of encountering human remains during Project implementation and apprised of the proper procedures to follow in the event they are found. State law requires immediate notification of the County coroner, in the event of the coroner's determination that the human remains are Native American, notification of the California Native American Heritage Commission (NAHC), which would appoint a Most Likely Descendent (MLD) (PRC Section 5097.98). The MLD would make all reasonable efforts to develop an agreement for the treatment, with appropriate dignity, of human remains and associated or unassociated funerary objects (CEQA Guidelines Section 15064.5[d]). 	Ongoing during construction and demolition	Phillips 66	Contra Costa Conservation and Development	

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
• The agreement shall take into consideration the appropriate excavation, removal, recordation, analysis, custodianship, curation, and final disposition of the human remains and associated or unassociated funerary objects. The PRC allows 48 hours to reach agreement on these matters. If the MLD and the other parties do not agree on the treatment and disposition of the remains and funerary objects, Phillips 66 shall follow PRC Section 5097.98(b), which states that "the landowner or his or her authorized representative shall reinter the human remains, and items associated with Native American burials with appropriate dignity on the property in a location not subject to further subsurface disturbance."				

Mitigation Measure	Implementation Timing	Implementatio n Responsibility	Verification Responsibility	Compliance Verification Date
Geology and Soils				
Mitigation Measure GEO-1: Comply with Geotechnical Report Phillips 66 shall comply with and implement all of the following measures designed to reduce potential substantial adverse effects resulting from strong seismic ground shaking: • A California licensed geotechnical engineer or engineering geologist shall perform a comprehensive geotechnical investigation of all Project facilities based on adequate subsurface exploration, laboratory testing of selected samples, and engineering/geologic analysis of the data gathered. The information shall be compiled and presented as a geotechnical report that provides an evaluation of potential seismic and geologic hazards, including secondary seismic ground failures, and other geologic hazards, such as landslides, expansive and corrosive soils, and provides current California Building Code seismic design parameters, along with providing specific standards and criteria for site grading, drainage, berm, and foundation design. • For construction requiring excavations, such as foundations, appropriate support and protection measures shall be implemented to maintain the stability of excavations and to protect construction worker safety. Where excavations are adjacent to existing structures, utilities, or other features that may be adversely affected by	Prior to Contra Costa County Building Permit Issuance	Phillips 66	Contra Costa Conservation and Development	

Mitigation Measure	Implementation Timing	Implementatio n Responsibility	Verification Responsibility	Compliance Verification Date
potential ground movements, bracing, underpinning, or other methods of support for the affected facilities shall be implemented.				
 Recommendations in the approved geotechnical report shall be incorporated into the design and construction specifications and shall be implemented during build-out of the Project. 				
 The Project geotechnical engineer shall provide observation and testing services during grading and foundation-related work and shall submit a grading completion report to the County prior to requesting the final inspection. This report shall provide full documentation of the geotechnical monitoring services provided during construction, including the testing results of the American Society for Testing and Materials. The Final Grading 				
Report shall also certify compliance of the as-built Project with the recommendations in the approved geotechnical report.				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
Hazards Materials and Water Quality				
Mitigation Measure HAZ-1: Implement Release, Monitoring and Avoidance Systems The following actions shall be completed by Phillips 66 prior to Project operations, including the transitional phase, and shall include routine inspection, testing and maintenance of all equipment and systems conducted in accordance with manufacturers' recommendations and industry guidance for effective maintenance of critical equipment at the Marine Terminal. Feedstocks handled at the Marine Terminal are not regulated under the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act (LKS Act) (e.g., renewable feedstocks such as soybean oil and tallow) and therefore not subject to OSPR oversight and are also not subject to the CSLC oversight efforts (MOTEMS, Article 5, Article 5.3, and Article 5.5, depending on the materials handled). Yet materials may be detrimental to the environment if spilled. Regulated products (i.e., "Oil" and "Renewable Fuels" defined in Pub. Resources Code sec. 8750) will continue to be transferred at the Marine Terminal, which do require MOTEMS-compliant Terminal Operating Limits for those products that reside within the jurisdiction of the CSLC. To ensure that Project operation continues to meet those standards, the following measures are required.	Prior to the commencement of transitional phase; ongoing	Phillips 66	California State Lands Commission	

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
Applicability of MOTEMS, Article 5, 5.3, 5.5 and Spill Prevention Requirements				
As some materials transferred at the terminal may be feedstocks or other non-regulated materials/feedstocks/products, Phillips 66 shall comply with the Lempert-Keene-Seastrand Oil Spill Prevention and Response Act (LKS Act) for all vessels calling at the Marine Terminal regardless of feedstock/material type. In addition, MOTEMs operational regulations, as codified in Article 5. Marine Terminals Inspection and Monitoring (2CCR §2300 et seq), Article 5.3 Marine Terminals Personnel Training and Certification (2CCR §2540 et seq), and Article 5.5 Marine Terminals Oil Pipelines (2CCR §2560 et seq), including items such as static liquid pressure testing of pipelines, shall be implemented for all operations at the Marine Terminal regardless of feedstock/material type and LKS Act regulatory status.				
Upon request, Phillips 66 shall provide evidence to relevant regulatory agencies that these facilities, operational response plans, and other applicable measures have been inspected and approved by CSLC and OSPR and determined to be in compliance.				
If terminal operations do not allow for regular compliance and inspection of LKS and MOTEMS requirements by the CSLC and OSPR, Philips 66 shall employ a CSLC-approved third-party to provide oversight as needed to ensure the same level of compliance as a petroleum-handling facility, and to ensure maximum protection of the environment from potential spills and resulting impacts. Phillips 66 shall provide evidence of compliance upon				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
request of relevant regulatory agencies.				
Remote Release Systems				
The Marine Terminal has a remote release system that can be activated from a single control panel or at each quick-release mooring hook set. The central control system can be switched on in case of an emergency necessitating a single release of all mooring lines. However, to further minimize the potential for accident releases the following is required:				
 Provide and maintain mooring line quick release devices that shall have the ability to be activated within 60 seconds. 				
These devices shall be capable of being engaged by electric/push button release mechanism and by integrated remotely operated release system.				
 Document procedures and training for systems use and communications between Marine Terminal and vessel operator(s). 				
 Routine inspection, testing and maintenance of all equipment and systems in accordance with manufacturers' recommendations and necessity, as well as guidance provided by SIGTTO/OCIMF 2008 "Jetty Maintenance and Inspection Guide" Section 2.3.1.1, 2.3.1.2 and 2.3.1.4, are required to ensure safety and reliability. The inspections, testing, and maintenance will be performed by Phillips 66 or its designated representatives. 				
 In consultation with the CSLC and prior to Project operation, Phillips 66 shall provide a written 				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
evaluation of their existing equipment and provide recommendations for upgrading equipment to meet up-to-date best achievable technology standards and best industry practices, including but not limited to consideration of equipment updates and operational effectiveness (e.g., visual and audible alarm options, data display location and functionality, optional system features). Phillips 66 shall follow guidance provided by SIGTTO/OCIMF 2008 "Jetty Maintenance and Inspection Guide" Section 2.3.1.1, 2.3.1.2 and 2.3.1.4.				
 Best achievable technology shall address: Functionality - Controlled release of the mooring lines (i.e., a single control system where each line can be remotely released individually in a controlled order and succession) vs. release all (i.e. a single control system where all lines are released simultaneously via a single push button). See SIGTTO/OCIMF 2008 "Jetty Maintenance and Inspection Guide" Section 2.3.1.2.1. 				
 Layout - The location(s) of the single control panel and/or central control system to validate that it is operationally manned such that the remote release systems can actually be activated within 60 seconds. 				
This measure would allow a vessel to leave the Marine Terminal as quickly as possible in the event of an emergency (fire, explosion, accident, or tsunami that could lead to a spill). In the event of a fire, tsunami,				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
explosion, or other emergency, quick release of the mooring lines within 60 seconds would allow the vessel to quickly leave the Marine Terminal, which could help prevent damage to the Marine Terminal and vessel and avoid and/or minimize spills. This may also help isolate an emergency situation, such as a fire or explosion, from spreading between the Marine Terminal and vessel, thereby reducing spill potential. The above would only be performed in a situation where transfer connections were already removed, and immediate release would not further endanger terminal, vessel, and personnel.				
 Provide and maintain Tension Monitoring Systems to effectively monitor all mooring line and environmental loads and avoid excessive tension or slack line conditions that could result in damage to the Marine Terminal structure and/or equipment and/or vessel mooring line failures. Line tensions and environmental data shall be integrated into systems that record and relay all critical data in real time to the control room, Marine Terminal operator(s) and vessel operator(s). All systems data shall be required to be recorded and readily accessible to enable tasks such as: (1) verification that systems are routinely operated in compliance with the MM (e.g., vessels are berthing within the MOTEMS compliant speed and angle requirements), and (2) post-event investigation and root-cause analysis (e.g. vessel 				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
allision during berthing).				
 System shall include, but not be limited to, quick release hooks only (with load cells), site-specific current meter(s), site-specific anemometer(s), and visual and audible alarms that can support effective preset limits and shall be able to record and store monitoring data. 				
 Document procedures and training for systems use and communications between Marine Terminal and vessel operator(s). 				
 Routine inspection, testing and maintenance of all equipment and systems in accordance with manufacturers' recommendations and necessity, as well as guidance provided by SIGTTO/OCIMF 2008 "Jetty Maintenance and Inspection Guide" Section 2.3.1.1, 2.3.1.2 and 2.3.1.4, are required to ensure safety and reliability. The inspections, testing, and maintenance will be performed by Phillips 66 or its designated representatives. 				
 Install alternate technology that provides an equivalent level of protection. 				
 All systems data shall be required to be recorded and readily accessible to enable tasks such as: (1) verification that systems are routinely operated in compliance with the MM, and (2) post event investigation and root-cause analysis. 				
The Marine Terminal is located in a high-velocity current area and currently has only limited devices to monitor				
mooring line strain and integrated environmental				
conditions. Updated MOTEMS Terminal Operating Limits				
(TOLs), including breasting and mooring, provide mooring				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
requirements and operability limits that account for the conditions at the terminal. The upgrade to devices with monitoring capabilities can warn operators of the development of dangerous mooring situations, allowing time to take corrective action and minimize the potential for the parting of mooring lines, which can quickly escalate to the breaking of hose connections, the breakaway of a vessel, and/or other unsafe mooring conditions that could ultimately lead to a petroleum product spill. Backed up by an alarm system, real-time data monitoring and control room information would provide the Terminal Person-In-Charge with immediate knowledge of whether safe operating limits of the moorings are being exceeded. Mooring adjustments can be then made to reduce the risk of damage and accidental conditions.				
 Allision Avoidance Systems Provide and maintain Allision Avoidance Systems (AASs) at the Marine Terminal to prevent damage to the pier/wharf and/or vessel during docking and berthing operations. Integrate AASs with Tension Monitoring Systems such that all data collected are available in the Control Room and to Marine Terminal operator(s) at all times and vessel operator(s) during berthing operations. The AASs shall also be able to record and store monitoring data. All systems data shall be required to be recorded and readily accessible to enable tasks such as: (1) verification that systems are routinely operated in compliance with the MM, and (2) post event 				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
investigation and root-cause analysis (e.g., vessel allision during berthing).				
 Document procedures and training for systems use and communications between Marine Terminal and vessel operator(s). 				
 Routine inspection, testing and maintenance of all equipment and systems in accordance with manufacturers' recommendations and necessity, as well as guidance provided by SIGTTO/OCIMF 2008 "Jetty Maintenance and Inspection Guide", are required to ensure safety and reliability. The inspections, testing, and maintenance will be performed by Phillips 66 or its designated representatives. Velocity monitoring equipment is required to 				
monitor reduced berthing velocities until permanent MOTEMS-compliant corrective actions are implemented.				
 The systems shall also be utilized to monitor for vessel motion (i.e., surge and sway) during breasting/mooring operations to ensure excessive surge and sway are not incurred. 				
The Marine Terminal has a continuously manned marine interface operation monitoring all aspects of the marine interface. The Automatic Identification System is				
monitored through Terminal Smart and provides a record of vessel movements. Pursuant to the CSLC January 26, 2022, letter entitled Phillips 66 (P66) Rodeo Marine Terminal - Review of New September 2021 Mooring & Berthing Analyses and Terminal Operating Limits (TOLS),				
the single cone fenders shall not be used as the first point				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
of contact during berthing operations. Therefore, all berthing operations shall utilize the double cone fenders. P66 shall incorporate TOL diagrams with landing point statements in the Terminal Information Booklet. For all vessels, a Phillips 66 Marine Advisor is in attendance and is in radio contact with the vessel master and pilot prior to berthing, reviewing initial contact point and then monitoring.				
Excessive surge or sway of vessels (motion parallel or perpendicular to the wharf, respectively), and/or passing vessel forces may result in sudden shifts/redistribution of mooring forces through the mooring lines. This can quickly escalate to the failure of mooring lines, breaking of loading arm connections, the breakaway of a vessel, and/or other unsafe mooring conditions that could ultimately lead to a spill. Monitoring these factors will ensure that all vessels can safely berth at the Marine Terminal and comply with the standards required in the MOTEMS.				

Mitigation Measure	Implementation Timing	Implementatio n Responsibility	Verification Responsibility	Compliance Verification Date
Transportation and Traffic				
Mitigation Measure TRA-1: Implement a Traffic Management Plan.	Prior to Contra Costa County	Phillips 66	Contra Costa Conservation	
Prior to issuance of grading and building permits, Phillips 66 shall submit a Traffic Management Plan for review and approval by the Contra Costa County Public Works Department. At a minimum the following shall be included:	Building Permit Issuance		and Development	
The Traffic Management Plan shall be prepared in accordance with the most current California Manual on Uniform Traffic Control Devices and will be subject to periodic review by the Contra Costa County Public Works Department throughout the life of all construction and demolition phases.				
 Truck drivers shall be notified of and required to use the most direct route between the site and the freeway. 				
 All site ingress and egress shall occur only at the main driveways to the Project site; 				
 Construction vehicles shall be monitored and controlled by flaggers; 				
 If during periodic review the Contra Costa County Public Works Department, or the Department of Conservation and Development, determines the Traffic Management Plan requires modification, Phillips 66 shall revise the Traffic Management Plan to meet the specifications of Contra Costa County to address any identified issues. This may include such actions as traffic signal 				

Mitigation Measure	Implementation Timing	Implementatio n Responsibility	Verification Responsibility	Compliance Verification Date
modifications, staggered work hours, or other measures deemed appropriate by the Public Works Department.				
If required, Phillips 66 shall obtain the appropriate permits from Caltrans and the Contra Costa County Public Works Department for the movement of oversized or excessive load vehicles on state- administered highways or County maintained roads respectively.				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
Tribal Cultural Resources				
Tribal Cultural Resources Mitigation Measure TCR-1: Awareness Training • A consultant and construction worker tribal cultural resources awareness brochure and training program for all personnel involved in project implementation shall be developed by Phillips 66 in coordination with interested Native American Tribes (i.e. Wilton Rancheria). The brochure will be distributed, and the training will be conducted in coordination with qualified cultural resources specialists and Native American Representatives and Monitors from culturally affiliated Native American Tribes before any stages of project implementation and construction activities begin on the Project site. The program will include relevant information regarding sensitive tribal cultural resources, including applicable regulations, protocols for avoidance, and consequences of violating state laws and regulations. The worker cultural resources awareness program will also describe appropriate avoidance and minimization measures for resources that have the potential to be located on the Project site and will outline what to do and whom to contact if any potential archaeological resources or artifacts are encountered. The program will also underscore the requirement for confidentiality and culturally-appropriate treatment of any find of significance to Native Americans and behaviors, consistent	Prior to Contra Costa County Building Permit Issuance	Phillips 66	Contra Costa Conservation and Development	Duice

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
Mitigation Measure TCR -2: Monitoring To minimize the potential for destruction of or damage to existing or previously undiscovered burials, archaeological and tribal cultural resources and to identify any such resources at the earliest possible time during project-related earthmoving activities, Phillips 66 and its construction contractor(s) will implement the following measures: • Paid Native American monitors from culturally affiliated Native American Tribes will be invited to monitor the vegetation grubbing, stripping, grading or other ground-disturbing activities in the project area to determine the presence or absence of any cultural resources. Native American representatives from cultural affiliated Native American Tribes act as a representative of their Tribal government and shall be consulted before any cultural studies or ground-disturbing activities begin.	Ongoing during construction and demolition	Phillips 66	Contra Costa Conservation and Development	
 Native American representatives and Native American monitors have the authority to identify sites or objects of significance to Native Americans and to request that work be stopped, diverted, or slowed if such sites or objects are identified within the direct impact area. Only a Native American representative can recommend appropriate treatment of such sites or objects. If buried cultural resources, such as chipped or ground stone, historic debris, building foundations, or bone, are discovered during ground- disturbing activities, work will stop in that area and within 100 				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
feet of the find until an archaeologist who meets the Secretary of the Interior's qualification standards can assess the significance of the find and, if necessary, develop appropriate treatment measures in consultation with the California Department of Transportation, the State Historic Preservation Office, and other appropriate agencies. Appropriate treatment measures may include development of avoidance or protection methods, archaeological excavations to recover important information about the resource, research, or other actions determined during consultation. In accordance with the California Health and Safety Code, if human remains are uncovered during ground disturbing activities, the construction contractor, or the County, or both, shall immediately halt potentially damaging excavation in the area of the burial and notify the County coroner and a qualified professional archaeologist to determine the nature of the remains. The coroner shall examine all discoveries of human remains within 48 hours of receiving notice of a discovery on private or state lands, in accordance with Section 7050(b) of the Health and Safety Code. If the coroner determines that the remains are those of a Native American, they shall contact the NAHC by phone within 24 hours of making that determination (Health and Safety Code Section 7050[c]). After the coroner's findings are presented, the County, the archaeologist, and the NAHC-designated MLD shall determine				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
the ultimate treatment and disposition of the remains and take appropriate steps to ensure that additional human interments are not disturbed.				
 Mitigation Measure TCR -3: Inadvertent Discoveries Phillips 66 shall develop a standard operating procedure, or ensure any existing procedure, to include points of contact, timeline and schedule for the project so all possible damages can be avoided, or alternatives and cumulative impacts properly accessed. If potential tribal cultural resources, archaeological resources, other cultural resources, articulated, or disarticulated human remains are discovered by Native American Representatives or Monitors from interested Native American Tribes, qualified cultural resources specialists or other Project personnel during construction activities, work will cease in the immediate vicinity of the find (based on the apparent distribution of cultural resources), whether or not a Native American Monitor from an interested Native American Tribe is present. A qualified cultural resources specialist and Native American Representatives and Monitors from culturally affiliated Native American Tribes will assess the significance of the find and make recommendations for further evaluation and treatment as necessary. These recommendations will be documented in the project record. For any recommendations made by interested Native American Tribes which are not implemented, a 	Ongoing during construction and demolition	Phillips 66	Contra Costa Conservation and Development	

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
justification for why the recommendation was not followed will be provided in the project record. • If adverse impacts to tribal cultural resources, unique archeology, or other cultural resources occurs, then consultation with Wilton Rancheria regarding mitigation contained in the Public Resources Code sections 21084.3(a) and (b) and CEQA Guidelines section 15370 should occur, in order to coordinate for compensation for the impact by replacing or providing substitute resources or environments. • If cultural resources are recovered on State lands, submerged or tidal lands, all work within 100 feet of the find shall be halted and Phillips 66 shall consult with the California State Lands				
Commission.				
 Mitigation Measure TCR-4: Avoidance and Preservation Avoidance and preservation in place is the preferred manner of mitigating impacts to tribal cultural resources and shall be accomplished by several means, including: Planning construction to avoid tribal cultural resources, archaeological sites and/ or other resources; incorporating sites within parks, greenspace, or other open space; covering archaeological sites; deeding a site to a permanent conservation easement; or other preservation and protection methods agreeable to consulting parties and regulatory authorities with jurisdiction over the activity. Recommendations for avoidance of cultural 	Ongoing during construction and demolition	Phillips 66	Contra Costa Conservation and Development	

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
resources will be reviewed by the CEQA lead agency representative, interested Native American Tribes and the appropriate agencies, in light of factors such as costs, logistics, feasibility, design, technology and social, cultural and environmental considerations, and the extent to which avoidance is consistent with project objectives. Avoidance and design alternatives may include realignment within the project area to avoid cultural resources, modification of the design to eliminate or reduce impacts to cultural resources or modification or realignment to avoid highly significant features within a cultural resource. Native American Representatives from interested Native American Tribes will be allowed to review and comment on these analyses and shall have the opportunity to meet with the CEQA lead agency representative and its representatives who have technical expertise to identify and recommend feasible avoidance and design alternatives, so that appropriate and feasible avoidance and design alternatives can be identified.				
If the resource can be avoided, the construction contractor(s), with paid Native American monitors from culturally affiliated Native American Tribes present, will install protective fencing outside the site boundary, including a buffer area, before construction restarts. The construction contractor(s) will maintain the protective fencing throughout construction to avoid the site during all remaining phases of construction. The area will				

Mitigation Measure	Implementation Timing	Implementation Responsibility	Verification Responsibility	Compliance Verification Date
Area." Native American representatives from interested Native American Tribes and the CEQA lead agency representative will also consult to develop measures for long term management of the resource and routine operation and maintenance within culturally sensitive areas that				
retain resource integrity, including tribal cultural integrity, and including archaeological material, Traditional Cultural Properties and cultural landscapes, in accordance with state and federal guidance including National Register Bulletin 30 (Guidelines for Evaluating and Documenting Rural				
Historic Landscapes), Bulletin 36 (Guidelines for Evaluating and Registering Archaeological Properties), and Bulletin 38 (Guidelines for Evaluating and Documenting Traditional Cultural Properties); National Park Service Preservation				
Brief 36 (Protecting Cultural Landscapes: Planning, Treatment and Management of Historic Landscapes) and using the Advisory Council on Historic Preservation's Native American Traditional Cultural Landscapes Action Plan for further guidance. Use of temporary and permanent forms of protective fencing will be determined in				
consultation with Native American representatives from interested Native American Tribes.				

EXHIBIT B – PHILLIPS 66 RODEO RENEWED PROJECT

CALIFORNIA STATE LANDS COMMISSION STATEMENT OF FINDINGS AND STATEMENT OF OVERRIDING CONSIDERATIONS

1.0 INTRODUCTION

The California State Lands Commission (Commission), acting as a responsible agency under the California Environmental Quality Act (CEQA), makes these findings and this Statement of Overriding Considerations to comply with CEQA as part of its discretionary approval to authorize an amendment of General Lease – Industrial Use, to Phillips 66 Company, for use of sovereign land associated with the proposed Phillips 66 Rodeo Renewed Project (Project) at the Phillips 66 Rodeo Marine Oil Terminal (MOT). (See generally Pub. Resources Code, § 21069; State CEQA Guidelines¹, § 15381.) The Commission has jurisdiction and management authority over all ungranted tidelands, submerged lands, and the beds of navigable lakes and waterways. The Commission also has certain residual and review authority for tidelands and submerged lands legislatively granted in trust to local jurisdictions. (Pub. Resources Code, §§ 6301, 6306, 6009, subd. (c).) All tidelands and submerged lands, granted or ungranted, as well as navigable lakes and waterways, are subject to the protections of the common law Public Trust.

The Commission is a responsible agency under CEQA for the Project because the Commission must amend a lease for the Project to go forward and because Contra Costa County (County), as the CEQA lead agency, has the principal responsibility for approving the Project and has completed its environmental review under CEQA. The County analyzed the environmental impacts associated with the Project in a Final Environmental Impact Report (EIR) (State Clearinghouse [SCH] No. 2020120330) and in May 2022, certified the EIR and adopted a Mitigation Monitoring and Reporting Program (MMRP) and Findings, and a Statement of Overriding Considerations.

The Project within Commission jurisdiction involves the following:

• Expand the authorized uses of the leased lands to include the transfer of renewable fuels and their constituent components (i.e., feedstocks including plant oils and animal fats).

¹ CEQA is codified in Public Resources Code section 21000 et seq. The State CEQA Guidelines are found in California Code of Regulations, title 14, section 15000 et seq.

- Authorize installation of a Metocean Monitoring Buoy System within Parcel 8 for purposes of compliance with Marine Oil Terminal Engineering and Maintenance Standards (MOTEMS).
- Authorize installation of two new pump skids, modified gangway system, and associated piping to the existing butane rail rack area located on Parcel 1 as part of the Rodeo Renewed project for offloading of renewable feed stocks.

The County determined that the Project could have significant environmental effects on the following environmental resources:

- Aesthetics
- Air Quality
- Biological Resources
- Cultural Resources
- Energy Conservation
- Geology and Soils
- Greenhouse Gas Emissions
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use and Planning
- Noise and Vibration
- Transport and Traffic
- Tribal Cultural Resources
- Wildfire
- Solid Waste

Of the 15 resources areas noted above, Project components within the Commission's jurisdiction could have significant environmental effects on six of the resource areas, as follows:

- Air Quality
- Biological Resources
- Cultural Resources
- Geology and Soils
- Hazards and Hazardous Materials
- Hydrology and Water Quality

In certifying the Final EIR and approving the Project, the County imposed various mitigation measures for Project-related significant effects on the environment as conditions of Project approval and concluded that Project-related impacts would be substantially lessened with implementation of these mitigation measures. However, even with the integration of all feasible mitigation, the County concluded in the EIR that some of the identified impacts would remain significant. As a result, the County adopted a Statement of Overriding Considerations to support its approval of the Project despite the significant and unavoidable impacts. The County determined that, after mitigation, the Project may still have significant impacts on Biological Resources and Hazards and Hazardous Materials. Because these significant impacts may occur on lands under the jurisdiction of the Commission, the Commission also adopts the Statement of Overriding Considerations set forth in this Exhibit B as part of its approval.

As a responsible agency, the Commission complies with CEQA by considering the EIR and reaching its own conclusions on whether, how, and with what conditions to approve a project. In doing so, the Commission may require changes in a project to lessen or avoid the effects, either direct or indirect, of that part of the project which the Commission will be called on to carry out or approve. In order to ensure the identified mitigation measures and/or Project revisions are implemented, the Commission adopts the Mitigation Monitoring Program (MMP) as set forth in Exhibit A as part of its Project approval.

2.0 ADMINISTRATIVE RECORD OF PROCEEDINGS AND CUSTODIAN OF THE RECORD

These Findings are supported by substantial evidence contained in the EIR and other relevant information provided to the Commission or existing in its files, all of which is contained in the administrative record. The administrative record is located at the California State Lands Commission, 100 Howe Avenue, Suite 100-South, Sacramento, CA 95825. The custodian for the administrative record is the California State Lands Commission Division of Environmental Science, Planning, and Management.

3.0 FINDINGS

The Commission's role as a responsible agency affects the scope of, but not the obligation to adopt, findings required by CEQA. Findings are required under CEQA by each "public agency" that approves a project for which an EIR has been certified that identifies one or more significant impacts on the environment (Pub. Resources Code, § 21081, subd. (a); State CEQA Guidelines, § 15091, subd. (a).) Because the EIR certified by the County for the Project identifies potentially significant impacts that fall within the scope of the Commission's approval, the Commission makes the Findings set forth below as a responsible agency under CEQA. (State CEQA Guidelines, § 15096, subd. (h); Riverwatch v. Olivenhain Mun. Water Dist. (2009) 170 Cal.App.4th 1186, 1202, 1207.)

While the Commission must consider the environmental impacts of the Project as set forth in the EIR, the Commission's obligation to mitigate or avoid the direct or indirect environmental impacts of the Project is limited to those parts which it decides to carry out, finance, or approve (Pub. Resources Code, § 21002.1, subd. (d); State CEQA Guidelines, §§ 15041, subd. (b), 15096, subds. (f)-(g).) Accordingly, because the Commission's exercise of discretion involves only issuing an Amendment of General Lease – Industrial Use for this Project, the Commission is responsible for considering only the environmental impacts related to lands or resources subject to the Commission's jurisdiction. With respect to all other impacts associated with implementation of the Project, the Commission is bound by the legal presumption that the EIR fully complies with CEQA.

The Commission has reviewed and considered the information contained in the Project EIR. All significant adverse impacts of the Project identified in the EIR relating to the Commission's approval of an Amendment of General Lease – Industrial Use, which would allow the continued operation and maintenance of an existing marine oil terminal wharf in the Carquinez Strait; installation of a Metocean Monitoring Buoy System within Parcel 8 for purposes of compliance with MOTEMS (2022 CCR, Title 24, Part 2 – California Building Code, Chapter 31F), and installation of two new pump skids, modified gangway system, and associated piping to the existing butane rail rack area located on Parcel 1 as part of the Rodeo Renewed Project for offloading of renewable feed stocks, are included herein and organized according to the resource affected.

These Findings, which reflect the independent judgment of the Commission, are intended to comply with CEQA's mandate that no public agency shall approve or carry out a project for which an EIR has been certified that identifies one or more significant environmental effects unless the agency makes written findings for each of those significant effects. Possible findings on each significant effect are:

- (1) Changes or alterations have been required in, or incorporated into, the Project that avoid or substantially lessen the significant environmental effect as identified in the Final EIR.
- (2) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the Commission. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
- (3) Specific economic, legal, social, technological or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the Final EIR.²

A discussion of supporting facts follows each Finding.

- Whenever Finding (1) occurs, the mitigation measures that lessen the significant environmental impact are identified in the facts supporting the Finding.
- Whenever Finding (2) occurs, the agencies with jurisdiction are specified.
 These agencies, within their respective spheres of influence, have the responsibility to adopt, implement, and enforce the mitigation discussed.
- Wherever Finding (3) is made, the Commission has determined that, even after implementation of all feasible mitigation measures and consideration of feasible alternatives, the identified impact will exceed the significance criteria set forth in the EIR. Furthermore, to the extent that potentially feasible measures have been alleged or proposed, the Findings explain why certain economic, legal, social, technological or other considerations render such possibilities infeasible. The significant and unavoidable impacts requiring Finding (3) are identified in the Final EIR, discussed in the Responses to Comments, and explained below. Having done everything it can to avoid and substantially lessen these effects consistent with its legal authority and CEQA, the Commission finds in these instances that overriding economic, legal, social, and other benefits of the approved Project outweigh the resulting significant and unavoidable impacts. The Statement of Overriding Considerations adopted as part of this exhibit applies to all such unavoidable impacts as required by CEQA. (Pub. Resources Code, § 21081, subd. (b); State CEQA Guidelines, §§ 15092 and 15093.)

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² See Public Resources Code section 21081, subdivision (a) and State CEQA Guidelines section 15091, subdivision (a).

The mitigation measures are briefly described in these Findings; more detail on the mitigation measures is included in the Final EIR.

A. SUMMARY OF FINDINGS

Based on the EIR, the proposed Project will have No Impact on the following environmental issue areas:

- Agriculture and Forestry
- Mineral Resources
- Population and Housing
- Public Services
- Recreation
- Utilities and Service Systems

For the remaining potentially significant effects, the Findings are organized by significant impacts within the EIR issue areas as presented below.

B. POTENTIALLY SIGNIFICANT IMPACTS

The impacts within the Commission's jurisdiction identified in Table B-1 were determined in the Final EIR to be potentially significant absent mitigation. After application of mitigation, however, several impacts were determined to be less than significant (LTSM). For the full text of each mitigation measure (MM), please refer to Exhibit A.

However, even with the integration of all feasible mitigation, the County concluded in the EIR that the other identified potentially significant impacts will remain significant. Table B-1 identifies those impacts that the County determined would be, after mitigation, significant and unavoidable (SU).

Table B-1 – Significant Impacts by Issue Area

Environmental Issue Area	Impact Nos. (LTSM)	Impact Nos. (SU)
Air Quality	4.3-1, 4.3-2, 4.3-5	
Biological Resources	4.4-1, 4.4-11	4.4-4, 4.4-5, 4.4-7, 4.4-9, 4.4-10
Cultural Resources	4.5-2, 4.5-3	
Geology and Soils	4.7-1	

Environmental Issue Area	Impact Nos. (LTSM)	Impact Nos. (SU)
Hazards and Hazardous Materials		4.9-2
Hydrology and Water Quality		4.10-1

As a result, the Commission adopts the Statement of Overriding Considerations set forth as part of this Exhibit to support its approval of the Project despite the significant and unavoidable impacts.

IMPACTS REDUCED TO LESS THAN SIGNIFICANT LEVELS WITH MITIGATION

The impacts identified below were determined in the Final EIR to be potentially significant absent mitigation; however, the impacts were determined to be less than significant with mitigation (LTSM).

1. **AIR QUALITY**

CEQA FINDING NO. 4.3-1

Impact:

Impact 4.3-1. The Project could result in a cumulatively considerable net increase in fugitive dust emissions for which the project region is nonattainment under an applicable federal or state ambient air quality.

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

The use of diesel-powered off-road construction equipment and on-road trucks would result in emissions of dust (including PM10 and PM2.5) primarily from "fugitive" sources (i.e., emissions released through means other than through a stack or tailpipe) during the construction period. The EIR relies upon the Bay Area Air Quality Management District's (BAAQMD) May 2017 CEQA Guidelines, which note that "projects implementing construction best management practices will reduce fugitive dust emissions to a less than significant level." Implementing control measures such as limiting vehicle speeds, covering loads, watering roadways, and reducing idling times will reduce the volume and output of dust during the project period.

Implementation of MM AQ-1 has been incorporated into the Project to reduce this impact to a less than significant level.

MM AQ-1. Implement BAAQMD Basic Control Measures

LEVEL OF SIGNIFICANCE AFTER MITIGATION. With the mitigation described above, this impact is reduced to a less than significant level.

CEQA FINDING NO. 4.3-2

Impact: Impact 4.3-2. The Proje

Impact 4.3-2. The Project could result in a cumulatively considerable net increase of criteria pollutants associated with vehicle exhaust for which the project region is nonattainment under an applicable federal or state ambient air quality.

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

Demolition and construction activities at the Rodeo Refinery could result in pollutant emissions that exceed the BAAQMD's regional significance thresholds. The EIR found that the background marine terminal incremental traffic during Year 2 would produce exhaust emissions exceeding the nitrogen oxide (NOx) threshold of 54 pounds per day. The EIR identifies measures to prepare a NOx mitigation plan that will reduce the aggregated construction and transition NOx emissions to below 54 pounds per day, including components such as reducing vessel traffic and reducing equipment idling times.

Implementation of MM AQ-2 has been incorporated into the Project to reduce this impact to a less than significant level.

MM AQ-2. Implement a NOx Mitigation Plan

LEVEL OF SIGNIFICANCE AFTER MITIGATION. With the mitigation described above, this impact is reduced to a less than significant level.

Impact: Impact 4.3-5. The Project would result in other emissions (such as odors) adversely affecting a substantial number of people.

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

The Rodeo Facility would be converted to production of transportation fuels from renewable feedstocks. Renewable feedstocks can create odors similar to an animal and/or food processing facility, and those odors would interfere with air quality. The EIR identifies measures whereby odors would be managed through good engineering practices combined with an Odor Management Plan that will include components such as an immediate response and investigation of odor complaints and proactive employee monitoring of odor sources.

Implementation of MM AQ-4 has been incorporated into the Project to reduce this impact to a less than significant level.

MM AQ-4. Odor Management Plan

LEVEL OF SIGNIFICANCE AFTER MITIGATION. With the mitigation described above, this impact is reduced to a less than significant level.

2. BIOLOGICAL RESOURCES

CEQA FINDING NO. 4.4-1

Impact: Impact 4.4-1. The Project could have a substantial adverse effect on special-status species due to vessel collisions.

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

A vessel collision (ship strike) refers to impact between a vessel, most commonly bow or propeller, and an aquatic animal. The increased vessel traffic traveling to and from the MOT would increase the possibility of collisions with special-status species that would result in injury or death. The EIR identifies measures to require that arriving vessels be alerted to speed compliance, whale sightings, and other guidelines to enhance vigilance when transiting through the San Francisco Bay. In addition, data will be collected to further the understanding of sturgeon vulnerabilities to ship strike effects in order to enhance Sturgeon strike avoidance in and around the project area.

Implementation of MMs BIO-1a and BIO-1b has been incorporated into the Project to reduce this impact to a less than significant level.

- MM BIO-1a. Update Pre-Arrival Documents
- MM BIO -1b. California Department of Fish and Wildlife (CDFW) and Research Sturgeon Support

LEVEL OF SIGNIFICANCE AFTER MITIGATION. With the mitigation described above, this impact is reduced to a less than significant level.

CEQA FINDING NO. 4.4-11

Impact: Impact 4.4-11.

Impact 4.4-11. The Project could conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional or state habitat conservation plan.

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

The San Francisco Bay Plan (BCDC 2021) policies require tidal marshes and tidal flats within the Project area to be conserved to the fullest possible extent. The Conservation Element of the Contra Costa County General Plan (2010) also provides policies to protect the County's natural resources and their uses. Finally, two designated refuges occur within San Pablo Bay, and offshore shipping lanes transit two national marine sanctuaries. Project activities could conflict with these policies and plans through accidental harm or habitat degradation during the Project's transitional phase as well as future operations and maintenance. The EIR identifies measures to protect tidal marshes and tidal flats within San Pablo Bay and the greater San Francisco Bay estuary.

Implementation of MM BIO-8 has been incorporated into the Project to reduce this impact to a less than significant level.

MM BIO-8. Implement Mitigation Measures BIO-2, BIO-3, BIO-4a, and BIO-4b

LEVEL OF SIGNIFICANCE AFTER MITIGATION. With the mitigation described above, this impact is reduced to a less than significant level.

3. CULTURAL RESOURCES

CEQA FINDING NO. 4.5-2

Impact: Impact 4.5-2. The Project could cause a substantial adverse change in the significance of an archaeological resource pursuant to CEQA Guidelines Section 15064.5.

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

One prehistoric archaeological site has been previously recorded at the Rodeo Refinery, located near the shoreline in the western part of the Rodeo Site (Parcel 1). Any remaining intact deposits could potentially meet the CEQA definition of a historical resource. Additionally, construction activities could unearth previously unknown archaeological sites that are not visible on the ground surface. The EIR identifies measures requiring that all work within 100 feet of a cultural find be halted while significance is assessed. Any significant find would be first avoided, if feasible, before implementing other measures.

Implementation of MM CUL-1 has been incorporated into the Project to reduce this impact to a less than significant level.

• MM CUL-1. Inadvertent Discovery of Archaeological Resources

LEVEL OF SIGNIFICANCE AFTER MITIGATION. With the mitigation described above, this impact is reduced to a less than significant level.

CEQA FINDING NO. 4.5-3

Impact: Impact 4.5-3. The Project could disturb human remains, including those interred outside of formal cemeteries.

Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

One prehistoric archaeological site has been previously recorded at the Rodeo Refinery, located near the shoreline in the western part of the Rodeo Site (Parcel 1). The 1909 site record reports that "many" skeletons were unearthed from the mound prior to and during its removal from the Rodeo Site. While the EIR determined that there are no records or indication that human remains have been encountered during any subsequent construction activities at the Rodeo Site, Project activities could expose and/or damage any remaining human remains through grading, excavation, and other construction-related activities. Therefore, activities proposed as part of the Project have the potential for inadvertent discovery of human remains interred outside of formal cemeteries. The EIR identifies measures to provide personnel education and to ensure that all discovered human remains and associated or unassociated funerary objects shall comply with applicable State law.

Implementation of MM CUL-2 has been incorporated into the Project to reduce this impact to a less than significant level.

• MM CUL-2. Inadvertent Discovery of Human Remains

LEVEL OF SIGNIFICANCE AFTER MITIGATION. With the mitigation described above, this impact is reduced to a less than significant level.

4. GEOLOGY AND SOILS

CEQA FINDING NO. 4.7-1

Impact: Impact 4.7-1. The Project could expose people or structures to

potential substantial adverse effects of strong seismic ground

shaking.

Finding(s): (1) Changes or alterations have been required in, or incorporated

into, the project that mitigate or avoid the significant

environmental effect as identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

Potential damage at the Rodeo Facility from a significant earthquake on the Hayward fault could include broken piping and piping supports, damaged tanks, and stressed support bolts. The EIR identifies measures to ensure consistency with County ordinances and policies as well as the most recent version of the California Building Code, which requires structural design that can accommodate ground accelerations expected from known active faults. In addition, recommendations from a licensed engineering geologist's geotechnical report shall be incorporated into the Project's design and construction build-out.

Implementation of MM GEO-1 has been incorporated into the Project to reduce the severity of this impact to a less than significant level.

• MM GEO-1. Comply with Geotechnical Report

LEVEL OF SIGNIFICANCE AFTER MITIGATION. With the mitigation described above, this impact is reduced to a less than significant level.

C. SIGNIFICANT AND UNAVOIDABLE IMPACTS

The following impacts were determined in the Final EIR to be significant and unavoidable. The Statement of Overriding Considerations adopted as part of this exhibit applies to all such unavoidable impacts as required by CEQA. (Pub. Resources Code, § 21081, subd. (b); State CEQA Guidelines, §§ 15092 and 15093.)

1. BIOLOGICAL RESOURCES

CEQA FINDING NO. 4.4-4

Impact: Impact 4.4-4. The Project could, either directly or through habitat modifications, have a substantial adverse effect on special-status species due to accidental oil spills.

- Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.
 - (3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the FIR

FACTS SUPPORTING THE FINDING(S)

If a renewable fuel spill reaches the shoreline, it could result in reduced oxygen levels in shallow waters, coat shorelines, and have similar oiling effects on wildlife as petroleum spills. Documented substantial effects from vegetable oil spills include depletion of oxygen levels in shallow waters resulting in death of up to thousands of invertebrates and fish, thick and persistent oil coating of shorelines, and oiling and death of thousands of waterbirds. The EIR identifies measures that provide a coordinated response to accidental spills and discharges in order to protect sensitive shoreline and nearshore resources and increase emergency preparedness. However, while a small accidental spill or discharge at the MOT would likely be contained and removed quickly using established procedures, the risk of a large spill and its associated potentially significant impact cannot be eliminated.

Implementation of MMs BIO-2 and BIO-3 has been incorporated into the Project and would reduce the severity of Impact 4.4-4, although not necessarily to a less than significant level.

- MM BIO-2. Implement Mitigation Measures HAZ-1 and HAZ-2
- MM BIO-3. Update and Review Facility Response Plan and Spill Prevention, Control, and Countermeasure Plan with OSPR

LEVEL OF SIGNIFICANCE AFTER MITIGATION. This impact is considered significant and unavoidable.

Impact: Impact 4.4-5. The Project could cause substantial adverse impacts to special-status species, either directly or through habitat modifications, from the effects of Nonindigenous Invasive Species introduction.

- Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.
 - (3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

Vessels calling at the MOT could introduce invasive species that can lead to the extinction of native plants and animals, destroy biodiversity, and permanently alter habitats. While the EIR identifies measures that would provide assurance of vessel regulatory compliance and prohibit ballast water release or exchange, no technologies or regulations currently exist that can reduce this risk to less than significant.

Implementation of MMs BIO-4a and BIO-4b has been incorporated into the Project and would reduce the severity of Impact 4.4-5, although not necessarily to a less than significant level.

- MM BIO-4a. Prohibit Ballast Water Exchange
- MM BIO-4b. Update Pre-Arrival Documentation

LEVEL OF SIGNIFICANCE AFTER MITIGATION. This impact is considered significant and unavoidable.

Impact:

Impact 4.4-7. The Project could, either directly or through habitat modifications, have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act.

- Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.
 - (3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

If a renewable fuel spill reaches the shoreline, it can result in reduced oxygen levels in shallow waters and coat mudflats, tidal marshes, and rocky shorelines. Documented substantial effects from vegetable oil spills include depletion of oxygen levels in shallow waters as well as thick and persistent oil coating of shorelines. In addition, vessels calling at the MOT could introduce invasive species that can lead to the extinction of native plants and animals, destroy biodiversity, and permanently alter habitats. While the EIR identifies measures to further reduce the frequency and size of potential spills, improve preparedness for responding to a spill, provide assurance of vessel regulatory compliance, and prohibit ballast water release or exchange, the risks and their associated potentially significant impacts cannot be eliminated.

Implementation of MM BIO-5 has been incorporated into the Project and would reduce the severity of Impact 4.4-7, although not necessarily to a less than significant level.

MM BIO-5. Implement Mitigation Measures BIO-4a and BIO-4b

LEVEL OF SIGNIFICANCE AFTER MITIGATION. This impact is considered significant and unavoidable.

Impact:

Impact 4.4-9. The Project could interfere substantially with the movement of native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors or impede the use of native wildlife nursery sites due to accidental oil spills.

- Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the FIR.
 - (3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

Activities proposed as part of the Project could harm wildlife, as discussed in Impact 4.4-4, as well as their migratory wildlife corridors and nursery sites. The EIR identifies measures that provide a coordinated response to accidental spills and discharges in order to protect sensitive shoreline and nearshore resources and increase emergency preparedness. However, while a small accidental spill or discharge at the MOT would likely be contained and removed quickly using established procedures, the risk of a large spill and its associated potentially significant impact cannot be eliminated.

Implementation of MM BIO-6 has been incorporated into the Project and would reduce the severity of Impact 4.4-9, although not necessarily to a less than significant level.

MM BIO-6. Implement Mitigation Measures BIO-2 and BIO-3

LEVEL OF SIGNIFICANCE AFTER MITIGATION. This impact is considered significant and unavoidable.

Impact:

Impact 4.4-10. The Project could interfere substantially with the movement of native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors or impede the use of native wildlife nursery sites from the effects of Nonindigenous Invasive Species introduction.

- Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the FIR.
 - (3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

Vessels calling at the MOT could introduce invasive species that can lead to the extinction of native plants and animals, destroy biodiversity, and permanently alter habitats. The nonindiaenous invasive species can also reduce native species diversity, food for native species, and have the potential to substantially alter habitat quality of aquatic nursery areas. While the EIR identifies measures that would provide assurance of vessel regulatory compliance and prohibit ballast water release or exchange, no technologies or regulations currently exist that can reduce this risk to less than significant.

Implementation of MM BIO-7 has been incorporated into the Project and would reduce the severity of Impact 4.4-10, although not necessarily to a less than significant level.

MM BIO-7. Implement Mitigation Measures BIO-2 and BIO-3

LEVEL OF SIGNIFICANCE AFTER MITIGATION. This impact is considered significant and unavoidable.

2. HAZARDS AND HAZARDOUS MATERIALS

CEQA FINDING NO. 4.9-2

Impact: Impact 4.9-2. The Project could create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.

- Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.
 - (3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

Operation of the Project could result in discharges into waters of the San Pablo and San Francisco Bays from vessels transporting feedstocks and blending stocks to, and refined oil products from, the MOT. At full operation, 201 tankers and 161 barges would call each year, an increase of approximately 113 percent over baseline and increasing the probability of hazardous material release. The EIR identifies measures that provide a coordinated response to accidental spills and discharges and to increase emergency preparedness. However, while a small accidental spill or discharge at the MOT would likely be contained and removed quickly using established procedures, the risk of a large spill and its associated potentially significant impact cannot be eliminated.

Implementation of MMs HAZ-1 and HAZ-2 has been incorporated into the Project and would reduce the severity of Impact 4.9-2, although not necessarily to a less than significant level.

- MM HAZ-1. Implement Release, Monitoring and Avoidance Systems
- MM HAZ-2. USCG Ports and Waterways Safety Assessment (PAWSA)
 Workshops, Spill Response and Pilotage Requirements

LEVEL OF SIGNIFICANCE AFTER MITIGATION. This impact is considered significant and unavoidable.

3. HYDROLOGY AND WATER QUALITY

CEQA FINDING NO. 4.10-1

Impact: Impact 4.10-1: The Project could violate water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality due to accidental oil spills.

- Finding(s): (1) Changes or alterations have been required in, or incorporated into, the project that mitigate or avoid the significant environmental effect as identified in the EIR.
 - (3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the EIR.

FACTS SUPPORTING THE FINDING(S)

Operation of the Project could result in discharges into waters of the San Pablo and San Francisco Bays from vessels transporting feedstocks and blending stocks to, and refined oil products from, the MOT. At full operation, 201 tankers and 161 barges would call each year, an increase of approximately 113 percent over baseline and increasing the probability of a hazardous material release that would violate water quality standards or otherwise substantially degrade surface water. The EIR identifies measures that provide a coordinated response to accidental spills and discharges and to increase emergency preparedness. However, while a small accidental spill or discharge at the MOT would likely be contained and removed quickly using established procedures, the risk of a large spill and its associated potentially significant impact cannot be eliminated.

Implementation of MMs HAZ-1 and HAZ-2 has been incorporated into the Project and would reduce the severity of Impact 4.10-1, although not necessarily to a less than significant level.

- MM HAZ-1. Implement Release, Monitoring and Avoidance Systems
- MM HAZ-2. USCG Ports and Waterways Safety Assessment (PAWSA)
 Workshops, Spill Response and Pilotage Requirements

LEVEL OF SIGNIFICANCE AFTER MITIGATION. This impact is considered significant and unavoidable.

D. FINDINGS ON ALTERNATIVES

As explained in California Native Plant Society v. City of Santa Cruz (2009) 177 Cal.App.4th 957, 1000:

When it comes time to decide on project approval, the public agency's decisionmaking body evaluates whether the alternatives [analyzed in the EIR] are actually feasible.... At this final stage of project approval, the agency considers whether '[s]pecific economic, legal, social, technological, or other considerations...make infeasible the mitigation measures or alternatives identified in the environmental impact report.' Broader considerations of policy thus come into play when the decisionmaking body is considering actual feasibility than when the EIR preparer is assessing potential feasibility of the alternatives [citations omitted].

The four alternatives analyzed in the EIR represent a reasonable range of potentially feasible alternatives that could reduce one or more significant impacts of the Project. These alternatives include:

- 1) No Project Alternative;
- 2) Reduced Project Alternative;
- 3) Terminal-Only Alternative; and
- 4) No Temporary Increase in Crude Oil.

As presented in the EIR, the alternatives were described and compared with each other and with the proposed Project.

Under State CEQA Guidelines section 15126.6, subdivision (e)(2), if the No Project Alternative is identified as the environmentally superior alternative, the EIR must also identify an environmentally superior alternative among the other alternatives. Based on the analysis contained in the EIR, there is no clear environmentally superior alternative to the proposed Project that is capable of achieving the Project objective. No one alternative would eliminate the significant and adverse impacts of the proposed Project.

The County independently reviewed and considered the information on alternatives provided in the EIR and in the record. The EIR reflects the County's independent judgment as to alternatives. The County found that the Project provides the best balance between the Project goals and objectives and the Project's benefits. The four CEQA alternatives proposed and evaluated in the EIR were rejected as being infeasible for reasons provided in the County's Findings Regarding Alternatives (Attachment B-1).

Based upon the objectives identified in the Final EIR and the detailed mitigation measures imposed upon the Project, the Commission has determined that the Project should be approved, subject to such mitigation measures (Exhibit A, Mitigation Monitoring Program), and that any remaining unmitigated environmental impacts attributable to the Project are outweighed by the following specific economic, fiscal, social, environmental, land use, and other overriding considerations.

4.0 STATEMENT OF OVERRIDING CONSIDERATIONS

A. INTRODUCTION

This section addresses the Commission's obligations under Public Resources Code section 21081, subdivisions (a)(3) and (b). (See also State CEQA Guidelines, §§ 15091, subd. (a)(3), 15093.) Under these provisions, CEQA requires the Commission to balance, as applicable, the economic, legal, social, technological, or other benefits, including regionwide or statewide environmental benefits, of the Lease approval related to the Rodeo Renewed Project against the backdrop of the Project's unavoidable significant environmental impacts. For purposes of CEQA, if the specific economic, legal, social, technological, or other benefits of a proposed project outweigh the unavoidable significant environmental effects, those effects may be considered acceptable and the decision-making agency may approve the underlying project. (State CEQA Guidelines § 15092, subd. (b)(2)(B).) CEQA, in this respect, does not prohibit the Commission from approving the Lease even if the Project activities as authorized under the Lease may cause significant and unavoidable environmental effects.

This Statement of Overriding Considerations presents a list of (1) the specific significant effects on the environment attributable to the approved Project that cannot feasibly be mitigated to below a level of significance, (2) benefits derived from the approved Project, and (3) specific reasons for approving the Project.

Although the County and Commission have imposed mitigation measures to reduce impacts, impacts remain that are considered significant after application of all feasible mitigation. Significant impacts of the approved Project fall under three resource areas: Biological Resources, Hazards and Hazardous Materials, and Hydrology and Water Quality (see Table B-2). These impacts are specifically identified and discussed in more detail in the Commission's CEQA Findings and in County's Final EIR. While the Commission has required all feasible mitigation measures, these impacts remain significant for purposes of adopting this Statement of Overriding Considerations.

Table B-2 – Significant and Unavoidable Impacts Identified for the Approved Project

Impact	Impact Description	
Biological Resources		
Impact 4.4-4. The Project has the potential to, either directly or through habitat modifications, have a substantial adverse effect on special-status species due to accidental oil spills.	Marine vessels transiting San Francisco and San Pablo Bays and unloading and loading at the marine terminal could potentially spill crude oil and refined products during the transitional period and renewable feedstocks and renewable products during the operational period. Such spills would constitute a significant impact on special-status species and their habitats. The EIR imposes mitigation measures BIO-2 and BIO-3, but discloses that those measures would be unlikely to mitigate the project's impact to a less than significant level. There are no other feasible mitigation measures that are available to offset this significant impact. Therefore, the impact would remain significant and unavoidable.	
Impact 4.4-5. The Project has the potential to cause substantial adverse impacts to special-status species, either directly or through habitat modifications, through the effects of Nonindigenous Invasive Species introduction.	The EIR discloses that marine vessel activity during the transitional and operational periods would increase the risk of introducing non-indigenous invasive species, resulting in a significant impact on sensitive species and their habitats. The EIR imposes mitigation measures BIO-4a and BIO-4b, but discloses that those measures would be unlikely to mitigate the project's impact to a less-than significant level. There are no other feasible mitigation measures that are available to offset this significant impact. Therefore, the impact would remain significant and unavoidable.	
Impact 4.4-7. The Project has the potential to, either directly or through habitat modifications, have a substantial adverse effect on federally protected wetlands as defined by Section	The proposed Project would result in significant unavoidable adverse impact to federally protected wetlands as defined by Section 404 of the Clean Water Act in the event of a major oil spill. The EIR imposes mitigation measure BIO-5, but discloses that the measure would be unlikely to mitigate the project's impact to a less than significant level. There are no other feasible mitigation measures that are available to offset this significant impact. Therefore, the impact would remain significant and unavoidable.	

Impact	Impact Description
404 of the Clean Water Act.	
Impact 4.4-9. The Project has the potential to interfere substantially with the movement of native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors or impede the use of native wildlife nursery sites due to accidental oil spills.	Marine vessels transiting San Francisco and San Pablo Bays and unloading and loading at the marine terminal could potentially spill crude oil and refined products during the transitional period and renewable feedstocks and renewable products during the operational period. Such spills would constitute a significant impact on special-status species, their habitats, migratory corridors, and nursery sites for native species. The EIR imposes mitigation measure BIO-6, but discloses that the measure would be unlikely to mitigate the project's impact to a less than significant level. There are no other feasible mitigation measures that are available to offset this significant impact. Therefore, the impact would remain significant and unavoidable.
Impact 4.4-10. The Project has the potential to interfere substantially with the movement of native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors or impede the use of native wildlife nursery sites through the effects of Nonindigenous Invasive Species introduction	The EIR discloses that marine vessel activity during the transitional and operational periods would increase the risk of introducing non-indigenous invasive species, resulting in a significant impact on special-status species, their habitats, migratory corridors, and nursery sites for native species. The EIR imposes mitigation measure BIO-7, but discloses that the measure would be unlikely to mitigate the project's impact to a less than significant level. There are no other feasible mitigation measures that are available to offset this significant impact. Therefore, the impact would remain significant and unavoidable.

are available to offset this significant impact. Therefore,

the impact would remain significant and unavoidable.

Impact Impact Description Hazards and Hazardous Materials Impact 4.9-2. The Though the probability of a serious spill would be Project has the minimized to the extent feasible with mitigation measures, potential to create a large spill could still occur and result in impacts to the a significant hazard public or the environment that would be significant and to the public or the unavoidable. The EIR imposes mitigation measures HAZ-1 environment and HAZ-2, but discloses that those measures would be through reasonably unlikely to mitigate the project's impact to a less than foreseeable upset significant level. There are no other feasible mitigation and accident measures that are available to offset this significant conditions impact. Therefore, the impact would remain significant and unavoidable. involving the release of hazardous materials into the environment. **Hydrology and Water Quality** Though the probability of a serious oil spill would be Impact 4.10-1: The minimized to the extent feasible with mitigation measures, Project has the a large spill could still occur and result in impacts on water potential to violate quality that would be significant and unavoidable. The EIR water quality imposes mitigation measures HAZ-1 and HAZ-2, which standards or waste require updates and implementation of spill response discharge plans, but discloses that those measures would be unlikely requirements or to mitigate the project's impact to a less than significant otherwise level. There are no other feasible mitigation measures that substantially

degrade surface or

accidental oil spills.

ground water quality due to

B. BALANCING OF BENEFITS AND RISKS ASSOCIATED WITH LEASE APPROVAL

State CEQA Guidelines section 15093, subdivision (a) requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks when determining whether to approve the project.

The Climate Crisis requires that lower carbon intensive sources of fuels be developed and delivered to power the state and national economy. The Project seeks to aid in the transition from crude oil-based hydrocarbons to those refined from renewable feed-stocks to meet the State's low-carbon fuels goals and meet the significant domestic demand for transportation fuels. Although there are potential risks and impacts as a result of the Project, those impacts are not uniquely different from those currently found by the current operation of the refinery and marine terminal as a refiner of crude oil-based petroleum products.

C. COMMISSION ADOPTION OF STATEMENT OF OVERRIDING CONSIDERATIONS

As noted above, under Public Resources Code section 21081, subdivisions (a)(3) and (b) and State CEQA Guidelines section 15093, subdivision (a), the decision-making agency is required to balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or state-wide environmental benefits, of a proposed project against its unavoidable environmental risks when determining whether to approve a project.

For purposes of CEQA, if these benefits outweigh the unavoidable significant environmental effects of a proposed project, the decision-making agency may approve the underlying project. CEQA, in this respect, does not prohibit the Commission from approving the Project, even if the activities authorized by that approval may cause significant and unavoidable environmental effects. This balancing is particularly difficult given the significant and unavoidable impacts on the resources discussed in the EIR and these Findings. Nevertheless, the Commission finds, as set forth below, that the benefits anticipated by implementing the Project outweigh and override the expected significant effects.

The Commission has balanced the benefits of the Project against the significant unavoidable impacts that will remain after approval of the lease associated with the Approved Project and with implementation of all feasible mitigation in the EIR that is adopted as enforceable conditions of the Commission's approval of the Project. Based on all available information, the Commission finds that the benefits of the approved Project outweigh the significant and unavoidable adverse environmental effects, and considers such effects acceptable.

The Project would provide the following benefits:

- Support for the attainment of the goals of Executive Order N-79-20 and the federal Renewable Fuel Standard (RFS) program by contributing fewer lifecycle GHG emissions per barrel and a lower carbon transportation footprint.
- Reduction in GHG emissions from the combustion of renewable fuels
- Retention of approximately 650 existing family-wage jobs in Contra Costa County, indirect support to thousands of other jobs in the Bay Area, and up to 500 new construction jobs
- Substantial investment in the community and facility by re-using and transforming an existing industrial facility as well as producing renewable transportation fuels
- Transportation Fuel Supply Security
- Recycling cooking oils, rendering wastes, and other fats, oils, and greases into renewable fuels which helps reduce demand on landfill space and the carbon footprint of fuels
- Reduction of truck traffic near Rodeo
- Reductions in electricity and natural gas energy usage

The Commission adopts and makes this Statement of Overriding Considerations with respect to the impacts identified in the EIR and these Findings that cannot be reduced to a less than significant level. Each benefit set forth above constitutes an overriding consideration warranting approval of the project, independent of the other benefits, despite each and every significant unavoidable impact.

D. CONCLUSION

The Commission has considered the Final EIR and all of the environmental impacts described therein including those that cannot be mitigated to a less than significant level and those that may affect Public Trust uses of State sovereign land. Based on the foregoing and pursuant to Public Resources Code section 21081 and State CEQA Guidelines sections 15096 subdivision (h) and 15093, the Commission has considered the fiscal, economic, legal, social, environmental, and public health and safety benefits of the Project and has balanced them against the Project's significant and unavoidable and unmitigated adverse environmental impacts and, based upon substantial evidence in the record, has determined that the benefits of the Project outweigh the adverse environmental effects. The Commission finds that the remaining significant unavoidable impacts of the Project are acceptable in light of these benefits. Such benefits outweigh such significant and unavoidable impacts of the Project and provide the substantive and legal basis for this Statement of Overriding Considerations.

The Commission finds that to the extent that any impacts identified in the Final EIR remain unmitigated, mitigation measures have been required to the extent feasible, although the impacts could not be reduced to a less than significant level.

Based on the above discussion, the Commission finds that the benefits of the Project outweigh the significant unavoidable impacts that could remain after mitigation is applied and considers such impacts acceptable.

ATTACHMENT B-1

CONTRA COSTA COUNTY FINDINGS REGARDING ALTERNATIVES

3. Findings on Alternatives to the Phillips 66 Rodeo Renewed Project

Alternatives Considered but Eliminated from Further Consideration

The County finds that each of the alternatives eliminated from further consideration in the Draft EIR is infeasible, would not meet most project objectives, and/or would not reduce or avoid significant impacts of the Project, for the reasons detailed in Chapter 5 of the Draft EIR.

Alternatives Analyzed in the EIR

In accordance with CEQA and the CEQA Guidelines, Chapter 5 of the Draft EIR evaluated a reasonable range of alternatives to the Phillips 66 Rodeo Renewed Project. The EIR's analysis examined the feasibility of each alternative, the

environmental impacts of each alternative, and each alternative's ability to meet the project objectives described in Chapter 5, Section 5.5 of the Draft EIR. In accordance with CEQA and the CEQA Guidelines, the alternatives analysis included an analysis of a no-project alternative and identified the Reduced Project Alternative as the environmentally superior alternative.

<u>FINDING</u>: The County certifies that it has independently reviewed and considered the information on alternatives provided in the Draft EIR and in the administrative record. For the reasons set forth below, the County finds that the alternatives either fail to avoid or substantially lessen the Project's significant impacts (and in some cases increase or create new significant and unavoidable impacts) or are "infeasible" as that term is defined by CEQA and the CEQA Guidelines.

The Draft EIR evaluated four alternatives to the Project:

- Alternative 1 No Project Alternative
- Alternative 2 Reduced Project Alternative
- Alternative 3 Terminal Only Alternative
- Alternative 4 No Temporary Increase in Crude Oil Alternative

Brief summaries of these alternatives and findings regarding these alternatives are provided below.

1) Alternative 1 – No Project Alternative

Under the No Project Alternative, the Rodeo Refinery would continue to receive petroleum-based feedstocks, including crude oil, by pipeline (from the Santa Maria Site via the Pipeline Sites) and marine vessels, refine those feedstocks into a variety of petroleum-based fuel products, and ship those products out by pipeline, marine vessels, and rail. The Carbon Plant would continue to receive raw coke by truck, produce finished petroleum coke, and ship that material to market by rail and truck. The No Project Alternative would consist of the continued operation of the existing Rodeo Refinery equipment and the Santa Maria Site and the Pipeline Site. Future activity levels would be, on average, similar to the baseline in terms of material throughput, number of truck, train, and marine vessel trips, and employment. (See Draft EIR, Chapter 5, Section 5.5.1.1)

<u>FINDING</u>: In accordance with Public Resources Code Section 21081(a)(3) and CEQA Guidelines Section 15091(a)(3), the County finds that specific legal, social, technological, or other considerations, including failure to meet project

objectives, render the No Project alternative infeasible. This alternative would not achieve most of the objectives of the proposed project, with the exception of maintaining quality jobs. Moreover, the No Project Alternative would result in the same impacts to aesthetics, biological resources, hazards and hazardous materials, hydrology and water quality, land use and planning, noise, and public services as the proposed Phillips 66 Rodeo Renewed Project and would result in more severe impacts to air quality, energy use, greenhouse gas emissions, transportation, and utilities and service systems than the proposed Phillips 66 Rodeo Renewed Project. For these reasons, the County rejects this alternative.

2) Alternative 2 – Reduced Project Alternative

In the Reduced Project Alternative, the capacity of the Rodeo Renewed facility would be reduced compared to the Project because the Pre-Treatment Unit would consist of only two pre-treatment trains instead of three, thereby reducing overall processing capability for renewable feedstocks to 55,000 bpd (instead of 80,000 bpd) and shipping 50,000 bpd of renewable fuels (instead of 55,000 bpd). With existing (as of 2021) renewable processing capacity of 12,000 bpd (i.e., the Unit 250 production) and the reduced shipping of 50,000 bpd, the total production capacity of the facility after the Reduced Project Alternative is operational would be 62,000 bpd of renewable fuels. Like the Project, the facility would continue to receive 38,000 bpd of gasoline blendstocks, and blend and ship 40,000 bpd conventional fuels. All other elements of the Reduced Project would be identical to the Project, including demolition of the Carbon Plant and the Santa Maria Site and cleaning and decommissioning the Pipeline Sites. (See Draft EIR, Chapter 5, Section 5.5.2.1)

FINDING: In accordance with Public Resources Code Section 21081(a)(3) and CEQA Guidelines Section 15091(a)(3), the County finds that specific legal, social, technological, or other considerations, including failure to meet project objectives, render the Reduced Project Alternative infeasible. By reducing renewable feedstock throughput, this alternative would generate fewer jobs, would result in a lower volume of renewable fuels being produced and brought to market to support the State's renewable energy goals, and would not achieve the Project objectives as well as the proposed project. For these reasons, the County rejects the Reduced Project Alternative as infeasible.

3) Alternative 3 – Terminal Only Alternative

Under the Terminal Only Alternative, the process equipment at the Rodeo Site would be demolished, likely over a period of years, leaving only the storage tankage and associated infrastructure, including the wastewater treatment plant (Unit 100), piping, pumps, and administration buildings in active service. In this alternative, as in the Project, the Carbon Plant and Santa Maria Site would be closed and demolished and the Pipeline Sites would be cleaned and removed from active service.

Operation of this alternative would involve the receipt of gasoline blendstocks, as under existing conditions, as well as renewable fuels and blendstocks, by marine vessel and potentially rail. Finished gasoline and diesel, both petroleum-based and renewable, would be distributed from the Rodeo Site by pipeline and potentially rail. The Terminal Only Alternative would result in 110 vessels per year delivering blendstocks and fuels, which is considerably less than the Project. As described in Table 5-1, the Terminal Only Alternative is assumed to handle an average of 75,000 bpd, in approximately equal amounts of gasoline and diesel fuel. This alternative would employ far fewer personnel than the Project, with employment estimated at 75. (See Draft EIR, Chapter 5, Section 5.5.3.1)

FINDING: In accordance with Public Resources Code Section 21081(a)(3) and CEQA Guidelines Section 15091(a)(3), the County finds that specific legal, social, technological, or other considerations, including failure to meet project objectives, render the Terminal Only Alternative infeasible. The Terminal Only Alternative would not convert the Rodeo Refinery to a renewable transportation fuels production facility. The Terminal Only Alternative would not produce renewable fuels, and would therefore not assist California in meeting its goals for renewable energy, GHG emission reductions and reduced Carbon Intensity. The lack of production of renewable fuels at the Rodeo facility could mean that the region's fuel demand would have to be met with greater amounts of petroleum-based fuels, some portion of it imported, than with the Project. In that case, the Terminal Only Alternative would not assist in the attainment of California's climate and energy goals. The Terminal Only Alternative would not convert equipment and infrastructure to produce renewable fuels, but it would discontinue the processing of crude oil at the Rodeo Refinery. The Terminal Only Alternative would result in the elimination of approximately 575 of the 650 existing jobs at the Rodeo Refinery. Although it would preserve 75 jobs.

The Terminal Only Alternative would repurpose and reuse only a small portion of the facility's existing equipment capacity, primarily storage tanks and administrative facilities. The remainder of the refinery's equipment would not be reused.

The Terminal Only Alternative would preserve marine and rail facilities, and possibly truck loading/offloading facilities. Those facilities would likely be used to receive, store, and distribute renewable fuels and would certainly be used to handle conventional fuels and fuel components (e.g., the existing gasoline blending operation). However, this alternative does not include accessing renewable feedstocks.

The Terminal Only Alternative would not be able to process renewable feedstocks.

The Terminal Only Alternative would allow the Rodeo facility to supply regional market demand for conventional and renewable fuels. However, the capacity to supply fuels would be substantially less than the Project's and would not maintain the facility's current capacity to produce approximately 120,000 bpd.

The Terminal Only Alternative would not transition the Rodeo Refinery to a renewable fuels facility and would not require any increased crude oil or gasoil deliveries.

The Terminal Only Alternative would not have the capacity to process recyclable fats, oil, and grease.

The Terminal Only Alternative would provide a mechanism for compliance with the federal RFS and state LCFS because it would likely supply some renewable and low-carbon fuels, although to a far lesser extent than the Project.

For these reasons, this alternative was found to be infeasible.

4) Alternative 4 - No Temporary Increase in Crude Oil Alternative

Under this alternative, it is reasonable to expect that the decreased vessel traffic to the Marine Terminal during the 7-month interim period, and therefore the decreased production of refined products by the Rodeo Refinery, would be offset by imports to other regional fuels facilities and possibly, where feasible, increased production by the other three regional refineries. Imports would likely come primarily by vessel, and increased production, should some excess capacity be available, would require imports

of crude oil, also likely primarily by marine vessel. Accordingly, some or all of the vessel traffic that would not come to the Rodeo facility would come to other regional facilities.

Under operating conditions, however, the No Temporary Increase in Crude Oil Alternative would result in the same significant and unavoidable impacts associated with vessel spills as the Project.

FINDINGS: In accordance with Public Resources Code Section 21081(a)(3) and CEQA Guidelines Section 15091(a)(3), the County finds that specific legal, social, technological, or other considerations, including failure to meet project objectives, renders the No Temporary Increase in Crude Oil Alternative infeasible. Under this alternative, it is reasonable to expect that the decreased vessel traffic to the Marine Terminal during the 7-month interim period, and therefore the decreased production of refined products by the Rodeo Refinery, would be offset by imports to other regional fuels facilities and possibly, where feasible, increased production by the other three regional refineries. Imports would likely come primarily by vessel, as happened in 2020 during the Marathon Martinez refinery shutdown (CEC, 2021a), and increased production, should some excess capacity be available, would require imports of crude oil, also likely primarily by marine vessel. Accordingly, some or all of the vessel traffic that would not come to the Rodeo facility would come to other regional facilities.

Under operating conditions, however, the No Temporary Increase in Crude Oil Alternative would result in the same significant and unavoidable impacts associated with vessel spills as the Project.

The No Temporary Increase in Crude Oil Alternative would convert the Rodeo Refinery to a renewable transportation production facility that would produce the same amounts of renewable fuels as the Project.

The No Temporary Increase in Crude Oil Alternative would produce renewable fuels in the same quantities as the Project. Accordingly, the facility would assist California in meeting its goals for renewable energy, GHG emission reductions, and reduced CI. The decreased production of conventional fuels during the construction period compared to the Project would mean that the region's fuel demand would have to be met with imported petroleum-based fuels, but such an eventuality would be of short duration (7 months) and would not interfere with the long-term supply of renewable fuels.

The No Temporary Increase in Crude Oil Alternative would result in the conversion of equipment and infrastructure to produce renewable fuels to the same extent as the Project would, and it would discontinue the processing of crude oil at the Rodeo Refinery.

The No Temporary Increase in Crude Oil Alternative would preserve the existing jobs.

The No Temporary Increase in Crude Oil Alternative would repurpose and reuse the facility's existing equipment capacity, including the marine and rail terminals to the same extent as the Project.

The No Temporary Increase in Crude Oil Alternative would preserve marine, rail, and truck offloading facilities to access renewable feedstocks to the same extent as the Project.

The No Temporary Increase in Crude Oil Alternative would have the same ability to process a comprehensive range of renewable feedstocks as the Project.

The No Temporary Increase in Crude Oil Alternative would maintain the Rodeo facility's capacity to supply regional market demand for both renewable and conventional fuels in the long term. However, during 7 months of the construction period, the Rodeo facility would not be able to supply its historic share of the regional market for conventional fuels, which could result in either increased imports or regional shortages of transportation fuels.

The No Temporary Increase in Crude Oil Alternative would have the capacity to process recyclable fats, oil, and grease.

The No Temporary Increase in Crude Oil Alternative would provide a mechanism for compliance with the federal RFS and state LCFS by producing renewable fuels at the maximum capacity of the Project.

For these reasons, this alternative was found to be infeasible.

5) Environmentally Superior Alternative

FINDING: While the County finds that the Reduced Project Alternative is the environmentally superior alternative because it would not result in impacts greater than the proposed Project and would in many cases result in reduced impacts compared to the proposed Project, the County also finds that the Reduced Project Alternative is infeasible under Public Resources Code Section 21081(a)(3) and CEQA Guidelines Section 15091(a)(3) because it would not

meet many of the basis project objectives. The Reduced Project Alternative is infeasible because it would result in a lower volume of renewable fuels being brought to market to support the State's renewable energy goals, and would not achieve the Project objectives as well as the proposed project. For these reasons, the County rejects the environmentally superior alternative as infeasible. The County further finds that of the remaining alternatives evaluated in the EIR, each has varying levels of impacts on different environmental resources, as noted in the Findings above, and none of the remaining alternatives is superior to the Project for CEQA purposes. Compared to the remaining alternatives, the Phillips 66 Rodeo Renewed Project provides the best available and feasible balance between maximizing attainment of the project objectives and minimizing significant environmental impacts, and the Project is the environmentally superior alternative among those options.