

**SKAGIT COUNTY PLANNING AND DEVELOPMENT SERVICES
STAFF REPORT**

HEARING AUTHORITY: Skagit County Hearing Examiner

HEARING DATE: November 2, 2017

APPLICATION NUMBER: Shoreline Substantial Development Permit PL 15-0302

APPLICANT: Tesoro Anacortes Refining and Marketing Company LLC
10200 West March Point Road
Anacortes, WA 98221

CONTACT PERSON: Rebecca Spurling, Lead Environmental Engineer
Tesoro Anacortes Refining and Marketing Company LLC

ZONING/COMPREHENSIVE PLAN: The subject property is designated Anacortes Urban Growth Area (UGA) Urban Development District (A-UD) as indicated on the Comprehensive Plan and Zoning maps. The subject upland site is designated an Urban Shoreline Area and the area of the existing Tesoro refinery wharf is designated an Aquatic Shoreline Area in the Skagit County Shoreline Management Master Program. Shorelines of Statewide Significance include in part:

1. Those areas of Puget Sound and adjacent salt waters and the Strait of Juan de Fuca between the ordinary high water mark and line of extreme low tide, including Padilla Bay from March Point to William Point, and
2. Those areas of Puget Sound and the Strait of Juan de Fuca and adjacent salt waters north to the Canadian line and lying seaward from the line of extreme low tide.

ASSESSORS ACCOUNT #: 350227-0-004-0002 and 350227-0-003-0003
PARCEL #: P32990 and P32989

PROJECT LOCATION: The subject site is located at 10200 West March Point Road, within a portion of Section 21 and a portion of Section 28, Township 35 North, Range 2 East, W.M., Skagit County, WA.

GENERAL PROJECT DESCRIPTION: The project includes additions and upgrades to Tesoro's existing Anacortes facility in order to produce 15,000 barrels per day of mixed xylenes and to supply cleaner local transportation fuels. Mixed xylene is a compound found in gasoline, and is used to make clothing, plastics and other synthetic products. Tesoro anticipates approximately five additional vessels a month would be needed to support the production and shipment of mixed xylenes.

Tesoro has applied for a Shoreline Substantial Development Permit in accordance with the Washington State Shoreline Management Act (SMA) and the Skagit County Shoreline Management Master Program (SMP). The portion of the project that is within shoreline jurisdiction includes a Dock Safety Unit (DSU), which would be located on the existing refinery wharf, and a proposed 3-inch natural gas line running from the DSU to the Vapor Combustion Unit in the upland area of the refinery. Both components are part of the Marine Vapor Emission Control System (MVEC).

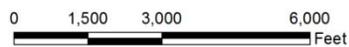
SITE DESCRIPTION: The subject site is located at the north end of the March Point peninsula within the existing Tesoro Anacortes Refinery.



Legend

 Tesoro Refinery Boundary

Source: ESRI Imagery Web Mapping Service NAD 1983 UTM Zone 10N

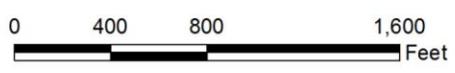




Legend

- Proposed Project Areas
- Proposed 3-Inch Natural Gas Line

- Tesoro Refinery Boundary



Source: ESRI Imagery Web Mapping Service NAD 1983 UTM Zone 10N

EXHIBITS:

- a. Project staff report.
- b. Assessor maps.
- c. Aerial photographs of the site.
- d. Shoreline ~~Variance~~ application PL15-0302, submitted June 22, 2015.*
- e. Project application documents.*
- f. Notice of Development Application, published July 9 and July 16, 2015.*
- g. Determination of Significance/Scoping Notice, issued March 17, 2016.*
- h. Notice of Availability for DEIS issued March 23, 2017.*
- i. Draft Environmental Impact Statement (DEIS)*
- j. Notice of Availability for FEIS issued July 10, 2017.*
- k. Final Environmental Impact Statement (FEIS)*
- l. Notice of public hearing issued October 12, 2017.*

CORRESPONDENCE:

- j. Comments received on the Notice of Development Application
Friends of the San Juans (Buffum), August 14, 2015
Lovel Pratt, August 13, 2015
Laurie Murphy, August 14, 2015
Shaun Hubbard, August 13, 2015
Janet Alderton, August 14, 2015
Lee Sturdivant, August 14, 2015
Evergreen Islands (Glade), August 14, 2015
- k. Comments received during DEIS scoping period * [Tesoro Anacortes EIS website in the Library section under EIS Documents: Scoping Report and Scoping Comments].
- l. Comments received during DEIS comment period * [EIS website, Library, EIS Documents, Draft EIS Comments].

* Provided to the Hearing Examiner on flash drive, and downloaded from the Tesoro Anacortes EIS website.

GENERAL PROPERTY/PROJECT INFORMATION:

- **DEVELOPMENT SCHEDULE** – The applicant has indicated that the proposal will likely begin construction as permits and authorizations are issued in 2017 and 2018. Once initiated, proposed project construction is anticipated to take approximately 19 months.
- **PROJECT ACCESS** – The property is accessed from State Route 20 and West March Point Road.
- **SURROUNDING LAND USE** – The surrounding area includes another refinery to the south, industrial uses, animal pasturing and residential uses. Fidalgo Bay on the

western side of March Point has been designated by the State Department of Natural Resources as an Aquatic Reserve. Portions of Padilla Bay on the eastern side of March Point are included in the Padilla Bay National Estuarine Research Reserve, co-managed by NOAA and State Department of Ecology.

- **OTHER REQUIRED PERMITS OR APPROVALS** – The table showing other permits and authorizations needed for the proposal may be found on pages 38- 44 of this staff report.

FINDINGS OF FACT:

1. **PROCESSING.** Skagit County Planning and Development Services issued a Notice of Development Application, published in a newspaper of general circulation on July 9, 2015 and July 16, 2015, as required by Section 14.26.9.04 of Skagit County Code (SCC). Notification was provided by mail to all property owners within 300 feet of the subject property. The 30 day comment period associated with the Notice of Development ended on August 14, 2015. The notice of public hearing was published in a newspaper of general circulation on Thursday, October 12, 2017, posted on the subject property on October 13, 2017 and mailed to surrounding property owners on October 16, 2017. It was posted on the Skagit County website and the project website.
2. **FLOOD AREA REVIEW.** A portion of the project area is within a designated flood hazard area (A-1 elevation 7 feet, mean sea level) as indicated on FIRM map panel 0225.
3. **BUILDING DEPARTMENT REVIEW:** The project was reviewed by the Building Official. Building permits are needed for equipment foundations.
4. **WATER RESOURCES:** City of Anacortes is water purveyor.
5. **CURRENT PLANNING REVIEW:** Current Planning staff reviewed the project and concluded the project is located within the City of Anacortes UGA Anacortes Urban Development District (A-UD). Current planning has no concerns with the proposal provided all underlying zoning requirements from the City of Anacortes are complied with.
6. **PROPOSED PROJECT DESCRIPTION:** A new high efficiency/low emission MVEC System would be used to control volatile hydrocarbon emissions from marine transfer operations. The system would control emissions from the proposed loadings of mixed xylenes product and existing transfers of gasoline-range materials and crude oil. The MVEC System capacity and design is based on the highest potential emissions anticipated during transfer.

The MVEC System consists of two major components, the DSU located on the

wharf, and the VCU located in the refinery. Displaced vapors from loading marine vessels would be collected by vapor hoses and routed to the DSU, which enriches the vapors with natural gas, as needed, to safely manage the vapor recovery system. They would then be routed through an existing available 12-inch line on the causeway structure, through a blower, and to the new VCU in the refinery for combustion. To adequately support the MVEC System, a new 3-inch natural gas line would be routed from an existing natural gas line within the refinery to both the DSU and the VCU. The line would provide enrichment gas to the DSU and support gas to the VCU to optimize combustion efficiency.

The VCU would be located in a grassed area surrounded by refinery operations. This area is adjacent to and south of the wastewater treatment plant aeration basin, is currently undeveloped, and has no structures above or below ground. A portion of this area (approximately 0.15 acre) would be cleared and graded to create a foundation for the VCU. Topsoil removal and compaction would be completed where required, followed by the placement of structural fill to create a suitable base for foundation installations. The VCU foundation pad would be surfaced with Portland cement pavement or aggregate and accessed from the south via an access ramp from Third Street. Construction of the VCU would consist of installing vapor blowers, pumps, knockout drum, filters, combustion units, and associated piping and equipment.

Installation of the DSU and new 3-inch natural gas line on the wharf system would occur over water. During work over the water, secondary containment structures, screens, and/or other applicable best management practices would be implemented to prevent materials from being discharged to the water or intertidal zone. An emergency spill containment kit is also located at the refinery wharf and employees are trained on its appropriate use and deployment measures.

The DSU consists of two units on a common skid with a common oxygen analyzer system and gas enrichment system that ensures the safety of the marine vessel's connection to the overall MVEC System. Placement on the wharf may require using a spud barge adjacent to the wharf where the DSU would be placed (see Figure 2-11). Spud barges have several vertical steel shafts or pipes known as "spuds" connected to the bottom of the barge that can be extended and driven into the seabed to provide stability, particularly while lifting heavy loads over water. The extra stability the spuds provide may not be necessary, but would be available if needed. During construction, the DSU skid-mounted units would be lifted onto the wharf by a crane mounted on the spud barge. If required, the spuds would be deployed from the barge, which would be moored for up to 2 weeks in an area with no eelgrass. Other than the use of the spud barge, no other in-water work would be conducted at the wharf or along the causeway.



Legend

- Proposed Project Areas
- Proposed 3-Inch Natural Gas Line

Source: ESRI Imagery Web Mapping Service NAD 1983 UTM Zone 10N

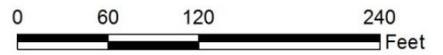
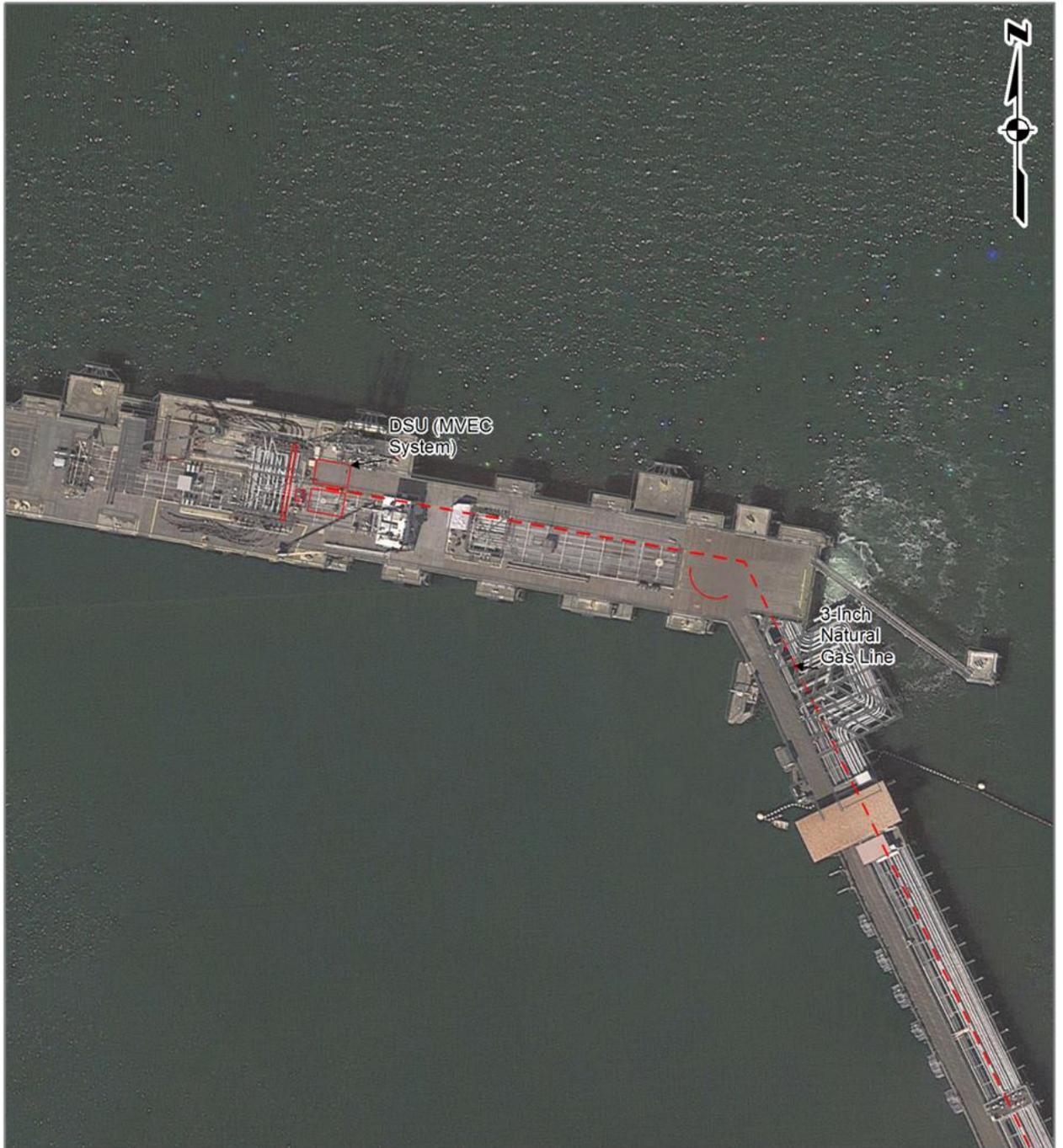


Figure 2-10



Legend

- Proposed Dock Safety Unit
- Proposed 3-Inch Natural Gas Line

Source: ESRI Imagery Web Mapping Service NAD 1983 UTM Zone 10N

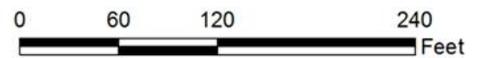


Figure 2-11



200-Foot Shoreline Buffer

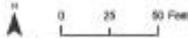


Figure 1
Causeway and Shoreline Area
Tezoro Anacortes Refinery

Once in place, the DSU would be securely attached to the wharf structure and connected to the associated existing piping and utility connections. Temporary scaffolding installed under the wharf would be used to facilitate the work. Scaffolding platforms would have toe boards and cross planks to prevent any material from dropping into the water, provide a base for environmental protection, and ensure worker safety.

A 3-inch natural gas line would be installed from the existing natural gas line at the refinery out along the wharf system to supply gas to the DSU. Approximately 3,800 feet of new 3-inch natural gas line would be installed on the causeway and an additional 500 feet on the wharf for the proposed project. This line would be installed in the existing pipe rack using cranes and equipment deployed from the causeway. Construction activities associated with line installation would involve installing and removing scaffolding, operating the crane to lift loads, welding, sandblasting, coating weld joints, and hydrostatic testing. To the extent feasible, multiple pipe joints would be welded together and coated onshore or on the causeway road and lifted into place in the pipe rack, minimizing welding and coating activities performed over water. Temporary scaffolding would be used to facilitate the work, provide a base for environmental protection at the welding and coating sites over the water, and ensure worker safety.

Approximately 1 million standard cubic feet of gas per day of natural gas would be needed to operate the new DSU and VCU for the MVEC System (Tesoro DEIS, March 2017).

7. **SHORELINE MANAGEMENT MASTER PROGRAM CRITERIA:** The Skagit County Shoreline Management Master Program (SMP), SCC 14.26, indicates that policies and regulations of the SMP and the SMA will be reviewed when approving or denying SMP permit applications.

Chapter 3 Definitions,

3.03 A states in part:

10. Aquatic Shoreline Area is the surface of all rivers, all marine water bodies, and all lakes, together with their underlying lands and their water column seaward or waterward of the ordinary high water mark (OHWM); including, but not limited to, bays, straits, harbor areas, waterways, coves, estuaries, streamways, tidelands, bedlands, and shorelands.

3.03 I states in part:

2. Industrial development, industry means privately owned/operated facilities for the processing, manufacturing, storage, and transfer of raw, semi-finished, or finished goods. For the purposes of this program, the following categories of industrial activities in relation to shoreline dependency shall apply:

1. Water and shoreline dependent industries and activities – the following uses are those that cannot logically locate in any other areas except on shorelines:

- a. Waterborne commerce and transfer to include general cargo, solid and/or liquid bulk products, petroleum, forest and lumber products, mineral products.
- b. Terminal and transfer facilities for commerce and industry.
- c. Ship construction, repair, and storage facilities, not to include construction of private, noncommercial pleasure craft.
- d. Commercial fishing facilities and services.
- e. Marinas (see Marinas, Chapter 7).

2. Water and shoreline related industries and activities – The following do not necessarily need to be located on shorelines, but rely on and are related to shoreline dependent activities:

- a. Non-water related warehouse and storage areas and facilities.
- b. Sand, gravel, and quarry rock extraction (except for river sand extraction).
- c. Fish and food processing, canning and freezing plants.
- d. Forest, lumber and allied wood products plants to include log storage and transport.
- e. Petroleum refining, chemical plants, smelters and reduction plants.

3. Water using industries and activities – The following perhaps require large volumes of water for cooling, processing, and production, but also do not need to be located on shorelines:

- a. Thermal electric power plants.
- b. Sewage treatment plants.
- c. Desalinization plants.
- d. Petroleum refining.
- e. Wood, lumber, paper, and allied products plants.
- f. Fish and food processing plants.
- g. Smelters, metal reducing plants, chemical plants.
- h. Processing of minerals, mined materials.

3. Inland means that land area which lies beyond shoreline management jurisdiction or 200 feet from the ordinary high water mark, whichever is greater.

3.03 S states in part:

8. Shoreline dependent use – Any reasonable use that requires a shoreline or water surface location because of its functional nature, including, but not limited to, navigation, ports, marinas, docks, piers, floats, boat fueling stations, shipyards, seafood harvest, aquaculture, recreational boating and swimming, and research and observation of natural shoreline phenomena.

9. Shoreline related use is any use dependent upon a shoreline location for the following reasons:

- a. is an integral part of the operation of a shoreline dependent use; or

- b. cannot operate successfully inland from shorelines under existing physical and economic conditions; or
- c. provides a substantial number of people with opportunities to enjoy shorelines without causing significant adverse impacts upon other more appropriate uses and shore features.

3.03 U states in part:

2. Urban Shoreline Area is a shoreline area of intensive development including, but not limited to, residential, commercial, and industrial uses. Areas suitable are those presently subjected to intensive use as well as those planned to accommodate urban expansion.

The existing Tesoro wharf facility and operations are considered water and shoreline dependent industries and activities, in accordance with the definition found in the Skagit County Shoreline Management Master Program. It is a shoreline dependent use. The portion of the proposed project to be located on the refinery wharf would also be a shoreline dependent use.

The existing Tesoro refinery and operations, within the area of shoreline jurisdiction, are considered water and shoreline related industries and activities, in accordance with the definition found in the Skagit County Shoreline Management Master Program. It is a shoreline related use. The portion of the proposed project to be located within the area of shoreline jurisdiction would also be a shoreline related use.

Chapter 5 Shorelines of Statewide Significance states in part:

5.01 General

The Washington State legislature designated certain shorelines as shorelines of statewide significance from which all of the people of the state derive benefit and that these shorelines should, therefore, be managed with the interest of all the people in mind. The Act requires that the Master Program give preference to uses and developments which are consistent with the principles of statewide over local interest.

5.03 Policies for Shorelines of Statewide Significance

The legislature determined that in order to fulfill the goal of statewide public interest in shorelines of statewide significance, local Master Programs shall give preference to uses that are consistent with the policies applied in the following order, pursuant to RCW 90.58.020:

1. The statewide interest should be recognized and protected over the local interest.
2. The natural character of shorelines of statewide significance should be preserved.
3. Uses of shorelines of statewide significance should result in long term benefits to the people of the state.

4. The natural resources and ecological systems of shorelines of statewide significance should be protected.
5. Public access to publicly owned areas in shorelines of statewide significance should be increased.
6. Recreational opportunities for the public should be increased on shorelines of statewide significance.

RCW 90.58 Shoreline Management Act of 1971

RCW 90.58.020 Legislative findings-State policy enunciated-Use preference.

The legislature finds that the shorelines of the state are among the most valuable and fragile of its natural resources and that there is great concern throughout the state relating to their utilization, protection, restoration, and preservation. In addition it finds that ever increasing pressures of additional uses are being placed on the shorelines necessitating increased coordination in the management and development of the shorelines of the state. The legislature further finds that much of the shorelines of the state and the uplands adjacent thereto are in private ownership; that unrestricted construction on the privately owned or publicly owned shorelines of the state is not in the best public interest; and therefore, coordinated planning is necessary in order to protect the public interest associated with the shorelines of the state while, at the same time, recognizing and protecting private property rights consistent with the public interest. There is, therefore, a clear and urgent demand for a planned, rational, and concerted effort, jointly performed by federal, state, and local governments, to prevent the inherent harm in an uncoordinated and piecemeal development of the state's shorelines.

It is the policy of the state to provide for the management of the shorelines of the state by planning for and fostering all reasonable and appropriate uses. This policy is designed to insure the development of these shorelines in a manner which, while allowing for limited reduction of rights of the public in the navigable waters, will promote and enhance the public interest. This policy contemplates protecting against adverse effects to the public health, the land and its vegetation and wildlife, and the waters of the state and their aquatic life, while protecting generally public rights of navigation and corollary rights incidental thereto.

The legislature declares that the interest of all of the people shall be paramount in the management of shorelines of statewide significance. The department, in adopting guidelines for shorelines of statewide significance, and local government, in developing master programs for shorelines of statewide significance, shall give preference to uses in the following order of preference which:

- (1) Recognize and protect the statewide interest over local interest;
- (2) Preserve the natural character of the shoreline;
- (3) Result in long term over short term benefit;
- (4) Protect the resources and ecology of the shoreline;

- (5) Increase public access to publicly owned areas of the shorelines;
- (6) Increase recreational opportunities for the public in the shoreline;
- (7) Provide for any other element as defined in RCW 90.58.100 deemed appropriate or necessary.

In the implementation of this policy the public's opportunity to enjoy the physical and aesthetic qualities of natural shorelines of the state shall be preserved to the greatest extent feasible consistent with the overall best interest of the state and the people generally. To this end uses shall be preferred which are consistent with control of pollution and prevention of damage to the natural environment, or are unique to or dependent upon use of the state's shoreline. Alterations of the natural condition of the shorelines of the state, in those limited instances when authorized, shall be given priority for single-family residences and their appurtenant structures, ports, shoreline recreational uses including but not limited to parks, marinas, piers, and other improvements facilitating public access to shorelines of the state, industrial and commercial developments which are particularly dependent on their location on or use of the shorelines of the state and other development that will provide an opportunity for substantial numbers of the people to enjoy the shorelines of the state. Alterations of the natural condition of the shorelines and shorelands of the state shall be recognized by the department. Shorelines and shorelands of the state shall be appropriately classified and these classifications shall be revised when circumstances warrant regardless of whether the change in circumstances occurs through man-made causes or natural causes. Any areas resulting from alterations of the natural condition of the shorelines and shorelands of the state no longer meeting the definition of "shorelines of the state" shall not be subject to the provisions of chapter 90.58 RCW.

Permitted uses in the shorelines of the state shall be designed and conducted in a manner to minimize, insofar as practical, any resultant damage to the ecology and environment of the shoreline area and any interference with the public's use of the water.

The order of preference to uses policies outlined above was intended to guide the state while developing guidelines and to guide local governments while developing shoreline master programs. Skagit County did consider the order of preference to uses as outlined by the legislature while developing the Shoreline Master Program. The refineries have been in operation on March Point since the 1950's, prior to the adoption of the Shoreline Management Act (RCW 90.58).

Ports and Industry – Policies – General – 7.11, 1.A.

(1) Feasibility – Proposals for either new port facilities with water related industries or substantial additions to existing facilities should be presented as a component of a comprehensive regional feasibility analysis and plan. Such an analysis and plan should be coordinated with all affected local, state and federal agencies and their programs and plans.

(2) Port industries – Port facilities should be limited to shoreline and water dependent or related industries and activities.

(3) Existing facilities – Development or redevelopment and multiple use of existing port areas, facilities, and services should be encouraged over the addition and/or location of new or single purpose port use facilities.

(4) New developments – New port development proposals should include, where feasible, the cooperative use of docking, parking, cargo handling, storage facilities, and other related services.

(5) Public access

a. Privately funded port facilities should be encouraged to make available public access opportunities, providing such access will not unduly interfere with port operations, endanger public health and safety, or impose an economic or physical liability to the owner.

b. Port facilities, funded in any way by public monies, should make available ample public access, providing such access will not unduly interfere with port operations or endanger public health and safety.

1.B. Location and Design

(1) Ports and water related industry should be located and designed to minimize the need for initial and continual dredging, filling, spoil disposal, and other harbor and channel maintenance activities.

(2) Ports and water related industry should be located at existing developed port and harbor areas and/or on Department of Natural Resources designated first class shorelands and harbor areas if consistent with this program.

(3) Water using industries and activities should not locate in shoreline areas. Waste treatment ponds and works associated with port and water related industry should not locate in shoreline areas.

(4) Ports and water related industry should occur in areas other than those of high environmental, agricultural, cultural, recreational, or historical value.

(5) All port and water related industrial facilities, equipment and works should be located, designed, and maintained to avoid, or if necessary, withstand 100-year flood frequency flooding or storm tides or surges without becoming hazards and without the placement of massive structural defense works.

(6) Hazard prone areas – Port and industrial developments should not be located on accreting, eroding, slumping, or geologically unstable shorelines and where extensive shore defense and/or flood protection structures would be necessary.

1.C. Transportation and Utilities

(1) Land transportation and utilities associated with ports and water related industry should follow the policies and regulations provided under “Utilities,” Section 7.18, and “Transportation Facilities,” Section 7.17.

(2) Ports and water related industry should utilize existing transportation and utility corridors whenever feasible.

1.D. Water Quality

(1) Port and water related industry operations and practices should adhere to the water quality guidelines, policies, standards, and regulations of water quality management programs and appropriate regulatory agencies.

(2) Port and water related industry operations and practices in shoreline areas should protect all water bodies from existing and potential sources of pollution from such activity.

1.E. Log Storage and Transport

(1) Water storage of logs should be discouraged.

(2) Log storage on land within the shorelines jurisdiction should utilize all practical techniques to prevent all debris and site surface runoff from entering water bodies.

(3) Log storage and all associated equipment, works, and structures should be able to withstand flooding without becoming hazards and without the placement of structural defense works.

(4) Log storage, if allowed on shorelines, should occur in areas other than those of high environmental, agricultural, cultural, recreational, or historical value.

(5) Water quality maintenance programs and development of criteria for log storage and rafting areas should be initiated and implemented.

1.F. Impacts

(1) Ports and water related industry proposals should mitigate adverse impacts to the shoreline and aquatic environment and to adjacent and nearby land and water users.

(2) Review of proposed port and water related industries should adhere to applicable local, state, or federal environmental impact statement (EIS) procedures and guidelines.

2. REGULATIONS

A. Shoreline Areas

(1) Urban

Port and industrial development is permitted subject to the General and Tabular Regulations.

(6) Aquatic

- a. Port development only is permitted subject to the upland shoreline area, General and Tabular Regulations.
- b. Port development shall comply with the policies and regulations for “Piers and Docks,” Section 7.10.
- c. Log storage shall be allowed in existing use areas established prior to the effective date of this program.

2.B. General

(1) Types of industry, location - Industries proposing to locate within Shoreline Management Act jurisdiction areas must be water and shoreline dependent or related. Such industries shall locate in areas consistent with existing and revised Skagit County comprehensive plans and zoning ordinances.

(2) Skagit County Zoning Ordinance - Port and industrial development shall comply with the standards and provisions of the Skagit County Zoning Ordinance Chapter 14.04 of the Skagit County Code, and any revisions or amendments thereto.

(3) Joint facility use - Port and industrial development shall avoid duplication of pier and dock facilities. Joint facility use shall be preferred and considered during project proposal review.

(4) Floodway - Port and industrial developments are prohibited in the officially mapped floodway of the Skagit River, its tributaries, and the Samish River.

(5) Accessory development - Development accessory to port and industrial facilities shall be shoreline and/or water dependent or related or of a nature providing public access and shoreline enjoyment opportunities consistent with this Master Program.

(6) Non-conforming uses - Existing port or industrial development on shorelines which is neither shore nor water dependent or related shall be permitted to expand inland from, but not along, shoreline areas if consistent with this Master Program.

(7) Screening and buffer areas

- a. Port and industrial developments shall provide screening and/or buffer area plans that are in conformance with Tabular Regulations (Table PI)

and/or Planning Department criteria and conditions. Such screening and/or buffer areas shall be maintained in good, effective condition at all times.

b. Port or industrial equipment storage, accessory development, plant parking, wastewater treatment or disposal shall not be considered as appropriate buffer area users. Shoreline recreation, access opportunities, and surface water runoff management shall be the preferred uses if compatible with public health, safety, facility operations, and this Master Program.

(8) Air and water quality - Port and industrial developments shall meet the air and water quality guidelines, standards and regulations of appropriate local, state and federal agencies.

(9) Waste treatment and disposal - Storage and/or disposal of industrial wastes is prohibited on shorelines, PROVIDED that wastewater treatment systems may be allowed in shoreline areas only if alternate, inland areas have been adequately proved infeasible.

(10) Drainage and runoff

a. Port and industrial developments shall utilize effective measures to control, treat, and release surface water runoff so that receiving water quality and shore properties and features are not adversely affected. If not subject to a National Pollution Discharge Elimination System permit (NPDES-DOE) and other state or federal standards, such measures shall meet the standards and criteria of the Skagit County Code.

b. Port and industrial developments should utilize as much permeable surfacing as practicable to minimize surface water accumulation and runoff. Use of sodded and vegetated buffer areas shall be preferred for one phase of runoff management.

(11) Petroleum products and hazardous materials

a. Either solid, liquid, or gas bulk storage of petroleum products, chemicals, and other materials known to be or potentially hazardous to shoreline area and water bodies shall justify the need to locate in the shoreline area. Such development is permitted as a conditional use.

b. Port and industrial developments involved in the transfer of petroleum and/or other hazardous products shall utilize best available technology and procedures to prevent spills and mishaps.

Spill cleanup facilities shall be available for prompt application at all developments involved in such transfer activities.

(12) Log Storage

a. Log storage shall not be permitted in public waters where water quality standards cannot be met at all times, where the shoreline resource will be

irretrievably damaged, or where other beneficial water uses will be materially hindered or precluded.

b. Runoff (for dry land storage) - Dikes, drains, catch basins, vegetated buffer areas, and other effective means shall be used to control, treat, and release surface drainage and runoff. It shall be demonstrated that state water quality standards will not be violated at any time under any conditions by such runoff discharge.

c. Unpaved, dry land log storage areas shall have a four (4) foot average depth to water table as a minimum.

d. Easy let down techniques and devices shall be employed for water storage or transfer. The free-fall dumping of logs into water is not permitted.

e. Bark and wood debris shall be controlled, collected, and disposed of in such a manner to prevent entry and/or accumulation on shorelines and water bodies at all log storage and handling areas, wet or dry.

(13) Public health, safety, and welfare - Port and industrial developments and associated activities shall not constitute a nuisance or threat to public health, safety and welfare.

2.C. Tabular Regulations

Table PI establishes:

(1) Shore setback and buffer (in feet) from the OHWM for onshore primary buildings or development PROVIDED that such setback shall not necessarily apply upland of existing, dedicated roads. Such setback shall increase one (1) foot for each one (1) foot that the structure exceeds 35 feet in height. Exception: port facilities directly involved in cargo transfer.

Urban shoreline: 100 feet

(2) Sidyard setback and buffer (in feet) for on and offshore port and industrial development. Such setback shall increase one (1) foot for each one (1) foot that the structure exceeds 35 feet in height.

Urban shoreline: 50 feet

Aquatic shoreline: 50 feet

*The proposed development, construction and operation of the Marine Vapor Emissions Control System, has been reviewed for consistency with the Skagit County Shoreline Management Master Program policies and regulations for **Ports and Industry**. Based on the information provided by the proponent and the analyses found in the DEIS and FEIS, the proposal is consistent with the applicable policies and complies with the applicable shoreline regulations of Section 7.11 **Ports and Industry**.*

In accordance with the requirement of Section 7.11 **Ports and Industry 2.A. (6)b.**, the proposal has been reviewed for consistency with the applicable policies and regulations of Section **7.10 Piers and Docks.**

Piers and Docks – Policies – General - 7.10, 1.A.

(2) Uses - Piers and docks should be allowed only for use by watercraft, water dependent and related economic activities, water related public recreation, and emergency vessels.

(3) Existing Facilities – Multiple use and expansion of existing piers, wharves, and docks should be encouraged over the addition and/or proliferation of new facilities.

(6) Water quality, Fish, Shellfish, and Wildlife – Piers and docks and their associated activities should conserve and enhance water quality, fish, shellfish, and wildlife resources and habitats.

2. REGULATIONS

A. Shoreline Areas

(1) Urban

b. Piers and wharves for port, industrial or commercial purposes are permitted subject to the General Regulations.

(6) Aquatic

a. Piers, docks, mooring buoys, and floats are permitted according to the appropriate upland Shoreline Area designation and the General Regulations.

B. General

(3) Piers or wharves – Construction of piers or wharves for port, industrial, or commercial purposes are subject to the Shoreline Area regulations and applicable regulations for Commercial Development or Ports and Industry.

(12) Utilities – Overhead wiring or plumbing is not permitted on piers or docks. All utilities must meet the standards of applicable Uniform Building and Electrical Codes.

(13) Petroleum and hazardous products storage and handling:

a. Bulk storage of gasoline, oil, and other petroleum products for any use or purpose is not permitted on piers and docks. Bulk storage means nonportable storage in fixed tankage.

Storage tanks for boat fueling facilities shall locate landward of the OHWM and meet the policies and regulations for “Utilities,” Section 7.18.

b. Docks, piers, and floats used for the transfer of bulk petroleum and/or other hazardous products shall utilize technology and procedures to prevent spills and

mishaps. Spill cleanup facilities shall be available for prompt application at all piers and docks involved in oil and hazardous products transfer.

*The proposed development, construction and operation of the Marine Vapor Emissions Control System, has been reviewed for consistency with the Skagit County Shoreline Management Master Program policies and regulations for **Piers and Docks**. Based on the information provided by the proponent and the analyses found in the DEIS and FEIS, the proposal is consistent with the applicable policies and complies with the applicable shoreline regulations of Section 7.10 **Piers and Docks**.*

Utilities – Policies – General 7.18, 1.A.

(1) Coordination – Utility development proposals should be consistent and coordinated with all federal, state, and/or local planning functions and efforts, including comprehensive plans.

(2) Existing use areas – Utilities, specifically power, communications, and fuel lines and pipelines, should utilize existing rights-of-way and corridors and should avoid duplication and construction of new or parallel corridors.

(3) Joint use – Utilities should coordinate with government agencies and private interests in developing or utilizing joint or common use rights-of-way and corridors in shoreline areas unless it can be shown to be infeasible.

(4) Multiple use – Utility development should, through coordination with local government agencies, provide for compatible, multiple use of sites and rights-of-way. Such uses include shoreline access points, trail systems, and other forms of recreation and transportation, providing such uses will not unduly interfere with utility operations, endanger public health and safety, or impose an economic or physical liability on the owner.

(5) Natural resources, processes and other uses – Utility development, if permitted on shorelines, should not significantly damage, diminish or adversely affect:

- a. Prime agricultural land
- b. Natural resources such as sand and gravel deposits, timber, or recreational beaches.
- c. Fish, shellfish, and wildlife habitats and migratory routes.
- d. Geohydraulic processes.
- e. Water quality.
- f. Public access to publicly owned shorelines and water bodies.

1.B. Location

(1) The following components of utilities, essentially shoreline dependent, should be allowed on shorelines, providing they are located to cause no adverse impacts to the shoreline environment and other users:

- a. Water system intake facilities and outfall pipes.
- b. Sewage system outfall pipes and diffusers.
- c. Waterborne firefighting facilities and equipment.
- d. Nonpetroleum/nonchemical pipelines and electrical cable crossings.

(2) The following utilities and/or their components, not essentially shoreline dependent, should not be located on shorelines unless it can be shown that non-shoreline alternatives are infeasible:

- a. Water system treatment plants.
- b. Sewage system lines, interceptors, pump stations, and treatment plants.
- c. Electrical energy generating plants (except for dam sites), substations, lines and cables.
- d. Petroleum and gas pipelines.
- e. Accessory uses and administrative structures for utilities.

(3) Solid waste

- a. Facilities for processing, storing, and disposing of solid waste on shorelines should not be permitted in conformance with WAC 173-16-060(14)(1).
- b. Indiscriminate, random disposal of solid waste on shorelines should not be permitted.

(4) Utility development should be located to avoid the following unless it can be shown that non-shoreline alternatives are infeasible:

- a. Natural wetlands, tidelands, lagoons, and estuaries.
- b. Wildlife concentration and nesting areas and migratory flight corridors.
- c. Designated parks, scenic, natural, historic, archaeological, and recreational areas.
- d. Sensitive shoreline areas such as, but not necessarily limited to, those with steep slope or soils subject to erosion or sliding.

(5) Hazardous areas – Utilities and their associated structures should be located, designed, and maintained to avoid, or if necessary, withstand 100-year frequency flooding or storm tides and surges without becoming hazards and without the placement of massive structural defense works.

(6) Petroleum/chemical pipelines and electrical transmission cables –

Petroleum/chemical pipelines and above ground electrical transmission lines should not be located parallel to shoreline areas and water bodies. Such utilities should be allowed to cross shoreline areas and water bodies only if it can be shown that non-shoreline alternatives are infeasible and that the proposed crossing site is consistent with this program.

1.C. Design

(1) Installation and maintenance

- a. During installation of utility components and corridors on shorelines, appropriate measures should be taken to prevent and/or control all runoff and erosion from the affected area.
- b. After installation, the affected shoreline area should be regraded to the natural terrain (if necessary), replanted with compatible, self-sustaining vegetation, and maintained until such vegetation is established.
- c. Adequate buffer areas and/or setbacks should be designed and utilized for all utility development in shoreline areas.
- d. Handling and application practices for fertilizers and pesticides should adhere to the guidelines and regulations of applicable regulatory agencies.

(2) Parking areas and access roads for utility development structures should be located inland from shoreline areas except where public access roads or paths to shorelines are provided. Such facilities should be designed and constructed to county standards and adhere to the policies and regulations of “Transportation Facilities,” Section 7.17.

(3) Underground utilities

- a. Whenever existing overhead or above ground utility distribution facilities along shorelines require replacement or upgrading, or when new systems are planned for new or existing residential density developments, commercial areas, and other developmental shoreline uses, such utilities should be placed underground.
- b. Electrical and communication transmission lines should be placed underground whenever technological developments make this technique feasible.

1.D. Impacts

Utility development proposals, if allowed on shorelines, should take all feasible measures to mitigate adverse impacts to the shoreline and aquatic environment and to adjacent and nearby land and water users.

2. REGULATIONS

A. Shoreline Area

(1) Urban

- a. Utility development is permitted subject to the General and Tabular Regulations.
- b. Hydroelectric generating facilities are not permitted.
- c. Water treatment plants, sewage treatment plants, and sewage pump stations are allowed as a conditional use.

(6) Aquatic

- a. Submarine or buried water and sewer pipelines, petroleum pipelines, and sewage system outfalls are permitted as a conditional use and subject to the upland Shoreline Area regulations.
- b. Submarine or buried electrical power and communication cable crossings are permitted subject to the General and Tabular Regulations and subject to the upland Shoreline Area regulations
- c. Aerial and surface cable and pipeline crossings are permitted as a conditional use and subject to the landward Shoreline Area regulations.
- d. Dams for hydroelectric generation are subject to the upland Shoreline Area regulations.

2.B. General

(1) Existing use areas – Utilities, specifically power, communications, pipelines and fuel lines shall utilize existing rights-of-way, corridors, and/or bridge crossings and shall avoid duplication and construction of new or parallel corridors in all shoreline areas. Proposals for new corridors or water crossings must fully substantiate the infeasibility of existing routes.

(2) Prohibited utility developments – The following utility developments are not permitted to locate in shoreline areas:

- a. solid waste disposal or treatment sites
- b. electrical generating plants (except hydroelectric facilities)
- c. power transmission and distribution substations
- d. utility accessory uses and administrative structures

(3) Floodplains, floodways

- a. Floodplain – Utility development that would measurably and adversely affect flood levels and capacities is not permitted.
- b. Floodway - Utility development that would in any way adversely affect floodway characteristics and capacities is not permitted.

(4) Underground utilities – All utilities for new subdivisions, mobile home parks, public and private recreation and second home developments, and planned unit developments (PUD) shall be installed underground in shoreline areas.

(5) Shore defense works – Utility developments shall be located and designed so as to avoid the use of any structural or artificial shore defense or flood protection works.

(6) Parking areas and access roads – Parking areas and access roads, unless stated elsewhere in this program, shall be setback landward of the primary utility facility EXCEPT for pipeline and electrical transmission cable right-of-way maintenance roads.

(7) Screening and buffer areas – Utility development allowed on shorelines shall utilize the setback areas for screening of facilities from water bodies. Need and/or type of screening shall be judges on a case by case basis. Such screening or buffer areas shall consist of native, self-sustaining vegetation to be planted immediately following utility construction or, in the case of existing vegetation, such vegetation shall be effectively maintained as screening.

(8) Landfills – Landfilling of all shoreline areas for facility or line development purposes is not permitted.

(9) Underground utility lines – For those utility lines allowed in or across shoreline areas and installed underground and/or underwater, the following standards shall apply:

- a. Underwater utility lines shall enter and emerge inland from fresh and salt water banks, dikes, beaches, or shorelands.
- b. Banks, dikes, beaches, or shorelands where such facilities enter or leave water bodies shall be returned to their pre-construction condition, stabilized with compatible, self-sustaining vegetation, and maintained in a safe condition.
- c. Underground (or water) utility lines shall be completely buried under the river bed in all river or stream crossings EXCEPT where such lines may be affixed to a bridge structure and EXCEPT for appropriate water or sewage treatment plant intake pipes or outfalls.

(10) Surface utility lines – For those utility lines allowed in or across shoreline areas and installed on the surface, the following standards shall apply:

- a. Surface utility lines paralleling water bodies shall comply with the setback standards of the Tabular Regulations.
- b. Surface utility lines shall minimize crossings of shoreline areas and will utilize the shortest, most direct route feasible.
- c. Permitted water crossings requiring structural abutments or approach fills shall set back such facilities landward of the OHWM.

d. Permitted wetland crossings shall utilize pier or open pile techniques only. Landfills are not permitted.

(11) Aerial utility lines – For those utility lines allowed in or across shoreline areas and installed in an aerial manner, the following shall apply:

- a. Aerial utility lines shall minimize crossing of shoreline areas and will utilize existing crossings. See B.1. Existing use areas, this section.
- b. Aerial utility lines shall make maximum use of area topography to minimize visual contrasts.

2.C. Tabular Regulations

Table U establishes:

(1) Shore setbacks (in feet) from the OHWM, wetland edge, or bluff/cliff crest for:

- a. Utility power transmission lines, buildings, parking areas and accessory development.

Exception: buried and underwater cables, wiring, or pipelines.

Urban shoreline: 75 feet

(2) Sideyard setbacks (in feet) for all utility development from side property lines.

Exception: power poles, transmission towers and other line structures.

Urban shoreline: 50 feet

(3) Height limit (in feet) measured from the average elevation of the area occupied by the structure for:

- a. Utility buildings, storage tanks (water, nonchemical), accessory developments.
- b. Electrical distribution poles (for local power needs).

Urban shoreline: 35 feet

*The proposed development, construction and operation of the Marine Vapor Emissions Control System, has been reviewed for consistency with the Skagit County Shoreline Management Master Program policies and regulations for **Utilities**. Based on the information provided by the proponent and the analyses found in the DEIS and FEIS, the proposal is consistent with the applicable policies and complies with the applicable shoreline regulations of Section 7.18 **Utilities**.*

12. **STATE ENVIRONMENTAL POLICY ACT (SEPA):** Skagit County, acting as the lead agency, reviewed the proposed project application materials and determined that the Tesoro proposal may have a significant adverse impact on the environment. An environmental impact statement (EIS) is required under RCW 43.21C.031 and SCC 16.12.

SCOPING. Skagit County issued a Determination of Significance and Request for Comments on the Scope of an Environmental Impact Statement for the proposed project on March 17, 2016, in accordance with WAC 197-11 SEPA Rules. The scoping period occurred between March 17 and April 15, 2016.

Commenters were invited to provide comments on the scope of the DEIS in several ways:

- a. At an in-person scoping meeting held on March 31, 2016 at Anacortes High School. Information about the proposal was also available and employees of the County and their consultant team were available to answer questions. Attendees were provided the opportunity to present verbal comments, to submit written comments electronically or in hard copy.
- b. An online open house, which was available at the project website, to answer questions and allow viewers to provide electronic comments.
- c. A dedicated phone line, which was available so commenters could leave a voicemail comment.
- d. An electronic mailbox, which was established for the project to accept electronic comments.
- e. A post office box was dedicated to accepting written hard copy comments.
- f. Written hard copy comments were also accepted in person at Skagit County Planning and Development Services.

Approximately 2,500 comments were received. The scoping process, including a summary of public outreach and comments received during public scoping, is documented in the Tesoro Anacortes Clean Products Upgrade Project Environmental Impact Statement Public and Agency Scoping Report. The scoping report and the comments are available on the project website.

DRAFT ENVIRONMENTAL IMPACT STATEMENT. The Notice of Availability of the DEIS was issued on March 23, 2017. Skagit County issued the Draft EIS on March 23, 2017, in accordance with WAC 197-11 SEPA Rules. The Draft EIS was made available on the project website, at reading rooms throughout the region (primarily libraries), and at the public hearing held on April 17, 2017.

Skagit County notified key stakeholders, interested parties, agencies, and the general public of the Draft EIS comment period using a variety of communication

tools. The following tools were used to announce the release of the Draft EIS and comment period:

- a. Email sent to 3,078 addresses
- b. Print and online ads placed in local papers (over 75,000 impressions)
- c. Notice posted on the Skagit County website
- d. Notice posted on the project website
- e. Printed mailer sent to approximately 2,200 addresses

The comment period occurred between March 23 and May 8, 2017. A public hearing was held on April 17, 2017 at Anacortes High School.

Comments on the DEIS were received by the same methods described for the scoping process. Approximately 7,744 comments were received by the various methods during the comment period. All communications (e.g., a single email) were reviewed and analyzed to identify substantive comments on the Draft EIS.

The full text of all communications was reviewed and entered into a database for analysis. Analysts recorded the name and contact information of each commenter, the source of the communication, and other relevant details specific to each communication. Once all communications were entered into the database, analysts read each communication to identify and categorize comments. Many communications contained comments in multiple categories. Each comment was then assigned to a topic category for response.

Each unique communication was reviewed at least twice: once by the primary analyst, and then again by a second analyst for quality assurance and control. This process allowed for discrepancies or inconsistencies to be resolved. Additional information about the DEIS comment process can be found in Chapter 2, Comments and Responses of the FEIS.

FINAL ENVIRONMENTAL IMPACT STATEMENT. The Notice of Availability of the FEIS was issued on July 10, 2017. Skagit County issued the FEIS on July 10, 2017, in accordance with WAC 197-11 SEPA Rules. This Final EIS includes a summary of the public comments received on the Draft EIS with responses, makes factual corrections to the Draft EIS, and provides additional analyses and information in response to public comments.

Skagit County notified key stakeholders, interested parties, agencies, and the general public of the issuance of the FEIS using a variety of communication tools. The following tools were used to announce the release of the FEIS:

- a. Email sent to approximately 6,100 addresses
- b. Legal notice posted on the Skagit County website
- c. Notice posted on the project website
- d. Printed mailer sent to approximately 2,460 addresses

PROJECT DESCRIPTION FOR ENVIRONMENTAL REVIEW PROCESS. Tesoro is proposing to install new components and upgrade existing components at the refinery to produce cleaner burning gasoline and a new product, mixed xylenes. The majority of the proposed project additions and upgrades would occur within the already-developed areas of the refinery. There are five specific infrastructure additions and upgrades for the proposed project:

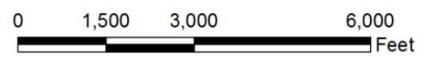
- a. Expand the Naphtha Hydrotreater (NHT) Unit to increase its processing capacity to further reduce the sulfur content in gasoline.
- b. Build a new Isomerization Unit to increase the amount of octane available to the refinery. Coupled with the NHT expansion, this provides more flexibility for gasoline production.
- c. Build a new Aromatics Recovery Unit (ARU) capable of producing 15,000 barrels per day (bpd) of mixed xylenes. Install a new steam boiler adjacent to the ARU to provide the additional process heat needed to operate the new ARU and steam to operate the expanded NHT.
- d. Build three new storage tanks on currently undeveloped land west of the refinery's existing tank storage area to hold reformate and mixed xylenes. Reformate is a high-octane liquid derived from refining crude oils and is commonly used in blending gasoline to get various octane ratings. In a process known as catalytic reforming, refiners distill partly refined crude oil and convert the distillate into reformate, a high-octane liquid. These additional tanks would expand the existing tank storage area and are referred to in this Final EIS as the New Tanks Area at the refinery.
- e. Build a new Marine Vapor Emissions Control (MVEC) System to capture vapors (so they are not emitted to the atmosphere) during product loading and unloading from marine vessels docked at the refinery wharf. The MVEC System consists of two physical components: the Dock Safety Unit located on the wharf and the Vapor Combustion Unit located onshore. While the MVEC System is being installed as part of this proposed project, it would also be used for other marine vessels, unrelated to xylenes transport, currently using the wharf.



Legend

- Proposed Project Areas
- Tesoro Refinery Boundary

- Proposed 3-Inch Natural Gas Line



Source: ESRI Imagery Web Mapping Service NAD 1983 UTM Zone 10N

The proposed project components to produce lower sulfur fuels include:

- a. Expansion of the naphtha hydrotreater (NHT) to remove additional sulfur in the refining process.
- b. Installation of an Isomerization (Isom) Unit to transform hydrocarbons into higher-octane gasoline components for blending.

The proposed project components to produce mixed xylenes include:

- a. Installation of the aromatics recovery unit to produce 15,000 barrels per day of mixed xylenes.
- b. Installation of a steam boiler for additional energy needed to run the new process units.
- c. Installation of three storage tanks in the New Tanks Area.
- d. Installation of the Marine Vapor Emission Control (MVEC) System to capture vapors during product loading/unloading of docked marine vessels at the refinery wharf.

The refinery currently has a total crude oil processing capacity of approximately 120,000 barrels per day. The proposed project would not change the amount of crude oil received at the facility, via pipeline and rail. The proposed project would not increase transport of crude oil by rail nor would it include export of crude oil from the Tesoro refinery. Potential environmental impacts associated with transport of crude oil to the Tesoro refinery by rail or associated with the export of crude oil were not analyzed in the EIS for this proposed project and would not be authorized under permits issued for the proposed project.

Tesoro's objectives for the proposed project are to improve the refinery's capability to deliver cleaner gasoline per EPA requirements, and to enable the refinery to produce mixed xylenes feedstock.

DEIS CONTENT. The following resources were evaluated in the DEIS:

Geologic Resources	Energy and Natural Resources
Air Quality, Greenhouse Gases, and Climate Change	Environmental Health
Freshwater Resources	Land and Shoreline Use
Terrestrial Vegetation and Wildlife	Social and Economic Environment
Marine and Nearshore Resources	Cultural Resources
	Marine Transportation

The DEIS also evaluated potential cumulative environmental impacts, including activities associated with marine vessel transportation and the potential risks associated with spills. In addition, the "no-action" alternative was evaluated in the DEIS.

FEIS CONTENT. The FEIS includes a summary of the public comments received on the DEIS with responses, makes factual corrections to the DEIS, and provides additional analyses and information in response to comments on the DEIS.

The FEIS also identifies mitigation measures to address potential environmental impacts of the proposed action. The proposed project was designed to minimize many potential impacts and includes best management practices (such as pollution prevention plans to protect surface water during construction) to avoid or minimize impacts. These designs and control features were included in Draft EIS and are noted in the “Key Planned Prevention and Minimization Measures from Draft EIS” column in the proposed mitigation measures table below.

For two resources, air quality and climate change and cultural resources, additional mitigation measures and voluntary commitments by Tesoro have been included in the Final EIS and provided in the “Additional Proposed Mitigation Measures” column of the proposed mitigation measures table.

Additional information about air quality and climate change is presented to augment the information found in the proposed mitigation measures table. The following information is an excerpt from Chapter 4 of the DEIS, Air Quality and Climate Change:

The proposed project’s Greenhouse Gas (GHG) potential emission increases are greater than 25,000 metric tons; therefore, Ecology requires quantitative disclosure of GHG emissions. The primary source of GHG emissions for the proposed project would be from stationary combustion sources (mainly from the new natural-gas-fired boiler). Additional sources of GHG emissions include fugitive emissions from the process, electricity usage, and transportation. The estimated emissions are summarized in Table 4-11. Based on the predicted GHG emissions for the proposed project, GHG emissions would need to be included in annual reports to the USEPA and Ecology.

Table 4-11: Summary of Annual Estimated Greenhouse Gas Emissions

Source	Stationary Combustion	Fugitive Emissions	Electricity Use	Transportation	Total
Emissions Summary	(metric tons CO ₂ e)				
	352,659	435	28,087	8,315	389,496

CO₂e = carbon dioxide equivalent

The GHG emissions from stationary combustion and fugitive emissions from new equipment are included in the Table 4-11 estimates. GHG emissions from electricity usage and transportation were calculated using Ecology’s GHG Calculation tool and assumptions recommended from Ecology’s 2011 Guidance for Including Greenhouse Gas Emissions in SEPA Reviews. Proposed estimated GHG emissions from the MVEC System, which are included in the Stationary Combustion heading column in Table 4-11, are 29,439 metric tons per year CO₂e.

The following is an excerpt from Chapter 3 of the FEIS:

From a SEPA perspective, there are increases in direct and indirect GHG emissions due to the proposed project that were reported in Draft EIS (Section 4.4.2.2, Impacts on GHG Emissions). Direct increases in GHG emissions from the proposed project would result from the operation of the new boiler, MVEC, and increased process heater usage.

Indirect reductions of GHG emissions would result from a portion of fuel production being used to produce xylene for export instead of being combusted in the local fuels market. In contrast to how GHG emissions and reductions are accounted for under the Washington State Clean Air Rule (CAR), (whereby Tesoro may be able to obtain ERUs from reported reductions in GHG emissions by exporting a higher percentage of their petroleum products), this change in production may not result in an overall net reduction of GHG emissions statewide. It is anticipated that the demand for transport fuel supply in the state of Washington would remain relatively similar. Consequently, there would still be similar GHG emissions from combustion of transport fuel supplied by other sources to meet demand state-wide. However, those sources are unrelated to the proposed project and these market fluctuations will be addressed by Ecology under the CAR. While Tesoro's proposed project may result in an increase in direct GHG emissions from the operation of proposed new combustion sources, under the CAR, Tesoro may be able to offset any potential impacts by obtaining ERUs for the reduction of GHG emissions associated with the facility's reduction in product supply. Therefore, the conclusions with respect to GHG emissions in the Draft EIS remain unchanged.

In response to comments on the Draft EIS, Tesoro voluntarily committed to making a monetary contribution to the NWCAA's grant program, which funds local environmental projects.

In recent correspondence from the project proponent, "Tesoro has agreed to make a monetary contribution to Northwest Clean Air Agency's Supplemental Environmental Project Fund as voluntary greenhouse gas emissions mitigation. The Supplemental Environmental Project Fund provides grants to fund projects that provide significant, measurable greenhouse gas emission reductions, along with other social and economic benefits, in Skagit, Whatcom, and Island Counties. Tesoro volunteers to make a payment of \$100,000 to the Supplemental Environmental Project Fund six months after start-up of the Aromatics Recovery Unit portion of the CPUP."

Table 8: Proposed Mitigation Measures

Resource	Key Planned Prevention and Minimization Measures from Draft EIS ^a	Additional Proposed Mitigation Measures from Final EIS
<p><i>Draft EIS Chapter 3, Geologic Resources</i> Geologic Resources</p>	<p>Implementation of appropriate erosion control best management practices in accordance with permitting requirements would keep soil within construction boundaries, such as covering stockpiled soils, setting clearing limits, and installing temporary silt barriers around construction areas. Measures to promote slope stability, particularly in the New Tanks Area, would be implemented including stabilizing steep slopes with asphalt binder or temporary seeding and following applicable grading and building requirements. Exposed soil surfaces and unprotected steep slopes would be stabilized by paving or seeding surfaces following construction activities.</p>	<p>None</p>
<p><i>Draft EIS Chapter 4, Air Quality and Climate Change</i> Air Quality and Climate Change</p>	<p>BACT selections for the new boiler were ultra-low NOx burners with Selective Catalytic Reduction to minimize nitrogen oxides emissions, Catalytic Oxidizer to minimize carbon monoxide and volatile organic compounds emissions, and the use of natural gas or treated fuel gas as a fuel and good combustion technology to minimize GHG and sulfur dioxide emissions.</p> <p>The Marine Vapor Emission Control System is being installed as BACT to minimize volatile organic compounds emissions from loading and unloading vessels at the refinery wharf. The technology selected minimizes the formation of NO_x emissions, and the use of natural gas as a fuel and good combustion technology to minimize GHG, carbon monoxide, and sulfur dioxide emissions.</p> <p>The new storage tanks have BACT selected as dual seal floating roofs to minimize volatile organic compounds emissions.</p> <p>For new piping and pump components, the BACT selected is low emission rate leak detection and repair.</p>	<p>Implement GHG voluntary commitment negotiated among NWCAA, Ecology, and Skagit County</p>
<p><i>Draft EIS Chapter 5, Freshwater Resources</i> Freshwater Resources (surface water, groundwater, and wetlands)</p>	<p>Stormwater during construction would be managed in accordance with the construction SWPPP and TESC Plan. Drainage ditches would be designed to guard against erosion. Stormwater and wastewater within developed areas would be routed to the on-site WWTP, preventing sediment or spilled materials from reaching freshwater resources, in accordance with NPDES permit. Tanks will have containment berms around them able to contain the entire contents of the tank in the event of a leak or breach. Regular inspections of piping, tanks, and tank containment infrastructure would occur. Proposed project components were designed to be outside of floodplain areas.</p>	<p>None</p>

Resource	Key Planned Prevention and Minimization Measures from Draft EIS ^a	Additional Proposed Mitigation Measures from Final EIS
<i>Draft EIS Chapter 6, Terrestrial Vegetation and Wildlife</i>	Implementation of a Weed Management Plan with direction from the Skagit County Noxious Weed Control Board; dust reduction measures such as wetting and covering exposed soil; and approved work windows for in-water work to reduce impacts on important prey species of marine birds; implementation of fire control measures.	None
<i>Draft EIS Chapter 7, Marine and Nearshore Resources</i>	Construction: Work at the refinery wharf and causeway would take place in approved fish window to minimize disruption to spawning fish. Operations: Stormwater and wastewater discharged at approved outfalls in accordance with NPDES permit requirement, a survey for the presence of surf smelt eggs adjacent to the wharf and causeway prior to beginning construction and adherence to work windows if discovered, directing ballast water from marine vessels to the WWTP for treatment prior to discharge.	None
<i>Draft EIS Chapter 9, Environmental Health</i>	The high-efficiency boiler would utilize energy conservation features to maximize energy recovery and minimize natural gas consumption, such as combustion air pre-heat and feedwater pre-heat.	None
Air Emissions	Prevention/mitigation measures to reduce air emissions are listed under air quality.	None
Traffic Safety	Truck traffic would use roads designated for truck use by the city of Anacortes. Actions to ensure safety during SPMT hauls include: Transport permits would be required from the city of Anacortes and Skagit County and a Superload Transport Permit would be required from the WSDOT for the SPMT heavy haul moves from the Port of Anacortes to the refinery. Moves of prefabricated proposed project components would travel at slow speeds and moves are planned to occur at night to minimize disruptions along the marine vessel transportation route.	None
Noise	Mufflers will be installed on construction equipment.	None
<i>Draft EIS Chapter 10, Land and Shoreline Use</i>	Tesoro maintains 100-yard public safety and security exclusion zone around the refinery wharf and causeway, implementation of vessel traffic and safety measures described below.	None
Recreation	Use of materials and paint for the proposed project infrastructure with characteristics (i.e., color and texture) similar to that of existing refinery infrastructure, to reduce contrast between new and existing structures.	None
Visual/ Aesthetics	New lighting for the proposed project would match the existing type of the lighting at the refinery, which would reduce contrast between existing and new lighting during nighttime hours. Directional lighting techniques and shrouds would be used to minimize light overcasting and glare.	None

Resource	Key Planned Prevention and Minimization Measures from Draft EIS ^a	Additional Proposed Mitigation Measures from Final EIS
<i>Draft EIS Chapter 11, Social and Economic Environment</i>		
Housing	None	None
Public Services	Tesoro's own, on-site firefighting resources and mutual aid agreements with industrial neighbors.	None
Economics	Federal Regulation OPA 90 requires a party deemed responsible for releasing oil into navigable waters of the U.S. to incur the costs of its removal and provide compensation for associated damages (33 United States Code § 2702).	None
<i>Draft EIS Chapter 12, Cultural Resources</i>		
Cultural Resources	Implementation of the Unanticipated Discoveries Plan during construction.	Implementation of additional archaeological survey once native soils have been reached in the New Tanks Area to identify potential buried surfaces, archaeological materials, features such as hearths, or strata that may contain cultural materials. The Swinomish Indian Tribal Community would have the option of providing a tribal archeologist to perform monitoring during construction. Voluntary commitment to donate up to three spill response equipment trailers to Swinomish Indian Tribal Community, Suquamish Tribe, and Tulalip Tribes. It is envisioned that each tribe will manage their own response trailer and Tesoro will provide training on deployment strategies.

13. **REGULATORY AUTHORITY:** The proposed project would be part of the larger operations of the Tesoro refinery. The proposed project is designed for a 20-year life. However, the facility could operate for a much longer period if components are replaced when needed. Maintenance activities during operation may include daily checks of tanks, pumps, piping, and instruments. The tanks and other new infrastructure would undergo routine inspections by experienced personnel. Permit requirements that apply to project operation would remain in place for the life of the proposed project.

Many comments were received regarding various regulations and requirements that could be applicable to the proposed project. Skagit County's role as the lead agency is to prepare this EIS to provide impartial discussion of environmental impacts and inform decision makers and the public. Skagit County is also responsible for issuing some of the permits required to implement the proposed project. As described in the Draft EIS, other federal, state, and local regulatory authorities are responsible for regulating or approving various aspects of the proposed project. The following table from Chapter 3 of the FEIS provides a summary of these government agencies with responsibilities related to the proposed project.

Table 2: Summary of Responsible Agencies by Topic

Topic/Agency	General Regulatory Responsibility	Regulatory Responsibility in Context of Proposed Project	Draft EIS Reference
<p>Worker Health and Safety Washington State Department of Labor and Industries, Division of Occupational Safety and Health</p>	<p>Occupational health and safety</p>	<p>The Division of Occupational Safety and Health (DOSH) regulates worker safety and is responsible for ensuring Tesoro maintains worker health records, informs workers of the potential hazards of chemical exposure, and provides training and personal protective equipment to prevent exposure. DOSH routinely inspects the refinery to ensure compliance with health and safety regulations. A required process safety management program, following Washington Industrial Safety and Health Act regulations, is in place for safe and reliable operations at the refinery.</p>	<p>Table 9-1 Appendix 2-A Section 2</p>
<p>Skagit County Local Emergency Planning Committee; mandated by the Emergency Planning and Community Right-to-Know Act of 1986 (40 CFR 355) under U.S. Environmental Protection Agency's jurisdiction.</p>	<p>Public reporting of storage and use of hazardous materials</p>	<p>The Washington State Department of Ecology (Ecology) ensures local jurisdictions (such as Skagit County) implement the Federal Emergency Planning and Right to Know regulations, which ensure communities have the information they need to plan for chemical emergencies. Such planning occurs through a Local Emergency Planning Committee (LEPC). The LEPC is a committee mandated by Title III of the federal Superfund Amendments and Reauthorization Act of 1986. Skagit County manages the local LEPC, which is comprised of representatives from industry, government, environmental groups and others. The LEPC receives information each year from businesses storing and/or using hazardous materials in excess of the thresholds established by the U.S. Environmental Protection Agency (USEPA) and this information is made available to support emergency management and response planning. Tesoro is a member of the Skagit County LEPC and provides the required hazardous materials information to the LEPC.</p>	<p>Table 9-1</p>

Topic/Agency	General Regulatory Responsibility	Regulatory Responsibility in Context of Proposed Project	Draft EIS Reference
<p>Marine Vessel Transit and Marine Spills U.S. Coast Guard</p>	<p>Certification of safety and spill response plans, procedures, and equipment for marine vessels that transport dangerous materials to protect U.S. waters</p>	<p>The U.S. Coast Guard (USCG) is responsible for enforcing vessel safety requirements, including the safety requirements for the 60 vessels per year that would be calling at the refinery wharf due to the proposed project. The USCG also ensures that vessels carrying hazardous materials (like xylenes) have the proper certification to safely transport hazardous materials. Certification requirements are established by the International Convention of Safety of Life at Sea and the International Convention for the Prevention of Marine Pollution (MARPOL). Each individual tanker must have its own certificate, which specifies, among other requirements, the safety and spill mitigation equipment onboard the vessel. The USCG requires all arriving tankships to notify them 96 hours prior to arrival to provide time to verify vessel certificates.</p> <p>The USCG also approves facility oil spill response plans that might affect marine waters and serves as the Federal On Scene Coordinator for spill response activities in the coastal zone. USCG has certified the refinery's oil spill contingency plan (OSCP). The OSCP needs to be resubmitted with changes due to the proposed project and needs to be recertified by the USCG and other agencies as noted in this table.</p> <p>The USCG would also ensure state and federal cleanup requirements are met, and all required regulations regarding cleanup are complied with.</p>	<p>Table 13-1 Section 13.4 Additional Information: Final EIS Sections 3.7.2 and 3.9</p>
<p>U.S. Coast Guard Puget Sound Vessel Traffic Service</p>	<p>Maintaining safe conditions and traffic management for vessel transit and vessel anchorage in Puget Sound</p>	<p>The USCG vessel traffic service maintains positive control of incoming and outgoing tankships and maintains navigational clearances to prevent collisions and provide safe passage. The USCG would control and regulate the vessel transits resulting from the proposed project. This includes enforcing safe distances from oncoming traffic, vessel speeds, other vessels, and navigational hazards. The USCG is also responsible for managing anchorage areas and regulating activities during anchorage to ensure compliance with safety regulations.</p> <p>In addition to having authority to enforce vessel safety, the USCG requires spill mitigation equipment and ensures spill cleanup is properly managed.</p>	<p>Section 13.3.1.1</p>
<p>Canadian Coast Guard</p>	<p>Maintaining safe conditions and traffic management for vessel transit in Canadian waters to U.S. waters</p>	<p>The Canadian Coast Guard controls vessel traffic in Canadian waters and coordinates hand-off of vessel traffic to USCG in vessel transits from Canadian waters to U.S. waters. The Canadian Coast Guard has similar authority with regards to safety for Canadian waters as described above for the USCG.</p>	<p>Section 13.4.1.2</p>

Topic/Agency	General Regulatory Responsibility	Regulatory Responsibility in Context of Proposed Project	Draft EIS Reference
Washington State Department of Ecology	Planning for emergency response and providing response support for marine vessel emergencies	Ecology prepares Geographic Response Plans (GRPs), which are included in the spill response plan for the state of Washington. The GRP covering the proposed project is the Northwest Area Contingency Plan. Tesoro is required by Ecology to make sure refinery-specific plans and actions would be appropriately coordinated with the wider area plans. No changes to the wider area plans are anticipated to be required by Ecology based on the proposed project. The GRPs are used in advance of a potential spill to predetermine sensitive resources at risk of injury from oil spills, such as eelgrass, and to help direct response actions related to sensitive resource protection during the initial hours of a response. Ecology also approves facility oil spill response plans. Ecology has approved the refinery's OSCP. The OSCP needs to be resubmitted with changes due to the proposed project and needs to be recertified by Ecology and other agencies as noted in this table.	Section 13.4 Section 13.5.7
Puget Sound Pilots Association, Board of Pilotage Commissioners	Safe operation of marine vessels in state waters	Ecology is responsible for providing support to the USCG in the state of Washington for emergency response in marine waters that might be needed due to the proposed project's vessel traffic. Proposed project vessels calling at the refinery (tankers and articulated tug barges) would be required to take on a pilot from the Puget Sound Pilots Association in accordance with The Washington State Pilotage Act (RCW 88.16170). The pilots are state licensed and familiar with local waters. The pilot station is at Ediz Hook in Port Angeles. For the vessels carrying xylenes, a tug escort is also required in addition to a special pilot.	Section 13.4.1.2
U.S. Coast Guard and State of Washington Board of Pilotage Commissioners	Tug escorts	During transits of the Salish Sea, tankships (including tankers and tug barges combinations such as articulated tug barges) are required to be operated by a licensed pilot with knowledge of the waters to be navigated in accordance with USCG regulations (46 CFR 15.812) and the Washington State Pilotage Act (RCW 88.16.180). In addition, all project-related tankers transporting petroleum-based materials including xylene and reformate would require tug escorts in accordance with the Pilotage Act (RCW 88.16.190).	Table 13-1 and Section 13.3

Topic/Agency	General Regulatory Responsibility	Regulatory Responsibility in Context of Proposed Project	Draft EIS Reference
Geological Resources and Hazards Washington State Department of Natural Resources	Compliance with seismic-related construction and building codes	The Washington State Department of Natural Resources has the responsibility to enforce construction and building codes for components of the proposed project to comply with seismic requirements. The codes details seismic design requirements for buildings based on seismic ground motion.	Section 3.4
Skagit County	Compliance with International Building Code seismic design standards	Skagit County is responsible for enforcing the International Building Code during construction and assembly of the proposed project's new infrastructure. The code details seismic design requirements for buildings based on seismic ground motion.	Table 3-1
Air Quality Northwest Clean Air Agency	Compliance with state and local air emission standards	The Northwest Clean Air Agency (NWCAA) is responsible for enforcing state and local air quality limits through permitting (the Notice of Construction permit) and through post-construction air monitoring and inspections. The NWCAA would require Tesoro to install and operate pollution control devices for the proposed project. The NWCAA would determine the maximum air emissions that the proposed project could emit without exceeding air quality standards. NWCAA also is responsible for enforcing requirements related to odor emissions from the proposed project, and, if there are odor violations, to issue fines and ensure prevention measures are taken. Part of this enforcement is addressed through requiring that storage tanks have appropriate controls on openings to minimize emissions.	Section 4.1
Washington State Department of Ecology	Compliance with state air emission standards for new stationary sources	Ecology enforces state air quality limits through permitting of the new stationary emission sources of the proposed project (the Prevention of Significant Deterioration permit). The permit would be required for the proposed project because the refinery would emit particulate matter (PM _{2.5} and PM ₁₀) above the "significant emission rates" established in the regulations. Ecology is responsible for monitoring greenhouse gas (GHG) emissions from facilities that emit over 25,000 metric tons per year or produce fuels that emit greater than 25,000 metric tons per year. Ecology has enacted the Clean Air Rule that assigns a GHG reduction pathway for all facilities that emit 70,000 metric tons per year or greater.	Section 4.1

Topic/Agency	General Regulatory Responsibility	Regulatory Responsibility in Context of Proposed Project	Draft EIS Reference
Freshwater/Surface Water Resources U.S. Army Corps of Engineers	Regulation of activities within waters of the U.S., including wetlands	The U.S. Army Corps of Engineers (USACE) is responsible for regulating activities within waters of the U.S., including wetlands.	Table 5-1 Section 5.5.1 Section 7.1.2
Washington State Department of Ecology	Regulation of discharges to waters of the state	Ecology is responsible for enforcing pollution discharge limits for the proposed project. Discharges from the refinery to waters of the state, including the marine estuary, are managed in accordance with the refinery's National Pollutant Discharge Elimination System (NPDES) Industrial Wastewater Discharge Permit (Permit No. WA0000761) administered by Ecology. The existing NPDES permit would be modified to accommodate the new discharge sources for the proposed project and engineering controls for sulfonene. Ecology requires water samples of the refineries' discharges be analyzed regularly for compliance with water quality NPDES permit requirements.	Table 3-1 Table 5-1 Table 7-1
Marine and Nearshore Resources National Marine Fisheries Service, an agency within the National Oceanic and Atmospheric Administration	Conserves, manages, and protects marine resources, including protection of marine species listed under the Magnuson-Stevens Fishery Conservation and Management Act, the Endangered Species Act, and the Marine Mammal Protection Act	The National Marine Fisheries Service (NMFS) is responsible for the management, conservation, and protection of the nation's marine resources. The agency regulates commercial and recreational ocean fishing and manages marine life and habitats in waters 3 to 200 nautical miles from a U.S. shore. As part of its mandate, NMFS is responsible for protecting marine species listed as threatened or endangered under the Endangered Species Act and shares responsibility with the U.S. Fish and Wildlife Service (USFWS) for protecting marine mammals, including orcas, within U.S. waters. NMFS is responsible for ensuring that marine mammals or other special status marine species are not harassed or harmed.	Table 7-1
U.S. Fish and Wildlife Service	Protection of species listed under the Endangered Species Act	The USFWS shares protective responsibilities with NMFS for harassment of marine mammals within U.S. waters, including orcas, as well as for terrestrial and freshwater special status species protected under the Endangered Species Act.	Table 7-1
U.S. Army Corps of Engineers	Regulation of activities within waters of the U.S.	As part of their permit review process, the USACE may consult with the USFWS and/or NMFS regarding threatened, endangered, or candidate species, their designated critical habitat, and marine mammals. The USACE also has jurisdiction over construction activities on the refinery's wharf system (Dock Safety Unit and natural gas line) and operation of the spud barge adjacent to the wharf and causeway.	Table 7-1

Topic/Agency	General Regulatory Responsibility	Regulatory Responsibility in Context of Proposed Project	Draft EIS Reference
Washington State Department of Ecology	Manages the statewide framework for managing, accessing, and protecting shorelines of the state	Ecology is responsible for ensuring compliance with the Shoreline Management Act. The shoreline permit for the proposed project, which would be issued by Skagit County, would be reviewed by Ecology for consistency with the Shoreline Management Act.	Table 7-1
Washington State Department of Fish and Wildlife	Protection of state listed marine life	The Washington State Department of Fish and Wildlife (WDFW) is responsible for protecting state-listed marine life. WDFW protects marine life for the proposed project via issuance of hydraulic project approvals for the proposed projects' wharf construction activities – specifically installation of the gas line on the refinery wharf.	Table 7-1
Skagit County	Protection of shorelines of the state	Wharf construction activities would also require a shoreline permit from Skagit County. The County's permit would specify the requirements for the proposed projects' construction work on the refinery wharf to be consistent with the Skagit County Shoreline Management Master Program and the Shoreline Management Act.	Table 7-1
Spill Prevention (On-land and Marine)			
Washington State Department of Ecology	Review, approval, training, and certification for spill prevention plans and programs	Ecology requires the refinery to prepare a Spill Prevention, Control, and Countermeasure (SPCC) Plan and an Oil Spill Prevention Plan. The plans are regularly reviewed and certified as acceptable by Ecology and other agencies (USEPA and the USCG). Ecology is responsible for determining that Tesoro's plans are adequate and meet all regulatory requirements. These plans provide the detail on how the refinery prevents and responds to spills (land or water). Ecology would notify Tesoro if the plans require updating for the proposed project. Ecology also routinely inspects the refinery for compliance with Tesoro's approved prevention plans.	Section 2.7.6 Section 2.8.5 Appendix 2-A
U.S. Environmental Protection Agency	Oversight of spill prevention, control, and countermeasures planning	USEPA certifies the refinery's spill prevention and response plans described above, including the requirement that a SPCC plan be prepared and certified by a professional engineer. USEPA supplies an approval letter as part of their certification of the plan, and has supplied such approval on the latest version of the refinery's plan. In addition, the OSCP would need to be resubmitted with changes due to the proposed project and would need to be recertified by the USEPA and other agencies as noted in this table.	Section 2.7.6 Section 2.8.5
Washington State Department of Ecology	Protection of surface waters through stormwater and erosion management during construction	Ecology requires construction site operators to be covered by a Construction Stormwater General Permit. This requires that a Stormwater Pollution Prevention Plan and sediment, erosion, and pollution prevention control measures be developed for the proposed project.	Table 5-1 Appendix 2-A Appendix 2-B

Topic/Agency	General Regulatory Responsibility	Regulatory Responsibility in Context of Proposed Project	Draft EIS Reference
U.S. Department of Transportation	Regulates the land transport of hazardous materials	The U.S. Department of Transportation establishes requirements for the packaging, labeling, and transportation of hazardous materials following federal safety requirements. The trucks bringing in commodity chemicals for the proposed project will be required to meet these requirements.	Section 9.6
Washington State Department of Transportation PM _{2.5} = particulate matter less than 2.5 microns in diameter; PM ₁₀ = particulate matter less than 10 microns in diameter; RCW = Revised Code of Washington;	Regulates land transport of hazardous materials	The Washington State Department of Transportation ensures compliance with the U.S. Department of Transportation in the state and maintains a hazardous response team that would respond to traffic accidents of hazardous materials.	Section 9.6

14. The portion of the proposed MVEC System that is within shoreline jurisdiction has been reviewed under the applicable policies and regulations of the Skagit County SMP and the Washington State SMA. Skagit County Planning and Development Services has determined the proposed MVEC System within shoreline jurisdiction is consistent with the applicable policies and regulations of the Skagit County Shoreline Management Master Program and the Washington State Shoreline Management Act, provided it is built in accordance with the information submitted with this permit application, applicable design and control features described in the EIS are incorporated, all required permits and authorizations are obtained and conditions of those permits and authorizations are followed.

RECOMMENDATION

Based on a review of all submitted information and the above findings, Skagit County Planning and Development Services recommends for approval of the Shoreline Substantial Development Permit request of Tesoro Anacortes Refining and Marketing Company LLC with the following conditions:

1. The proposed MVEC System must be built in accordance with the information submitted with this permit application.
2. Design and control features described in the EIS for the MVEC System must be complied with and included in the building permit application, as applicable.
3. All required permits and authorizations are obtained and conditions of those permits and authorizations are followed.
4. If this request is approved, the applicant shall submit a copy of the Hearing Examiner's written order (decision) with the building permit application for the MVEC System.
5. The project shall be commenced within 2 years of the shoreline substantial development permit approval and completed within 5 years.
6. The applicant shall strictly adhere to the project information submitted for this proposal. If the applicant proposes any modification of the subject proposal, he/she shall notify Planning & Development Services prior to the start of construction.
7. Potential environmental impacts associated with transport of crude oil to the Tesoro refinery by rail or associated with the export of crude oil were not analyzed in the EIS for this proposed project. The transport of crude oil by rail to the Tesoro refinery is not authorized under the shoreline substantial development permit PL15-0302 issued for this proposed project. The export of

crude oil from the Tesoro refinery is not authorized under the shoreline
substantial development permit PL15-0302 issued for the proposed project.