SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Environmental Impact Report for the Shell Carson Facility Ethanol (E10) Project

Attachment 1: Findings; Statement of Overriding Considerations; and, Mitigation, Monitoring, and Reporting Plan

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1.0 INTRODUCTION

Shell Oil Products US (Shell) is proposing a project at its Carson Distribution Facility (Carson Facility) to increase the Carson Facility's capacity to store on-site either 100 percent pure (neat) or denatured ethanol (a blend of ethanol and approximately two to five percent gasoline) and load denatured ethanol into tanker trucks owned by third-party customers that deliver the ethanol to gasoline blending and distribution terminals for the southern California market. The increase in ethanol storage and loading capacity is in response to requests by Shell's existing clients for a more efficient, consolidated facility that will allow those customers to better meet an increase in the amount of ethanol required to be blended into gasoline to comply with the 2007 amendments to the California Air Resources Board (CARB) Phase 3 Reformulated Gasoline (RFG) requirements. The Shell Carson Facility Ethanol (E10) Project (proposed project) includes the following changes to the Carson Facility: 1) increase the permitted ethanol throughput at an existing two-lane tanker truck loading rack; 2) convert four existing storage tanks from gasoline to ethanol service; 3) install one new ethanol tanker truck loading lane and associated ethanol loading rack; 4) expand the existing ethanol loading rack operations building; and 5) install one new gasoline storage tank to partially replace gasoline storage capacity transferred to ethanol service.

The proposed modifications at Shell's Carson Facility were determined to be a "project" as defined by the California Environmental Quality Act (CEQA) (Public Resources Code (PRC) §21000 et. seq.). Specifically, CEQA requires: 1) the potential environmental impacts of proposed projects to be evaluated; and, 2) feasible methods to reduce or avoid identified significant adverse environmental impacts of these projects to be identified. The proposed project requires discretionary approvals from the South Coast Air Quality Management District (SCAQMD) and the City of Carson. The lead agency is the public agency that has the greatest responsibility for carrying out or approving a project which may have a significant effect upon the environment (Pubic Resources Code §21067). In the case of the proposed project, either the City of Carson or the SCAQMD could assume the lead agency role. CEQA Guidelines §15051 (d) states that where there are two or more public agencies with a substantial claim to be lead agency, the public agencies may, by agreement, designate an agency as lead agency. The SCAQMD has the greatest responsibility for supervising or approving the entire project as a whole and is the most appropriate public agency to act as lead agency. Therefore, on May 20, 2008, the City of Carson agreed to designate the SCAQMD as lead agency for the proposed project[1]. The proposed project requires discretionary approval from the SCAQMD for modifications to existing stationary source equipment and installation of new stationary source equipment. The City of Carson will act as the responsible agency for any permits and approvals required by the city.

The SCAQMD, as lead agency for the proposed project, has caused to be prepared a Draft Environmental Impact Report (EIR), which was circulated for a 45-day public review and comment period from September 21, 2012 to November 6, 2012. The purpose of the Draft EIR is to describe the proposed project and to identify, analyze, and evaluate any potentially significant adverse environmental impacts that may result from implementing the proposed

[1] Email communication from John Signo - Senior Planner, City of Carson Planning Division, to Michael Krause - Air Quality Specialist, SCAQMD; May 20, 2008.

project. Three comment letters were received during the public comment period on the Draft EIR. The Final EIR was prepared pursuant to CEQA Guidelines[2] §15089 and §15132 and includes the three comment letters on the Draft EIR and responses to the individual comments in Appendix I-C .

2.0 CERTIFICATION OF THE FINAL EIR

The decision-making body of the SCAQMD certifies that it has been presented with the Final EIR and that it has reviewed and considered the information contained in the Final EIR prior to making the following certifications and findings.

Pursuant to CEQA Guidelines §15090, the decision-making body certifies that the Final EIR, including responses to comments, has been completed in compliance with the CEQA statutes and the CEQA Guidelines. The decision-making body certifies the Final EIR for the actions described in these findings and in the Final EIR, i.e., the proposed project. The decision-making body further certifies that the Final EIR reflects its independent judgment and analysis.

2.1 ENVIRONMENTAL REVIEW PROCESS

To fulfill the purpose and intent of CEQA, the SCAQMD, as the lead agency for this project, prepared a Notice of Preparation of an Environmental Impact Report and Initial Study (NOP/IS) to identify potential adverse environmental impacts associated with the Shell Carson Facility Ethanol (E10) Project. A copy of the NOP/IS is included in Appendix I-A of the Final EIR.

The NOP/IS was circulated for a 30-day comment period from April 16, 2010 to May 18, 2010. The NOP/IS was circulated to local residents, responsible agencies, other public agencies, and interested individuals in order to solicit input on the scope of the environmental analysis to be included in the EIR. In addition, a scoping meeting was held on May 4, 2010, to solicit any additional public input on the environmental analysis to be included in the EIR. Four comment letters were received on the NOP/IS during the public comment period. Comment letters and responses to the individual comments are provided in Appendix I-B of the Final EIR. The NOP/IS formed the basis for and focus of the technical analyses in the Draft EIR. The following environmental topics were identified in the NOP/IS as potentially significant and were further analyzed in the Draft EIR: air quality, biological resources, hazards and hazardous materials, hydrology and water quality, noise and transportation and traffic.

At the time the NOP/IS was circulated, the environmental checklist did not specifically include impacts from greenhouse gas (GHG) emissions as a topic to be evaluated as part of a CEQA document. However, as a matter of policy the SCAQMD has evaluated GHG impacts since 2007 for projects where it is the lead agency. Therefore, in the "Air Quality" section of the environmental checklist, the NOP/IS acknowledged that the effects of GHG emissions would be analyzed in the Draft EIR. A full analysis of GHG emissions is addressed in the Final EIR.

At the time the NOP/IS was circulated, the environmental checklist also did not specifically include impacts to forest lands as a topic to be evaluated as part of a CEQA document.

[2] The CEQA Guidelines are codified at Title 14 of the California Code of Regulations, §15000)et seq.

Amendments to the CEQA Guidelines were adopted in 2010 by the Natural Resources Agency that contained revisions to the environmental checklist to include consideration of impacts to forest lands in the environmental analysis. Specifically, the topic of "Agriculture Resources" in the checklist was revised and renamed as "Agriculture and Forest Resources," and questions were added to address the consideration of impacts to forest resources.

Although the NOP/IS did not include a preliminary analysis of impacts to forest resources, to make the analysis consistent with the recent changes to the environmental checklist, a discussion of potential impacts from the proposed project that could conflict with, or cause rezoning of forest lands, has been included in the Final EIR. No significant impacts on forest resources were identified.

The screening analysis in the NOP/IS concluded that the following environmental topics would not be significantly adversely affected by the proposed project: aesthetics, agricultural resources, cultural resources, energy, geology and soils, land use and planning, mineral resources, population and housing, public services, recreation, and solid and hazardous waste. None of the comments received on the NOP/IS or at a public scoping meeting changed any of the conclusions regarding the potential effects of the proposed project included in the NOP/IS.

The Draft EIR was circulated for a 45-day public review and comment period on September 21, 2012, and ending November 6, 2012. As with the NOP/IS, the Draft EIR was circulated to neighboring jurisdictions, responsible agencies, other public agencies, and interested individuals. The SCAQMD received three comment letters on the Draft EIR during the public comment period. None of the comments in the letters alter any conclusions reached in the Draft EIR, nor provide new information of substantial importance relative to the draft document. The comment letters and responses to the comments raised in those letters are provided in Appendix I-C of the Final EIR.

Significant adverse environmental impacts from the proposed project are expected to occur after implementing mitigation measures for:

- Air quality, including project-specific and cumulatively considerable volatile organic compound (VOC), nitrogen oxides (NOx), particulate matter less than 10 microns in diameter (PM10) emissions and particulate matter less than 2.5 microns in diameter (PM2.5) emissions during construction and project-specific and cumulatively considerable VOC and NOx emissions during operation;

- Hazards and hazardous materials, including project-specific potential off-site impacts from a fire or vapor explosion under a "worst-case" scenario;

- Hydrology and water quality, including project-specific and cumulatively considerable water demand impacts during construction and potential project-specific and cumulatively considerable water demand impacts during operation.

When considering for approval a proposed project that has one or more significant adverse effects, a public agency must make one or more written findings for each significant adverse effect, accompanied by a brief rationale for each finding (Public Resources Code §21081 and

CEQA Guidelines §15091). Both Findings and a Statement of Overriding Considerations are required because it was concluded that the following environmental topics could be significantly adversely affected by the proposed project: air quality, hazards and hazardous materials and hydrology and water quality impacts.

The proposed project has the potential to generate significant adverse environmental impacts to the environmental topics identified in the following bullet points, but it was concluded in the Final EIR that impacts would be less than significant after implementing mitigation measures:

- Cumulative greenhouse gas emissions;
- Project-specific biological resources impacts to the burrowing owl during construction;
- Project-specific biological resources impacts to nesting birds during construction;
- Project-specific hazards impacts associated with excavation of contaminated soil; and
- Project specific construction traffic impacts.

The Final EIR consists of the NOP/IS (April 2010, Appendix I-A of the Final EIR) and Draft EIR (September 2012) with tracked minor modifications. The Final EIR includes the following: a project description, environmental setting, environmental impacts, mitigation measures, cumulative impacts, project alternatives, responses to comments on the NOP/IS (Appendix I-B of the Final EIR), responses to comments on the Draft EIR (Appendix I-C of the Final EIR), construction and operational air emissions calculations (Appendices II-A and II-B of the Final EIR), criteria pollutants air quality impacts analysis (Appendix II-C of the Final EIR), health risk assessment (Appendix II-D of the Final EIR), biological survey report (Appendix II-E of the Final EIR), hazard impact calculations (Appendix II-F of the Final EIR), correspondence with California Water Service Company (Appendix II-G of the Final EIR), noise measurement data and traffic noise impact calculations (Appendix II-H of the Final EIR), and traffic impact analysis (Appendix II-I of the Final EIR). All documents comprising the Final EIR for the proposed project are available at the SCAQMD, 21865 Copley Drive, Diamond Bar, California, 91765. These documents can also be obtained by contacting the SCAQMD's Public Information Center at (909) 396- 2039 or by accessing the SCAQMD's CEQA webpage at http://www.aqmd.gov/ceqa/nonaqmd.html.

2.2 SUMMARY OF THE PROPOSED PROJECT

Shell is proposing to increase the permitted throughput for the existing two-lane ethanol truck loading rack from 30,000 barrels per day (bbl/day) to 35,000 bbl/day of ethanol and to construct a new single-lane ethanol truck loading rack with a maximum throughput capacity of 17,500 bbl/day of ethanol. Thus, the total ethanol tanker truck loading capacity would increase by 75 percent, from 30,000 bbl/day to 52,500 bbl/day. The change in the percentage of ethanol in gasoline to accommodate the 2007 CARB Phase 3 RFG amendment requirements is an increase of approximately 75 percent, from 5.7 percent to 10 percent, which is expected to have resulted in an increase in the demand for ethanol to be blended into gasoline of approximately 75 percent. Thus, the 75 percent increase in the Carson Facility's ethanol tanker truck loading capacity is

intended to accommodate its customers' requirements and requests for sufficient ethanol facilities to meet 2007 CARB Phase 3 RFG amendment requirements.

Shell is also proposing to increase the ethanol storage capacity at the Carson Facility by converting four existing 69,000 bbl gasoline tanks to ethanol service, which would also support the 75 percent increase in ethanol demand to meet 2007 CARB Phase 3 RFG amendment requirements. Further, Shell is proposing to partially offset the loss of exiting gasoline storage capacity by constructing a new 158,000 bbl gasoline storage tank. The additional ethanol is expected to be primarily delivered into the Carson Facility through the existing pipeline dedicated to ethanol service that is currently used from the off-site railcar offloading facility owned and operated by Kinder Morgan. Lastly, Shell is proposing to expand the existing ethanol loading rack operations building to support the increased permitted ethanol throughput.

The proposed project would increase the permitted maximum daily ethanol throughput to 52,500 bbl/day during full operation, which would be an increase of 27,156 bbl/day above the baseline loading rate, and would increase the daily number of ethanol tanker trucks loaded to 276 trucks per day, which would be an increase of 144 tanker trucks per day above the average daily number loaded during the baseline period. The daily number of trips by these additional tanker trucks would be an increase of 288 one-way trips per day above the baseline period.

No additional employees would be required on-site to operate any new equipment as a result of implementing the proposed project.

2.3 ABSENCE OF NEW INFORMATION

CEQA Guidelines §15088.5 requires a lead agency to recirculate an EIR for further review and comment when significant new information is added to the EIR after public notice is given of the availability of the draft EIR but before certification of a final EIR. New information added to an EIR is not "significant" unless the EIR is changed in a way that deprives the public of a meaningful opportunity to comment upon a substantial adverse environmental effect of the project or a feasible way to mitigate or avoid such an effect that the project proponent declines to implement. The CEQA Guidelines provide examples of significant new information under this standard. Recirculation is not required where the new information added to the EIR merely clarifies or amplifies or makes insignificant modifications in an adequate EIR.

The Final EIR incorporates minor modifications that have been made since the Draft EIR was completed. To facilitate identifying the changes in the Final EIR, modifications to the document are included as underlined text and text removed from the document is indicated by ~~strikethrough~~. To avoid confusion, minor formatting changes are not shown in underline or strikethrough mode. Thus, the minor changes made to the Draft EIR do not cause any new or more severe environmental impacts. Further, none of the modifications alter any conclusions reached in the Draft EIR, or provide new information of substantial importance relative to the draft document that would require recirculation of the Draft EIR pursuant to CEQA Guidelines §15088.5.

Based on the foregoing reasons, and the information contained in the Final EIR and in the record of SCAQMD's proceedings, including the comments on the Draft EIR and the responses thereto,

no significant new information has been added to the Final EIR since public notice was given of the availability of the Draft EIR that would require recirculation of the Draft EIR.

2.4 IMPACTS

This attachment provides the written analysis and conclusions of the decision-making body regarding the environmental impacts of the proposed project and the mitigation measures proposed in the Final EIR and adopted by the decision-making body. In making these findings, the decision-making body has considered the opinions of other members of the public. The decision-making body finds that the appropriate methodology for calculating effects and determining significance is a judgment within the discretion of the decision-making body; the method of analysis used in the Final EIR is supported by substantial evidence in the record, including the expert opinions of the SCAQMD staff; and the significance thresholds used in the Final EIR provide reasonable and appropriate means of assessing the significance of the adverse environmental effects of the proposed project.

Table 1 summarizes the environmental determinations of the Final EIR regarding the proposed project's impacts. This table does not attempt to describe the full analysis of each environmental impact contained in the Final EIR. Instead, Table 1 provides a summary description of each impact and states the decision-making body's findings on the significance of each impact. A full explanation of these environmental findings and conclusions can be found in the Final EIR. These findings hereby incorporate by reference the discussion and analysis in the Final EIR supporting the Final EIR's determinations regarding the proposed project's impacts and mitigation measures designed to address those impacts. In making these findings, the decision-making body ratifies, adopts, and incorporates the analysis and explanation in the Final EIR, and ratifies, adopts, and incorporates in these findings the determinations and conclusions of the Final EIR relating to environmental impacts and mitigation measures, except to the extent any such determinations and conclusions are specifically and expressly modified by these findings. Findings need not be made for environmental impacts that are not significant.

Table 1
Summary of Environmental Impacts

Impact	Project-Specific Impact	Cumulative Impact
Air Quality		
Construction VOC, NOx, PM10 and PM2.5 emissions	Significant	Significant
Construction CO and SOx emissions	Not Significant	Not Significant
Operational VOC and NOx emissions	Significant	Significant
Operational CO, SOx, PM10 and PM2.5 emissions	Not significant	Not significant
Operational health risks	Not significant	Not significant
Greenhouse gas emissions	Not applicable	Mitigated to less than significant
Biological Resources		
Construction impacts on the burrowing owl and nesting birds	Mitigated to less than significant	Mitigated to less than significant
Construction impacts on other biological resources	Not significant	Not significant
Operational impacts on biological resources	Not significant	Not significant
Hazards and Hazardous Materials		
Potential off-site impacts from a fire or vapor explosion under a "worst-case" scenario	Significant	Not significant
Potential off-site impacts from excavation of contaminated soils during construction	Mitigated to less than significant	Not significant
Hydrology and Water Quality		
Water demand during construction	Significant	Significant
Water demand during operation	Significant	Significant
Noise		
Construction noise	Not significant	Not significant
Operational noise	Not significant	Not significant
Traffic and Transportation		
Construction traffic	Mitigated to less than significant	Mitigated to less than significant
Operational traffic	Not significant	Not significant

CO = carbon monoxide
NOx = nitrogen oxides
PM10 = particles smaller than 10 microns diameter
PM2.5 = particles smaller than 2.5 microns diameter
SOx = sulfur oxides
VOC = volatile organic compounds

3.0 FINDINGS

CEQA prohibits a public agency from approving or carrying out a project for which a CEQA document has been completed which identifies one or more significant adverse environmental effects of the project unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each finding (CEQA Guidelines §15091). The analysis in the Final EIR concluded that the proposed project has the potential to generate significant adverse environmental impacts after implementing mitigation measures for:

- Air quality, including project-specific and cumulatively considerable VOC, NOx, PM10, and PM2.5 emissions during construction and project-specific and cumulatively considerable VOC and NOx emissions during operation;

- Hazards and hazardous materials, including project-specific potential off-site impacts from a fire or vapor explosion under a "worst-case" scenario; and,

- Hydrology and water quality, including project-specific and cumulatively considerable water demand impacts during construction and potential project-specific and cumulatively considerable water demand impacts during operation.

These findings provide the written analysis and conclusions of the SCAQMD regarding the environmental impacts of the proposed project and the mitigation measures included in the Final EIR as part of approving the proposed project. In making these findings, from members of the public and public agencies have been considered. The Executive Officer finds that the appropriate methodology for calculating effects and determining significance is a judgment within the discretion of the Executive Officer; the method of analysis used in the Final EIR is supported by substantial evidence in the record, including the expert opinions of SCAQMD staff; and the significance thresholds used in the Final EIR provide reasonable and appropriate means of assessing the significance of the adverse environmental effects of the proposed project. Having received, reviewed, and considered the Final EIR and other information in the record of proceedings, the Executive Officer hereby adopts the findings below in compliance with CEQA and the CEQA Guidelines.

The following sets forth findings for the significant adverse impacts identified in the EIR that cannot be reduced to insignificance, those that can be mitigated to less than significant, and the rationale for each finding. The findings are supported by substantial evidence in the record as explained in each finding. These findings will be included in the record of project approval and will also be noted in the Notice of Determination.

3.1 POTENTIALLY SIGNIFICANT IMPACTS WHICH CANNOT BE MITIGATED TO A LEVEL OF INSIGNIFICANCE

The Final EIR identified six potentially significant project-specific adverse environmental impacts that cannot be reduced to a level of insignificance: 1) regional air quality impacts from VOC and NOx emissions associated with construction activities; 2) localized air quality impacts from NOx, PM10 and PM2.5 emissions associated with construction activities; 3) regional air

quality impacts from VOC and NOx emissions associated with project operation; 4) potential off-site hazards impacts associated with project operation; 5) water demand impacts associated with project construction; and, 6) potential water demand impacts associated with project operation. The Final EIR also identified five potentially significant cumulative adverse environmental impacts that cannot be reduced to a level of insignificance: 1) potential regional air quality impacts from VOC and NOx emissions associated with construction activities; 2) potential localized air quality impacts from NOx, PM10 and PM2.5 emissions associated with construction activities; 3) potential regional air quality impacts from VOC and NOx emissions associated with project operation; 4) water demand impacts associated with project construction; and, 5) potential water demand impacts associated with project operation.

3.1.1 Construction Emissions of VOC and NOx Would Exceed SCAQMD Regional Significance Thresholds

Finding: The SCAQMD finds that: 1) project-specific VOC and NOx construction emissions would exceed SCAQMD regional significance thresholds; 2) mitigation measures were incorporated into the project that would reduce the significant adverse construction air quality impacts, but not to insignificance; 3) such mitigation measures are within the jurisdiction of the SCAQMD; and, 4) no other feasible mitigation measures or project alternatives have been identified that would reduce the construction impacts to less than significant.

Explanation: The project-specific construction emissions of VOC and NOx are expected to exceed the applicable SCAQMD regional significance thresholds during peak construction activities. An analysis of potential mitigation measures was conducted to determine if construction VOC and NOx emissions could be mitigated to less than the applicable regional significance threshold. Ten feasible mitigation measures were identified that could reduce significant VOC and NOx construction impacts, but would not reduce the emissions to less than significant. Although these measures would not reduce construction emissions below the applicable SCAQMD VOC and NOx construction air quality significance thresholds, no other feasible mitigation measures or project alternatives have been identified that would reduce the construction impacts to less than significant. Therefore, construction air quality impacts of VOC and NOx emissions are expected to remain significant following mitigation.

3.1.2 Construction Emissions of NOx, PM10 and PM2.5 Would Exceed the SCAQMD's Localized Significance Thresholds

Finding: The SCAQMD finds that: 1) project-specific NOx, PM10 and PM2.5 construction emissions are expected to exceed the applicable SCAQMD localized significance thresholds for ambient air quality concentrations of nitrogen dioxide (NO_2), PM10 and PM2.5; 2) mitigation measures were incorporated into the project that would reduce the significant adverse construction air quality impacts, but not to insignificance; 3) such mitigation measures are within the jurisdiction of the SCAQMD; and, 4) no other feasible mitigation measures or project alternatives have been identified that would reduce the air quality construction impacts to less than significant.

Explanation: The project-specific NOx, PM10 and PM2.5 construction emissions are expected to exceed the applicable SCAQMD localized significance thresholds for concentrations of NO_2,

PM10 and PM2.5 during peak construction activities. An analysis of potential mitigation measures was conducted to determine if construction NOx, PM10 and PM2.5 emissions could be mitigated to less than the applicable localized significance threshold. Eleven feasible mitigation measures were identified that could reduce significant NOx, PM10 and PM2.5 construction impacts, but would not reduce the emissions to less than significant. Although these measures would not reduce construction emissions below the applicable localized significance thresholds, no other feasible mitigation measures or project alternatives have been identified that would reduce the construction impacts to less than significant. Therefore, construction air quality impacts of NOx, PM10 and PM2.5 emissions are expected to remain significant following mitigation.

3.1.3 Operation Emissions of VOC and NOx Would Exceed SCAQMD Regional Significance Thresholds

Finding: The SCAQMD finds that: 1) project-specific VOC and NOx operation emissions would exceed SCAQMD regional significance thresholds; and, 2) no feasible mitigation measures or project alternatives have been identified that would reduce the air quality impacts during operation to less than significant.

Explanation: The project-specific operation emissions of VOC and NOx are expected to exceed the applicable SCAQMD regional significance thresholds. VOC emissions are anticipated to be primarily from fugitive emissions from tanker truck loading, emissions from the thermal oxidizer, and exhaust emissions from tanker trucks. NOx emissions are anticipated to be primarily from tanker truck exhaust. Some VOC emissions would be offset with emission reduction credits (ERCs) required for permitted sources pursuant to SCAQMD's New Source Review (NSR) program (specifically Rule 1303 – Requirements). NOx emissions would be offset with Regional Clean Air Incentive Market (RECLAIM) Trading Credits (RTCs) required for permitted sources per the requirements in SCAQMD's RECLAIM program (specifically Regulation XX – RECLAIM). The ERCs and RTCs are based on established NSR and RECLAIM programs, respectively. However, VOC and NOx emissions, after applying ERCs and RTCs to permitted sources, would remain significant because VOC and NOx emissions from non-permitted sources are anticipated to exceed the respective significance thresholds.

An analysis of potential mitigation measures was conducted to determine if operation VOC and NOx emissions could be mitigated to less than the applicable regional significance threshold. Fugitive VOC emissions during tanker truck loading are caused by leaks from fittings on the tanker trucks. However, mitigation measures to eliminate or to reduce these leaks have not been identified. In addition, the thermal oxidizer would be required to meet best available control technology (BACT) emission limits for VOC and NOx. Since these limits represent the lowest achievable emission rate, it is not considered to be feasible to reduce these emissions further. Lastly, VOC and NOx emissions from tanker truck exhaust could be reduced if all tanker trucks delivering ethanol from the Carson Facility were late-model trucks that have lower emissions than the average emissions from heavy-heavy-duty vehicles in southern California. However, the tanker trucks that deliver ethanol from the facility are operated by Shell's customers or by operators under contract to Shell's customers. Therefore, Shell operators have very limited opportunities to require all tanker trucks that deliver ethanol from the facility to be late-model trucks.

Based on the foregoing analysis, no feasible mitigation measures for VOC and NOx have been identified. Therefore, operation air quality impacts of VOC and NOx emissions are expected to remain significant.

3.1.4 Hazards Associated with Proposed Project Modifications Could Result in Significant Hazard Impacts During Operation

Finding: The SCAQMD finds that: 1) a fire or vapor explosion involving the proposed new gasoline storage tank under a "worst-case" scenario could potentially cause significant adverse off-site impacts; 2) no feasible mitigation measures were included as part of the proposed project that would reduce the significant adverse hazards impacts; however, there are a number of rules, regulations, and laws applicable to the Carson Facility that serve to reduce the potential adverse impacts associated with hazards at the facility, including those hazards associated with the new gasoline storage tank, but not to less than significant; and 3) no feasible mitigation measures or project alternatives have been identified that would reduce hazard impacts associated with the proposed project to less than significant.

Explanation: The hazard analysis is based on conservative assumptions that likely overestimate the hazard impacts and estimate impacts assuming a worst-case release. Additionally, the probability of a catastrophic failure of the proposed new gasoline storage tank is 0.127 catastrophic failures per million hours to 3.02 failures per million hours, which correspond to a rate of failure between approximately once per 38 years and once per 900 years. Thus, the incremental probability of a storage tank failure and a resultant fire or explosion during operation of the proposed project is small. No feasible mitigation measures have been identified, over and above the extensive safety regulations that currently apply to the Carson Facility. While there are a number of rules, regulations, and laws applicable to the Carson Facility that serve to reduce the potential adverse hazard impacts at the facility, including the hazards associated with the proposed new gasoline storage tank, no feasible mitigation measures or project alternatives have been identified that could reduce the hazards impacts to less than significant. Therefore, hazards impacts are expected to remain significant.

3.1.5 Potable Water Use During Construction Activities Would Exceed SCAQMD Water Demand Significance Thresholds

Finding: The SCAQMD finds that: 1) potable water use for hydrostatic testing of the proposed new gasoline storage tank during construction is expected to exceed the SCAQMD's daily potable water demand significance threshold; and, 2) no feasible mitigation measures or project alternatives have been identified that would reduce the water demand impacts associated with construction of the proposed project to less than significant.

Explanation: Potable water use for hydrostatic testing of the proposed new gasoline storage tank is expected to exceed the SCAQMD's daily potable water demand significance threshold. Hydrostatic testing is required during construction of the proposed gasoline storage tank for testing the structural integrity to help ensure that leaks of gasoline will not occur after the tank is filled. Currently, Shell operators are in the process of arranging for the availability of reclaimed water at the Carson Facility. However, it is not known at this time if reclaimed water would be available in sufficient quantities and a sufficient pressure to conduct hydrostatic testing of the

proposed new gasoline storage tank. Nonetheless, if reclaimed water becomes available in sufficient quantities and at a sufficient pressure at the time when hydrostatic testing of the new gasoline storage tank would be conducted, then reclaimed water could potentially be used instead of potable water.

The Carson Facility currently discharges water from hydrostatic testing with potable water to both the Los Angeles County Sanitation District's sanitary sewer system under its industrial user permit and to the Dominguez Channel under its National Pollutant Discharge Elimination System (NPDES) permit. The NPDES permit would need to be amended to allow the discharge of reclaimed water used for hydrostatic testing.

Because of the aforementioned uncertainties regarding the availability of reclaimed water for hydrostatic testing of the proposed new gasoline storage tank and the requirement to amend the Carson Facility's NPDES permit, use of reclaimed water for hydrostatic testing is not considered a feasible mitigation measure at this time. Although potable water use for hydrostatic testing of the proposed new gasoline storage tank is expected to exceed the SCAQMD's daily potable water demand significance threshold, the water needed to conduct hydrostatic testing only requires filling the proposed new storage tank one time and thus, the projected water use will not be an ongoing demand. Thus, no feasible mitigation measures or project alternatives have been identified that could reduce the demand for potable water to less than significant. Therefore, water demand impacts during construction are expected to remain significant.

3.1.6 Potential Potable Water Use During Operation Would Exceed SCAQMD Water Demand Significance Thresholds

Finding: The SCAQMD finds that: 1) potable water use for potential hydrostatic testing of the proposed new gasoline storage tank during operation may exceed the SCAQMD's daily potable water demand significance threshold; and, 2) no feasible mitigation measures or project alternatives have been identified that would reduce the water demand impacts associated with operation of the proposed project to less than significant.

Explanation: If major repairs to the proposed new gasoline storage tank are made sometime in the future, the tank may need to undergo hydrostatic testing after the repairs are completed. It is important to note that new storage tanks, such as the proposed new gasoline storage tank, are not expected to require major repairs for at least 20 years. Thus, major repairs followed by hydrostatic testing of the repaired gasoline storage may not occur for at least 20 years, if at all. However, in the event that hydrostatic testing of the storage tank is required in the future and reclaimed water is not available for the hydrostatic testing, the quantity of potable water needed would be expected to exceed the SCAQMD's daily potable water demand significance threshold.

Because of the aforementioned uncertainties in section 3.1.5 regarding the unknown future availability of reclaimed water at the Carson Facility for hydrostatic testing of the proposed new gasoline storage tank and the corresponding requirement to amend the Carson Facility's NPDES permit if reclaimed water is intended to be used, requiring the use of reclaimed water for hydrostatic testing is not considered a feasible mitigation measure at this time. Although potable water use for hydrostatic testing of the proposed new gasoline storage tank is expected to exceed the SCAQMD's daily potable water demand significance threshold, the water needed to conduct hydrostatic testing only requires filling the storage tank one time (e.g., approximately once every 20 years), therefore, the projected water use will not be an ongoing demand. Thus, no feasible

mitigation measures or project alternatives have been identified that could reduce the operational demand for potable water to less than significant. Therefore, water demand impacts during operation are expected to remain significant.

3.1.7 Cumulative Construction VOC and NOx Emissions Associated with the Proposed Project Would Exceed SCAQMD Regional Significance Thresholds

Finding: The SCAQMD finds that: 1) project-specific mitigation measures were incorporated into the project that would also reduce significant adverse cumulative construction air quality impacts for VOC and NOx emissions, but not to less than significant; 2) such project-specific mitigation measures are within the jurisdiction of the SCAQMD; 3) no additional feasible measures were identified in the Final EIR for the proposed project that would mitigate significant adverse cumulative construction air quality impacts to less than significant; and, 4) in spite of implementing construction air quality impacts mitigation measures for the proposed project, cumulative construction air quality impacts remain significant.

Explanation: Project-specific construction air quality impacts for VOC and NOx emissions were concluded to be significant and, therefore, cumulatively considerable as defined by CEQA Guidelines §15064 (h)(1). As a result, cumulative construction air quality impacts are concluded to be cumulatively significant. An analysis of potential mitigation measures was conducted to determine if cumulative construction VOC and NOx emissions could be mitigated to less than the applicable regional significance threshold. Shell does not have any authority to control construction emissions from the non-Shell owned/operated projects that were considered in the cumulative impacts analysis. For the cumulative projects listed where the SCAQMD is the lead agency, feasible mitigation measures will be imposed. However, most of the cumulative projects identified have another entity or agency (e.g., the City of Carson) acting as lead agency and implementing feasible mitigation measures. The construction emission calculations were based on conservative assumptions and assumed that all related projects were under construction at the same time, which will likely overestimate actual emissions. In addition, the construction emissions will not have a long-term adverse air quality impact because these emissions will cease following the completion of construction.

Eleven feasible mitigation measures were identified that could reduce significant VOC and NOx construction impacts from the proposed project, but would not reduce the emissions to less than significant. Although these measures would not reduce construction emissions below the applicable SCAQMD VOC and NOx construction air quality significance thresholds, no other feasible mitigation measures or project alternatives have been identified that would reduce the cumulative construction impacts to less than significant. Therefore, cumulative construction air quality impacts of VOC and NOx emissions are expected to remain significant following mitigation.

3.1.8 Cumulative Construction NOx, PM10 and PM2.5 Emissions Associated with the Proposed Project Would Exceed SCAQMD Localized Significance Thresholds

Finding: The SCAQMD finds that: 1) project-specific mitigation measures were incorporated into the project that would also reduce significant adverse cumulative construction air quality impacts for NOx, PM10, and PM2.5 emissions, but not to less than significant; 2) such project-

specific mitigation measures are within the jurisdiction of the SCAQMD; 3) no additional feasible measures were identified in the Final EIR for the proposed project that would mitigate significant adverse cumulative construction air quality impacts to less than significant; and, 4) in spite of implementing construction air quality impacts mitigation measures for the proposed project, cumulative construction air quality impacts remain significant.

Explanation: Project-specific construction air quality impacts for NOx, PM10 and PM2.5 emissions were concluded to be significant and, therefore, cumulatively considerable as defined by CEQA Guidelines §15064 (h)(1). As a result, cumulative construction air quality impacts are concluded to be cumulatively significant. An analysis of potential mitigation measures was conducted to determine if cumulative construction NOx, PM10 and PM2.5 emissions could be mitigated to less than the applicable localized significance threshold.

For the cumulative projects listed where the SCAQMD is the lead agency, feasible mitigation measures will be imposed. However, most of the cumulatively-related projects identified in the Final EIR have another entity or agency (e.g., the City of Carson) acting as lead agency and responsible for implementing feasible mitigation measures. The construction emission calculations were based on conservative assumptions and assumed that all related projects were under construction at the same time, which will likely overestimate actual emissions.

Eleven feasible mitigation measures were identified that could reduce significant construction impacts of NOx, PM10 and PM2.5 emissions from the proposed project, but would not reduce the emissions to less than significant. Although these measures would not reduce construction emissions below the applicable SCAQMD NOx, PM10 and PM2.5 construction air quality significance thresholds, no other feasible mitigation measures or project alternatives have been identified that would reduce the cumulative construction impacts to less than significant. Therefore, cumulative construction air quality impacts of NOx, PM10 and PM2.5 emissions are expected to remain significant following mitigation.

3.1.9 Cumulative Operation VOC and NOx Emissions Associated with the Proposed Project Would Exceed SCAQMD Regional Significance Thresholds

Finding: The SCAQMD finds that: 1) cumulative VOC and NOx operation emissions would exceed SCAQMD regional significance thresholds; and, 2) no feasible mitigation measures have been identified that would reduce cumulative air quality impacts during operation to less than significant.

Explanation: Cumulative operation emissions of VOC and NOx are expected to exceed the applicable SCAQMD regional significance thresholds. Project-specific VOC emissions are anticipated to be primarily from fugitive emissions from tanker truck loading, emissions from the thermal oxidizer, and exhaust emissions from tanker trucks. Project-specific NOx emissions are anticipated to be primarily from tanker truck exhaust. Some VOC emissions would be offset with ERCs required for permitted sources pursuant to SCAQMD's NSR program (specifically Rule 1303 – Requirements). NOx emissions would be offset with RTCs required for permitted sources per the requirements in SCAQMD's RECLAIM program (specifically Regulation XX – RECLAIM). The ERCs and RTCs are based on established NSR and RECLAIM programs, respectively. However, VOC and NOx emissions, after applying ERCs and RTCs to permitted

sources, would remain significant because VOC and NOx emissions from non-permitted sources are anticipated to exceed the respective significance thresholds.

An analysis of potential mitigation measures was conducted to determine if operation VOC and NOx emissions could be mitigated to less than the applicable regional significance threshold. Fugitive VOC emissions during tanker truck loading are caused by leaks from fittings on the tanker trucks. However, mitigation measures to eliminate or to reduce these leaks have not been identified. In addition, the thermal oxidizer would be required to meet BACT emission limits for VOC and NOx. Since these limits represent the lowest achievable emission rate, it is not feasible to reduce these emissions further. Lastly, VOC and NOx emissions from tanker truck exhaust could be reduced if all tanker trucks delivering ethanol from the Carson Facility were late-model trucks that have lower emissions than the average emissions from heavy-heavy-duty vehicles in southern California. However, the tanker trucks that deliver ethanol from the facility are operated by Shell's customers or by operators under contract to Shell's customers. Therefore, Shell operators have very limited opportunities to require all tanker trucks that deliver ethanol from the facility to be late-model trucks.

For the cumulative projects listed where the SCAQMD is the lead agency, feasible mitigation measures will be imposed. However, most of the cumulative projects identified have another entity or agency (e.g., the City of Carson) acting as lead agency and implementing feasible mitigation measures.

Based on the foregoing analysis, no feasible mitigation measures for cumulative VOC and NOx emissions have been identified. Therefore, cumulative air quality impacts of VOC and NOx emissions during operation are expected to remain significant.

3.1.10 Cumulative Construction Potable Water Use Associated with the Proposed Project Would Exceed the SCAQMD Water Demand Significance Threshold

Finding: The SCAQMD finds that: 1) cumulative potable water use during construction is expected to exceed the SCAQMD's daily potable water demand significance threshold; and, 2) no feasible mitigation measures have been identified that would reduce the cumulative water demand impacts to less than significant.

Explanation: Project-specific impacts to potable water demand during construction of the proposed project exceed the SCAQMD's potable water demand significance threshold. None of the CEQA documents for the potential Cumulatively-related projects identified potentially significant adverse impacts to water demand during construction. However, because the maximum daily use of potable water during construction of the proposed project exceeds the potable water significance threshold established by the SCAQMD, the impacts to potable water demand during construction are considered cumulatively considerable because it has the potential to adversely affect local water supplies to the cumulatively related facilities. Although potable water use for hydrostatic testing to occur after construction of the proposed new gasoline storage tank is expected to exceed the SCAQMD's daily potable water demand significance threshold, the water needed to conduct hydrostatic testing only requires filling the proposed new storage tank one time and, thus, the projected water use will not be an ongoing demand.

Because of the aforementioned uncertainties regarding the availability of reclaimed water for hydrostatic testing of the proposed new gasoline storage tank and the requirement to amend the Carson Facility's NPDES permit (see section 3.1.5 of this document), use of reclaimed water for hydrostatic testing is not considered a feasible mitigation measure at this time. Thus, no feasible mitigation measures have been identified that could reduce the cumulative demand for potable water to less than significant. Therefore, cumulative water demand impacts during construction are expected to remain significant.

3.1.11 Potential Cumulative Operation Potable Water Use Associated with the Proposed Project and Other Cumulative Projects Would Exceed the SCAQMD Water Demand Significance Threshold

Finding: The SCAQMD finds that: 1) cumulative potable water use during operation may exceed the SCAQMD's daily potable water demand significance threshold; and, 2) no feasible mitigation measures have been identified that would reduce the cumulative water demand impacts during operation to less than significant.

Explanation: Potential project-specific impacts to potable water demand during operation of the proposed project may exceed the SCAQMD's potable water demand significance threshold. None of the CEQA documents for the potential cumulatively-related projects identified potentially significant adverse impacts to water demand during operation. However, because the maximum daily use of potable water during operation of the proposed project may exceed the potable water significance threshold established by the SCAQMD, the impacts to potable water demand during operation are considered cumulatively considerable because it has the potential to adversely affect local water supplies to the cumulatively related facilities. Although potable water use for hydrostatic testing to occur after repair of the proposed new gasoline storage tank is expected to exceed the SCAQMD's daily potable water demand significance threshold, the water needed to conduct hydrostatic testing only requires filling the proposed new storage tank one time and, thus, the projected water use will not be an ongoing demand.

Because of the aforementioned uncertainties regarding the availability of reclaimed water for hydrostatic testing of the proposed new gasoline storage tank and the requirement to amend the Carson Facility's NPDES permit (see section 3.1.5 of this document), use of reclaimed water for hydrostatic testing is not considered a feasible mitigation measure at this time. Thus, no feasible mitigation measures have been identified that could reduce the cumulative demand for potable water to less than significant. Therefore, cumulative water demand impacts during operation are expected to remain significant.

3.2 IMPACTS ASSOCIATED WITH ALTERNATIVES

The Final EIR includes an evaluation of three potential alternatives to the proposed project. The Final EIR examines the environmental impacts of each alternative in comparison with the proposed project and the relative ability of each alternative to achieve the project objectives. The Final EIR also summarizes the criteria used to identify a range of reasonable alternatives for review and describes proposals that the SCAQMD concluded did not merit additional, more-detailed review because they did not present viable alternatives to the proposed project.

In making these findings, the SCAQMD certifies that it has independently reviewed and considered the information on alternatives provided in the Final EIR, including the information provided in comments on the Draft EIR and the responses to those comments in the Final EIR. The Final EIR's discussion and analysis of these alternatives is not repeated in these findings, but the discussion and analysis of the alternatives in the Final EIR is incorporated in these findings by reference.

3.2.1 Description of Project Objectives

CEQA Guidelines §15124 (b) requires an EIR to include a statement of objectives, which describes the underlying purpose of the proposed project. The purpose of the statement of objectives is to aid the lead agency in identifying alternatives and the decision-makers in preparing findings and a statement of overriding considerations, if necessary. The objectives of the proposed project are summarized in the following points:

1. Increase the Carson Facility's ethanol storage capacity by approximately 75 percent to respond to customer demand for flexible ethanol storage and handling capacity;

2. Increase the Carson Facility's ethanol tanker-truck loading capacity by at least 75 percent to respond to customer demand for consolidated distribution of ethanol;

3. Include modifications that would allow the Carson Facility to minimize impacts to its existing capacity to receive, store and deliver other petroleum products (e.g., gasoline, diesel fuel, jet fuel) at current levels for its current and future customers; and

4. Maintain operational efficiency, safety and flexibility at the Carson Facility.

3.2.2 Project Alternatives That Would Eliminate the Potentially Significant Adverse Impacts are Not Available

Finding: The Final EIR describes and evaluates three alternatives to the proposed project. The SCAQMD finds that the proposed project would best achieve the project objectives. The SCAQMD finds that the alternatives are unable to achieve the project objectives to the same degree as the proposed project. The SCAQMD further finds that, on balance, none of the alternatives has environmental advantages over the proposed project that are sufficiently great to justify approval of such an alternative instead of the proposed project in light of each such alternative's inability to satisfy the proposed project objectives to the same degree as the proposed project. Accordingly, the SCAQMD has determined to approve the proposed project instead of approving any of the alternatives.

In making this determination, the SCAQMD finds that when compared to the alternatives described and evaluated in the Final EIR, the proposed project provides a reasonable balance between fully satisfying the project objectives and reducing potential environmental impacts to an acceptable level. The SCAQMD further finds and determines that the proposed project should be approved, rather than one of the other alternatives.

Explanation: Potential adverse environmental impacts from three project alternatives were analyzed and their relative merits were compared to the proposed project. Alternatives evaluated

in the Final EIR for the proposed project include: Alternative 1 - No Project Alternative; Alternative 2 - Construct the New Gasoline Storage Tank at an Alternative Location within the Carson Facility; and Alternative 3 – Eliminate the New Gasoline Storage Tank. No feasible project alternatives were identified that would attain most of the basic objectives of the proposed project, as described in section 3.2.1, and generate fewer or less severe environmental impacts than those of the proposed project, as shown in Table 2.

Table 2
Environmental Impacts of Alternatives as Compared to the Proposed Project

Environmental Topic	Proposed Project	Alt. 1	Alt. 2	Alt. 3
Air Quality				
Construction	S	NS (-)	S (+)	S (-)
Operation	S	NS (-)	S (=)	S (=)
Toxic Air Contaminants	NS	NS (-)	NS (=)	NS (-)
Biological Resources				
Construction	MNS	NS (-)	MNS (-)	MNS (-)
Operation	NS	NS (=)	NS (=)	NS (=)
Hazards and Hazardous Materials	S	NS (-)	S (-)	NS (-)
Hydrology and Water Quality				
Construction	S	NS (-)	S (=)	NS (-)
Operation	S	NS (-)	S (=)	NS (-)
Noise				
Construction	NS	NS (-)	NS (=)	NS (-)
Operation	NS	NS (-)	NS (=)	NS (=)
Transportation and Traffic				
Construction	MNS	NS (-)	MNS (=)	MNS (-)
Operation	NS	NS (-)	NS (=)	NS (=)

Notes:
S = Exceeds significance criteria
NS = Does not exceed significance criteria
MNS = Does not exceed significance criteria with application of mitigation measures
(+) = Potential impacts are greater than the proposed project
(-) = Potential impacts are less than the proposed project
(=) = Potential impacts are the same as the proposed project

Summary of Findings Regarding Alternatives: For all of the foregoing reasons, the SCAQMD has determined to approve the proposed project instead of one of the alternatives to the proposed project. The SCAQMD finds that the range of alternatives evaluated in the Final EIR reflects a reasonable attempt to identify and evaluate various types of alternatives that would potentially be capable of reducing the proposed project's environmental effects, while accomplishing most, but not all of the project objectives. The SCAQMD finds that the alternatives analysis is sufficient

to inform the decision-making body and the public regarding the tradeoffs between the degree to which alternatives to the proposed project could reduce environmental impacts and the corresponding degree to which the alternatives would hinder the project proponent's ability to achieve the project objectives.

3.3 FINDINGS CONCLUSION

Changes or alterations have been incorporated into the proposed project to mitigate or minimize the potentially significant adverse environmental effects associated with the following impacts: project-specific construction air quality impacts; cumulative air quality impacts during construction; project-specific air quality impacts during operation; cumulative air quality impacts during operation; hazard impacts during operation; project-specific water demand impacts during construction, cumulative water demand impacts during construction; project-specific water demand impacts during operation and cumulative water demand impacts during operation. No feasible mitigation measures or alternatives were identified to reduce the project-specific hazard impacts associated with operation of the proposed project or project-specific and cumulative water demand impacts associated with construction and operation of the proposed project. No additional feasible mitigation measures or alternatives to the proposed project, other than those already included in the Final EIR, have been identified that can further mitigate the potentially significant adverse project impacts on air quality during construction and operation of the proposed project, hazards during operation, and water demand during construction and operation of the proposed project while meeting the basic objectives of the proposed project. In summary, no additional feasible mitigation measures or alternatives were identified that could further reduce the significant project-specific and cumulative environmental impacts identified here. The proposed project also achieves the project objectives, as described in section 3.2.1, more effectively than the project alternatives analyzed. Upon certification of the Final EIR for the proposed project, all feasible mitigation measures identified in the Final EIR will be required to be implemented as set forth in the Mitigation, Monitoring, and Reporting Plan.

The proposed project is intended to achieve the project objectives as described in section 3.2.1 of this document. Based on achieving the project objectives described in section 3.2.1, the SCAQMD finds that the proposed project achieves the best balance between minimizing potential adverse environmental impacts and achieving the overall project objectives. The SCAQMD further finds that all of the findings presented here are supported by substantial evidence in the record.

Based on the above information, the SCAQMD finds that the proposed project achieves the best balance between minimizing potential adverse environmental impacts and achieving the overall project objectives. The SCAQMD further finds that all of the findings presented here are supported by substantial evidence in the record. Upon certification, the record of approval for this proposed project, i.e., the Notice of Determination, will be posted and recorded by the Los Angeles County Clerk.

4.0 STATEMENT OF OVERRIDING CONSIDERATIONS

If significant adverse impacts of a proposed project remain after incorporating feasible mitigation measures, or no feasible measures to mitigate the adverse impacts are identified, the lead agency

must make a determination that the benefits of the proposed project outweigh the unavoidable, significant, adverse environmental effects if it is to approve the project. In accordance with CEQA Guidelines §15093, the SCAQMD has, in determining whether or not to approve the proposed project, balanced the economic, social, technological, and other project benefits against its unavoidable environmental risks, and finds that each of the benefits of the proposed project set forth below outweigh the significant adverse environmental effects that are not mitigated to less than significant levels. This Statement of Overriding Considerations is based on the SCAQMD's review of the Final EIR, responses to comments, and other information in the administrative record. Each of the benefits identified below provides a separate and independent basis for overriding the significant adverse environmental effects of the proposed project. Accordingly, this Statement of Overriding Considerations regarding potentially significant adverse environmental impacts resulting from the proposed project, as set forth below, has been prepared. Pursuant to CEQA Guidelines §15093 (c), a Statement of Overriding Considerations will be included in the record of the project approval and will also be noted in the Notice of Determination.

Having reduced the potential effects of the proposed project through all feasible mitigation measures as described previously in this attachment, and balancing the benefits of the proposed project against its potential unavoidable adverse impacts on air quality, hazards, and water demand, the SCAQMD finds that the following legal requirements and benefits of the proposed project individually and collectively outweigh the potentially significant unavoidable adverse impacts for the following reasons:

1. The 2007 amendments to the CARB Phase 3 RFG requirements have increased the quantity of ethanol blended in gasoline by 75 percent. Shell's existing clients have requested that Shell provide an efficient, consolidated facility that will allow those customers to better meet the 75 percent increase in ethanol content in gasoline. The proposed project would provide this efficient, consolidated infrastructure at the Carson Facility.

2. The analysis of potential adverse environmental impacts incorporates a "worst-case" approach. This means that whenever the analysis requires that assumptions be made, those assumptions that result in the greatest adverse impacts are typically chosen. This method likely overestimates the actual significant adverse impacts from the proposed project;

3. Potential adverse air quality and water demand impacts during construction are temporary and would cease following construction;

4. Potential adverse water demand impacts during operation of the proposed project may not occur and, if they do occur, they would not be ongoing impacts; and

5. Potential hazard impacts during operation are based on worst-case assumptions, and the probability of a catastrophic failure of the proposed new gasoline storage tank is 0.127 catastrophic failures per million hours to 3.02 failures per million hours, which correspond to a rate of failure between approximately once per 38 years and once per 900 years.

In balancing the benefits of the overall project described above with the proposed project's unavoidable and significant adverse environmental impacts, the SCAQMD finds that the proposed project's benefits individually and collectively outweigh the unavoidable adverse impacts, such that these impacts are acceptable. The SCAQMD further finds that substantial evidence presented in the Final EIR supports adopting the Final EIR despite the proposed project's potential adverse impacts.

5.0 RECORD OF PROCEEDINGS

Upon certification, the record of approval for this proposed project, i.e., the Notice of Determination, will be sent to the Los Angeles County Clerk to be recorded and posted. The record of approval for the proposed project and all documents and other materials related to this proposed project may be found at SCAQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, 91765. The Custodian of the Record is the Deputy Executive Officer.

6.0 MITIGATION MONITORING AND REPORTING PLAN

Pursuant to CEQA Guidelines §15097 and PRC §21081.6, when a public agency conducts an environmental review of a proposed project in conjunction with approving it, the lead agency shall adopt a program for monitoring or reporting on the measures it has imposed to mitigate or avoid significant adverse environmental effects per the requirements of CEQA Guidelines §15097 and PRC §21081.6. PRC §21081.6 states in part that when making the findings required by PRC §21081 (a):

> "…the public agency shall adopt a reporting or monitoring program for the changes made to the project or conditions of project approval, adopted in order to mitigate or avoid significant effects on the environment. The reporting or monitoring program shall be designed to ensure compliance during project implementation. For those changes which have been required or incorporated into the project at the request of a responsible agency or a public agency having jurisdiction by law over natural resources affected by the project, that agency shall, if so requested by the lead or responsible agency, prepare and submit a proposed reporting or monitoring program."

Enforcement of the mitigation, monitoring, and reporting requirements described in this plan is primarily the responsibility of the SCAQMD as the lead agency under CEQA. The mitigation measures discussed herein are primarily the responsibility of Shell to implement. To certify compliance, documentation that mitigation measures have been implemented will be maintained by Shell to ensure potential environmental impacts are mitigated in accordance with the performance standards in the Final EIR.

6.1 AIR QUALITY IMPACTS AND MITIGATION MEASURES

The analysis of air quality impacts in the Final EIR for the proposed project concluded that construction-related emissions of VOC and NOx would exceed the applicable SCAQMD regional significance thresholds for daily construction emissions, and construction emissions of NOx, PM10 and PM2.5 may cause exceedances of the applicable SCAQMD localized significance thresholds for NO_2, PM10 and PM2.5. Emission sources during construction

activities include worker vehicles, heavy construction equipment, and grading activities. The mitigation measures identified in the following discussion are intended to minimize the emissions associated with these emission sources. The timing of implementing the construction air quality mitigation measures would be ongoing over the life of the proposed project and includes the following mitigation measures:

Construction Equipment:

A-1 During project construction, all internal combustion engines/construction equipment operating on the project site shall meet EPA-Certified Tier 3 emissions standards, or higher, according to the following:

- From January 1, 2012 to December 31, 2014: All off-road diesel-powered construction equipment greater than 50 hp shall meet Tier 3 off-road emissions standards. In addition, all construction equipment shall be outfitted with control technologies certified by CARB. Any emissions control device used by the contractor shall achieve emissions reductions that are no less than what could be achieved by a Level 3 diesel emissions control strategy for a similarly sized engine as defined by CARB regulations

- On or after January 1, 2015: All off-road diesel-powered construction equipment greater than 50 hp shall meet the Tier 4 emission standards, where available. In addition, all construction equipment shall be outfitted with control technologies certified by CARB. Any emissions control device used by the contractor shall achieve emissions reductions that are no less than what could be achieved by a Level 3 diesel emissions control strategy for a similarly sized engine as defined by CARB regulations.

- A copy of each unit's certified tier specification, control technology documentation, and CARB or SCAQMD operating permit shall be provided at the time of mobilization of each applicable unit of equipment.

- Encourage construction contractors with fleets less than 20,000 horsepower to voluntarily apply for SCAQMD's "SOON" funds. Incentives could be provided for those construction contractors who apply for SCAQMD "SOON" funds. The "SOON" program provides funds to accelerate clean up of off-road diesel vehicles, such as heavy duty construction equipment. More information on this program can be found at the following website: http://www.aqmd.gov/tao/Implementation/SOONProgram.htm

A-2 In the event a Tier 3 engine is not available for any off-road engine larger than 50 hp, that engine shall be equipped with a diesel particulate filter (soot filter), unless certified by engine manufacturers that the use of such devices is not practical for specific engine types. For purposes of this condition, the use of such devices is "not practical" if, among other reasons:

(1) There is no available soot filter that has been certified by either CARB or USEPA for the engine in question; or

(2) The construction equipment is intended to be on-site for ten (10) days or less.

The use of a soot filter may be terminated immediately if one of the following conditions exists:

(1) The use of the soot filter is excessively reducing normal availability of the construction equipment due to increased downtime for maintenance, and/or reduced power output due to an excessive increase in backpressure;

(2) The soot filter is causing or is reasonably expected to cause significant engine damage; or

(3) The soot filter is causing or is reasonably expected to cause a significant risk to workers or the public.

A-3 All construction equipment shall be properly maintained and the engines tuned to the engine manufacturer's specifications.

A-4 Prohibit construction equipment from idling longer than five minutes and post signs prohibiting idling longer than five minutes at the facility entrance and near areas where construction equipment is operating.

A-5 The engine size of construction equipment shall be the minimum practical size to support the required scope of work for the equipment.

A-6 Use electric welders instead of gas or diesel welders in portions of the facility where electricity is available.

A-7 Use on-site electricity rather than temporary power generators in portions of the facility where electricity is available.

A-8 Suspend all construction activities that generate air pollutant emissions during first stage smog alerts.

A-9 Use electricity or alternate fuels for on-site mobile equipment instead of diesel equipment to the extent feasible.

<u>On-Site Vehicles Traveling on Unpaved Surfaces</u>

A-10 Unpaved surfaces on which vehicles travel shall be watered three times per day.

<u>On-Road Mobile Sources:</u>

A-11 Prior the start of construction, develop a Construction Emission Management Plan for each affected facility to minimize emissions from vehicles including, but not

limited to: consolidating truck deliveries; scheduling deliveries to avoid peak hour traffic conditions; describing truck routing; describing deliveries including logging delivery times; describing entry/exit points; identifying locations of parking; identifying construction schedule; and prohibiting truck idling in excess of five consecutive minutes or another time-frame as allowed by the California Code of Regulations, Title 13 §2485 - CARB's Airborne Toxic Control Measure to Limit Diesel-Fueled Commercial Motor Vehicle Idling.

6.2 AIR QUALITY MITIGATION MONITORING AND REPORTING

Implementing Party: The SCAQMD finds that construction air quality mitigation measures A-1 to A-11 will be implemented by Shell during the appropriate construction periods.

Monitoring Agency: The SCAQMD has made these mitigation measures fully enforceable through a legally binding agreement, Attachment 2 - Declaration of Certification for the Shell Carson Facility Ethanol (E10) Project, signed by the Shell Carson Facilities Manager and the SCAQMD's Executive Officer. The SCAQMD through its discretionary authority to issue and enforce permits for the proposed project will ensure compliance with these mitigation measures. Mitigation, monitoring, and reporting will be accomplished as follows:

MMA-1: USE ENGINES/CONSTRUCTION EQUIPMENT MEETING EPA-CERTIFIED TIER 3 EMISSIONS STANDARDS, OR HIGHER, DURING CONSTRUCTION OF THE PROPOSED PROJECT

All off-road diesel-powered construction equipment greater than 50 hp shall meet EPA-certified Tier 3 off-road emissions standards prior to January 1, 2015 and shall meet EPA-certified Tier 4 emission standards on or after January 1, 2015. In addition, all construction equipment shall be outfitted with control technologies certified by CARB. Any emissions control device used by the contractor shall achieve emissions reductions that are no less than what could be achieved by a Level 3 diesel emissions control strategy for a similarly sized engine as defined by CARB regulations. Shell shall also encourage construction contractors with fleets less than 20,000 horsepower to voluntarily apply for SCAQMD's "SOON" funds.

A copy of each unit's certified tier specification, control technology documentation, and CARB or SCAQMD operating permit shall be provided by the construction contractor at the time of mobilization of each applicable unit of equipment. During construction of the proposed project and for two years following completion of construction, Shell shall keep records onsite of applicable compliance activities to demonstrate the steps taken to assure compliance with mitigation measure A-1 as specified in Table 3.

MMA-2: IN THE EVENT A TIER 3 ENGINE IS NOT AVAILABLE FOR ANY OFF-ROAD ENGINE LARGER THAN 50 HP, THAT ENGINE SHALL BE EQUIPPED WITH A DIESEL PARTICULATE FILTER (SOOT FILTER), UNLESS CERTIFIED BY ENGINE MANUFACTURERS THAT THE USE OF SUCH DEVICES IS NOT PRACTICAL FOR SPECIFIC ENGINE TYPES

In the event a Tier 3 engine is not available for any off-road engine larger than 50 hp, that engine shall be equipped with a diesel particulate filter (soot filter), unless certified by engine manufacturers that the use of such devices is not practical for specific engine types. Shell shall submit to the SCAQMD, prior to the use of a piece of equipment with an off-road engine larger than 50 hp for which a Tier 3 engine is not available, information in writing on efforts made to obtain the use of a unit with a Tier 3 engine, whether the unit will be equipped with a diesel particulate filter and, if not, why the use of a diesel particulate filters is not practical.

During construction of the proposed project and for two years following completion of construction, Shell shall keep records onsite of applicable compliance activities to demonstrate the steps taken to assure compliance with mitigation measure A-2 as specified in Table 3.

MMA-3: ALL CONSTRUCTION EQUIPMENT SHALL BE PROPERLY MAINTAINED AND THE ENGINES TUNED TO THE ENGINE MANUFACTURER'S SPECIFICATIONS

Shell, in cooperation with the construction contractors, will maintain vehicle and equipment maintenance records for the construction portion of the proposed project. All construction equipment must be maintained in compliance with the manufacturer's recommended maintenance schedule. Shell will maintain its construction equipment, if any, and construction contractors will be responsible for maintaining their equipment and maintenance records.

During construction of the proposed project and for two years following completion of construction, Shell shall keep records onsite of applicable compliance activities to demonstrate the steps taken to assure compliance with mitigation measure A-3 as specified in Table 3.

MMA-4: PROHIBIT CONSTRUCTION EQUIPMENT FROM IDLING LONGER THAN FIVE MINUTES AND POST SIGNS PROHIBITING IDLING LONGER THAN FIVE MINUTES AT THE FACILITY ENTRANCE AND NEAR AREAS WHERE CONSTRUCTION EQUIPMENT IS OPERATING

Shell will notify all workers and vendors that during construction activities, idling time will be limited to no longer than five minutes. When construction equipment is not in operation five minutes, the engine will be shut off. For any delivery that is expected to take longer than five minutes, Shell will require the truck's operator to shut off the engine. Shell will notify the vendors of these delivery requirements at the time that the purchase order is issued. Shell will notify all construction workers of these requirements during pre-work organizational meetings. Signs will be posted at the Carson Facility gates stating construction equipment and truck idling longer than five minutes is not permitted.

During construction of the proposed project and for two years following completion of construction, Shell shall keep records onsite of applicable compliance activities to demonstrate the steps taken to assure compliance with mitigation measure A-4 as specified in Table 3.

MMA-5: THE ENGINE SIZE OF CONSTRUCTION EQUIPMENT SHALL BE THE MINIMUM PRACTICAL SIZE TO SUPPORT THE REQUIRED SCOPE OF WORK FOR THE EQUIPMENT

Shell shall, prior to initiation of construction, develop information in writing verifying that the minimum practical size construction equipment to support the scope of work for the equipment was selected. During construction of the proposed project and for two years following completion of construction, Shell shall keep records onsite of applicable compliance activities to demonstrate the steps taken to assure compliance with mitigation measure A-5 as specified in Table 3.

MMA-6: USE ELECTRIC WELDERS INSTEAD OF GAS OR DIESEL WELDERS IN PORTIONS OF THE FACILITY WHERE ELECTRICITY IS AVAILABLE

Shell and the construction contractors will conduct a survey of the proposed project area to assess whether the existing infrastructure can provide access to electricity, as available, within the Carson Facility. Construction areas within the Carson Facility where electricity is available for use by electric welders will be identified on a site plan. The use of gasoline or diesel welders shall be prohibited in areas of the Carson Facility that are shown to have access to electricity that can be used by electric welders. Shell will assess the number of electrical welding receptacles available and will indicate whether diesel generators or welders are required for the proposed project. Shell shall include in all construction contracts the requirement that diesel welders are only allowed to operate in the portions of the Carson Facility as identified on the site plan as not being accessible to electric power that can be used by welders. If gasoline or diesel welders are actually used, Shell shall maintain welder records that indicate the location, date(s) and fuel type of welders utilized. During construction of the proposed project and for two years following completion of construction, Shell shall keep records onsite of applicable compliance activities to demonstrate the steps taken to assure compliance with mitigation measure A-6 as specified in Table 3.

MMA-7: USE ON-SITE ELECTRICITY RATHER THAN TEMPORARY POWER GENERATORS IN PORTIONS OF THE FACILITY WHERE ELECTRICITY IS AVAILABLE

The use of temporary power generators shall be prohibited in areas of the Carson Facility that have existing infrastructure to provide access to electricity. Construction areas within the Carson Facility where electricity is available for use by construction equipment that requires electric power will be identified on a site plan. The use of temporary power generators within these identified areas of the Carson Facility will not be allowed. The use of temporary power generators outside of these identified areas will be allowed, if necessary. Shell shall include in all construction contracts or agreements the requirement that the use of temporary power generators is prohibited in certain portions of the Carson Facility as identified on the site plan. Shell shall maintain records that indicate the location where generators are operated, if at all, date(s) and fuel type used. During construction of the proposed project and for two years following completion of construction, Shell shall keep records onsite of applicable compliance activities to demonstrate the steps taken to assure compliance with mitigation measure A-7 as specified in Table 3.

MMA-8: SUSPEND ALL CONSTRUCTION ACTIVITIES THAT GENERATE AIR POLLUTANT EMISSIONS DURING FIRST STAGE SMOG ALERTS

If and when any first stage smog alert or greater occurs, Shell shall record the date and time of each alert, suspend all construction activities that generate emissions, and record the date and time when the use of construction equipment and construction activities are suspended. During construction of the proposed project and for two years following completion of construction, Shell shall keep records

onsite of applicable compliance activities to demonstrate the steps taken to assure compliance with mitigation measure A-8 as specified in Table 3.

MMA-9: USE ELECTRICITY OR ALTERNATE FUELS FOR ON-SITE EQUIPMENT INSTEAD OF DIESEL EQUIPMENT TO THE EXTENT FEASIBLE

Shell shall evaluate the use of electricity and alternate fuels for on-site construction equipment prior to the commencement of construction activities, provided that suitable equipment is available for the proposed project. Equipment vendors will be contacted to determine the commercial availability of electric or alternate-fueled construction equipment.

The potential equipment that may be considered includes:

- Electric scissor lifts;
- Electric golf carts;
- Boom lifts; and
- Electric welders.

During construction of the proposed project and for two years following completion of construction, Shell shall keep records onsite of applicable compliance activities to demonstrate the steps taken to assure compliance with mitigation measure A-9 as specified in Table 3. Documentation regarding whether electricity or alternative fuels are available shall also be included in applicable onsite records.

MMA-10: UNPAVED SURFACES ON WHICH VEHICLES TRAVEL SHALL BE WATERED THREE TIMES PER DAY

Shell shall apply water to unpaved surfaces, such as unpaved construction areas and unpaved vehicles travel routes, three times per day. Prior to the start of construction activities, Shell will identify these unpaved areas on a facility plot plan. During construction of the proposed project, Shell shall maintain records of the dates, times and locations where water is applied. During construction of the proposed project and for two years following completion of construction, Shell shall keep records onsite of applicable compliance activities to demonstrate the steps taken to assure compliance with mitigation measure A-10 as specified in Table 3.

MMA-11: DEVELOP A CONSTRUCTION EMISSION MANAGEMENT PLAN TO MINIMIZE EMISSIONS FROM VEHICLES

Shell shall develop and submit a Construction Emission Management Plan to the SCAQMD for approval prior to starting construction activities. Upon approval, Shell shall train all personnel subject to the requirements set forth in the Construction Emission Management Plan on how to comply with the requirements in the plan, and document that training. The SCAQMD may conduct routine inspections of the site to verify compliance.

The Construction Emission Management Plan shall include all of the following: consolidating truck deliveries; scheduling deliveries to avoid peak hour traffic conditions; describing truck routing; describing deliveries including logging delivery times; describing entry/exit points; identifying locations of parking; identifying construction schedule; and prohibiting truck idling in excess of five consecutive minutes.

Shell will coordinate the delivery of equipment and materials to avoid peak hour traffic, whenever possible. That is, delivery of construction materials to the site will be scheduled to occur during off-peak periods (i.e., from 8:30 a.m. until 4:00 p.m. Monday through Friday). Shell will require that equipment and material deliveries be minimized between the hours of 7:00 to 8:00 a.m. and 4:30 p.m. to 5:30 p.m. to reduce traffic in and out of the facility during high traffic peak times. Exceptions will be made for trucks carrying time-critical materials, e.g., concrete delivery and soil hauling (which eliminates the double handling or on-site stock-piling of soil, preventing it from being moved from place to place due to lack of adequate staging area, and subsequent removal at a later time via trucks). Delivery routes and schedules will be developed pursuant to the California Department of Transportation regulations.

On-site parking for construction workers will be used for the proposed project.

Construction work shifts are anticipated to be one 10-hour shift per day, five or six days per week depending on the construction phase, generally from 7:00 a.m. to 5:00 p.m.

Signs will be posted at the Carson Facility gates stating construction equipment and truck idling longer than five minutes is not permitted.

During construction of the proposed project and for two years following completion of construction, Shell shall keep records onsite of applicable compliance activities to demonstrate the steps taken to assure compliance with mitigation measure A-11 as specified in Table 3.

6.3 CUMULATIVE GREENHOUSE GAS IMPACTS AND MITIGATION MEASURES

The analysis in the Final EIR has concluded that the proposed project has the potential to generate significant adverse cumulative GHG emission impacts. The following mitigation measures are intended to reduce GHG emission impacts to less than significant levels. The timing of implementing the GHG mitigation measures would be ongoing over the life of the proposed project and includes the following types of control measures:

G-1 During project operation, Shell shall limit total ethanol loading for the existing two-lane tanker truck loading rack and the proposed new single-lane tanker truck loading rack to no more than 16,972,500 barrels in any calendar year. To assure compliance with this mitigation, the SCAQMD will impose all necessary permit conditions on the project's combustion equipment by defining the proper types of fuel meters, meter accuracy and calibration requirements, monthly and annual recordkeeping requirements, and standards for records retention.

G-2 Nothing in mitigation measure G-1 allows the number of ethanol truck trips to the facility to exceed 276 trips per day.

6.4 GREENHOUSE GAS MITIGATION MONITORING AND REPORTING

Implementing Party: The SCAQMD finds that greenhouse gas mitigation measures G-1 and G-2 will be implemented by Shell.

Monitoring Agency: The SCAQMD has made these mitigation measures fully enforceable through a legally binding agreement, Attachment 2 - Declaration of Certification for the Shell Carson Facility Ethanol (E10) Project, signed by the Shell Carson Facilities Manager and the SCAQMD's Executive Officer. The SCAQMD through its discretionary authority to issue and enforce permits for the proposed project will ensure compliance with these mitigation measures. Mitigation, monitoring, and reporting will be accomplished as follows:

MMG-1: LIMIT TOTAL ETHANOL LOADING FOR THE EXISTING TWO-LANE TANKER TRUCK LOADING RACK AND THE PROPOSED NEW SINGLE-LANE TANKER TRUCK LOADING RACK TO NO MORE THAN 16,972,500 BARRELS IN ANY CALENDAR YEAR

Shell shall keep records of the daily and calendar yearly quantity of denatured ethanol loaded. These records shall be maintained for five years in a format approved by the SCAQMD and shall be made available to SCAQMD personnel upon request.

MMG-2: LIMIT THE NUMBER OF TANKER TRUCKS LOADED WITH DENATURED ETHANOL TO 276 TRUCKS PER DAY

Shell shall keep records of the daily number of tanker trucks loaded with denatured ethanol. These records shall be maintained for five years in a format approved by the SCAQMD and shall be made available to SCAQMD personnel upon request.

6.5 BIOLOGICAL RESOURCES IMPACTS AND MITIGATION MEASURES

The analysis in the Final EIR has concluded that the proposed project has the potential to generate significant adverse biological resources impacts on the burrowing owl and nesting birds during construction. The following mitigation measures are intended to reduce impacts on the burrowing owl and nesting birds to less than significant levels. The timing of implementing the biological resources mitigation measures would be ongoing during construction of the proposed project and includes the following types of control measures:

Burrowing Owl Avoidance

B-1 Within 30 days prior to construction activities, a survey of the proposed construction footprint and surrounding areas up to 300 feet shall be conducted by a third-party qualified professional biologist to identify potential burrows and determine if any burrows are occupied by burrowing owls. As directed by the Mitigation Guidelines presented in the Burrowing Owl Consortium's guidance document "Burrowing Owl Survey Protocol and Mitigation Guidelines"

(Burrowing Owl Consortium, 1993), construction activities shall not occur within 160 feet of occupied burrows during the non-breeding season (September 1 through February 14) or within 250 feet during the breeding season (February 15 through August 31). If potential burrows remain present, a follow up clearance survey shall be conducted by a third-party qualified professional biologist in accordance with the 1995 Department of Fish and Game Staff Report on Burrowing Owls, which recommends repeat surveys if construction activities have been suspended for more than 30 days from the date the clearance survey is completed.

Nesting Bird Avoidance

B-2 Within 30 days of construction activities, a pre-construction nesting bird survey of the potential nesting habitat (eucalyptus trees and fan palms) shall be conducted by a third-party qualified professional biologist. If construction will occur during the nesting bird season (generally considered to be from February 15 through August 31), a third-party qualified professional biologist shall conduct a survey once per week to inspect for potential nesting activity, particularly in areas such as trees and native scrub.

B-3 In accordance with regulatory agency standards, if any active, non-raptor nest is detected within 300 feet of the construction footprint, then a 300-foot buffer shall be established, and no construction activities shall occur within this zone until a third-party qualified professional biologist determines that the nest has been abandoned and any chicks that may have hatched have fledged.

B-4 In accordance with regulatory agency standards, if any active raptor nest is detected, a 500-foot "no construction zone" shall be established. Ongoing monitoring of any identified raptor nest shall be conducted by a third-party qualified professional biologist to determine if noise or construction activities are negatively affecting any nest through observation of behavioral cues and to determine when the young have fledged, the nest becomes inactive, and project activities within the buffer can resume.

6.6 BIOLOGICAL RESOURCES MITIGATION MONITORING AND REPORTING

Implementing Party: The SCAQMD finds that biological resources mitigation measures B-1 through B-4 will be implemented by Shell.

Monitoring Agency: The SCAQMD has made these mitigation measures fully enforceable through a legally binding agreement, Attachment 2 - Declaration of Certification for the Shell Carson Facility Ethanol (E10) Project, signed by the Shell Carson Facilities Manager and the SCAQMD's Executive Officer. The SCAQMD through its discretionary authority to issue and enforce permits for the proposed project will ensure compliance with these mitigation measures. Mitigation, monitoring, and reporting will be accomplished as follows:

MMB-1: CONDUCT A SURVEY FOR POTENTIAL BURROWING OWL BURROWS AND ESTABLISH "NO CONSTRUCTION" BUFFERS AROUND OCCUPIED BURROWS

If occupied burrowing owl burrows are identified during the surveys required by mitigation measure B-1 and prepared by a third-party qualified professional biologist, Shell shall inform its construction contractors of the boundaries of the areas where construction is not permitted and shall indicate the boundaries using readily visible indicators, such as colored stakes, cones, tape, etc.

Shell shall submit to the SCAQMD written reports prepared by a third-party qualified professional biologist describing the surveys and results and identification of any required "no construction" buffers. During construction of the proposed project and for two years following completion of construction, Shell shall keep records onsite of applicable compliance activities to demonstrate the steps taken to assure compliance with mitigation measure B-1, including written reports describing the surveys and results and identification of any required "no construction" buffers, as specified in Table 3.

MMB-2: CONDUCT SURVEYS FOR NESTING BIRD

Shell shall submit to the SCAQMD written reports prepared by a third-party qualified professional biologist describing the nesting bird surveys and results. During construction of the proposed project and for two years following completion of construction, Shell shall keep records onsite of applicable compliance activities to demonstrate the steps taken to assure compliance with mitigation measure B-2, including written reports describing the nesting bird surveys and results, as specified in Table 3.

MMB-3: ESTABLISH "NO CONSTRUCTION" BUFFERS AROUND ACTIVE NON-RAPTOR NESTS

If any active, non-raptor nest is detected within 300 feet of the construction footprint, Shell shall inform its construction contractors of the boundaries of the areas where construction is not permitted and shall indicate the boundaries using readily visible indicators, such as colored stakes, cones, tape, etc. Shell shall submit to the SCAQMD written reports prepared by a third-party qualified professional biologist describing any active, non-raptor nest surveys and results.

During construction of the proposed project and for two years following completion of construction, Shell shall keep records onsite of applicable compliance activities to demonstrate the steps taken to assure compliance with mitigation measure B-3, including identification of any required "no construction" buffers, as specified in Table 3.

MMB-4: ESTABLISH "NO-CONSTRUCTION" BUFFERS AROUND ACTIVE RAPTOR NESTS

If any active raptor nest is detected within 500 feet of the construction footprint, Shell shall inform its construction contractors of the boundaries of the areas where construction is not permitted and shall indicate the boundaries using readily visible indicators, such as colored stakes, cones, tape, etc. any active, raptor nest surveys and results.

During construction of the proposed project and for two years following completion of construction, Shell shall keep records onsite of applicable compliance activities to demonstrate the steps taken to assure compliance with mitigation measure B-4, including identification of any required "no construction" buffers, as specified in Table 3.

6.7 HAZARDS AND HAZARDOUS MATERIALS IMPACTS AND MITIGATION MEASURES

The analysis in the Final EIR concluded that the excavation of contaminated soils during construction of the proposed project could potentially cause off-site impacts if not handled properly in accordance with local, state and federal rules which regulate the characterization, handling, transportation, and ultimate disposition of contaminated soils. The following mitigation measure is intended to reduce impacts from excavation, handling and disposal of contaminated soils to less than significant levels. The timing of implementing the hazards and hazardous materials mitigation measures would be ongoing during construction of the proposed project and includes the following types of control measures:

HHM-1 Prior to the start of grading or soil excavation a Construction Contaminated Soils Management Plan (SMP) that addresses the identification, sampling, characterization, handling, segregation, storage, and disposal of contaminated soils in compliance with local, state, and federal regulations shall be prepared and implemented. The SMP shall contain a pre-excavation sampling plan and state the mechanism(s) used to identify impacted soils during the actual excavations. A communication and notification process shall be included in the Construction Contaminated Soils SMP to ensure the appropriate agency or agencies are notified in accordance with local, state, and federal requirements.

6.8 HAZARDS AND HAZARDOUS MATERIALS MITIGATION MONITORING AND REPORTING

Implementing Party: The SCAQMD finds that hazards and hazardous materials mitigation measure HHM-1 will be implemented by Shell.

Monitoring Agency: The SCAQMD has made this mitigation measure fully enforceable through a legally binding agreement, Attachment 2 - Declaration of Certification for the Shell Carson Facility Ethanol (E10) Project, signed by the Shell Carson Facilities Manager and the SCAQMD's Executive Officer. The SCAQMD through its discretionary authority to issue and enforce permits for the proposed project will ensure compliance with these mitigation measures. Mitigation, monitoring, and reporting will be accomplished as follows:

MMHHM-1: PREPARE AND IMPLEMENT A CONSTRUCTION CONTAMINATED SOILS MANAGEMENT PLAN

Prior to the start of grading or soil excavation, Shell shall submit the Construction Contaminated Soils Management Plan to the Los Angeles Regional Water Quality Control Board (RWQCB) for review and submit a copy to the SCAQMD. Shell shall modify the SMP as appropriate in response to comments received from the RWQCB. If onsite soil contamination has the potential

to migrate into underground aquifers requiring remediation by the RWQCB pursuant to Health and Safety Code §25356.1, primary oversight of mitigation activities would likely shift to RWQCB in coordination with the SCAQMD.

During construction of the proposed project and for two years following completion of construction, Shell shall keep records onsite of applicable compliance activities to demonstrate the steps taken to assure compliance with mitigation measure HHM-1, including correspondence with the Los Angeles RWQCB regarding the SMP and its implementation, results of sampling and characterization of potentially contaminated soils, and activities for handling, segregation, storage, and disposal of contaminated soils in compliance with local, state, and federal regulations, as specified in Table 3.

6.9 TRANSPORTATION AND TRAFFIC IMPACTS AND MITIGATION MEASURES

The analysis in the Final EIR concluded that construction of the proposed project may cause a significant adverse impact to traffic at the Wilmington Avenue/I-405 South-bound On-/Off-Ramp intersection during the afternoon peak traffic period. The following mitigation measure is imposed to reduce impacts from traffic during construction to less than significant levels. The timing of implementing the transportation and traffic mitigation measures would be ongoing during construction of the proposed project and includes the following control measure:

T-1 Shell will require that construction workers not use the Wilmington Avenue/I-405 South-bound On-/Off-Ramp intersection to access the southbound I-405 Freeway when they leave the facility at the end of the construction shift. Instead, construction workers who want to travel south on the I-405 Freeway will be required to travel north on Wilmington Avenue to Del Amo Boulevard, east on Del Amo Boulevard to the Southbound I-710 Freeway, and south on the I-710 Freeway to the southbound I-405 Freeway. In the event that portions of this route are temporarily blocked, such as by a traffic accident, construction workers will be required to use alternate routes to the Southbound I-710 Freeway that bypass the blockage and still avoid using the Wilmington Avenue/I-405 South-bound On-/Off-Ramp intersection. In the event that a long-term closure of portions of this route is scheduled, such as for street repairs/construction, Shell shall consult with the City of Carson to identify an alternate route to be used by construction workers.

To ensure that project construction employees comply with the requirement from Shell regarding the travel routes to the Southbound I-405 Freeway, Shell will implement measures including:

- Contractually requiring adherence to the required route to the Southbound I-405;
- Posting signs in the construction worker parking area reminding them of the requirement;

- Reminding construction workers of the requirement in daily briefings; and

- Requiring construction workers to have colored stickers in their back windows and periodically conducting visual audits to determine if any cars with the stickers get onto the South-bound I-405 Freeway at Wilmington Avenue.

If a worker is seen to enter the South-bound I-405 Freeway at Wilmington Avenue, Shell will take one or more of the following actions:

- Issue a warning to the worker following the first violation and not allow the worker on the Carson Facility following a second violation;

- Deduct a specified amount to be negotiated with contractors prior to construction contract or agreement execution from the payment to the contractors who employ the workers for each violation; and

- Stop construction work and conduct a 30-minute meeting with all contractor employees on the project regarding the importance of following the directive, at the contractor's expense (i.e. Shell will not pay the contractor for the project delay).

6.10 TRANSPORTATION AND TRAFFIC MITIGATION MONITORING AND REPORTING

Implementing Party: The SCAQMD finds that traffic and transportation mitigation measure T-1 will be implemented by Shell.

Monitoring Agency: The SCAQMD has made this mitigation measure fully enforceable through a legally binding agreement, Attachment 2 - Declaration of Certification for the Shell Carson Facility Ethanol (E10) Project, signed by the Shell Carson Facility Manager and the SCAQMD's Executive Officer. The SCAQMD through its discretionary authority to issue and enforce permits for the proposed project will ensure compliance with these mitigation measures. Mitigation, monitoring, and reporting will be accomplished as follows:

MMT-1: RESTRICT CONSTRUCTION WORKERS FROM USING THE WILMINGTON AVENUE/I-405 SOUTH-BOUND ON-/OFF-RAMP TO ACCESS THE SOUTHBOUND I-405 FREEWAY

During construction of the proposed project and for two years following completion of construction, Shell shall keep records onsite of applicable compliance activities to demonstrate the steps taken to assure compliance with mitigation measure T-1, including requirements incorporated into construction contracts or agreements, descriptions of signs and their locations used to remind workers of the required travel route, records of visual audits of construction workers accessing the South-bound I-405 Freeway at Wilmington Avenue, and actions taken if workers are seen to enter the South-bound I-405 Freeway at Wilmington Avenue, as specified in Table 3.

7.0 CONCLUSION

During construction of the proposed project and for two years following completion of construction, Shell will maintain records onsite of applicable compliance activities to demonstrate the steps taken to assure compliance with imposed mitigation measures as specified in Table 3. All construction logs and other records shall be made available to SCAQMD inspectors upon request. Shell will be required to submit quarterly reports to the SCAQMD during the construction phase that summarize the construction progress, including all required logs, inspection reports, and monitoring reports, as well as identify any problems and corrective actions, as necessary. SCAQMD staff and Shell will evaluate the effectiveness of this monitoring program during the construction period.

During operation of the proposed project, Shell will maintain records onsite for a period of five years of the daily and calendar year quantities of ethanol loaded into tanker trucks and of the daily number of tanker trucks loaded with ethanol. These records shall be made available to SCAQMD inspectors upon request.

If either the mitigation, monitoring, and reporting plan or the mitigation measures set forth above are deemed inadequate or unable to be implemented, Shell operators shall notify the SCAQMD or any other applicable responsible agency to determine if Shell must employ additional or modified monitoring measures and/or measures to effectively mitigate identified significant adverse impacts to the levels identified in the Final EIR.

Table 3
Mitigation, Monitoring and Reporting Plan for Shell Carson Facility Ethanol (E10) Project

Mitigation Measure/Implementation Requirement	Party Responsible for Implementing Mitigation	Monitoring Action	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
A-1/All off-road diesel-powered construction equipment greater than 50 hp shall meet EPA Tier 3 off-road emissions standards prior to January 1, 2015 and shall meet EPA Tier 4 emission standards on or after January 1, 2015. In addition, all construction equipment shall be outfitted with control technologies certified by CARB. Any emissions control device used by the contractor shall achieve emissions reductions that are no less than what could be achieved by a Level 3 diesel emissions control strategy for a similarly sized engine as defined by CARB regulations.	Shell	Maintain records of all diesel-fueled construction equipment with engines rated at more than 50 hp including: 1) equipment description; 2) equipment ID; 3) dates operated on-site; 4) engine horsepower rating; 5) engine tier certification; and 6) description of control technologies and CARB certification.	1. SCAQMD 2. SCAQMD 3. Daily during construction

Table 3 (continued)
Mitigation, Monitoring, and Reporting Plan for Shell Carson Facility Ethanol (E10) Project

Mitigation Measure/Implementation Requirement	Party Responsible for Implementing Mitigation	Monitoring Action	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
A-2/In the event a Tier 3 engine is not available for any off-road engine larger than 50 hp, that engine shall be equipped with a diesel particulate filter (soot filter), unless certified by engine manufacturers that the use of such devices is not practical for specific engine types.	Shell	Maintain records of all diesel-fueled construction equipment with engines rated at more than 50 hp for which a Tier 3 engine is not available including: 1) equipment description; 2) equipment ID; 3) dates operated on-site; 4) engine horsepower rating; 5) engine tier certification; 6) efforts made to obtain the use of a unit with a Tier 3 engine; 7) whether the unit is equipped with a diesel particulate filter and; 8) if not, why the use of a diesel particulate filters is not practical.	1. SCAQMD 2. SCAQMD 3. Daily during construction
A-3/Schedule periodic maintenance activities for all vehicle and construction equipment, including regular tune-ups.	Shell	Maintain records of maintenance activities for all vehicle and construction equipment.	1. SCAQMD 2. SCAQMD 3. Daily during construction

Table 3 (continued)
Mitigation, Monitoring, and Reporting Plan for Shell Carson Facility Ethanol (E10) Project

Mitigation Measure/Implementation Requirement	Party Responsible for Implementing Mitigation	Monitoring Action	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
A-4/Notify all workers and vendors that during construction activities, idling time will be limited to no longer than five minutes.	Shell	Prepare standard notification letter that explains idling limitation during deliveries and provide copy to all vendors. Post signs on-site.	1. SCAQMD 2. SCAQMD 3. At time purchase order is issued and daily during construction
A-5/Review construction equipment that is expected to be used with Shell's contractor and select appropriate equipment that minimizes engine size.	Shell	Maintain a list of the heavy-duty construction equipment that is used on-site and the applicable engine size.	1. SCAQMD 2. SCAQMD 3. Prior to start of construction and prior to use of a new piece of equipment on-site
A-6/Use electric welders during construction activities where existing infrastructure to provide access to electricity is available.	Shell	Prepare a site plan that identifies the construction areas within the Carson Facility where electricity is available for the use of electric welders.	1. SCAQMD 2. SCAQMD 3. Prior to scheduled use of welders
A-6/Identify diesel and gasoline welders used during construction.	Shell	Maintain records of diesel and gasoline welders used during construction that specify the locations, date(s) and fuel type of welders utilized.	1. SCAQMD 2. SCAQMD 3. Daily during construction

Table 3 (continued)
Mitigation, Monitoring, and Reporting Plan for Shell Carson Facility Ethanol (E10) Project

Mitigation Measure/Implementation Requirement	Party Responsible for Implementing Mitigation	Monitoring Action	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
A-7/Use on-site electricity during construction instead of temporary power generators where existing infrastructure to provide access to electricity is available.	Shell	Prepare a site plan that identifies the construction areas within the Carson Facility where electricity is available for the use of construction equipment that require electric power.	1. SCAQMD 2. SCAQMD 3. Prior to scheduled use of equipment requiring electric power
A-7/Identify diesel and gasoline generators used during construction.	Shell	Maintain records of diesel and gasoline generators used during construction that specify the locations, date(s) and fuel type of generators utilized.	1. SCAQMD 2. SCAQMD 3. Daily during construction
A-8/Suspend use of construction equipment during first stage smog alert or greater.	Shell	Maintain records of date and time of each first stage smog alert or greater.	1. SCAQMD 2. SCAQMD 3. Each first stage smog alert or greater
A-9/Identify on-site construction equipment that will use electricity or alternate fuels.	Shell	Maintain on-site records of construction equipment using electricity or alternate fuels including: 1) equipment ID; 2) equipment type; 3) equipment manufacturer/ model; 4) engine horsepower rating; and 5) power source/fuel type.	1. SCAQMD 2. SCAQMD 3. Daily during construction

Table 3 (continued)
Mitigation, Monitoring, and Reporting Plan for Shell Carson Facility Ethanol (E10) Project

Mitigation Measure/Implementation Requirement	Party Responsible for Implementing Mitigation	Monitoring Action	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
A-10/Water unpaved surfaces on which vehicles travel three times per day.	Shell	Maintain records of the dates, times and locations where water is applied.	1. SCAQMD 2. SCAQMD 3. Daily during construction
A-11/Schedule truck deliveries of over-sized equipment and materials for non-peak a.m. and p.m. periods (i.e., avoid deliveries between 7:00 a.m.–8:00 a.m. and 4:30 p.m.–5:30 p.m. periods), except for time-sensitive materials during construction activities.	Shell	Maintain records of the date and time of each delivery of over-sized equipment and materials during construction activities.	1. SCAQMD 2. SCAQMD 3. Daily during construction
A-11/Provide sufficient parking on the Carson Facility to accommodate all construction employees, and do not permit on-street parking.	Shell	Prepare a plot plan to that indicates location(s) of construction employee parking and number of parking spaces available. Maintain records that all construction contractors and subcontractors have been directed to park only in designated areas and are not permitted to use on-street parking.	1. SCAQMD 2. SCAQMD 3. Prior to the start of construction (preparation of plot plan) and during construction (records of direction to contractors)

Table 3 (continued)
Mitigation, Monitoring, and Reporting Plan for Shell Carson Facility Ethanol (E10) Project

Mitigation Measure/Implementation Requirement	Party Responsible for Implementing Mitigation	Monitoring Action	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
G-1/Limit total ethanol loading for the existing two-lane tanker truck loading rack and the proposed new single-lane tanker truck loading rack to no more than 16,972,500 barrels in any calendar year.	Shell	Maintain records of quantity of ethanol loaded each day and calculate total quantity of ethanol loaded at the end of each calendar year.	1. SCAQMD 2. SCAQMD 3. Daily and annually during operation
G-2/Limit the number of tanker trucks loaded with ethanol to 276 trucks per day.	Shell	Maintain records of the number of tanker trucks loaded with ethanol each day.	1. SCAQMD 2. SCAQMD 3. Daily during operation
B-1/Within 30 days prior to construction activities, conduct a survey by a third-party qualified professional biologist of the proposed construction footprint and surrounding areas up to 300 feet to identify potential burrows and determine if any burrows are occupied by burrowing owls. If construction activities are suspended for more than 30 days, conduct another survey by a third-party qualified professional biologist to identify potential burrows and determine if any burrows are occupied by burrowing owls.	Shell	Prepare and submit to the SCAQMD a report prepared by a third-party qualified professional biologist that describes the surveys and results.	1. SCAQMD 2. SCAQMD 3. Within 30 days prior to construction activities

Table 3 (continued)
Mitigation, Monitoring, and Reporting Plan for Shell Carson Facility Ethanol (E10) Project

Mitigation Measure/Implementation Requirement	Party Responsible for Implementing Mitigation	Monitoring Action	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
B-1/If occupied burrowing owl burrows are identified during the surveys, inform construction contractors of the boundaries of the areas where construction is not permitted and indicate the boundaries using readily visible indicators, such as colored stakes, cones, tape, etc.	Shell	If occupied burrows are identified, maintain records including: 1) a plot plan that shows locations of occupied burrows and boundaries of "no construction" areas; 2) notifications to construction contractors of the boundaries of areas where construction is not permitted; and 3) indicators used to designate boundaries.	1. SCAQMD 2. SCAQMD 3. Prior to construction activities if occupied burrows are identified
B-2/Within 30 days prior to construction activities, conduct a pre-construction nesting bird survey by a third-party qualified professional biologist of the potential nesting habitat (eucalyptus trees and fan palms).	Shell	Prepare and submit to the SCAQMD a report prepared by a third-party qualified professional biologist that describes the surveys and results.	1. SCAQMD 2. SCAQMD 3. Within 30 days prior to construction activities
B-2/If construction occurs during the nesting bird season (generally considered to be from February 15 through August 31), conduct a survey by a third-party qualified professional biologist once per week to inspect for potential nesting activity.	Shell	Prepare and submit to the SCAQMD reports prepared by a third-party qualified professional biologist that describes the surveys and results.	1. SCAQMD 2. SCAQMD 3. Weekly surveys when construction occurs during the nesting season; monthly reports

Table 3 (continued)
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Mitigation Measure/Implementation Requirement	Party Responsible for Implementing Mitigation	Monitoring Action	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
B-3/If any active, non-raptor nest is detected within 300 feet of the construction footprint, then a 300-foot buffer shall be established, and no construction activities shall occur within this zone until a third-party qualified professional biologist determines that the nest has been abandoned and any chicks that may have hatched have fledged.	Shell	If active non-raptor nests are identified, maintain records including: 1) a plot plan that shows locations of active nests and boundaries of "no construction" areas; 2) notifications to construction contractors of the boundaries of areas where construction is not permitted; 3) indicators used to designate boundaries; and 4) the basis for determinations that any chicks may have hatched and fledged.	1. SCAQMD 2. SCAQMD 3. Prior to construction activities if active non-raptor nests are identified (items 1-3); following determination that chicks that hatched have fledged (item 4)
B-4/If any active raptor nest is detected, establish a 500-foot "no construction" zone.	Shell	If active raptor nests are identified, maintain records including: 1) a plot plan that shows locations of active nests and boundaries of "no construction" areas; 2) notifications to construction contractors of the boundaries of areas where construction is not permitted; and 3) indicators used to designate boundaries.	1. SCAQMD 2. SCAQMD 3. Prior to construction activities if active raptor nests are identified

Table 3 (continued)
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Mitigation Measure/Implementation Requirement	Party Responsible for Implementing Mitigation	Monitoring Action	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
B-4/If any active raptor nest is detected, conduct ongoing monitoring by a third-party qualified professional biologist of any identified raptor nest to determine if noise or construction activities are negatively affecting any nest through observation of behavioral cues and to determine when the young have fledged, the nest becomes inactive, and project activities within the buffer can resume.	Shell	If active raptor nests are identified, maintain records of the dates and results of ongoing monitoring and any determinations that the young have fledged and the nest becomes inactive.	1. SCAQMD 2. SCAQMD 3. Weekly during construction if active raptor nests are identified
HHM-1/Prepare and submit a Construction Contaminated Soils Management Plan (SMP) to the Los Angeles Regional Water Quality Control Board (RWQCB) for review.	Shell	Submit the Construction Contaminated Soils Management Plan to the Los Angeles RWQCB and to the SCAQMD.	1. SCAQMD[3] 2. SCAQMD[2] 3. Prior to the start of grading or excavation
HHM-1/Modify the SMP as appropriate in response to comments received from the RWQCB.	Shell	Maintain records of comments received from the RWQCB and the revised SMP.	1. SCAQMD[2] 2. SCAQMD[2] 3. Prior to the start of grading or excavation

[3] If onsite soil contamination has the potential to migrate into underground aquifers requiring remediation by the RWQCB pursuant to Health and Safety Code §25356.1, primary oversight of mitigation activities would likely shift to RWQCB in coordination with the SCAQMD.

Table 3 (continued)
Mitigation, Monitoring, and Reporting Plan for Shell Carson Facility Ethanol (E10) Project

Mitigation Measure/Implementation Requirement	Party Responsible for Implementing Mitigation	Monitoring Action	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
HHM-1/Implement the SMP.	Shell	Maintain records of activities conducted to implement the requirements of the SMP.	1. SCAQMD[4] 2. SCAQMD[3] 3.As required by the SMP during grading and excavation
T-1/Include in construction contracts or agreements the requirement that construction workers who want to travel south on the I-405 Freeway when leaving the Carson Facility are to travel north on Wilmington Avenue to Del Amo Boulevard, east on Del Amo Boulevard to the Southbound I-710 Freeway, and south on the I-710 Freeway to the southbound I-405 Freeway.	Shell	Maintain records of requirements incorporated into construction contracts or agreements.	1. SCAQMD 2. SCAQMD 3. At time construction contracts or agreements are let

[4] If onsite soil contamination has the potential to migrate into underground aquifers requiring remediation by the RWQCB pursuant to Health and Safety Code §25356.1, primary oversight of mitigation activities would likely shift to RWQCB in coordination with the SCAQMD.

Table 3 (continued)
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Mitigation Measure/Implementation Requirement	Party Responsible for Implementing Mitigation	Monitoring Action	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
T-1/Remind construction workers of the required travel route.	Shell	Maintain records of activities implemented to remind construction workers of the required travel route, including descriptions of signs and their locations used to remind workers of the required travel route and descriptions of reminders included in daily construction worker briefings.	1. SCAQMD 2. SCAQMD 3. Weekly during construction
T-1/Require construction workers to have colored stickers in their back windows and periodically conduct visual audits to determine if any cars with the stickers get onto the South-bound I-405 Freeway at Wilmington Avenue.	Shell	Maintain records of the distribution of colored stickers to construction workers and the dates, times and results of visual audits.	1. SCAQMD 2. SCAQMD 3. Monthly during construction

Table 3 (concluded)
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Mitigation Measure/Implementation Requirement	Party Responsible for Implementing Mitigation	Monitoring Action	1. Enforcement Agency 2. Monitoring Agency 3. Monitoring Phase
T-1/Take one or more of the following actions if a worker is seen to enter the South-bound I-405 Freeway at Wilmington Avenue: 1) issue a warning to the worker following the first violation and not allow the worker on the Carson Facility following a second violation; 2) deduct a specified amount to be negotiated with contractors prior to contract or agreement execution from the payment to the contractors who employ the workers for each violation; and 3) stop construction work and conduct a 30-minute meeting with all contractor employees on the project regarding the importance of following the directive, at the contractor's expense (i.e. Shell will not pay the contractor for the project delay).	Shell	Maintain records of actions taken.	1. SCAQMD 2. SCAQMD 3. Following any observed violation of the required travel route

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