northwest Clean Air agency

1600 South Second Street
Mount Vernon, WA 98273-5202
ph 360.428.1617
tel 800.622.4627
fax 360.428.1620
www.nwcleanair.org

January 22, 2013

GPT/BNSF Custer Spur EIS Co-Lead Agencies
c/o CH2M HILL
1100 112th Avenue NE, Suite 400
Bellevue, WA 98004

RE: Scoping comments for proposed Gateway Pacific Terminal/BNSF Custer Spur environmental impact statement

Dear co-lead agencies:

The Northwest Clean Air Agency (NWCAA) appreciates the opportunity to comment on the scope of the environmental impact statement (EIS) for the proposed Gateway Pacific Terminal (GPT) and BNSF Railway's Custer Spur (Spur) modification.

NWCAA is one of seven regional air quality control agencies in Washington state, established under the Washington Clean Air Act (RCW 70.94). Federal and state governments delegated air quality responsibilities to our agency for Whatcom, Skagit and Island counties. Those responsibilities can be broadly described in two categories:

- Enforcing federal, state and local air pollution laws and regulations at more than 425 air emissions sources.

- Comprehensive air quality protection and improvement in our region.

We work with a range of air pollution sources, from large industrial operations such as oil refineries, to residential fireplaces and wood stoves.

All sources of air pollution, regardless of whether they are subject to direct NWCAA regulatory authority, are important to us because the air pollution they generate affects the people within our three-county jurisdictional area. Our ambient air quality monitors don't distinguish between pollutants from regulated and unregulated sources. Further, if unregulated sources of air pollution degrade our regional air quality, they have the potential to ultimately necessitate more stringent air pollution control requirements for existing and future businesses subject to our regulation, and to make continued compliance with federal and state ambient air quality standards more difficult.

Consequently, as with any large or complex industrial facility which emits or generates air pollutants within NWCAA's jurisdictional area, we have two distinct objectives as we prepare to fulfill our two areas of responsibility related to the proposed GPT and Spur projects:

- Obtain as much information and analysis as possible about direct and indirect emission of air pollutants resulting from the construction and operation of the proposed terminal, and about potential impacts and mitigation measures. This objective reflects our relatively narrow responsibility as a permitting authority. NWCAA's Order of Approval to Construct for a completed and functioning terminal is among the anticipated permits and authorizations for the GPT and Spur proposals.
- Obtain all necessary and relevant information and analysis related to the comprehensive and cumulative effects on our air quality that would result from the proposed projects, including how potential changes in air quality could affect: People and existing permitted sources of air pollutants in our region; our continued compliance with the requirements and standards of the U.S. and Washington Clean Air Acts; and potential mitigation measures. This second objective requires a general and broader view arising from our responsibility to protect and improve air quality within our jurisdictional area.

We have attempted to divide our scoping comments into two categories that support these objectives where possible, and we will evaluate information in the EIS from both perspectives as appropriate.

These comments are specific to what we presently believe the scope of the co-leads' EIS should include. We have reviewed the scoping materials available online related to the GPT and Spur proposals. The applicant's description of the project in the Project Information Document is far too general as it relates to possible air emissions to comprehensively anticipate all information and analysis that NWCAA may require for any permit decisions. Any omission in our request for information or analysis as part of the State Environmental Policy Act (SEPA) process does not preclude NWCAA from requesting additional information and analysis as part of the permit application process.

Also, NWCAA's scoping comments should not be interpreted as agreement with or acceptance of the adequacy of any particular method, technique or system for controlling or minimizing air pollution identified in the Project Information Document.

In summary, our intent is to obtain from your EIS the most comprehensive information and analysis related to air quality emissions and potential impacts in Whatcom, Skagit and Island counties from any product that travels through or is handled by the proposed terminal, and potential mitigation measures, based on our present understanding of the proposal as set forth in the Project Information Document.

Permit-related comments

1. The Washington Clean Air Act (RCW 70.94.152) and NWCAA regulation (Section 300) require that all new stationary sources use best available control technology (BACT) to control emissions. BACT is considered the maximum degree of reduction which, on a case-by-case basis, takes into account energy, environmental and economic impacts and other costs. Based on the February 28, 2011 Project Information Document, NWCAA is concerned that the proponent may not meet BACT requirements for the control of fugitive emissions, especially during high winds. We refer, in particular, to the following statement in the Document: "It is anticipated that***, except for potentially high concentrations of fugitive dust during occasional high wind events***, none of the other emission sources associated with the project would be likely to result in significant air quality impacts..." (emphasis added). Though NWCAA has ultimate responsibility for determining BACT through the permitting process, the EIS should fully analyze the range of emissions limits and associated controls that may qualify as BACT.

2. Based on the information in the Project Information Document, NWCAA has concerns about the ability to demonstrate BACT in several areas that should be addressed in the EIS. Areas the Document does not cover include:

    - Covering or enclosing in a building the area used for storage, stacking and reclaiming of coal.

- Enclosing all of the conveyor and transfer points. To the contrary, the project proposes covering but not enclosing the conveyors and transfer points that are on land.
- Identifying active emission controls, such as capturing fugitive dust and controlling dust with a fabric filtration system, while loading coal and other commodities into marine vessels.

3. When determining BACT, NWCAA is tasked with considering environmental impacts of emissions as they relate to proposed emissions controls. To the extent that the proposal does not provide for 100% control of fugitive emissions and, therefore, allows for some dust falling on the surrounding areas, the EIS should identify the environmental impact of such fallout – particularly on sensitive areas, including wetlands and the marine environment. The EIS should identify an acceptable amount of dust fallout on these sensitive areas in units of tons per year, and the basis for this acceptable level, providing a thorough analysis that considers any and all toxic constituents of the bulk commodities.

4. To control fugitive dust from certain bulk material piles, the proponent favors water and surfactant application, which have been in use for decades at other facilities – sometimes with less than acceptable results. In the review of a permit application for handling of any bulk material for the GPT and Spur proposals, it is NWCAA's responsibility to determine the appropriate dust controls to be employed as BACT. To support that determination, the EIS should identify the types of dust controls being employed at similar terminals in the U.S. and elsewhere. Please include the location of each facility, how long the facility has been in operation, the amount and type of products shipped from the facility, the nature of the dust control systems utilized, how those controls differ from controls proposed for this project, and contact information for agencies with air quality regulatory authority for such other facilities. This analysis should be performed for all known potential commodities at both the West and East loops.

5. The EIS analysis should recognize that bulk commodities can be a combination of substances and compounds, some of which may individually pose an environmental threat or concern. The EIS should fully analyze each bulk

commodity that has been identified as a potential import or export product to be shipped through the proposed terminal, and those likely to contain toxic air pollutants identified in Chapter 173-460 of the Washington Administrative Code (WAC) should be identified. For example, coal can contain arsenic, selenium, mercury, lead and other substances listed as toxic air pollutants in Chapter 173-460 WAC. The analysis also should identify the expected maximum amount of toxic air pollutants contained in each commodity in percent by weight, and the maximum capacity to import or export that commodity.

6. As stated in Comment 4 above, NWCAA would determine what fugitive dust controls would be required for the proposed GPT and Spur projects. In order for NWCAA to consider wind walls as potential mitigation measures, the EIS should include a full analysis of wind-wall heights that would effectively prevent fugitive dust emissions, based on the identified size and height of commodity piles at the terminal and worst-case wind scenarios. Adequate analysis likely will require computer modeling. Please also note that the proponent has provided a wind rose in the Project Information Document, but this appears to reflect hourly average wind speeds. Wind gusts in the area are known to be significantly higher in velocity than the one hour average wind speed.

7. The Project Information Document suggests that the proponent intends to exclusively utilize electrical power to operate the terminal, and the proponent suggests that this will be obtained from nearby Bonneville Power Administration (BPA) infrastructure. The EIS should identify any proposed sources of backup electricity upon which the proponent would rely during periods when electricity from the BPA infrastructure is unavailable. If backup power generation is proposed, please identify the size (in MMBtu per hour of fuel input) of the equipment, the fuel to be used to operate such backup generation equipment, and the potential air emissions from the proposed equipment. Please also calculate the reasonably expected total duration (in hours per year) of operation of the equipment and the basis for such calculation. Identify all scenarios in which any proposed backup power generation equipment might be operated (e.g., power outage, maintenance, etc.).

8. The EIS should fully analyze air pollutants emitted due to coal combustion at the terminal. While in storage piles, coal oxidizes. As a result, both heat and carbon monoxide can be released, and the heat can cause coal to combust. The EIS should fully analyze the potential emissions of air contaminants due to oxidation and combustion of coal (and any other bulk commodity that is subject to such a reaction) at the proposed terminal. The EIS also should identify the appropriate mitigation measures and detection methodology that would allow quick response to potential fires. The EIS should also identify any environmental (air quality in particular) impacts from fire suppression techniques used to control these fires. For example, if pile movement and manipulation is used to reduce the incidence of fire, please include all fugitive emissions that might result.

9. The Project Information Document focuses primarily on East Loop operations, and only superficially identifies and discusses the emission control measures and potential air quality impacts related to the great variety of possible bulk commodities planned for handling at the West Loop. For example, prilled sulfur is mentioned as a possible commodity. Prilled sulfur storage, like most other bulk commodities, presents unique air quality challenges. Prilled sulfur piles often emit hydrogen sulfide and other odorous or toxic compounds. The proponent has not identified or addressed these in sufficient detail, or fully identified effects from operations at the West Loop. The EIS must include an expanded, detailed project description and fully analyze air quality issues for each commodity to be handled throughout the proposed terminal, including the West Loop.

10. When discussing the greenhouse gas (GHG) emissions from the proposed terminal, the Project Information Document identifies GHG emitted directly from the proposed GPT and Spur projects and indirect GHG due to offsite power generation supporting the proposal. NWCAA is concerned that this does not include all direct sources of GHG emissions. The EIS should fully identify and quantify all direct GHG emissions that will be emitted, including those related to backup power generation and combustion/oxidation of coal at the proposed terminal.

11. In the Project Information Document, the proponent discusses ambient carbon monoxide concentrations as largely resulting from vehicle emissions. While this may be true on a national scale, it is not true in the vicinity of the proposed terminal, which would be located next to the largest stationary source of carbon monoxide emissions in Whatcom County – Alcoa Intalco Works. Alcoa emits about the same quantity of carbon monoxide as all of the cars in Whatcom County combined. The EIS should fully analyze the emissions from large nearby industrial facilities, as well as terminal emissions, including coal oxidation/combustion emissions, and predict the status with respect to the National Ambient Air Quality Standards (NAAQS) at the proposed project area using appropriate modeling techniques for CO, SO2, NO2, PM_{10} and $PM_{2.5}$. NWCAA is able to provide assistance in determining what modeling techniques are appropriate.

Comments related to overall protection of air quality within NWCAA's three-county jurisdictional area

12. When NWCAA makes its decision on approvals or authorizations for the GPT and Spur proposals, it will consider whether, under the State Environmental Policy Act, local, state or federal requirements and enforcement would mitigate an identified significant impact. Therefore, the EIS should fully analyze the authority of any and all federal, state and local agencies to enforce regulations, including BACT, and mitigation measures related to the emissions and potential impacts from emissions from the terminal, trains and marine vessels.

13. NWCAA has the authority to comprehensively preserve and protect air quality within Island, Skagit and Whatcom counties. Air quality within the NWCAA jurisdictional area can be affected by events that occur outside of the NWCAA jurisdictional area. The local air quality impacts related to fires throughout the western United States and in Siberia/Asia in the late summer of 2012 are examples of events occurring outside the NWCAA counties that affect the air quality within the NWCAA jurisdictional area. For pollutants that have a national ambient air quality standard and/or are regulated by WAC 173-460, the EIS must fully analyze the potential air quality degradation within the NWCAA jurisdictional area from emissions generated both within and outside of the NWCAA jurisdictional area resulting from the construction and operation of

the proposed projects. The EIS must compare these effects on air quality to what could be reasonably expected to occur if the proposed terminal and Spur are not constructed.

14. The EIS should identify any and all additional air pollutants that would occur as a result of construction and operation of the GPT and Spur proposals within the NWCAA jurisdictional area. This includes emissions from trains and marine vessels. The EIS should identify the air quality impacts that would result from these emissions, with particular focus on NAAQS and toxic air pollutants, including the expected locations that the impacts would be expected to occur.

15. The EIS should fully analyze the air quality impacts that would occur in the NWCAA jurisdictional area if the extent of rail traffic related to the proposed projects is minimized. Specifically, identify the difference in impacts to the NWCAA jurisdictional area if rail infrastructure is constructed that would connect in Lynden, Washington, and travel northward, making a connection to the Canadian rail system. Please also identify if this or other alternatives likely would result in different commodities being shipped through the terminal and the likely differences in air emissions that would result from the changes in the commodity mix.

16. The EIS should fully analyze the NAAQS status requested in Comment 11 above to include project-related rail and marine vessel air pollutant emissions that can be reasonably expected to affect the NWCAA jurisdictional area.

17. The EIS should fully analyze NAAQS status at all vehicle-train intersections in the NWCAA jurisdictional area where vehicle traffic delays would result from increased rail traffic related to the proposed terminal and Spur. NWCAA is particularly interested in potential NAAQS exceedances resulting from vehicles idling at intersections while waiting for trains to pass.

18. In the Project Information Document, the proponent has suggested that the rail cars containing potash will be covered. This is presumably because potash is soluble in water. However, the proponent has also suggested elsewhere that it is not feasible to cover rail cars containing coal and/or that they have little control over whether cars are covered. The EIS should fully analyze barriers to shipping coal in covered rail cars, identify the ways that those barriers can be

overcome, and identify all environmental benefits that would result from using covered rail cars for all export commodities transported to the proposed terminal.

19. The EIS should fully analyze the potential degradation of air quality in NWCAA's jurisdiction resulting from the use of Tier 3 or Tier 4 locomotives, rather than Tier 0, 1 or 2 locomotives, for trains serving the proposed terminal.

20. The EIS should fully analyze the air quality benefits that would result from requiring ships at dock to utilize shore power to eliminate ship stack emissions and all barriers to implementing this technology. The EIS should identify solutions to each potential barrier.

21. When discussing the GHG emissions in the Project Information Document, the proponent has identified GHG emitted directly from the terminal and indirect GHG due to offsite power generation. NWCAA is concerned that this does not include all indirect sources of GHG emissions. Please identify and quantify all indirect GHG emissions. For the purposes of this comment, NWCAA is interested in all indirect GHG emissions that occur in the state of Washington and are related to this proposed project, including those related to marine and rail traffic.

Sincerely,

Mark Asmundson

Mark Asmundson
Executive Director