

1.1 What is the proposed action?

Imperium Terminal Services (applicant) is proposing to expand its existing biodiesel production and transport facility by developing an additional 10.9 acres of its 22.9-acre site to handle (unload and load) and store bulk liquids—crude oil, ethanol, naphtha, gasoline, vacuum gas oil, jet fuel, no. 2 fuel oil, no. 6 fuel oil, kerosene, renewable jet fuel, renewable diesel, used cooking oil, and animal fat (proposed action), in addition to currently permitted liquids, including biodiesel, petroleum diesel, vegetable oil, and methanol. These liquids would either be used for biodiesel production or handled and stored for offsite transport in either the existing or proposed facilities. It is anticipated that these bulk liquids would be transported to and from the project site primarily by rail and vessel.

At full build-out, the expansion would enable the applicant to receive approximately 1.26 billion gallons (30 million barrels) of bulk liquids¹ per year and store an additional 30.2 million gallons (720,000 barrels). The proposed action would include constructing up to nine storage tanks, each with a capacity of 3.36 million gallons (80,000 barrels) tanks and the pumps and pipelines required to connect the tanks to the expanded on-site rail loading and unloading area and the vessel loading and unloading area at the Port of Grays Harbor (Port) Terminal 1 dock.

Chapter 2, *Proposed Action and Alternatives*, provides a detailed description of the existing and proposed facilities and operations at the project site.

1.2 Why was this document prepared?

This draft environmental impact statement (Draft EIS) addresses the environmental impacts associated with the proposed action. The Draft EIS is being prepared under the Washington State Environmental Policy Act (SEPA) Chapter 43.21C of the Revised Code of Washington [RCW]), the SEPA Rules (WAC 197-11), and the City of Hoquiam Municipal Code (HMC) 11-10.

The proposed action triggers SEPA review, because it requires state and local permits. The Draft EIS supports decisions regarding the issuance of these permits. The Washington State Department of Ecology (Ecology) and City of Hoquiam are serving as co-lead agencies in the development of the Draft EIS.

The co-lead agencies issued a determination of significance on April 4, 2014, and requested public and agency comments on the scope of the Draft EIS. The Draft EIS scoping period concluded on May 27, 2014 (scoping comments are included in Appendix A, *Scoping Report*). The co-lead agencies established the scope of the Draft EIS based, in part, on comments received during the scoping period, and identified elements of the environment that should be addressed in the Draft EIS. Accordingly, this Draft EIS addresses the potential impacts on earth; air; water; plants; animals; energy and natural resources; noise and vibration; land and shoreline use; aesthetics, light and glare; recreation; historic and cultural resources; tribal resources; public services and utilities;

¹ This amount includes existing and proposed bulk liquids.

hazardous materials; rail traffic; vehicle traffic and safety; vessel traffic; and environmental health. The Draft EIS also considers economics, social policy, and the costs and benefits of the proposed action consistent with HMC 11.10.160.

1.3 How is this document organized?

The remainder of this Draft EIS is organized as follows.

Chapter 2, Proposed Action and Alternatives. Chapter 2 provides a description of the proposed action (project location and existing and proposed facilities and operations), construction schedule and methods, and the no-action alternative.

Chapter 3, Affected Environment, Impacts, and Mitigation. Chapter 3 describes existing conditions in the study area, environmental impacts that would likely result from the proposed action and no-action alternative, and any measures to mitigate impacts of the proposed action. The chapter is subdivided into 17 sections, with each section addressing one element of the environment and the potential impacts related to construction and routine operations. Section 3.0, *Introduction*, provides an overview of the scope and approach to completing the analysis of impacts.

- | 3.0 Introduction
- | 3.1 Earth
- | 3.2 Air
- | 3.3 Water
- | 3.4 Plants
- | 3.5 Animals
- | 3.6 Energy and Natural Resources
- | 3.7 Noise and Vibration
- | 3.8 Land and Shoreline Use
- | 3.9 Aesthetics, Light, and Glare
- | 3.10 Recreation
- | 3.11 Historic and Cultural Preservation
- | 3.12 Tribal Resources
- | 3.13 Public Services and Utilities
- | 3.14 Hazardous Materials
- | 3.15 Rail Traffic
- | 3.16 Vehicle Traffic and Safety
- | 3.17 Vessel Traffic

Chapter 4, Environmental Health and Safety. In addition to potential impacts associated with routine operations, the proposed action could result in impacts from potential accidents (e.g., storage tank failures, train derailments, vessel collisions) and related consequences (e.g., oil spills).

Chapter 4 addresses the impacts of these risks and consequences in the study area. This section also includes a discussion of the regulatory framework for spill prevention and preparedness and emergency service response, and identifies any additional measures that would be required to mitigate the impacts of the proposed action.

Chapter 5, Extended Rail and Vessel Transport. Chapter 5 addresses the impacts associated with transporting bulk liquids beyond the study areas addressed in Chapters 3 and 4. In the near future, it is expected this would most likely entail the transport of Bakken crude oil to the project site by rail from the Intermountain Region and Central United States, and transport of Bakken crude oil from the project site by tank vessel to refineries on the West Coast. However, transport could vary depending on the commodity being transported and the volume, source, and final market for delivery. This chapter addresses the potential impacts on the environment within these areas.

Chapter 6, Cumulative Impacts. Chapter 6 addresses the potential impacts of the proposed action when considered in combination with all other past, present, and reasonably foreseeable future projects.

Chapter 7, Economics, Social Policy, and Cost-Benefit Analysis. As required by the City of Hoquiam Municipal Code 11.10.160, Chapter 7 addresses economics, social policy, and the costs and benefits related to the proposed action. Because the cost-benefit analysis informs the City's decision regarding issuance of the land use permits, the scope of the analysis is limited to potential costs and benefits to the residents of Hoquiam.

Chapter 8, Distribution List. Chapter 8 lists the individuals, agencies, and companies that have received a copy of the Draft EIS.

Chapter 9, References. Chapter 9 lists the references cited in the Draft EIS.