

1 RESOLUTION NO. RES-21-0038
2

3 A RESOLUTION OF THE CITY COUNCIL OF THE
4 CITY OF LONG BEACH CERTIFYING THAT THE FINAL
5 ENVIRONMENTAL IMPACT REPORT CERTIFIED BY THE
6 CITY OF CARSON FOR THE PARAMOUNT PIPELINE
7 CONVERSION PROJECT (STATE CLEARINGHOUSE NO.
8 2020059038) HAS BEEN COMPLETED IN ACCORDANCE
9 WITH THE PROVISIONS OF THE CALIFORNIA
10 ENVIRONMENTAL QUALITY ACT AND STATE AND LOCAL
11 GUIDELINES, AND MAKING CERTAIN FINDINGS AND
12 DETERMINATIONS RELATIVE THERETO; AND ADOPTING
13 A STATEMENT OF OVERRIDING CONSIDERATIONS
14 PURSUANT TO PUBLIC RESOURCES CODE SECTION
15 21081; AND ADOPTING A PORTION OF THE MITIGATION,
16 MONITORING, AND REPORTING PROGRAM
17

18 WHEREAS, the City of Long Beach regulates the placement and operation
19 of pipelines that traverse within and through the City boundaries. Oftentimes pipelines run
20 through multiple cities and also through the Ports of Los Angeles and Long Beach, in
21 which case each entity provides a separate but coordinated approval to the pipeline
22 operator; and

23 WHEREAS, beginning in 1983, the City has issued Delek US, operating as
24 Paramount Petroleum, a series of pipeline permits: P-141-83, P-210-00, P-140-83 and P-
25 230-04; and

26 WHEREAS, recently Paramount Petroleum (Delek US) sold their assets of
27 pipelines, subject to the existing permits, to World Energy LLC (World Energy), the parent
28 company of Paramount Pipeline LLC. The requested approvals include a CEQA

1 determination; the assignment of the existing permits to World Energy, and the
2 conditional approval and issuance of a permit for the conversion of use and the operation
3 of the pipelines from crude oil petroleum products to hydrogen gas; and

4 WHEREAS, World Energy is one of the largest sellers of biofuels and is
5 undertaking efforts to convert a former oil refinery located in the City of Paramount to a
6 state of the art, low-carbon fueling hub; and

7 WHEREAS, hydrogen is a necessary component in the production of
8 renewable fuels, and the requested pipeline conversion and operation permit is to
9 facilitate the manufacture of biofuels at their Paramount plant; and

10 WHEREAS, on March 25, 2021, a Conversion to Service Plan was
11 completed which includes an assessment of the condition of the pipelines based on their
12 maintenance history, and outlines the extensive testing and other measures that have
13 been or will be undertaken to ensure the safe operation of the pipelines, including
14 ongoing monitoring and testing that will be conducted; and

15 WHEREAS, as part of, and subsequent to, the environmental review
16 process, Paramount Pipeline prepared risk assessment studies to ensure the converted
17 hydrogen pipelines can be operated at appropriate low risk levels; and

18 WHEREAS, due to the specialized technical nature of the studies, Rincon
19 Consultants and GHD were commissioned to conduct a technical review on the City's
20 behalf of the documentation provided by Paramount Pipeline. Based on this technical
21 review, Conditions of Approval will be placed upon the permit. These conditions will be
22 separate and apart from compliance with any mitigation measures required as part of the
23 Final Environmental Impact Report (FEIR); and

24 WHEREAS, Project implementation will require certification of the Final
25 Environmental Impact Report (FEIR); and

26 WHEREAS, the Project is part of a larger project known as the Air Products
27 Hydrogen Pipeline Project, which consists of the construction of a new 0.5 mile pipeline
28 segment to an existing 11.5 mile long series of pipelines from Air Products existing

1 hydrogen facility in the City of Carson to the World Energy Paramount Refinery in the City
2 of Paramount, California. The City of Carson, as lead agency, certified the FEIR in
3 November 2020. The City of Carson acted as the lead agency under the California
4 Environmental Quality Act (CEQA) and was the appropriate lead agency since it had the
5 primary responsibility for approving the Conditional Use Permit for the expansion of the
6 facility in its jurisdiction; and

7 WHEREAS, the FEIR assess the change of use of the approximately 4.3
8 miles of pipeline, the removal of the valves and the installation of new manual valves, all
9 located within the City of Long Beach; and

10 WHEREAS, the City of Long Beach and the Port of Long Beach are two of
11 the responsible agencies identified in the DEIR and FEIR. Responsible agencies are
12 entities that have some discretionary approval over a part of the Project. In this instance
13 the City Council is issuing permits for the conversion of the lines to hydrogen gas which
14 qualifies as a discretionary action; and

15 WHEREAS, in its role as a responsible agency, the City of Long Beach
16 relies upon the CEQA documents prepared by the lead agency, in this case the City of
17 Carson; and

18 WHEREAS, in February 2021, the Port of Long Beach approved the portion
19 of the Project within its jurisdiction; and

20 WHEREAS, implementation and construction of the Project constitutes a
21 “project” as defined by CEQA, Public Resources Code Sections 21000 et seq.;

22 WHEREAS, it was determined during the initial processing of the Project
23 that it could have potentially significant effects on the environment, requiring the
24 preparation of an EIR; and

25 WHEREAS, the City Council has read and considered all environmental
26 documentation comprising the FEIR, including the DEIR, the comments and the
27 responses to comments, and errata (if any) included in the FEIR, and has determined
28 that the DEIR and FEIR consider all potentially significant environmental impacts of the

1 Project and are complete and adequate and fully comply with all requirements of CEQA;
2 and

3 WHEREAS, the City Council has evaluated and considered all significant
4 impacts, mitigation measures, and project alternatives identified in the FEIR;

5 NOW, THEREFORE, the City Council of the City of Long Beach does
6 hereby find, determine and resolve that:

7 Section 1. All of the above recitals are true and correct and are
8 incorporated herein as though fully set forth.

9 Section 2. The FEIR certified by the City of Carson in November 2020 is
10 adequate and has been completed in compliance with CEQA and the State CEQA
11 Guidelines.

12 Section 3. The FEIR, which reflects the Long Beach City Council's
13 independent judgment and analysis, is hereby adopted, approved, and certified as
14 complete and adequate under CEQA.

15 Section 4. Pursuant to Public Resources Code Section 21081 and State
16 CEQA Guidelines section 15091, the City Council has reviewed and hereby adopts the
17 California Environmental Quality Act (CEQA) "Findings of Facts, Statement of Overriding
18 Considerations and Mitigation Monitoring and Reporting Plan" for the Paramount Pipeline
19 Conversion Project as shown on the attached Exhibit "A", which document is
20 incorporated herein by reference as though set forth in full, word for word.

21 Section 5. The FEIR identifies certain significant environmental effects
22 that would result if the Project is approved. All environmental effects can feasibly be
23 avoided or mitigated and will be avoided or mitigated by the imposition of mitigation
24 measures included with the FEIR. Pursuant to Public Resources Code section 21081.6,
25 the City Council has reviewed and hereby adopts the Mitigation Monitoring and Reporting
26 Program (MMRP) as shown on Exhibit "A" as referenced herein, which MMRP is
27 incorporated herein by reference as though set forth in full, word for word, and further
28 finds that the Mitigation Measures identified in the FEIR are feasible, and specifically

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1 makes each Mitigation Measure a condition of project approval.

2 Section 6. Pursuant to State CEQA Guidelines section 15091(e), the
3 record of proceedings relating to this matter has been made available to the public at,
4 among other places, the Department of Development Services, 411 West Ocean
5 Boulevard, 5th Floor, Long Beach, California, and is, and has been, available for review
6 during normal business hours.

7 Section 7. This resolution shall take effect immediately upon its adoption
8 by the City Council, and the City Clerk shall certify the vote adopting this resolution.

9 I hereby certify that the foregoing resolution was adopted by the City
10 Council of the City of Long Beach at its meeting of April 20, 2021,
11 by the following vote:

12
13 Ayes: Councilmembers: Zendejas, Allen, Price, Supernaw, Mungo,
14 Saro, Uranga, Austin, Richardson.

15
16
17 Noes: Councilmembers: None.

18
19 Absent: Councilmembers: None.

20
21 Recusal(s): Councilmembers: None.

22
23
24 
25 City Clerk

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EXHIBIT “A”

CALIFORNIA ENVIRONMENTAL QUALITY ACT
FINDINGS OF FACT, STATEMENT OF OVERRIDING CONSIDERATIONS,
AND MITIGATION MONITORING AND REPORTING PLAN

Application No. 2103-20 (EIR 01-22)
April 20, 2021

1. INTRODUCTION

Air Products and Chemicals, Inc. proposes to implement, operate, and maintain the Carson to Paramount Hydrogen Pipeline Project (“project”). The proposed pipeline will extend from Air Products’ existing hydrogen facility in the City of Carson, California to the World Energy Bio-Fuels Facility in the City of Paramount, California. Existing pipeline segments to be utilized as part of this project are owned by Paramount Pipeline Company, LLC (Paramount Pipeline), a subsidiary of World Energy. Approximately 0.5 mile of new pipeline will be constructed as part of the project within the City of Carson. Air Products proposes to utilize existing pipeline(s) owned by Paramount Pipeline for the remainder of the approximately 11.5-mile pipeline route. One new pipe connection, in the City of Carson, would be required to connect segments of existing pipelines together. Air Products would also remove approximately ten existing manual valves, install one manual valve, and add one automatic shutoff valve at locations along the pipeline route. Paramount Pipeline is proposing to amend its pipeline permit with the City of Long Beach for portions of the pipeline traversing through the City. The overall project is organized into segments, segments 2, 3, 4 and 5 are within the City of Long Beach (please see attached figure from Appendix A of the Final Environmental Impact Report [EIR]).

There will be two active construction areas. The first is an alignment from the Air Products and Chemicals Carson Facility (located at Air Products’ Carson Facility, 23300 S Alameda Street, Carson, CA 90810) to construct 0.5 mile of new pipeline to connect to existing pipeline on Sepulveda Boulevard. The second is located on Paramount Boulevard in Long Beach to connect two existing Paramount Pipeline pipelines. The pipeline will be owned by Paramount Pipeline and operated and maintained by Air Products and Chemicals, Inc.

Air Products and Chemicals, Inc. will be responsible for all operation and maintenance of the pipeline. The normal operating pressure will be approximately 260 pounds per square inch gauge¹ (psig), i.e., the term used for PSI in relation to atmospheric pressure). The pipeline will transfer a maximum of seven million cubic feet of hydrogen gas each day (MMSCFD) from the Air Products and Chemicals facility in Carson to the World Energy Bio-Fuels Facility in Paramount. The project would be operated as an alternative to the liquefied hydrogen currently delivered by four to six daily truck trips to the World Energy Bio-Fuels Facility.

Air Products and Chemicals, Inc. submitted an application to the City of Long Beach seeking in part, permission for a change-in-use from crude oil products to hydrogen gas for an existing subsurface pipeline that is owned by Paramount Pipeline and operated and maintained by Air Products and Chemicals, Inc.—“Line 4”, Segment 5, Segment 4, Segment 3, and “Line 12” Segment 2 and as part of the pipeline permit request (P-502-21).

¹ With Mitigation Measure HM-2a the maximum operating pressure will not exceed 160psig.

On November 10, 2020, the City of Carson, as the Lead Agency certified the Final Environmental Impact Report (FEIR) (SCH 2020059038) for the Project. Based on a review of the Final EIR certified by the City of Carson, the City, as a Responsible Agency, herein makes certain findings pursuant to Public Resources Code Section 21081 and Title 14 California Code of Regulations 15091; makes findings regarding the Statement of Overriding Considerations pursuant to Public Resources Code Section 21081 and Title 14 California Code of Regulations Section 15093; and sets forth a Mitigation Monitoring and Reporting Plan (MMRP) that pertains to operation of “Line 4” and “Line 12” pursuant to Public Resources Code Section 21081 and Title 14 California Code of Regulations Section 15097.

2. RECORD OF PROCEEDINGS

For CEQA and these findings, the Record of Proceedings for the proposed project consists of the following documents:

- A. Initial Study (<https://ceqanet.opr.ca.gov/2020059038/3>)
- B. Notice of Preparation (https://files.ceqanet.opr.ca.gov/262106-2/attachment/Pp6SYFW4QtMfCUCoNh35dPkgidJWwvBrYEj6shBOiVj4vSKY0HIu8wFCsX6VAFZXfkPIIEgl_HytJgAN0)
- C. Notice of Completion (<https://files.ceqanet.opr.ca.gov/262106-2/attachment/O6G5XrnMBOD95EC5CG8SKHeGFmPPqBMMzz0oKhOnSQaJWN5g-pXnIERVPh9JP4pG0E6benxhX7qOrY580>)
- D. Notice of Availability (https://files.ceqanet.opr.ca.gov/262106-3/attachment/pGtxURHRYz3yX7FjeIEN8W86T5f4G7-aOSmm-NDMM9X92s7ym52AHit6zJ-Ejw8SVQSM3_FxaYms1hfn0)
- E. Draft EIR <https://ceqanet.opr.ca.gov/2020059038/3>
- F. Appendix A through Appendix D (<https://ceqanet.opr.ca.gov/2020059038/3>)
- G. The Final EIR
(https://ci.carson.ca.us/content/files/pdfs/planning/docs/projects/HydrogenGas/F_EIR_AirProductsHydrogenPipelineProjectR2_FinalEIR.pdf)
- H. The November 10, 2020, Planning Commission Meeting
(https://carson.granicus.com/MediaPlayer.php?view_id=2&clip_id=2249)

The documents above include hyperlinks for ease of reference. The documents are also available through one or more of the following sources, the City of Carson located at 701 E. Carson Street, Carson, CA 90745 (<https://ci.carson.ca.us/CommunityDevelopment/HydrogenGas.aspx>); State Clearinghouse, <https://ceqanet.opr.ca.gov/Project/2020059038>.

3. PROJECT DESCRIPTION

Approximately 0.5 mile of new pipeline will be constructed as part of the project within the City of Carson. Air Products and Chemicals proposes to utilize existing pipeline(s) owned by Paramount Pipeline for the remainder of the approximately 11.5-mile pipeline route. One new pipe connection would be required to connect segments of existing pipelines together. Air Products and Chemicals would also remove approximately ten existing manual valves, install one manual valve, and add one automatic shut-off valve at locations along the pipeline route.

The project route will traverse the City of Long Beach, includes Segments 2 through Segments 5, which includes both "Line 4" and "Line 12."

4. FINDINGS

CEQA prohibits a public agency from approving or carrying out a project for which a CEQA document has been completed and 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 section 15091).

These findings provide the written analysis and conclusions of the City of Long Beach, acting by and as a Responsible Agency, regarding the environmental impacts of the proposed project and the mitigation measures directly applicable to the change-in-use of "Line 4" and "Line 12", which would change the use of an existing pipeline within the City of Long Beach boundaries from crude oil to hydrogen.

Significant and Unavoidable Impacts

Hazardous Materials/Risk of Upset. One significant and unavoidable (Class I) impact was identified for the proposed project (see Table ES-1) associated with an upset condition and release of hazardous materials into the environment (HM-2). In order to define a "significant hazard" under CEQA related to upset conditions, the Final EIR utilizes a quantitative approach to estimate risk levels and compares these to the baseline risk levels and the acceptability levels from other jurisdictions.

The Final EIR found that risk levels from a pipeline are driven by the volume of hydrogen located within the pipeline whereas the risks for trucking are driven by the number of truck trips. At a certain point, an increasing number of truck trips associated with an increasing volume of hydrogen transported generates more risk than a pipeline. This project, with the hydrogen pipeline compared to the trucking of liquefied hydrogen associated with the baseline, is close to that crossover point.

Impacts associated with the project operating at a pressure of 260 psig² are similar to, if not somewhat greater than, those presented by the baseline trucking operations as the FN (frequency versus consequence) curves for both activities lie in a similar band within the FN curves. Therefore, a reduction in risk levels over the baseline is not apparent. As risks would not be reduced from the baseline operations, the impacts in the event of an upset condition would be significant.

² With Mitigation Measure HM-2a the maximum operating pressure will not exceed 160psig.

The Final EIR concluded that mitigation measure HM-2a requires the pipeline be operated at a maximum pressure at any point in the pipeline of 260 psig, that the operator maintains operating pressure information, and that information on pipeline maintenance be reported to the City as requested by the City (HM-2a, was included to reduce the 260 psig, to 160 psig). Mitigation Measure HM-2b requires the pipeline be monitored on an annual basis for any issues that could indicate increased rates of the loss of pipeline integrity and operation at or below the Maximum Pressure Allowance of 160 psig at all times, ensuring operation that goes conservatively beyond industry recommendations to avoid hydrogen embrittlement. Monitoring of the pipeline shall include the following measures: 1) Cathodic system maintenance, including bi-monthly checks for proper operation; 2) Leak surveys with hydrogen gas detector every six months; 3) Quarterly patrols checking for unusual conditions or activity around the line; 4) Valve functionality assurance testing; 5) A leak detection (system) capable of detecting leaks as small as 0.25 inches in diameter; 6) Damage prevention, pipeline marking and surveillance activities; 7) Other pipeline inspections and any required repairs to address inspection findings; and 8) Destructive and metallurgical testing on any sections removed in the course of normal maintenance and operation. The monitoring procedure shall be documented and available for inspection upon request. Mitigation Measure HM-2c requires the pipeline continue to be pressure tested at a Maximum Allowable Operating Pressure to test pressure ratio of at least 3.0 to ensure pipeline integrity. The testing shall be performed annually for the first three years; subsequent tests may be relaxed to once every three to five years as per Pipeline and Hazardous Materials Safety Administration (PHMSA) requirements. Even with implementation of the required mitigation measures, impacts of HM.2 still fall in a range very similar to the baseline operations and would remain within the unacceptable region of the FN curves; potential impacts to people and the environment would be significant and unavoidable (Class I).

POTENTIALLY SIGNIFICANT IMPACTS WHICH CANNOT BE MITIGATED TO BELOW A LEVEL OF SIGNIFICANCE

The proposed project would create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.

Finding: The City of Long Beach finds that: 1) the project creates a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment; 2) mitigation measures were incorporated into the project that serve to reduce this impact, but even with the inclusion of these mitigation measures, the impact cannot be reduced to less than significant levels; 3) such mitigation measures are within the jurisdiction of the City of Carson and the City of Long Beach; and 4) no feasible measures were identified in the Final EIR that would mitigate this significant adverse impact to below a level of significance.

Rationale for Finding: The project creates a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment. The Final EIR concluded that, even with application of feasible mitigation measures, this impact cannot be entirely avoided or reduced to less-than-significant levels. Three feasible mitigation measures that could potentially reduce the impact were evaluated in the Final EIR, but they would not reduce the level to less than significant. These mitigation measures are described in the Final EIR (HM-2a, HM-2b and HM-2c). Though these measures would not remove significant hazard of accidental release of hazardous materials, no other

feasible mitigation measures or project alternatives have been identified that would reduce the impact to a less-than-significant level. Therefore, the significant impact involving the release of hazardous materials into the environment is expected to remain significant and unavoidable following implementation of feasible mitigation measures.

POTENTIALLY SIGNIFICANT IMPACTS WHICH CAN BE MITIGATED TO A LEVEL OF INSIGNIFICANCE

Significant but Mitigatable Impacts

The Final EIR identified six potentially significant adverse environmental impacts that can be reduced to a level of insignificance with implementation of required mitigation measures. These impacts and related mitigation measures were identified for aspects of the project that apply solely to construction of the new pipeline connections, which would be located entirely within the City of Carson. As a result, these are not applicable to the Final EIR jurisdiction under the application for a permit (P-502-21) within the City of Long Beach. The construction-related environmental impacts include hazardous materials, transportation, and tribal cultural resources, which are discussed below.

The Final EIR identified six potentially significant adverse environmental impacts that can be reduced to a level of insignificance: (1) HM-4. Project could be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code §65962.5 (Cortese List); (2) T-1. Project could conflict with a program, plan, ordinance, or policy addressing the circulation system, including transit, roadway, bicycle, and pedestrian facilities; (3) T-4. Project could result in inadequate emergency access; (4) TC-1. Project could cause substantial adverse change in the significance of a historical or archaeological resource as defined in §15064.5; (5) TC-2. Project could disturb human remains, including those interred outside of dedicated cemeteries; and (6) TC-3. Project could cause a substantial adverse change in the significance of a tribal cultural resource that is listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Section 5020.1(k), or one that is determined by the lead agency to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. Seven feasible mitigation measures that could potentially reduce these impacts were evaluated and found to reduce the impacts to a less-than-significant level. These mitigation measures are included in the Final EIR (HM-4, T-1, T-4, TC-1a, TC-1b, TC-2, and TC-3). Following implementation of the identified mitigation measures, project impacts HM-4, T-1, T-4, TC-1, TC-2, and TC-3 would be less than significant. These impacts and related mitigation measures were identified for aspects of the project which apply solely to construction of the new pipeline connections, which would be located entirely within the City of Carson. As a result, these are not applicable to the City of Long Beach jurisdiction.

The proposed project could overlap with the Metro West Santa Ana Branch Transit Corridor project and create potential risk of upset issues (Impact HM-Cum1). The Metro project would intersect the proposed Project pipeline near the tie-in location at Paramount Refinery. Construction activities could impact the pipeline sufficient coordination activities are not implemented which could result in potentially significant cumulative impacts.

Mitigation Measure HM-Cum1 requires coordination between the proposed Project and the Los Angeles County Metropolitan Transit Authority before any permit issuance. Implementation of MM HM-Cum1 will ensure overlapping design elements do not interfere with either project or increase the potential for risk of upset issues. Impacts would be less than significant with mitigation (Class

II). The proposed expansion of the World Energy Renewable Fuels Project located at the Paramount Refinery is another cumulatively significant project relative to the proposed Project. This project is currently in the CEQA review phase of project permitting and would involve the expansion of the existing renewable fuels project (3,500 barrels per day, (bpd)) into a facility that could process about 25,000 bpd of refinery input for the development of bio-based transportation fuels.

A part of the expansion project is the development of a hydrogen generation unit that would be capable of supplying all of the hydrogen needs of the expansion of the World Energy Renewable Fuels Project. The use of an onsite hydrogen generation unit could reduce or eliminate the need to have a hydrogen pipeline (or trucks) transport hydrogen to the Paramount Refinery on a long-term basis. Interim use of the pipeline would allow for the supply of hydrogen to the Paramount Refinery while this cumulative project is being permitted and built. The reduction or elimination of the use of the pipeline after the completion of the expansion of the World Energy Renewable Fuels Project would eliminate the long-term risks identified as significant in Section 4.3, Risk of Upset of the Final EIR. Risks would still remain significant but would be realized for a shorter period of time, thereby reducing the severity of the impact.

FINDINGS CONCLUSION

Changes or alterations have been incorporated into the project to mitigate or minimize the potentially significant adverse environmental effects associated with project-specific impacts to less than the applicable significance threshold, where feasible. No additional feasible mitigation measures or alternatives were identified that could further reduce the following:

- Significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.

No additional feasible mitigation measures or alternatives to the project, other than those included in the Final EIR, have been identified that can further mitigate the identified potentially significant adverse project-specific impacts related to hazards while still meeting the basic objectives of the project. No additional feasible mitigation measures or alternatives were identified that could further reduce the significant cumulative environmental impacts identified.

The City of Long Beach further finds that all of the findings presented herein are supported by substantial evidence as analyzed in the Final EIR and in the administrative record as a whole.

The City of Long Beach further finds that there have been (1) no substantial changes to the project which would require major revisions of the Final EIR, (2) no substantial changes with respect to the circumstances under which the project is being undertaken which would require major revisions in the Final EIR, and (3) no new information has become available which was not known or could have been known at the time the Final EIR was certified as complete.

5. STATEMENT OF OVERRIDING CONSIDERATIONS

The Final EIR identified the following significant and unavoidable impact: 1) the project creates a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment. Public Resources Code and Section 15093(b) of the CEQA Guidelines provide that when the decisions of the public agency allow the occurrence of significant impacts identified in the FEIR that are not substantially lessened or avoided, the lead agency must state in writing the reasons to support its

action based on the Final EIR and/or other information in the record. Title 15, California Code of Regulations, Sections 15000 et seq. requires, pursuant to Section 15093(b) of the CEQA Guidelines, that the decision maker adopt a Statement of Overriding Considerations at the time of approval of a project if it finds that significant adverse environmental effects identified in the Final EIR cannot be substantially lessened or avoided. These findings and the Statement of Overriding Considerations are based on substantial evidence in the record, including but not limited to the Final EIR, the source references in the Final EIR, and other documents and material that constitute the record of proceedings.

Accordingly, the City of Long Beach adopts the following Statement of Overriding Considerations. The City of Long Beach recognizes that a significant and unavoidable impact will result from implementation of the project. Having (i) adopted all feasible mitigation measures, (ii) rejected as infeasible alternatives to the project, (iii) recognized all significant, unavoidable impacts, and (iv) balanced the benefits of the project against the project's significant and unavoidable impacts, the City of Long Beach hereby finds that each of the project's benefits, as listed below, outweighs and overrides the significant unavoidable impact of the project.

Summarized below are the benefits, goals, and objectives of the project. These provide the rationale for approval of the project. Any one of the overriding considerations of economic, social, aesthetic and environmental benefits individually would be sufficient to outweigh the significant unavoidable impact of the project and justify the approval, adoption or issuance of all of the required permits, approvals and other entitlements for the project and the certification of the completed Final EIR.

Having reduced the potential effects of the proposed project through all feasible mitigation measures as described previously in this statement and balancing the benefits of the project against its potential unavoidable adverse impact involving the potential for release of hazardous materials into the environment during operation, the City of Long Beach finds that the following legal requirements and benefits of the project individually and collectively outweigh the potentially significant unavoidable adverse impacts for the following reasons:

1. Substantial mitigation has been provided to further reduce impacts. Impacts have been mitigated to the maximum extent feasible and the level of risk, while significant, has a low probability of occurrence and the analysis conducted is conservative to provide for the maximum level of scrutiny and disclosure. With regards to mitigation, the approach of the measures in the Final EIR is to reduce the impacts, by reducing the size of a release, or reducing the frequency of a release. The mitigation measures require operations of the pipeline at a lower pressure in order to reduce the size of a potential release and decrease the potential for exposure. Mitigation measures HM-2a, HM-2b and HM-2c would be applicable and accomplish reductions in size of a potential release and potentially reduce the frequency of a release through an enhanced monitoring and testing regimen.

2. Improvement over ongoing hydrogen trucking and traffic reduction. The pipeline project would provide an improvement in risk levels over the alternative of the future trucking of hydrogen to the Paramount Refinery. As detailed in the Final EIR, use of the pipeline would result in similar risk levels to the baseline. World Energy currently receives liquefied hydrogen at its Paramount Refinery by tanker truck from a third-party supplier located at Praxair Facility in Ontario, California, approximately 45 miles away. Without the proposed project, the Paramount Refinery would continue to receive five to seven tanker trucks trips per day of hydrogen, with associated hazards

of hauling a flammable liquid on public roadways, as well as increased highway and local traffic and associated air quality emissions.

The existing pipelines, proposed to be repurposed for hydrogen, would be used for the transport of hydrogen, and eliminate the potential risk impacts of the ongoing trucking of liquefied hydrogen from Ontario to Paramount.

3. The project would support production of clean, renewable fuels. Air Products and Chemicals proposes to utilize this pipeline route to connect its facility with a new customer in the City of Paramount, who uses hydrogen to produce renewable biofuels (biodiesel and biojet) for the transportation market. The Paramount Refinery produces renewable jet fuel and renewable diesel fuel from non-edible vegetable oil and high-quality beef tallow. World Energy has been in partnership with Paramount Petroleum since 2013 when the Paramount Refinery began the process of converting portions of its oil refinery into renewable fuels production under the Renewable Fuels Project. World Energy's renewable products support California and Federal Low Carbon Fuel Standards. The goals of the standards are to reduce carbon intensity of transportation fuels, complement other State measures for reducing greenhouse gases, transform and diversify the transportation fuel pool, reduce petroleum dependency, and reduce overall air emissions. World Energy currently supplies renewable gasoline, diesel, and jet fuel to fleet services such as UPS, United Airlines, Boeing, the Department of Defense, and several California municipalities and school systems, reducing both truck and airline emissions. World Energy's renewable products meet regulatory and commercial specifications without requiring engine modifications.

4. Supports California energy independence (economic considerations and region-wide or statewide environmental benefits). Production of crude oil has been substantially reduced in California over the past decades resulting in the need to import oil to produce fuels. The Paramount Refinery has been repurposed to handle different products (e.g., non-edible vegetable oils and beef tallow) into diesel and jet fuels that would be used in the area instead of oil produced elsewhere. The project will provide needed hydrogen to the Refinery and as such contribute to the manufacture of clean fuels. These clean fuels would supplant the use of local crude oil production and/or will likely displace some imported foreign crude due to the demand for this commodity. Replacement of foreign crude with production of clean fuels would reduce GHG and criteria pollutant emissions from ocean tankers and other emissions generated during production of oil overseas. In addition, as California works towards its renewable power and zero emission vehicle goals, there will remain a need for fossil fuel in both the transportation and power sectors. Currently, more than 70 percent of oil entering California to meet the state's needs is from outside of California and is delivered primarily by marine tanker. In 2019, over 58 percent of crude oil supplied to California refineries was shipped from foreign sources. The largest suppliers of foreign oil to California are Saudi Arabia, Ecuador, Colombia, and Iraq followed by smaller supplies from Brazil, Mexico, Africa, and the Arabian Gulf. The project will contribute to reducing importation of foreign crudes and supports the state's energy independence.

In balancing the benefits of the overall project described above with the project's unavoidable and significant adverse environmental impacts, the City of Long Beach finds that the project's benefits individually and collectively outweigh the unavoidable adverse impact, such that this impact is acceptable. The City of Long Beach further finds that substantial evidence presented in the Final EIR and the administrative record as a whole, supports approving the project despite the project's potential adverse impact.

6. MITIGATION, MONITORING, AND REPORTING PLAN (MMRP)

The California Environmental Quality Act (CEQA) requires that public agencies adopting Environmental Impact Reports (EIRs) take affirmative steps to determine that approved mitigation measures and project design features are implemented subsequent to project approval. The lead or responsible agency must adopt a reporting and monitoring program for the mitigation measures incorporated into a project or included as conditions of approval. The program must be designed to ensure compliance with the EIR during project implementation (Public Resources Code, Section 20181.6(a)(1)).

The mitigation, monitoring and reporting requirements identified in the plan will be enforced through conditions upon the franchise permit issued by the City of Long Beach. Specifically, HM-2a, HM-2b, and HM-2c of the mitigation measures are applicable to the project within Long Beach. The mitigation measures are primarily the responsibility of Paramount Pipeline and the operator and any future permit holder.

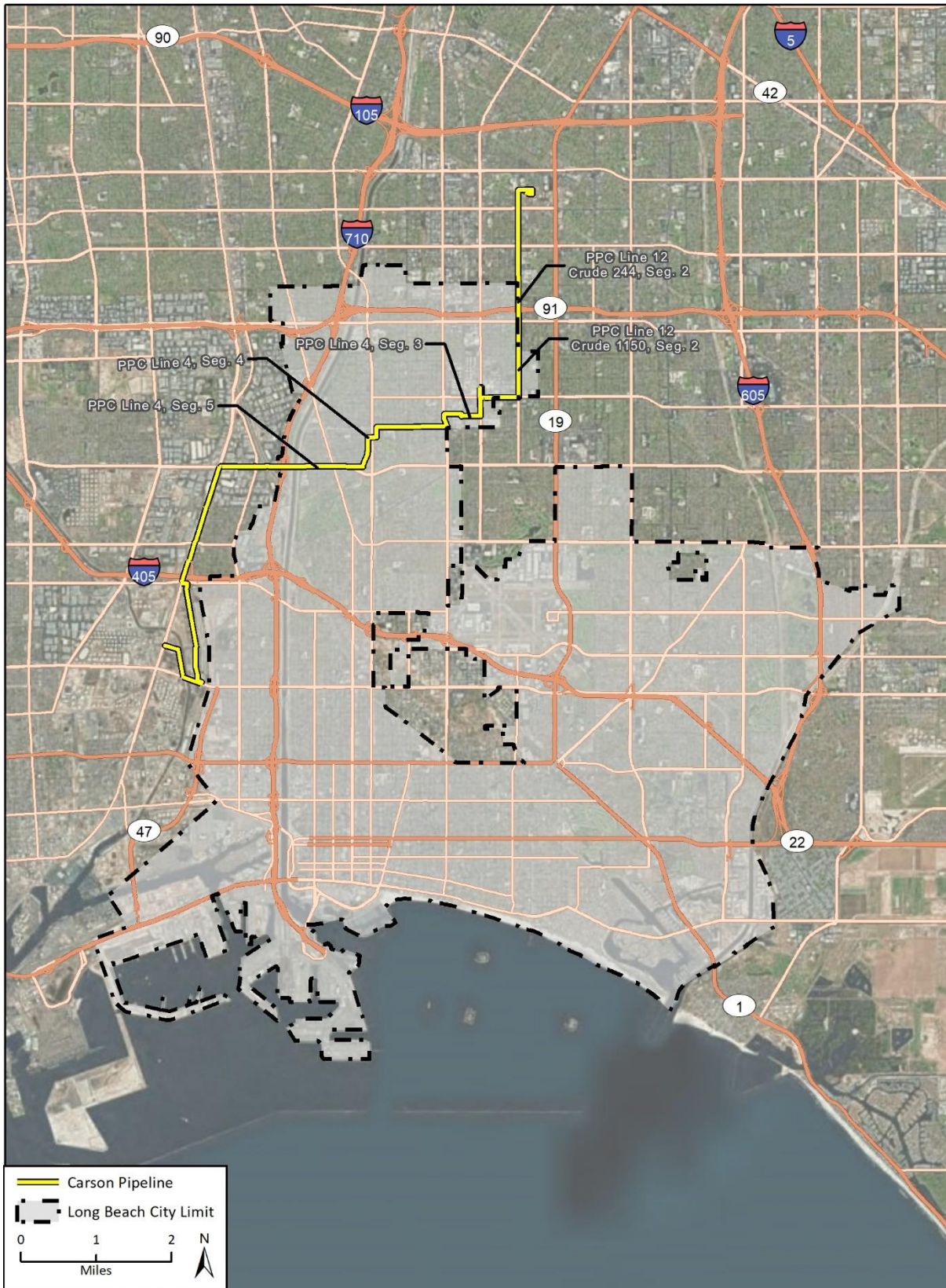
The MMRP is organized in a table format and lists mitigation measures that correspond to the mitigation measures adopted by the City of Carson in the MMRP for the Air Products Hydrogen Pipeline Project; the mitigation measures as reflected, apply to activities associated with the changes to the line from petroleum products to hydrogen gas.

The analysis in the FEIR concluded that, even with application of feasible mitigation measures, one impact cannot be entirely avoided or reduced to less than significant levels. Adoption of a Statement of Overriding Considerations would be necessary to approve the staff-recommended Air Products Hydrogen Pipeline Project. The Final EIR (State Clearinghouse No. SCH 2020059038) identifies an impact in Hazardous Materials and Risk of Upset as a significant environmental effect which is considered unavoidable. The identified significant and unavoidable impact is **HM-2. Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment.** Several mitigation measures adopted as conditions of approval will serve to reduce these impacts, but even with the inclusion of these conditions, the impacts cannot be reduced to less than significant levels.

Substantial mitigation has been provided to reduce impacts. Impacts have been mitigated to the maximum extent feasible and the level of risk, while significant, has a low probability of occurrence and the analysis conducted is conservative to provide for the maximum level of scrutiny and disclosure. With regards to mitigation, the approach of the measures in the EIR is to reduce the impacts, by reducing the size of a release, or reducing the frequency of a release. The mitigation measures require operation of the pipeline at a lower pressure in order to reduce the size of a potential release and decrease the potential for exposure. Mitigation measures HM-2a, HM-2b and HM-2c would be applicable and accomplish reductions in size of a potential release and potentially reduce the frequency of a release through an enhanced monitoring and testing regimen. The proposed Project also includes measures for pipeline monitoring, leak detection, inspections, cathodic protection systems to reduce corrosion, coatings, and line markings to further reduce the risk of leaks.

Mitigation Monitoring and Reporting Program (MMRP)

| MM # | MM Title | Monitoring/ Reporting Action | Timing & Method of Verification | City Responsibility | Applicant Responsibilities |
|-------------|----------------------------|---|--|---|---|
| HM-2a | Maximum Pressure Allowance | Maximum operating pressure at any point in the pipeline of 160 psig. | During Operation | City reviews information on pipeline operating pressure and pipeline maintenance. | Operate the pipeline at a max. pressure at any point in the pipeline of 160 psig. Maintain information on operating pressure. Report information on pipeline maintenance to City. |
| HM-2b | Testing and Monitoring | Monitor pipeline for issues that could indicate increased rate of the loss of pipeline integrity. | During Operation | City reviews information on pipeline monitoring procedure and inspections. | Monitor and inspect pipeline. Document pipeline monitoring procedure. |
| HM-2c | Pressure Testing | Pressure test pipeline at 556 psig. Perform testing per PHMSA requirements. | During Operation | City monitors compliance. | Continue to pressure test the pipeline at 556 psig. Perform testing per PHMSA requirements |



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Fig 1 Paramount Pipeline through Long Beach