

Email from P. Huffman, Director of City of Tacoma
Planning and Development Services Department,
FW: Summary of PSE LNG Status and attached
Tacoma City Council briefing paper regarding City
of Tacoma's review of the Tacoma LNG Project
(8/5/16)

From: [Huffman, Peter](#)
To: [Holderman, Celia](#)
Cc: [Regan, Michelle](#); [Lauzier, Mark](#); [Schultz, Shirley](#)
Subject: FW: Summary of PSE LNG Status
Date: Friday, August 5, 2016 1:53:34 PM
Attachments: [Response and Website Update 8_5_16.docx](#)

For Councilmember's to use for communication with constituents.

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From: Schultz, Shirley
Sent: Friday, August 05, 2016 12:18 PM
To: Huffman, Peter
Subject: Summary of PSE LNG Status

The City's [Planning and Development Services Department](#) has received several requests for the City to undertake a Supplemental Environmental Impact Statement (SEIS) for the PSE LNG facility in the Tideflats. Requests have also been made for the City to withhold building permits for the facility.

Staff have reviewed the questions and requests from the public. They have worked with PSE to clarify their proposed changes, and have reviewed their responses with Tacoma Fire as well as with [the City Attorney's Office](#). It has been determined that at this time an SEIS is not warranted. Further, the City may not withhold building permits. [Attached is a detailed explanation of the staff decision process on this issue.](#) Permits for work outside the shoreline jurisdiction will be issued when review is complete [which will likely occur in early September](#). Permits within the shoreline district will be held until all appeal processes of the Shoreline Substantial Development Permit are complete [which may be as early as September but could be much later depending on whether an appeal of those permits is filed.](#)

Staff will continue to monitor compliance of the proposal with both the shoreline permit as well as with the proposal as it was analyzed under the [Final Environmental Impact Statement \(FEIS\)](#).

The attached detailed explanation has been distributed to those members of the public that have contacted the City regarding this issue and will be posted on the City's website.

If you have further questions you may email Shirley Schultz, staff contact, at shirley.schultz@cityoftacoma.org. In addition, information will be posted on the project web page at <http://www.cityoftacoma.org/cms/one.aspx?portalId=169&pageId=67144>.

Shirley Schultz

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[**www.tacomapermits.org**](http://www.tacomapermits.org)

Please note: Planning and Development Services has implemented a new permitting system - Tacoma Permits. During early implementation, wait times may be longer. You can avoid wait times by using our new on-line interface, located at <https://aca.accela.com/tacoma/>. For more information about the new permitting system, including Frequently Asked Questions, please visit www.cityoftacoma.org/tacomapermits.

Response and Website Update 8_5_16.docx
(Attachment to August 5, 2016 Huffman e-mail)

Will the City be issuing an SEIS?

The City has received several requests to require a Supplemental Environmental Impact Statement (SEIS) based upon the change in scope of the PSE LNG proposal. In short, the proposal has been modified to remove the proposed work in the Hylebos Waterway – other than outfall maintenance, shoreline maintenance, and structure removal.

The City asked for clarification from PSE – related to the change in scope, with concerns that PSE would be increasing activity in the Blair Waterway, and increasing truck traffic to distribute the LNG to additional customers.

PSE provided a clarifying response (attached). In summary, the infrastructure in the Blair Waterway is unique to the design of the TOTE ships and cannot be used for other ships or for bunker barges. Further, no additional truck traffic other than that described/analyzed in the FEIS will take place from the PSE site. PSE has been notified that if truck traffic to or from either the PSE or TOTE site increases, additional review may be necessary, and an SEIS may be warranted.

In summary, at this time, changes in the PSE scope have been reductions. An SEIS is warranted when there are increases in scope or changes which would otherwise substantially affect the analysis in the FEIS. No such changes have taken place to date although the City continues to monitor developments.

Will the City issue permits while an appeal is pending?

The City has received several requests to withhold development permits for the Puget Sound Energy (PSE) LNG facility, consisting of a liquefaction plant at the PSE site and fueling infrastructure at the TOTE site. (These sites are addressed as 1001 Alexander Ave E and 3115 East 11th Street, respectively.)

A portion of the work is subject to a Shoreline Substantial Development Permit (SSDP), the issuance of which has just been affirmed by written decision of the Washington Shoreline Hearings Board (SHB) after an appeal by the Puyallup Tribe of Indians. The actions that might follow under the SSDP are interdependent upon other agency actions and the potential further appeal of the SHB's decision. As a result, from a practical standpoint, no permits for work within 200 feet of the Ordinary High Water Mark (the shoreline jurisdiction) will be issued until the SHB decision is final (after thirty days with no further appeal).

There is a public disclosure request for the release of information regarding safety modeling for the siting and operation of the PSE facility. This disclosure request has been appealed by PSE and is expected to be heard in court in January of 2017. The modeling information has been provided to our public safety reviewers (e.g., Tacoma Fire Department) and engineers, as well as to other reviewing agencies and personnel. This information (and additional modeling and design information) has been and will continue to be used in the review of the project to ensure the facility complies with all federal, state, and local regulations. Neither the validity of the SSDP, or any other part of permit review is dependent in any way on the separate Public Disclosure proceeding.

When it has been determined that a proposal meets all regulations, permits must be issued. The City does not have the discretion to withhold a permit decision when all permit requirements have been met.

The City does not issue public notice when building permits are issued. Nothing requires this under applicable laws, due in part to the fact that issuing a building permit is not a discretionary function of the City. All permit statuses and issue dates are publicly available on the City's permitting website at (<https://aca.accela.com/tacoma/>).

When will the City officially modify the shoreline permit and project description?

The appeal period for the Shoreline Hearings Board decision ends on August 17, 2016. State rules for shoreline permits (WAC 173-27-140) require a revised permit to be filed with the Department of Ecology when the revisions are final (i.e., all appeals are complete and the decision is final). Once all appeal periods are over, the City will require a revised site plan and permit narrative from Puget Sound Energy, and that revision will be

filed with the Department of Ecology. All permits for work within the shoreline jurisdiction will be reviewed for compliance with this revised permit.

For the FEIS, a memorandum will be provided to the file noting the reduction in scope of the shoreline proposal.

What about PSE’s request to the UTC to change Ownership/regulation of facility?

Ownership of the facility will not impact the construction or operation of the facility, and review of permits and implementation of mitigation will not vary if ownership changes.

Any other financial or legal impacts of an ownership change would be under the authority of the WUTC.

Will the City be able to open the fire station and staff it?

Concerns were expressed that the fire station operation may not be feasible. The Tacoma Fire Department has confirmed that budgeted funds are available to renovate and re-open the fire station at 11th and Taylor Way, and that project will begin shortly. The City has committed to staffing that fire station with tax revenues from the increased business in the vicinity, including that from PSE.

For more information, check Tacoma Fire Department’s FAQ page at:
<https://www.cityoftacoma.org/cms/one.aspx?portalId=169&pageId=98897>.

Will the City include the Plymouth incident in the environmental review?

The EIS team was aware of the explosion in 2014 at the Williams LNG liquefaction and storage facility near Plymouth, Washington. However, the only information available at that time and during the preparation of the Tacoma LNG EIS was that an explosion had occurred at the facility and that the LNG storage tanks were not compromised. Without further information, the affected environment, potential impacts, and mitigation measures could not be addressed. The Pipeline and Hazardous Materials Management Administration (PHMSA) and the Washington State Utilities and Transportation Commission (UTC) conducted a lengthy study into the incident. However, the incident investigation report was not publicly released until April 28, 2016, five months after the Final EIS was completed.

The incident report concluded that the explosion at the Williams facility was the result of human error, not an equipment or LNG processing failure. During start-up after the facility had been down for maintenance, the air in the system was not completely purged, resulting in a flammable air-gas mixture. The incident report also indicated that the explosion resulted in the loss of insulation and in debris damaging and penetrating the outer wall of one LNG storage tank, but did not penetrate the inner wall nor result in a direct release of LNG from the tank. However, an external pipe on the storage tank was sheared off, causing a release of LNG that resulted in a vapor plume, but there was no fire or explosion related to the LNG release.

The PHMSA, the Washington State Utilities and Transportation Commission, and the Tacoma Fire Department will all review the final design and proposed operating procedures for the LNG facility. Authorizations, if issued by these agencies will incorporate the mitigation and lessons learned from the Williams facility explosion. Pages 6 and 7 of the PHMSA report, “Summary of Return-to-Service,” summarize the mitigation measures that the reviewing agencies can ensure are incorporated into the final design and operation of the Tacoma LNG facility.