SHORELINES HEARINGS BOARD 1 STATE OF WASHINGTON 2 ADVOCATES FOR A CLEANER TACOMA; 3 SIERRA CLUB; WASHINGTON CONSERVATION ACTION EDUCATION FUND;) SHB NO. WASHINGTON PHYSICIANS FOR SOCIAL 4 RESPONSIBILITY; STAND.EARTH 5 Petitioners, PETITION FOR REVIEW OF REVISION LU22-0197 to 6 SHORELINE SUBSTANTIAL v. **DEVELOPMENT PERMIT** 7 CITY OF TACOMA, PUGET SOUND ENERGY NO. SHR2015-40000246123 8 Respondents. 9 10 1. **Identity of Petitioning Parties and Representatives** 11 The appealing parties are: 12 Advocates for a Cleaner Tacoma 2661 N. Pearl Street, #409 13 Tacoma, WA 98407 Tel: (253) 327-1056 14 Email: cleanertacoma@gmail.com 15 Sierra Club, Washington Chapter 180 Nickerson Street, Suite 202 16 Seattle, WA 98109 Tel: 206-378-0114 17 Email: kartik.raj@sierraclub.org 18 Washington Conservation Action Education Fund 1402 Third Ave, Suite 1400 19 Seattle, WA 98101 Tel: (206) 631-2600 20 Email: keith@waconservationaction.org 21 Washington Physicians for Social Responsibility 4500 9th Ave NE, Suite 300 22 Seattle, WA 98105 Tel: (206) 547-2630 23 Email: max@wpsr.org 24 *Earthjustice* 25

PETITION FOR REVIEW

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(SHB No.

Stand.Earth 1329 N. State St. #302 Bellingham, WA 98225 Tel: (360) 734-2951

Email: victoria@stand.earth

The representative of the appealing party is:

Jan Hasselman
Earthjustice
810 Third Avenue, Suite 610
Seattle, WA 98104
(206) 343-7340
Email: jhasselman@earthjustice.org

2. Identification of Other Parties

Pursuant to WAC 461-08-350(2), the other parties in this appeal are the City of Tacoma and Puget Sound Energy. The Puyallup Tribe of Indians filed an appeal on December 12, 2023, of the same action (SHB No. 23-018), and this Board should consolidate the two appeals pursuant to governing rules. WAC 461-08-410(9) (authorizing presiding officer to consolidate appeals "when such consolidation will expedite disposition of the matters and avoid duplication of testimony and when the rights of the parties will not be prejudiced thereby").

3. Decision Being Reviewed

This is petition for review of Revision LU22-0197 to Shoreline Substantial Development Permit SHR2015-40000246123 (the "SSDP Revision") issued to Puget Sound Energy ("PSE") authorizing the construction at the Tacoma Liquefied Natural Gas Project ("Tacoma LNG"). The City issued the SSDP Revision on November 28, 2023. A copy of the SSDP Revision is attached (Attachment 1).

4. Short and Plain Statement Showing Grounds for Appeal

The SSDP Revision is contrary to law because it is inconsistent with the requirements and intent of the Shoreline Management Act ("SMA"). Specifically, the SSDP Revision is

improper because it is not within the "scope and intent" of the original Substantial Development Permit, as required by under WAC 173-27-100, and is inconsistent with Tacoma's Shoreline Master Plan. The City's SSDP Revision is also improper because the SSDP expired before PSE submitted its application for the SSDP Revision on November 18, 2022. Finally, the City's SSDP Revision violates the State Environmental Policy Act ("SEPA") because the City failed to conduct any SEPA review prior to issuance of the revision, which changes the scope and environmental impact of the previously authorized project.

5. Statement of Facts and Preliminary Identification of Issues

In September 2014, the City of Tacoma initiated an environmental review for a shoreline substantial development permit for the Tacoma LNG project. The project would supply natural gas for PSE's customers during periods of peak demand, known as "peak shaving," as well as fuel for trucks and TOTE Marine, other as yet unknown marine customers for LNG fuel, as well as the loading of LNG barges for unidentified customers. The City of Tacoma issued Shoreline Substantial Development Permit SHR2015-40000246123 ("SSDP"), and a Final EIS pursuant to SEPA, on November 9, 2015.

During an appeal of the SSDP, PSE modified the proposal to remove the portion of the proposal involving the use of LNG for non-TOTE vessels or barges. PSE represented on several occasions, to regulators, courts, and other official bodies, that any change to the project to accommodate LNG barges or non-TOTE vessels would trigger new permitting and additional environmental review. To cite just one example, in PSE's pre-hearing brief to this Board during the appeal of the SSDP, it represented that if it sought to accommodate other vessels and LNG barges in the future, it "would require a new SMA permitting and SEPA process." The City similarly acknowledged that new permitting would be necessary prior to expansion of the project

to accommodate additional vessels and LNG barges. For example, in its public website for the project in 2018, the City represented as follows:

The City has specifically asked PSE to discuss what further permitting would be needed to accommodate bunker barging at the site. Without knowing what kind of vessels would propose to use the site, the permitting path cannot be determined. However, it is recognized by all parties that additional shoreline permitting and public review, as well as additional review by the Coast Guard (which has authority over vessels) would be required.

However, in authorizing the SSDP Revision, PSE and the City backtrack on these commitments. Instead, PSE requested, and the City issued, authorization to fuel non-TOTE vessels and LNG barges without a new permit and without any additional SEPA review, as a revision to the existing SSDP. That authorization is unlawful.

Changes to a project after a local government has issued a shoreline development permit are governed by WAC 173-27-100. A substantial development permit may be revised where the developer "proposes substantive changes to the design, terms or conditions of a project from that which is approved in the permit." WAC 173-27-100. But to qualify for a permit revision, the local government must find that the proposed changes are within the "scope and intent of the original permit," and "are consistent with the applicable master program and the act." WAC 173-27-100(1). Where proposed changes are not within the scope and intent of the original permit, a new shoreline development permit is required.

A revision is within the "scope and intent" of the original permit under the following circumstances:

- (a) No additional over water construction is involved except that pier, dock, or float construction may be increased by five hundred square feet or ten percent from the provisions of the original permit, whichever is less;
- (b) Ground area coverage and height may be increased a maximum of ten percent from the provisions of the original permit;
- (c) The revised permit does not authorize development to exceed height, lot coverage, setback, or any other requirements of the applicable master program

except as authorized under a variance granted as the original permit or a part thereof;

- (d) Additional or revised landscaping is consistent with any conditions attached to the original permit and with the applicable master program;
- (e) The use authorized pursuant to the original permit is not changed; and
- (f) No adverse environmental impact will be caused by the project revision. WAC 173-27-100(2).

The SSDP Revision does not meet these criteria. Specifically, it is inconsistent with WAC 173-27-100(a) because it involves "overwater construction." It is inconsistent with WAC 173-27-100(e) because the "use" has changed: from a project expressly limited to fueling two named cargo vessels to a project that is available for loading other unknown vessels as well as LNG cargo barges of unknown use and destination. And it is inconsistent with WAC 173-27-100(f) because the expansion of the project will have adverse environmental impacts, including additional marine traffic, on and off-shore safety risks, and interference with commercial and recreational activities.

The SSDP Revision was flawed in other respects too. Standards for permit revision after the original permit has expired are considerably stricter. For example, it is not possible to revise an expired permit to the extent that "the proposed change constitutes substantial development." WAC 173-27-100(3). This project constitutes substantial development because of its dollar value. RCW 90.58.030(3)(e). Here, the original permit expired prior to its extension, or even the application for it, rendering its revision unlawful.

Additionally, a permit revision is only allowed where the proposed changes "are consistent with the applicable master program." WAC 197-27-100(1). The City's determination that this criterion was satisfied was flawed as well. For example, the applicable Shoreline Master Plan puts significant limits, and imposes requirements on, expansions of fuel terminals like this

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one in order to protect shorelines waters and support reduction in greenhouse gas ("GHG") emissions. For example, TMC 19.07.060(B)(3)(c) calls for establishing a "baseline" on fuel transshipment facilities based on Department of Ecology spill prevention plans or other more recent local permit. Any expansion beyond that baseline must mitigate for facility GHG emissions and triggers annual reporting and documentation. TMC 19.07.060(B)(3)(d). To the best of petitioners' knowledge, Tacoma did not calculate a baseline, require mitigation, or impose any reporting requirements as required by this section, leaving the project inconsistent with Tacoma's master program.

Moreover, expansion of existing "petroleum fuel facilities" is significantly constrained by the shoreline master program. For example, existing facilities "shall not exceed the established baseline," and the code specifically prohibits "site or facility improvements that would increase the capacity of" a dock or pier. TMC 19.07.060(B)(3)(e). While there is a provision that allows for expansion of existing facilities that "would create the maximum proposed capacity of a facility that was the subject of an Environmental Impact Statement ... before November 16, 2021," that provision is qualified. To take advantage of this exemption, any proposed expansion must "remain[] subject to the full permit review process, including environmental review, as applicable..." TMC 19.07.060(B)(3)(e)(2)(c). Here, of course, the proposed changes were not subject to the "full permit review" process and hence this exception does not apply, leaving the project inconsistent with the Shoreline Master Program and ineligible for a permit revision.

Finally, the revision separately violates SEPA because the City failed to prepare a supplemental environmental impact statement to address changes to the project and new information on the impacts of transshipment of LNG that has emerged since the original EIS was finalized in 2015.

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The failure to require a new permit and accompanying environmental review for this expansion has material consequences for petitioners as well as the public. The City conducted no public outreach, provided no opportunities for public input, did not share information with community members, or otherwise engage in any public process before authorizing the project expansion as a permit revision. Nor did the City conduct any additional SEPA review of any kind to examine the potential risks and consequences of expanding the project to allow intensified use of the Blair waterway and substantially expanded movement of dangerous fuel cargoes in Commencement Bay and Puget Sound.

6. Interests of the Petitioners

Petitioners Advocates for a Cleaner Tacoma, Sierra Club, Stand.Earth, Washington
Physicians for Social Responsibility, and Washington Conservation Action Education Fund are
non-profit organizations that represent thousands of members and supporters dedicated to
protecting the environment, and communities living in and around the Port of Tacoma.

Petitioners' members and supporters work and live near the project and around the region that
will be impacted by increased transshipment of LNG. They have submitted letters to the City of
Tacoma objecting to authorization of this expansion and seeking full permit and SEPA review.

Issuance of the SSDP Revision injures Petitioners in several ways. First, expanded operation of the Tacoma LNG facility would increase the amount and throughput of dangerous methane gas in close proximity to densely populated urban neighborhoods, and poses the risk of fire or explosion that threatens the safety of Petitioners' members and supporters. Second, expanded operation of the facility would cause emissions of hazardous pollutants, including benzene, a carcinogen, and other criteria pollutants that contribute to smog formation. Emission of these pollutants would worsen air quality in and around the Port of Tacoma, which already has

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poor air quality due to industrial activities, and would thereby expose members living near to the Project to higher levels of dangerous pollutants that could adversely affect their health. The project already has a poor record of compliance with air emissions standards and has been cited numerous times in the short amount of time that it has been operating. Expanded operations would increase the likelihood and severity of such violations. Third, authorizing expanded use of the project for LNG barges and additional unknown LNG-fueled vessels increases the risks of marine accidents, including fuel spills, collisions, explosions and other incidents, all of which would severely harm the ecology of the marine waters of Puget Sound and represent safety threats to petitioners and the public. Finally, expanded use of the Project would result in significant increases in Washington State's contribution to global emissions of greenhouse gasses and other pollutants and undermine local and regional efforts to protect air quality and address climate change, and represents a safety risk to the community. Petitioners anticipate filing evidence to support their standing prior to hearing. 7. **Relief Requested** Petitioners request that the Board: a) immediately stay the effectiveness of the SSDP Revision; and b) following a resolution of Petitioners' claims via dispositive motion or evidentiary hearing, declare the Revision to be unlawful and vacate it. Respectfully submitted this 15th day of December 2023.

JAN E. HASSELMAN, WSBA # 29107

Earthjustice

810 Third Ave., Suite 610 Seattle, WA 98104

Ph: (206) 343-7340

jhasselman@earthjustice.org

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1		Attorney for Petitioners Adv. Tacoma; Sierra Club; Wash.	ocates for a Cleaner
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The undersigned certifies under penalty of perjury under the laws of the State of

Washington that on December 15, 2023, they caused the foregoing PETITION FOR REVIEW

OF REVISION LU22-0197 to SHORELINE SUBSTANTIAL DEVELOPMENT PERMIT NO.

SHR2015-40000246123 to be filed with the Shoreline Hearings Board via CMS e-filing and to

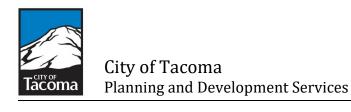
be served upon the following person(s) in the manner indicated.

Washington Department of Ecology Attn: Appeals Processing Desk	Washington Attorney General's Office 1125 Washington Street SE
PO Box 47608	PO Box 40100
Olympia, WA 98504-7608	Olympia, WA 98504-0100
E-mail: ecologyappeals@ecy.wa.gov	E-mail: serviceATG@atg.wa.gov
[x] Via Certified Mail	[x] Via Certified Mail
[x] Via E-mail	[x] Via E-mail
Lorna Luebbe	Puget Sound Energy
Registered Agent	c/o Tadas Kisielius
Puget Sound Energy	Van Ness Feldman, LLP
355 110th Avenue NE, EST 11	1191 Second Avenue
Bellevue, WA 98004	Suite 1800
	Seattle, WA 98101
[x] Via Certified Mail	E-mail: <u>tak@vnf.com</u>
	[x] Via E-mail
City of Tacoma	City Attorney's Office
Planning & Development Service Department	City of Tacoma
747 Market Street, Room 345	Attn: Steve Victor, Deputy City Attorney
Tacoma, WA 98402	747 Market Street, Room 1120
E-mail: shirley.schultz@cityoftacoma.org	Tacoma, WA 98402
phuffman@cityoftacoma.org	E-mail: svictor@cityoftacoma.org
[x] Via Legal Messenger	[x] Via Legal Messenger
[x] Via E-mail	[x] Via E-mail

Dated this 15th day of December 2023, at Seattle, Washington

/s/ Adam Hinz Adam Hinz Litigation Paralegal

Attachment 1



November 28, 2023

Puget Sound Energy Attention: Jake Green 1001 East Alexander Avenue Tacoma WA 98421

via electronic mail

RE: Shoreline Permit Revision (LU22-0197) to Shoreline Substantial Development Permit SHR2015-40000246123

Dear Mr. Green:

I am in receipt of your request (attached) for a revision to the Puget Sound Energy (PSE) Liquefied Natural Gas (LNG)/Totem Ocean Trailer Express (TOTE) Fueling Dock Permit under our file number SHR2015-40000246123 (see Exhibit A¹), as effective on December 31, 2015, with a final decision on appeal issued by the Shorelines Hearings Board on July 18, 2016 (Exhibit B). The permit was subsequently appealed and a final decision issued May 14, 2018 by the Washington State Court of Appeals (Exhibit B). In addition, the permit was extended per the provisions in Washington Administrative Code (WAC)173-27-090 (LU23-0045) through May 14, 2024.

The original Shoreline Substantial Development Permit (SSDP) was for the development of the Tacoma LNG liquefaction and peak-shaving facility and TOTE marine vessel fueling LNG System. Work in the shoreline jurisdiction included a barge loading facility in the Hylebos Waterway and fueling equipment for TOTE in the Blair Waterway, to include demolition, stormwater outfall maintenance, and site preparation.

An Environmental Impact Statement (EIS) for all project aspects was completed and issued along with the decision on the SSDP; that EIS was not appealed. However, as revised per stipulation from PSE, the proposal for barge loading in the Hylebos Waterway was withdrawn. This agreement was reflected in the Shorelines Hearings Board decision and further appeal and permitting decisions.

The remaining work in and along the Blair Waterway was constructed² as originally proposed:

- In the Blair Waterway Shoreline Area: Ground improvement columns and TOTE marine vessel fueling system, including a portion of the underground cryogenic pipeline; underground/aboveground pipeline transition point (receiving pit); trestle; loading platform and loading arm; catwalk; and one breasting dolphin.
- An 81-foot-long by 33-foot-wide (2,673 ft²) concrete trestle constructed adjacent to the existing aft loading platform.

¹ All exhibits are contained in Planning and Development Services File No. LU22-0197. They are referenced and incorporated herein as though fully set forth.

² BLDCN16-0072 (finaled 10/16/2020) and BLDCN17-0103 (complete 1/7/2021) are the most relevant permits for the Blair structure and improvements.

- Twelve 30-inch-diameter steel pipe piles to support the trestle.
- 69-foot-long by 32-foot-wide (2,208 ft²) concrete loading platform.
- Twenty 30-inch-diameter steel pipe piles to support the platform.
- The fender system, with up to ten 14-inch-diameter steel pipe piles with a rub strip facing on each fender pile.
- The loading platform, outfitted with cryogenic marine hoses or loading arms to facilitate the transfer of LNG from the TOTE Marine Vessel Fueling System into the fueling system of TOTE cargo ships.
- A 645 ft² steel-grated catwalk to provide line-handlers access to the onshore mooring point with two 18-inch-diameter steel pipe piles to support the catwalk.
- One 225 ft² breasting dolphin; the first dolphin located north of the existing aft loading pier will include four 30-inch diameter steel pipe piles.
- Cryogenic pipeline.

All work has taken place on a parcel owned by the Port of Tacoma, zoned S-10 Shoreline District – Port Industrial, S-13 Shoreline District – Marine Waters of the State, and Port Maritime Industrial District, (PMI).

The current proposal³ is for additional fueling infrastructure to be installed on the TOTE dock. This equipment will include a loading platform installed on top of the deck. The platform will enable fueling of additional vessels and will include hoses, valves, piping, safety equipment, and vapor capture/return lines. The equipment will be entirely within the existing dock surface, with no new in-water work and minimal shading impacts.

The revision request has been reviewed by Lisa Spadoni, Natural Resources Program Manager, along with the original and revised materials for the original permit. Ms. Spadoni's review notes there will be no impacts to the critical areas on the site and no further review with respect to critical areas is required for this new equipment.

Analysis

WAC 173-27-100 states "A permit revision is required whenever the applicant proposes substantive changes to the design, terms or conditions of a project from that which is approved in the permit. Changes are substantive if they materially alter the project in a manner that relates to its conformance to the terms and conditions of the permit, the master program and or the policies and provisions of chapter 90.58 Revised Code of Washington (RCW)". WAC 173-27-100(1) states "If local government determines that the proposed changes are within the scope and intent of the original permit, and are consistent with the applicable master program and the act, local government may approve a revision".

It has been determined that your revision, which would result in additional vessel loading in the Blair Waterway, where the entitlement permits only referenced fueling of TOTE vessels, is a substantive change to the approved Shoreline Substantial Development Permit and is within the parameters provided by the WAC.

Your revision request has been reviewed pursuant to the regulations set forth in WAC 173-27-100 and the City has determined that it is consistent with all the criteria contained therein. WAC 173-27-100(2) defines "within the scope and intent" to mean:

(a) No additional over water construction is involved except that pier, dock, or float construction may be increased by five hundred square feet or ten percent from the provisions of the original permit, whichever is less;

³ BLDCA22-0395 is currently under review, awaiting a final decision on the SSDP revision.

Analysis: no additional over water construction is proposed.

- (b) Ground area coverage and height may be increased a maximum of ten percent from the provisions of the original permit; Analysis: no additional ground area coverage is proposed. The height of the loading platform and equipment is less than the existing infrastructure on the site.
- (c) The revised permit does not authorize development to exceed height, lot coverage, setback, or any other requirements of the applicable master program except as authorized under a variance granted as the original permit or a part thereof;

 Analysis: all development standard requirements of the Tacoma Shoreline Master Program will be met.
- (d) Additional or revised landscaping is consistent with any conditions attached to the original permit and with the applicable master program;

 Analysis: No work upland is being proposed.
- (e) The use authorized pursuant to the original permit is not changed; Analysis: The authorized use of the dock is for vessel fueling. This use will not change. The designation for the site is port-maritime industrial, and the use is water-dependent, within the goals and policies of both the Shoreline Management Act and the Tacoma Shoreline Master Program.
- (f) No adverse environmental impact will be caused by the project revision. Analysis: The proposed barge loading was included in the full project scope reviewed under the PSE LNG Final EIS as issued November 9, 2015. The relocation of additional fueling infrastructure from the Hylebos to the Blair will result in fewer direct environmental impacts (no dock in the Hylebos waterway), whereas the impacts from vessel traffic and fuel transfers were addressed and mitigated for in the EIS.

Further, the WAC requires that any revision demonstrate consistency with the applicable Shoreline Master Program. The proposal has been reviewed for compliance with Tacoma Municipal Code (TMC) Title 19. Of note, modifications to existing development for the purposes of vessel fueling are allowed provided overall capacity of the facility does not increase. The current capacity of the TOTE dock will not change (the dock only allows one vessel at a time), nor will the throughput or liquefaction limits of the LNG facility increase as a result of this proposal. Provided the barge loading is solely to fuel vessels, the proposal is in compliance with TMC 19.

Having demonstrated consistency with the revision criteria for the shoreline permit, particularly no additional environmental impact, the revised proposal remains consistent with the Tacoma Shoreline Master Program provided the following conditions are met:

- 1. All work under the original permit and the revision must be completed within five years of the effective date of the permit as extended to May 14, 2024.
- 2. Barge loading at the pier is solely for the purposes of vessel fueling. LNG loaded onto vessels may not be used for export, peak shaving, or feedstock.

Therefore, your request for a revision is hereby approved by the City of Tacoma and, pursuant to WAC 173-27-100(7), is effective immediately as of the date of this letter. Pursuant to WAC

173-27-100(8), appeals shall be in accordance with RCW 90.58.180⁴. Per WAC 173-27-100(5), this decision is being transmitted to all parties of record as noted below.

Should you have questions or comments with the above matter please contact Shirley Schultz, (253) 345-0879.

Sincerely,

Peter Huffman

Director, Planning and Development Services

FULL DECISION TRANSMITTED by first class mail / email to:

WSP USA, Attention: Brian Carrico, 210 E. 13th Street, Suite 300, Vancouver WA 98660-3231 Puyallup Tribe of Indians, Attention: Andrew Strobel, Andrew.Strobel@PuyallupTribe-nsn.gov Washington Department of Ecology, Shorelands & Environmental Assistance Program - Zach Meyer, zmey461@ecy.wa.gov

Washington Department of Fish and Wildlife (Commencement Bay), Liz Bockstiegel, R6SSplanning@dfw.wa.gov

U.S. Fish & Wildlife Service, Attn: Judy Lantor, judy lantor@fws.gov

U.S. Environmental Protection Agency, Region 10, Justine Barton, barton.justine@epa.gov

Port of Tacoma, Tony Warfield, twarfield@portoftacoma.com

Tacoma Pierce County Health Department, sepa@tpchd.org

U.S. Army Corps of Engineers, Dan Krenz, daniel.a.krenz@usace.army.mil

U.S. Army Corps of Engineers, Halie Endicott, halie.endicott@usace.army.mil

Earthjustice, Jan E. Hasselman, <u>jhasselman@earthjustice.org</u>, and Jaimini Parekh, <u>jparekh@earthjustice.org</u>

SUMMARY DECISION TRANSMITTED by first class mail / email to:

All Owners of property and residents within the Port of Tacoma Manufacture/Industrial Center and within a 2500-foot radius of its boundaries

Parties of record to SHR2015-40000246123

⁴ Any person aggrieved by the granting, denying, or rescinding of a permit on shorelines of the state pursuant to RCW <u>90.58.140</u> may seek review from the shorelines hearings board by filing a petition for review within twenty-one days of the date of receipt of the decision as provided for in RCW <u>90.58.140</u>(6). (RCW 90.58.180(1))