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EARTHJUSTICE

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# **INTRODUCTION**

1. This Verified Petition for Writ of Mandate and Complaint for Injunctive Relief ("Petition") challenges the August 19, 2024 decision of the Port of Stockton and the Board of Port Commissioners of the Port of Stockton (together, the "Port") to approve the BayoTech Hydrogen Production and Dispensing Facility Project ("Project") based on an Initial Study and Mitigated Negative Declaration ("IS/MND"). Because there is a fair argument that the Project will have significant adverse environmental impacts, an environmental impact report ("EIR"), instead of an IS/MND, was required under the law.

2. The Port admits that the Project will have a wide range of environmental impacts including emissions of health-harming air pollutants and greenhouse gases and consumption of fossil-fueled energy, among others—in a community that already bears the brunt of many polluting facilities.

3. There are clean and dirty ways of producing hydrogen, and the Port acknowledges that it has opted for the most polluting means: Using fossil gas (here, methane) as the feedstock that is converted to hydrogen through a process known as steam-methane reforming. Hydrogen produced in this way emits air pollutants that are harmful to human health as well as greenhouse gases that contribute to climate change.

4. Furthermore, although the Project's hydrogen could be delivered to customers via electric or fuel-cell powered trucks that do not emit air pollutants, the Port does not commit to using only these clean delivery methods. Instead, the Port states that the Project could rely on diesel trucks that foul the air with toxic and carcinogenic pollutants as well as greenhouse gases.

5. These impacts will occur in a region already overburdened by pollution. Located at the intersection of several freight cargo routes congested with dirty trucks and within the polluted San Joaquin Valley Air Basin, the community surrounding the Port suffers from some of the worst air quality in California and the country. Such perpetual and cumulative exposure to unhealthy air can result in illness and death from lung and cardiovascular disease and other health problems. Indeed, according to State-wide health data, the area around the Port is in the 96th percentile for asthma, meaning asthma rates there are higher than 96 percent of all other parts of California.

6. In light of these threats, the City of Stockton General Plan, Stockton Climate Action Plan, and Community Emissions Reduction Program seek to reduce community air pollution and greenhouse gas emissions. Despite such efforts to address the public health threats associated with air pollution, the Port failed to adequately analyze the Project's air quality impacts and its consistency with these plans.

7. The Port also failed to explain how the Project, which will increase greenhouse gas emissions, supports California's goals to reduce greenhouse gas emissions, achieve net zero emissions, and promote deployment of clean, renewable energy resources, including clean hydrogen.

8. In addition to air quality and greenhouse gas impacts, the Port acknowledges that the Project will depend on large amounts of fossil-fueled energy, including methane delivered by existing pipelines. The Port further acknowledges that the hydrogen that it will produce, store, and transport is a highly flammable and leakage-prone gas.

9. According to the California Department of Fish and Wildlife and members of the public, there is a risk that the Project will adversely affect imperiled species such as Swainson's hawk (Buteo swainsoni) and giant garter snake (Thamnophis gigas), among others.

10. Despite the repeated attempts of the Sierra Club and the Center for Biological Diversity (collectively, "Petitioners") and other members of the public to alert the Port to the gravity of these impacts and the deficiencies of its environmental review, the Port failed to ensure that the IS/MND adequately disclosed, analyzed, and mitigated these and other foreseeable environmental impacts. The Port's IS/MND lacks substantial evidence to support many of its conclusions that the Project's potential adverse impacts on the environment will not be significant.

11. Since a fair argument exists that the Project will have significant adverse impacts to air, climate, energy use, public safety, biological resources and other resources, and since the Port failed to ensure that the IS/MND adequately disclosed, analyzed, and mitigated these impacts, the Port's approval of the Project violates the California Environmental Quality Act ("CEQA"), Public Resources Code section 21000 et seq., and the CEQA Guidelines, 14 California Code of Regulations section 15000 et seq.

12. Petitioners therefore request a writ of mandate directing the Port to vacate and set aside its approval of the Project, the Project's IS/MND, and all other related approvals.

## PARTIES

13. Petitioner SIERRA CLUB is a national nonprofit organization with over 630,000 members, including over 130,000 members in California. Several hundred Sierra Club members reside in San Joaquin County, the majority of which live in the City of Stockton. Sierra Club is dedicated to exploring, enjoying, and protecting the wild places of the earth; to practicing and promoting the responsible use of the earth's ecosystems and resources; to educating and encouraging humanity to protect and restore the quality of the natural and human environment; and to using all lawful means to carry out these objectives. Sierra Club's members live, work, and recreate in and around the areas that will be affected by the construction and operation of the Project. Over 20 Sierra Club members reside within the same zip code as the Project. As a result of the Project, these members could experience increased air pollution and associated health harms as well as a diminishment of biological resources that they seek to enjoy. The Project will harm their interests in decreasing health-harming pollutants and greenhouse gases; in ensuring that jobs brought to the area do not increase air pollution; in conserving energy; in protecting public safety; and in preserving species and their habitats. Sierra Club submitted extensive comments to the Port throughout its environmental review process for the Project that are part of the Port's record of its decision to approve the Project and IS/MND.

14. Petitioner CENTER FOR BIOLOGICAL DIVERSITY ("the Center") is a national nonprofit organization with over 79,000 members, including nearly 17,000 throughout California. The Center has over 80 members who reside in San Joaquin County, and roughly half live in the City of Stockton. The Center's mission includes protecting and restoring habitat and populations of imperiled species, reducing greenhouse gas pollution to preserve a safe climate, and protecting air quality, water quality, and public health. The Center's members and staff include individuals who regularly use and intend to continue to use the areas in San Joaquin County and elsewhere affected by the Project. These members will be harmed by the Project's emissions of pollutants as well as the Project's harm to wildlife and habitat that they enjoy aesthetically and recreationally. The Project

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will thwart the interest of members' interests in decreasing greenhouse gas emissions and other health-harming pollutants, protecting their health and safety, as well as preserving the native, endangered, imperiled, and sensitive species and habitats found in the area that will be detrimentally impacted by the construction and operation of the Project. The Center submitted comments to the Port which are now part of the administrative record of the Port's decision to approve the Project and the IS/MND.

15. Respondent PORT OF STOCKTON is a California Special District and public entity that provides warehousing, handling, and transportation activities enabling the movement of goods by land and by sea. According to the August 20, 2024 Notice of Determination, the Port of Stockton is both the project applicant and lead agency responsible for environmental review of the Project.

16. Respondent BOARD OF PORT COMMISSIONERS OF THE PORT OF STOCKTON is the decision-making body of the Port of Stockton and is responsible for granting the various approvals necessary for the Project and for ensuring that the Port has conducted an adequate and proper review of the Project's environmental impact under CEQA. The Port Board and its members are sued in their official capacities.

17. Petitioners do not know the true names and capacities, whether individual, corporate, associate, or otherwise of Respondents DOE 1 through DOE 20, inclusive, and therefore sue said Respondents under fictitious names. Petitioners will amend this Petition to show their true names and capacities when they are known.

18. Petitioners are further informed and, on that basis, believe that BAYOTECH, INC., a fossil hydrogen producer, is a Real Party in Interest insofar as it would develop and operate the Project subject to the Port's actions pursuant to the Port's Project approvals and Project related actions.

19. Petitioners do not know the true names and capacities, whether individual, corporate, associate or otherwise, of Real Parties in Interest DOE 21 through DOE 40, inclusive, and therefore sue said Real Parties under fictitious names. Petitioners will amend this Petition to show their true names and capacities when they are known.

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#### JURISDICTION AND VENUE

20. This Court has jurisdiction over this action pursuant to Public Resources Code section 21168 (or in the alternative, pursuant to Public Resources Code section 21168.5), Code of Civil Procedure section 1094.5 (or in the alternative, pursuant to Code of Civil Procedure section 1085).

21. Venue is proper in the Superior Court of California, County of San Joaquin under Code of Civil Procedure sections 393, 394, and 395 because the Port of Stockton and the Project are currently located, or will be located, in San Joaquin County, and the harmful impacts of the Project will occur in this County.

22. This action is timely filed within 30 days of August 20, 2024, the date the Port filed the Notice of Determination with the County Clerk for San Joaquin County.

23. Petitioners have complied with Public Resources Code section 21167.5 by prior service of a letter upon the Port indicating their intent to file this Petition. The notice and proof of service are hereby attached as Exhibit A.

24. Petitioners are complying with the requirements of Public Resources Code section 21167.6 by concurrently filing a notice of its election to prepare the administrative record for this action.

25. Petitioners will promptly send a copy of this Petition to the California Attorney General, thereby complying with the requirements of the Public Resources Code section 21167.7.

26. Petitioners have performed any and all conditions precedent to filing this instant action and have exhausted any and all available administrative remedies to the extent required by law.

27. Petitioners do not have a plain, speedy, or adequate remedy at law unless this Court grants the requested writ of mandate to require Respondents to set aside their approval of the Project and IS/MND. In the absence of such remedies, Respondents' approvals will remain in effect in violation of State law and the environment, Petitioner, and residents of the City of Stockton and nearby communities will be irreparably harmed.

28. The maintenance of this action is for the purpose of enforcing important public policies of the State of California with respect to the protection of the environment under CEQA.

The maintenance and prosecution of this action will confer a substantial benefit upon the public by protecting the public from environmental and public health harms alleged in this Petition. Petitioners are acting as private attorneys general to enforce these public policies and prevent such harm.

# **STATEMENT OF FACTS**

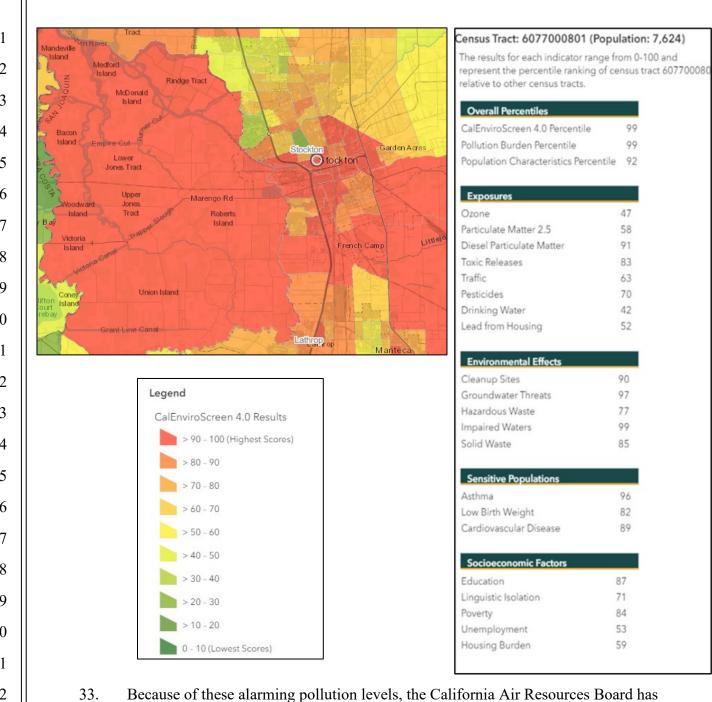
# I. Environmental Setting

29. The Project proposes a fossil-methane hydrogen plant at the Port of Stockton, which sits on the Sacramento/San Joaquin Delta and provides shipping access to the San Francisco Bay approximately 75 miles away. The Port is located on key transportation corridors and has rail links to the nation's two largest freight railways. Heavily industrialized for decades, it encompasses a former naval facility, as well as petroleum, coal, and biomass storage facilities.

30. The community near the Project site is a community of color housing mostly Black, Asian, and Latino residents who are exposed to disproportionate environmental burdens.

31. People, neighborhoods, and other places that may have a significantly increased sensitivity to air contaminants near the Project site include homes located 4,600 feet from the proposed Project site and Washington Elementary School, located 7,200 feet from the proposed Project site.

32. The health of these community members is already severely compromised by existing Port operations and nearby transportation corridors and industrial activities. Under the California Environmental Protection Agency's CalEnviroScreen methodology, which identifies communities that are disproportionately burdened by multiple sources of pollution, neighborhoods nearest the Port rank among the most burdened by multiple sources of pollution in the State of California. As shown below, compared to other census tracts in California, the tract adjacent to the Port ranks in the 99<sup>th</sup> percentile for overall pollution, the 91<sup>st</sup> percentile for diesel particulate matter (PM) air pollution, and the 83<sup>rd</sup> percentile for toxic chemical releases into the air. As a result, residents around the Port have among the highest asthma and cardiovascular disease incidences in the entire State. The CalEnviroScreen figure below demonstrates the dire pollution burden that already exists in and around the City of Stockton and the Port.



33. Because of these alarming pollution levels, the California Air Resources Board has directed investments to the most polluted parts of the City of Stockton for air quality improvement resources and attention under Assembly Bill 617, which seeks to reduce air pollution exposure in the California's disadvantaged communities.

34. The locally elevated pollution burden also reflects, in part, that the City of Stockton is situated within one of the most polluted air basins in the United States. San Joaquin Valley Air Basin has been designated by the U.S. Environmental Protection Agency as an extreme nonattainment area

for federal ozone standards and a severe nonattainment area for PM standards. These standards
provide air pollution thresholds designed to protect human health, and a nonattainment classification
means that the area has failed to meet even the minimum thresholds needed to protect human health.
35. The Project is located near two other facilities that already adversely impact air

quality and human health. Immediately adjacent to the Project site is the Pelican Renewables, LLC facility which includes an ethanol biofuel production plant and a proposed carbon capture and sequestration project. The Pelican Renewables facility also stores hazardous chemicals including sodium hydroxide and sodium bisulfite, both hazardous corrosives. Additionally, the DTE Energy biomass plant, known as Stockton Biomass, is located less than a mile from the Project site. According to the San Joaquin Valley Air Pollution and Control District, the DTE facility relies on both biomass and methane for its operations, and the facility is one of the largest sources of air pollution within the City of Stockton.

36. The Project site is also near sensitive estuary and marine habitat, including the Sacramento/San Joaquin Delta and the San Joaquin River, which is located approximately 485 feet west of the Project site. Both the Sacramento/San Joaquin Delta ecosystem and San Joaquin River provide habitat for species such as Swainson's hawk and giant garter snake that are considered at risk of extinction under state and federal law, as well as numerous migratory birds protected under the federal Migratory Bird Treaty Act such as the California gull, Belding's savannah sparrow, and Bullock's oriole, among others.

# II. The Project and Environmental Impacts

37. The Project proposes to produce hydrogen by reacting fossil methane, a greenhouse gas, with high temperature steam and to transport the hydrogen via truck trailer throughout the region for a wide range of uses. The IS/MND acknowledges that the Project could cause an array of adverse environmental impacts to air quality, climate, energy use, and biological resources, among other impacts.

38. For example, the Port admits that its steam-methane-reforming process will emit air pollutants that pose risks to human health—including but not limited to nitrous oxides (NOx), PM, and air toxics—as well as significant levels of greenhouse gases. The IS/MND explains that these

emissions would occur on a virtually continuous basis as the Project would operate to produce hydrogen 24 hours per day, 7 days per week, 350 days a year.

39. The Port acknowledges that numerous scientific studies have linked exposure to airborne PM to increased severity of asthma attacks, development of chronic bronchitis, decreased lung function in children, respiratory and cardiovascular hospitalizations, and even premature death in people with existing heart or lung disease. It explains that NOx also harms human health and that much of the PM in the region is secondary PM, formed in atmospheric reactions of NOx. Similarly, the Port acknowledges that ozone—which results from emissions of NOx and hydrocarbon compounds reacting in the presence of sunlight—is considered a regional pollutant that can

adversely affect the human respiratory system and aggravate cardiovascular disease.

40. According to the IS/MND, the methane used to produce the Project's hydrogen will be supplied by Pacific Gas and Electric Company via existing Port pipelines that will not be upgraded or modified to support the Project.

41. The Port acknowledges that there are clean ways to produce hydrogen, including the creation of hydrogen from water (rather than methane) via electrolysis that is powered by renewable energy like solar and wind power. As Petitioners explained, this method of hydrogen production does not emit harmful air pollutants like PM, NOx, and air toxics and emits fewer greenhouse gases.

42. According to the Port, the Project's hydrogen would be stored at the Project site and distributed to consumers by trucks, a large portion of which could run on diesel fuel and emit toxic and carcinogenic PM and other health-harming pollutants.

43. The Port admits that there are other ways to transport the Project's hydrogen which do not emit these pollutants, such as by trucks that are powered by electricity or hydrogen fuel cells.

44. As Petitioners repeatedly explained to the Port, the Project's emissions will affect people who live and work near the Port and already experience high levels of air pollution as a result of Port operations and other polluting activities in the region.

45. The Port also acknowledges that hydrogen is highly flammable and an indirect greenhouse gas and that there is a risk that the Project's hydrogen may leak into the atmosphere during its production, storage and transport.

46. In addition, the Port explains that the Project's construction and operation will use energy produced from fossil fuels and could affect biological resources, such as imperiled bird and reptile species, among others.

47. Finally, while the Port showcases the end uses of hydrogen that do not emit air pollution (such as use in hydrogen fuel cells), it admits that hydrogen produced by the Project could be used by any sector where there is demand, including at polluting facilities like oil refineries.

# III. The Port's Environmental Review Process and Project Approval

48. On or around May 30, 2023, the Port circulated a Notice of Intent to adopt a Mitigated Negative Declaration along with a Draft IS/MND for the Project.

49. Government agencies, petitioners, and other members of the public submitted comments to the Port highlighting numerous deficiencies in the Draft IS/MND.

50. Petitioners and other commenters noted that the Draft IS/MND failed to adequately describe the Project, its environmental setting, and the need for the Project. Petitioners also explained that the Draft IS/MND failed to describe and analyze various environmental impacts including, but not limited to, air quality, greenhouse gas emissions, energy, public safety, biological resources, and cumulative impacts. For example:

- a. <u>Regarding the project description</u>, Petitioners noted, among other deficiencies, that the Draft IS/MND's description did not disclose current conditions of the Port's gas infrastructure pipelines for conveying methane from Pacific Gas and Electric Company's supply pipeline to the Project.
- b. With respect to the need for the Project, among other concerns, Petitioners noted that the section of the Draft IS/MND discussing the need for the Project failed to acknowledge that using fossil fuels to produce hydrogen locks in dependence on this polluting resource, harming communities. Petitioners also noted that the Project misleadingly touts clean end uses of hydrogen when the Project will produce dirty hydrogen from fossil methane and therefore not support the State's decarbonization goals.

c. Regarding air quality impacts, Petitioners asserted that estimates of air emissions impacts, and the assumptions underlying those estimates, were not adequately disclosed or mitigated. For example, they explained that the Draft IS/MND's projection of emissions from vehicles lacked support because it was based on uncertain and flawed predictions of daily and annual vehicle traffic at the Project site and vehicle trip lengths, among other deficiencies. d. Petitioners also noted that the Draft IS/MND did not consider air quality impacts to nearby environmental justice communities that are already exposed to severe air pollution. e. Petitioners asserted that the Draft IS/MND failed to adequately assess the Project's health risks from emissions of particulate matter, ammonia, and other health-harming pollutants, even though the San Joaquin Valley is one of the nation's most polluted regions and CalEnviroScreen data demonstrates that residents near the Project site endure a pollution burden heavier than most of the State of California. f. With respect to greenhouse gas emissions, Petitioners questioned, among other issues, the Port's decision to use a greenhouse gas significance threshold that was outdated and from an air district in another area of the state. g. Petitioners also asserted that the Port's greenhouse gas emissions estimates were unsupported and further explained that the Draft IS/MND lacked adequate greenhouse gas mitigation measures in addition to other flaws. For instance, Petitioners stated that the Project's proposed mitigation based on purchase of socalled "renewable natural gas" credits through a "book-and-claim" mechanism lacked support. Petitioners explained that because this proposed mechanism does not ensure real, quantifiable, and verifiable emissions reductions, the Project's significant greenhouse gas emissions will not be mitigated. h. Regarding energy impacts, among other issues, Petitioners expressed concern that the Draft IS/MND did not adequately analyze or mitigate its energy use and that it

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ignored significant effects from the Project's reliance on fossil fuels rather than renewable energy sources.

- <u>Regarding public safety</u>, in addition to health-harming impacts from the Project's air pollution, Petitioners raised concerns about the fact that hydrogen is highly flammable and prone to leakage and noted that information about a community hazard analysis was not provided in the Draft IS/MND. Petitioners also noted the Draft IS/MND's failure to disclose information about the condition of the gas pipeline that would deliver methane to the Project.
- j. <u>Regarding impacts to biological resources</u>, Petitioners asserted among other concerns that the Draft IS/MND did not disclose or mitigate potential adverse impacts to the San Joaquin River, historic wetlands, and special status wildlife and plant species located within and near the Project area. According to Petitioners' comments, the Draft IS/MND assumed without justification that the Project would not impact migrating bird species. They also noted that the Project area is along the Pacific Flyway, an established air route of waterfowl and other birds migrating between wintering grounds in Central and South America and nesting grounds in the Pacific Coast states and provinces of North America.
  - <u>With respect to cumulative impacts</u>, Petitioners also stated that the Draft IS/MND failed to evaluate the Project's cumulative environmental impacts when added to emissions from existing Port operations and nearby closely related Projects such as the Pelican Renewables and DTE Energy facilities.

51. In addition to Petitioners' comments on biological impacts, the California Department of Fish and Wildlife ("DFW") expressed numerous serious concerns about impacts to biological resources and argued that such impacts would be significant. Among other impacts, DFW explained that artificial light can disrupt species' circadian rhythms, photoperiod cues for communication, foraging, thermoregulation behaviors, and feeding patterns for species like Swainson's hawk and giant garter snake, both state-listed threatened species. DFW also commented that several of the

Draft IS/MND's biological mitigation measures were voluntary, vague, and likely insufficient to avoid potentially significant impacts to imperiled species.

52. Repeatedly across various comment letters, Petitioners and other members of the public stated that the IS/MND lacked substantial evidence to support its conclusions and requested that the Port conduct a full environmental analysis through an EIR, given that the record demonstrates a fair argument that the Project may result in significant environmental impacts.

53. On or around March 27, 2024, the Port issued a Recirculated Draft IS/MND and responded to comments on the Draft IS/MND.

54. Petitioners, along with several other public agencies and community members, submitted comments to the Port concerning the analysis in the Recirculated Draft IS/MND.

55. Petitioners asserted that the Recirculated Draft IS/MND remained substantially the same as it was originally proposed, despite requests from the public for a more robust analysis. They asserted concerns about the Port's deficient characterization of the Project and the need for improved analysis of air quality, greenhouse gas, energy, public safety, biological resource, and cumulative impacts, among others. For example:

 a. With respect to project description and need, Petitions reasserted their concerns that the Port failed to describe key aspects of the Project and the need for the Project, given that it relies on fossil fuels and will emit pollutants to the detriment of nearby residents and attainment of California's clean energy and climate goals.

 <u>With respect to air quality</u>, Petitioners highlighted, among other issues, that the Recirculated Draft IS/MND lacked critical information about the trucks that will be used to transport hydrogen from the Project. As a result, Petitioners explained, it was impossible for the Port to accurately assess or estimate operational air quality impacts.

c. <u>On greenhouse gas emissions</u>, Petitioners noted that the Recirculated Draft IS/MND failed to address the Draft IS/MND's flawed analysis of the Project's greenhouse gas emissions and the proposed mitigation measures.

1	d.	Among other issues, Petitioners again questioned the Port's greenhouse gas emissions	
2		significance threshold and reliance on the purchase of book-and-claim renewable	
3		natural gas credits to mitigate the Project's greenhouse gas emissions.	
4	e.	With respect to energy impacts, Petitioners, among other issues, repeated their prior	
5		concerns regarding the Project's reliance on fossil fuels and also asserted that the	
6		Project had failed to disclose its impact on countywide methane gas use.	
7	f.	Regarding public safety concerns, Petitioners repeated the prior concerns, among	
8		others, about the lack of information and analysis regarding community safety and	
9		emergency responses during project operations. They also stated that the Project	
10		failed to properly analyze and disclose the risk of methane gas supply pipeline leaks	
11		and other associated safety risks.	
12	g.	Regarding biological resources, Petitioners reasserted concerns about impacts to	
13		imperiled species and their habitat and noted that the Port had not sufficiently	
14		addressed issues raised by the Department of Fish and Wildlife.	
15	h.	Regarding cumulative impacts, Petitioners reasserted concerns about impacts from	
16		existing Port operations and closely related nearby facilities.	
17	56.	On June 6, 2024, the Port issued a Final IS/MND responding to public comments on	
18	the Recirculated Draft IS/MND.		
19	57.	On or around July 11, 2024, the Port's Board of Commissioners issued a notice that it	
20	would consider approval of the Project and the Final IS/MND at a Board of Port Commissioners		
21	meeting on July 15, 2024.		
22	58.	On July 15, 2024, Petitioners submitted comments to the Port on the Final IS/MND.	
23	These comments highlighted the Final IS/MND's failure to correct errors identified by comments on		
24	the Recirculated IS/MND and failure to comply with CEQA and other laws. As Petitioners noted in		
25	their comments, the Final IS/MND continued to fail to adequately disclose and analyze the Project's		
26	significant impacts on the environment, including but not limited to the Project's air quality,		
27	greenhouse gas emissions, energy, public safety, biological resource, and cumulative impacts.		
28	Petitioners once again detailed how the IS/MND failed to consider, discuss, or adopt adequate,		
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feasible, and enforceable mitigation measures to minimize the Project's significant and detrimental impacts. For example:

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	a.	With respect to air quality, Petitioners noted, among other deficiencies, that the Final
		IS/MND failed to explain the basis for its adjustment of the particulate matter
;		estimates and the assumptions that it was making about the types of trucks that would
		be used to deliver the Project's hydrogen.
,	b.	Petitioners also emphasized again that the Final IS/MND's flawed analysis of air
		quality health risks, despite the Project's location in an environmental justice
,		community. According to Petitioners, this omission was reflected in the Port's
		inadequate health risk assessment which fails to fully quantify emissions of toxic air
		contaminants and assess those impacts on area residents.
	с.	With respect to greenhouse gas emissions, Petitioners once again raised concerns
		about the proposed greenhouse gas mitigation, among other problems. Also, as an
		attachment to Petitioners' comments on the Final IS/MND, Petitioners included an
		expert report from the former chief of the Low Carbon Fuel Standard program at the
,		California Air Resources Board, a program that seeks to lower greenhouse gas
,		emissions from California's transportation fuels. The expert found that the Final
;		IS/MND did not adequately explain how the Project's greenhouse gas emissions will
,		be mitigated by the purchase of book-and-claim renewable natural gas credits. Per the
		expert's conclusion, Petitioners explained that the Port's reliance on such renewable
		natural gas credits does not ensure real, additional, verifiable, or enforceable
		greenhouse gas reductions. Petitioners noted that the Port's modification to the
		greenhouse gas mitigation measure did not address these concerns.
-	d.	Petitioners also asserted that the Port failed to explain how the Project, which will
		increase greenhouse gas emissions, was consistent with and would support attainment
		of California's climate, clean energy, and greenhouse gas reduction goals.
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1	e.	Petitioners also raised concerns that the Project failed to properly analyze consistency	
2		with provisions of applicable land use plans such as the Stockton General Plan,	
3		Stockton Climate Action Plan, and Community Emissions Reduction Program.	
4	f.	Regarding energy use, Petitioners reasserted their concerns given the Final IS/MND's	
5		failure to address the problems asserted in prior comments.	
6	g.	Regarding public safety, Petitioners reasserted their concerns given the Final	
7		IS/MND's failure to address the problems asserted in prior comments.	
8	h.	Regarding biological resources, Petitioners reasserted their concerns given the Final	
9		IS/MND's failure to address the problems asserted in prior comments by either	
10		Petitioners or DFW. Notably, Petitioners stated that the Port did not directly respond	
11		to comments from DFW in the Recirculated IS/MND, leaving no opportunity for the	
12		public to comment on the adequacy of the Final IS/MND's changes to mitigation	
13		measures for biological resources.	
14	i.	Among several deficiencies, Petitioners noted that, with respect to impacts to	
15		Swainson's hawk and giant garter snake, the Final IS/MND merely acknowledges	
16		that there is a minor potential for the species to use the site but does not evaluate the	
17		evidence presented by DFW that the Project would significantly impact these species.	
18	j.	Petitioners also noted that the Final IS/MND's changes to its artificial light mitigation	
19		measures were insufficient and unsupported by substantial evidence.	
20	k.	With respect to cumulative impacts, Petitioners reasserted their concerns given the	
21		Final IS/MND's failure to address the problems asserted in prior comments.	
22	59.	On July 15, 2024, the Board of Port Commissioners held a public hearing at which it	
23	considered approval of the Project and the Final IS/MND.		
24	60.	Petitioners submitted oral comments at the July 15 public hearing, reiterating their	
25	concerns from their written comments on the Final IS/MND. Petitioners were joined by other		
26	members of the public who similarly urged the Port to conduct a full EIR for the Project.		
27	61.	At the July 15, 2024 public hearing, the Port's counsel alleged through statements to	
28	the Board of Port Commissioners that Petitioners' comment letter, submitted prior to the July 15		
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hearing and prior to any vote on Project approvals or certification of the IS/MND, was untimely and disallowed.

62. The Board of Port Commissioners voted to continue the public hearing to allow the Board to further consider the public comments that had been submitted.

63. On July 31, 2024, counsel for Petitioners submitted a letter to the Port clarifying that per Public Resources Code section 21177, comments alleging noncompliance with CEQA can be "presented to the public agency orally or in writing by any person during the public comment period provided . . . or prior to the close of the public hearing on the project before the issuance of a notice of determination." The letter explained that all of Petitioners' public comments were submitted prior to the close of the public hearing for this Project.

64. On August 15, 2024, as part of the agenda for an August 19, 2024 Board of Port Commissioners meeting, the Port publicly released an Interoffice Memo responding to public comments on the Final IS/MND.

65. On August 16, 2024, Petitioners submitted written comments in response to the Interoffice Memo. Petitioners asserted that the Port's Interoffice Memo confuses the applicable law and incorrectly asserts that the Port has conducted an adequate environmental review for the Project. Moreover, the Port's responses to public comments did not resolve any of the many issues identified in Petitioners' prior comments and even contradicted its own prior rationale with respect to particulate matter emissions. Petitioners also alerted the Port that its proposed Mitigation Monitoring and Reporting Program ("MMRP") had not been made available for public review and comment, despite the fact that a July 15, 2024 staff report, released in advance of the July 15, 2024 public hearing, stated that it was attached to that document. Petitioners requested clarification from the Port as to which document includes the complete contents of the final MMRP. Further, Petitioners requested that the Port publish the MMRP and provide the public with the opportunity to comment on it.

66. On August 19, 2024, the Board of Port Commissioners held its continued public hearing on the Project.

67. At the August 19, 2024 hearing, counsel for Petitioner Sierra Club and a representative of Sierra Club attempted to provide oral public comments. However, the Port's counsel asserted that public comments were untimely and disallowed. Counsel for Sierra Club asserted that, as explained in the July 31, 2024 letter, under CEQA, comments alleging noncompliance with CEQA can be presented to the public agency prior to the close of the public hearing.

68. Also at the August 19, 2024 hearing, consultants for the Port presented responses to some of the issues raised by Petitioners in their August 16, 2024 letter regarding the Final IS/MND's deficient analysis of the Project's impacts, unsupported mitigation measures, and other deficiencies. The Port's responses entirely failed to resolve the many problems identified by Petitioners. Further, neither the Port nor its consultants addressed Petitioners' concerns regarding the MMRP document.

69. Despite concerns expressed by Petitioners, residents, and other members of the public, the Board of Port Commissioners voted on August 19, 2024 to certify the IS/MND; adopt the CEQA findings and MMRP; and approve the BayoTech Hydrogen Production and Dispensing Facility Project.

70. On August 20, 2024, the Port filed a Notice of Determination for the Project.

# **CEQA LEGAL BACKGROUND**

71. CEQA, Public Resources Code §§ 21000-21177, is a comprehensive statute designed to "to prevent[] environmental damage, while providing a decent home and satisfying living environment for every Californian." (Pub. Res. § 21000(g).) Given its broad goals, the California Supreme Court has held that CEQA must be interpreted "to afford the fullest possible protection to the environment within the reasonable scope of the statutory language." (*Friends of Mammoth v. Board of Supervisors* (1972) 8 Cal.3d 247, 259.) CEQA is intended to fully inform the public and agency decision makers about potential environmental consequences of proposed projects and to ensure informed decision-making by public agencies and officials. CEQA contains procedural, informational, and substantive mandates.

72. CEQA applies to discretionary projects carried out or approved by public agencies. (Pub. Resources Code § 21080(a).) CEQA defines "project" as "an activity which may cause either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment" including "an activity that involves the issuance of a lease, permit, license, certificate, or other entitlement for use by one or more public agencies." (Pub. Resources Code § 21065.)

73. With a limited number of exceptions, it is the responsibility of the lead agency to prepare an EIR for all projects that may have a significant effect on the environment. Significant effect on the environment means a "substantial, or potentially substantial, adverse change in the environment." (Pub. Resources Code § 21068.) An EIR is a detailed statement describing, among other items, all of the proposed project's significant environmental effects, mitigation measures to minimize these significant effects, and alternatives to the project. (Pub. Resources Code § 21061, 21100.)

74. CEQA requires a mandatory finding of significance where, among other effects, (1) the project has the potential to reduce the number or restrict the range of an endangered, rare, or threatened species; (2) the project has the potential to achieve short-term environmental goals to the disadvantage of long-term environmental goals; (3) the project impacts may be cumulatively considerable; and/or (4) the environmental effects of the project will cause substantial adverse effects on human beings, either directly or indirectly. (CEQA Guidelines § 15065(a).)

75. The lead agency typically prepares a preliminary report called an "Initial Study" to identify a project's potential environmental effects and to determine whether an EIR must be prepared. (*See* CEQA Guidelines § 15365.) The purpose of the Initial Study is to provide the lead agency with adequate information regarding a project to determine the appropriate environmental review document.

76. If the agency determines that the proposed project will not have a significant effect on the environment, it must adopt a "Negative Declaration." (Pub. Resources Code § 21080(c).) A Negative Declaration describes the reasons why the proposed project will not have a significant effect on the environment and why an EIR is not required. (CEQA Guidelines § 15371.) A Negative Declaration must contain, among other items, a description of the proposed project and a proposed finding that the project will not have a significant effect on the environment. (*Id.* at § 15071.)

77. A Negative Declaration must be prepared if there is no substantial evidence that the project may have a significant impact in light of the whole record before the lead agency. (Pub. Resources Code § 21080(c)(1).)

78. A Negative Declaration must also be prepared if the Initial Study indicates that a proposed project may have significant environmental effects but (1) revisions in the project are made by or agreed to by the applicant before the Initial Study and Negative Declaration are released for public review that would avoid or mitigate these effects to a point where clearly no significant effects on the environment would occur and (2) there is no substantial evidence, in light of the whole record before the lead agency that the project as revised may have a significant effect on the environment. (Pub. Resources Code § 21080(c)(2).) A Negative Declaration that incorporates mitigation measures to avoid an identified potentially significant environmental effect is known as a "Mitigated Negative Declaration." (CEQA Guidelines § 15369.5.)

79. An agency adopting a Mitigated Negative Declaration is required to prepare a Mitigation Monitoring and Reporting Program that describes the specific procedures for the implementation of the adopted mitigation measures. (Pub. Resources Code § 21081.6 of the Public Resources Code; CEQA Guidelines § 15097.)

80. Whenever substantial evidence in the record supports a "fair argument" that significant effects on the environment may occur, an EIR must be prepared. (Committee for Re-Evaluation of T-Line Loop v. San Francisco Municipal Transportation Agency (2016) 6 Cal.App.5th 1237, 1246.) The "fair argument standard" creates a "low threshold" for requiring an EIR, "reflecting a legislative preference for resolving doubts in favor of environmental review." (Id. quoting Latinos Unidos de Napa v. City of Napa (2013) 221 Cal.App.4th 192, 200.)

# **CAUSE OF ACTION**

# (Violation of CEQA – Public Resources Code § 21000 et seq. and CEQA Guidelines § 15000 et seq.)

81. Petitioners hereby reallege and incorporate by reference the allegations contained in the preceding paragraphs.

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82. In carrying out its review and approval activities with respect to the Project, the Port was, and is at all times, mentioned herein under a mandatory duty to comply with the provisions of CEQA and the CEQA Guidelines.

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# Failure to Prepare an Environmental Impact Report

83. An EIR must be prepared if substantial evidence in the record supports a fair argument that a project may have a significant effect on the environment.

84. Here, substantial evidence in the record supports a fair argument that the Project may have a significant effect on the environment notwithstanding proposed mitigation measures. An EIR is necessary to evaluate the Project's impacts on the environment, including, but not limited to, the Project's air quality, greenhouse gas emissions, energy, public safety, and biological resource impacts, as well as cumulative impacts.

85. In addition, CEQA requires the Port to issue a mandatory finding of significance because the Project (1) has the potential to reduce the number and/or restrict the range of listed species, (2) results in a cumulatively considerable environmental effect, (3) undermines long-term climate and air quality goals, and (4) directly or indirectly causes substantial adverse effects on human beings. Accordingly, CEQA demands a mandatory finding of significance and the preparation of an EIR.

86. The Port's failure to prepare an EIR is not supported by substantial evidence and represents a failure to proceed in the manner required by law.

II.

# Inadequate Analysis of Project's Environmental Impacts

87. CEQA requires that the Port's IS/MND provide sufficient analysis to support a finding that the Project would not have a significant effect on the environment. However, the IS/MND's analysis of the Project's potential environmental impacts, including, but not limited to, the Project's air quality, greenhouse gas emissions, energy, public safety, and biological resource impacts, is inadequate.

88. The IS/MND also fails to adequately analyze the Project's consistency with California's climate, clean energy, and greenhouse gas reduction goals and mandates.

89. The Port's inadequate evaluation of the Project's environmental impacts is not supported by substantial evidence and represents a failure to proceed in the manner required by law.

#### III. **Inadequate Mitigation of Significant Environmental Impacts**

90. CEQA requires that the IS/MND must include mitigation measures that reduce the Project's identified significant environmental effects to the point where clearly no significant effects on the environment would occur.

91. The IS/MND, however, does not include mitigation measures sufficient to reduce the Project's significant environmental impacts, including, but not limited to, the Project's air quality, greenhouse gas emissions, energy, public safety, and biological resource impacts.

92. The effectiveness of the proposed mitigation measures is not supported by substantial evidence. The Port's failure to adopt mitigation measures that would clearly reduce the Project's identified environmental effects to a less than significant level represents a failure to proceed in the manner required by law.

IV.

# Failure to Disclose the Mitigation Monitoring and Reporting Program

93. CEOA requires the Port to prepare a Mitigation Monitoring and Reporting Program that specifically describes how the adopted mitigation measures will be implemented. The Port failed to disclose and accept public comment on the Project's Mitigation Monitoring and Reporting Program document. This failure deprived the public of an opportunity to understand and comment on the Project's proposed Mitigation Monitoring and Reporting Program.

V.

# **Inadequate Project Description and Environmental Setting**

94. Under CEQA, a MND must include a complete description of the proposed project and environmental setting. Here, however, the IS/MND omits necessary components of the Project and affected environment. The environmental setting, for example, is deficient for numerous reasons, including, but not limited to, its omission of nearby related projects and failure to disclose current conditions of the Port of Stockton gas infrastructure pipelines. Moreover, the IS/MND does not adequately show why the Project is necessary to achieve the IS/MND's stated Project objectives, especially when compared to less harmful alternatives. The IS/MND also fails to adequately disclose and analyze the environmental context in both the immediate and regional setting.

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V.

#### Failure to Analyze Consistency with Land Use Plans

95. Under CEQA, lead agencies must analyze whether a proposed project is inconsistent with applicable land use policies, such as the governing general plan. The IS/MND fails to adequately analyze whether the Project is inconsistent with applicable land use plan policies adopted for the purpose of avoiding or mitigating environmental impacts. The IS/MND thereby fails to alert the public and decision-makers of the numerous inconsistencies of the Project with the Stockton General Plan, Community Emissions Reduction Program, and Stockton Climate Action Plan and fails to effectively mitigate the impacts of the Project.

96. Fossil-fuel derived hydrogen, which this Project proposes to produce, prolongs the use of fossil fuels and diverts attention and resources from clean renewable energy. However, the IS/MND does not explain how fossil fuel-derived energy sources are compatible with policies that seek to reduce greenhouse gas emissions. Both the Community Emissions Reduction Program and the Stockton Climate Action Plan contain overarching goals and targets designed to alleviate the pollution and health problems burdening the community. The IS/MND does not describe whether the Project is consistent with these plans nor does it evaluate whether the Project's anticipated construction and operational impacts would advance or obstruct the plans' air quality goals or its emissions reductions targets for particulate matter and cancer risk exposure.

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VI.

# Adoption of Inadequate Findings

97. The Port violated CEQA by adopting inadequate findings. In many instances the Project's findings do not provide the reasons or analytic route from facts to conclusions, as required by law. For example, the Port's findings fail to explain how the Project would not have a significant effect on the environment. The Port's findings also fail to explain the basis for adopting the Mitigation Monitoring and Reporting Program, which was not disclosed to the public, or how that program would ensure compliance with mitigation measures, lease measures, or standard conditions to avoid or lessen significant effects on the environment.

98. For all of the above reasons, the Port prejudicially abused its discretion and failed to comply with the law.

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## **PRAYER FOR RELIEF**

WHEREFORE, Petitions pray for judgment as follows:

1. For alternative and peremptory writs of mandate directing Respondents to vacate and set aside their approval of the Project;

2. For alternative and peremptory writs of mandate directing Respondents to vacate and set aside the IS/MND, related findings, and Mitigation Monitoring and Reporting Program for the Project;

3. For alternative and peremptory writs of mandate directing the Respondents to comply with the requirements of CEQA and the CEQA Guidelines and take any other action required by Public Resources Code Section 21168.9 or otherwise required by law;

4. For a temporary stay, temporary restraining order, and preliminary and permanent injunctions restraining Respondents and Real Parties in Interest and their representative agents, servants, and employees, and all others actings in concert with Respondents or Real Parties in Interest on their behalf, from taking any action to implement the Project pending full compliance with the requirements of CEQA and the CEQA Guidelines;

5. For costs of the suit;

6. For Petitioners' attorneys' fees under Code of Civil Procedure Section 1021.5 and other applicable authority; and

7. For such other and future relief as the Court deems just and proper.

DATED: September 19, 2024.

Respectfully submitted,

In In

Katrina A. Tomas (State Bar No. 329803) Nina Robertson (State Bar No. 276079) EARTHJUSTICE

50 California Street, Suite 500 San Francisco, California 94111 Telephone: (415) 217-2000 Facsimile: (415) 217-2040 ktomas@earthjustice.org nrobertson@earthjustice.org Attorneys for Petitioner SIERRA CLUB Margaret A. Coulter Margaret A. Coulter (State Bar No. 304708) Victoria Bogdan Tejeda (State Bar No. 317132) David Pettit (State Bar No. 67128) CENTER FOR BIOLOGICAL DIVERSITY 1212 Broadway, Suite 800 Oakland, California 94612 Telephone: (510) 844-7103 mcoulter@biologicaldiversity.org vbogdantejeda@biologicaldiversity.org dpettit@biologicaldiversity.org

Attorneys for Petitioner CENTER FOR BIOLOGICAL DIVERSITY

#### VERIFICATION

# 2 || STATE OF CALIFORNIA, COUNTY OF SAN JOAQUIN

I, Eric Parfrey, am a member of Sierra Club, one of the Petitioners to this action, and I have been authorized to make this verification on behalf of Sierra Club. I have read the foregoing Petition for Writ of Mandate and Complaint for Injunctive Relief and know its contents. The matters stated in the foregoing document are true based on my own knowledge, except as to those matters stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on September 18, 2024, at Stockton, California.

his Carpan

Eric Parfrey

# Exhibit A



#### CALIFORNIA REGIONAL OFFICE | SAN FRANCISCO

50 CALIFORNIA ST. SUITE 500 SAN FRANCISCO, CA 94111 T: 415.217-2000 F: 415.217-2040

# Via E-Mail and First-Class Mail

September 17, 2024

Board of Port Commissioners Port of Stockton c/o Secretary Melanie Rodriguez P.O. Box 2089 Stockton, CA 95201 E-Mail: mrodriguez@stocktonport.com

# Re: Notice of Commencement of CEQA Litigation

Dear Ms. Rodriguez:

This letter is to notify you that the Sierra Club and the Center for Biological Diversity (together, "Petitioners") will file suit against the Port of Stockton and the Board of Port Commissioners of the Port of Stockton (together, the "Port") for failure to observe the requirements of the California Environmental Quality Act ("CEQA"), Public Resources Code section 21000 et seq., and the CEQA Guidelines, California Code of Regulations section 15000 et seq. in the administrative process that culminated in the approval of the BayoTech Hydrogen Production and Dispensing Facility Project (State Clearinghouse No. 2023050692) ("Project") and certification of an Initial Study and Mitigated Negative Declaration ("IS/MND") for the Project. This notice is given pursuant to Public Resources Code section 21167.5.

Among other relief, Petitioners will request that the Court issue a writ of mandate to vacate the IS/MND certification and set aside all Project approvals. Additionally, Petitioners will seek costs and attorney's fees.

Most respectfully,

Van /n

Katrina A. Tomas Nina Robertson EARTHJUSTICE *Counsel for Petitioner Sierra Club* 

[Signatures continued on next page]

Marganet A. Coulter

Margaret A. Coulter Victoria Bogdan Tejeda David Pettit CENTER FOR BIOLOGICAL DIVERSITY Counsel for Petitioner Center for Biological Diversity

#### PROOF OF SERVICE

#### Sierra Club, et al. v. Port of Stockton, et al.

#### Superior Court of the State of California – County of San Joaquin

At the time of service, I was over 18 years of age and not a party to this action. I am employed in the County of San Francisco, State of California. My business address is 50 California Street, Ste. 500, San Francisco, CA 94111.

On September 17, 2024, I served true copies of the following document(s) described as:

# NOTICE OF COMMENCEMENT OF CEQA LITIGATION

on the parties in this action as follows:

**Board of Port Commissioners** Port of Stockton c/o Secretary Melanie Rodriguez P.O. Box 2089 Stockton, CA 95201 E-Mail: mrodriguez@stocktonport.com

**BY MAIL:** I enclosed the document(s) in a sealed envelope or package addressed to the person(s) at the address(es) listed above and deposited the sealed envelope with the United States Postal Service, with the postage fully prepaid. I am a resident or employed in the county where the mailing occurred. The envelope or package was placed in the mail at 490 Lake Park Avenue, Oakland, CA 94610.

BY E-MAIL OR ELECTRONIC TRANSMISSION: I caused a copy of the document(s) to be sent from the e-mail address jgriffin@earthjustice.org to the person(s) at the email address(es) listed above. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on September 17, 2024, at Oakland, California.

Joseph Griffin