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January 24, 2018

Mr. Keith Faretra
Puget Sound Energy
MS PSE-09S
10885 NE 4th St.
Bellevue, WA 98004

Re: Notice of Determination for a Supplemental EIS
Notice of Construction Application No. 11386
Tacoma LNG Facility

Dear Mr. Faretra:

This letter is being sent to inform you that the Agency has determined that a Supplemental Environmental Impact Statement (SEIS) is required to identify and analyze greenhouse gas (GHG) emissions and impacts for this Notice of Construction (NOC) application to supplement what was included in the FEIS issued by the City of Tacoma on November 9, 2015. *See* attached notice. The SEIS will be scoped specifically to supplement §3.2 and §3.13 of that FEIS which included quantitative emissions for the project site and qualitative considerations of the LNG produced. The FEIS analysis also partially used a State Department of Ecology guidance document for identification and evaluation of GHGs that has been removed from Ecology's web site for revision. The SEIS will identify and quantitatively evaluate all GHG emissions to include those upstream and downstream of the proposed project.

The SEIS work must be completed before the Agency can complete the review process for your NOC application. On October 3, 2017, we indicated that the NOC application was technically complete. However, further review of the information supporting your application and the FEIS has led to the conclusion that supplemental analysis of GHGs is necessary and as such, the processing of your NOC application will be on hold while we complete the SEIS.

In accordance with Agency Regulation I, Article 2, the Agency will proceed with preparation of the SEIS referenced in the attached notice. We will be using the process described in Agency Reg. I, Section 2.08(b), specifically as it describes hiring a consultant to complete this work. Additionally, we will be following the provisions of Agency Reg. I, Section 2.14(b)(2) regarding the costs associated with this work. A proposed agreement addressing how these costs will be paid by Puget Sound Energy, consistent with that regulation and the process we follow, will be sent to you under separate cover. That agreement will need to be

in effect prior to committing expenditures with a consultant to complete work for a SEIS.

This letter and the attached notice have been posted on our website for the project. Additionally, the notice has been submitted to the SEPA Register for publication and we have submitted the notice for publication in the area newspapers. Please let me know if you have questions about this decision and the next steps in the process. We will let you know when we have selected a consultant to help complete this work.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Carole Cenci, PE".

Carole Cenci, PE
Manager of Compliance

Enclosure

CJC:ns

cc: Tom Wood, Stoel Rives LLP
Erin Anderson, Stoel Rives LLP
Jennifer A. Dold, General Counsel, Puget Sound Clean Air Agency

NOTICE OF SUPPLEMENTAL ENVIRONMENTAL IMPACT STATEMENT

Puget Sound Energy has submitted a Notice of Construction (NOC) application to the Puget Sound Clean Air Agency (Agency) for the Tacoma Liquefied Natural Gas (LNG) facility (“project”). On November 9, 2015, the City of Tacoma issued the “Puget Sound Energy proposed Tacoma Liquefied Natural Gas Project Final Environmental Impact Statement” (FEIS). The Agency has determined a Supplemental Environmental Impact Statement (SEIS) is required to identify and analyze greenhouse gas (GHG) emissions and impacts for the project.

The SEIS will supplement the Air and Cumulative Impacts sections related to GHGs in the City of Tacoma’s FEIS. Reasons include: Section 3.2 of the FEIS relies upon a guidance document by Department of Ecology for identification and evaluation of GHGs which currently has been removed by Ecology from its website for revision and portions of § 3.13 of the FEIS rely upon the GHG analyses from § 3.2. The FEIS’ GHG analysis included a quantitative analysis of GHGs on the project site and some qualitative analysis of the use of LNG produced. The SEIS will supplement the Air and Cumulative Impacts sections of the FEIS related to GHGs to include quantitative analysis of the emissions throughout the fuel life cycle.

There will be no optional scoping for this SEIS.

Project Name: Tacoma Liquefied Natural Gas Project
(including TOTE Marine Vessel LNG Fueling System)

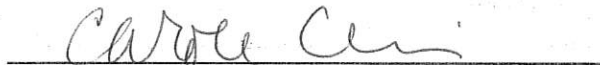
Project Proponent: Puget Sound Energy

Location of Project: E 11th Street, Tacoma, WA

Next Steps: Pursuant to Agency Regulation I, Article 2, the Agency will hire a consultant to prepare the SEIS. Public comment will be provided pursuant to the requirements of SEPA for the draft SEIS.

Responsible Official / Contact Person: Carole Cenci, Manager – Compliance
Puget Sound Clean Air Agency
1904 3rd Avenue, Suite 105
Seattle, WA 98101
(206) 689-4061 | carolec@pscleanair.org

Date: January 24, 2018



Further Information Regarding Project:
<http://www.pscleanair.org/460/Current-Permitting-Projects>