

California State Lands Commission

August 25, 2021 Executive Officer's Report

Rincon Well Abandonment and Decommissioning Project

Phase 1 work, plugging and abandoning the wells and oil facilities at the former state oil and gas leases at Rincon Point in Ventura, is complete. Rincon Island and the onshore site were placed into caretaker status in July. Caretaker status is when the well and well-related abandonments comply with regulatory requirements and the site requires limited surveillance to maintain safety, security, and stability. The facilities will remain in caretaker status while the Phase 2 feasibility study and CEQA documentation are completed, and until the Phase 3 work, the final Island and onshore decommissioning, commences.

Padre Associates, the Commission's environmental consultant, is currently conducting surveys and assessments to inform the feasibility study and subsequent CEQA document, which will evaluate decommissioning alternatives for the final disposition of the Island and onshore facilities. A bathymetric study of the Island and surrounding area and a coastal engineering study have been completed. Ongoing work includes site assessments for hydrocarbon contamination, site characterization, a marine biological study, an engineering assessment, and an environmental baseline assessment.

Staff is continuing robust public outreach to the community and stakeholders, with a particular focus on the Mussel Shoals residents. Staff hosted a community townhall in April and a feasibility study workshop in June. This was followed by a questionnaire staff sent to Mussel Shoals residents requesting their input on Phase 2 alternatives. Staff responded to comments on the questionnaire from individuals and to comments arising from a community meeting residents recently held. Staff will convene another townhall after we releases the Draft Feasibility Study, which is expected to occur in late September or early October.

Staff has also begun informal consultation with the California Coastal Commission, the State Coastal Conservancy, the California Fish and Wildlife Service, the National Marine Fisheries Service, and Ventura County. Commission staff anticipates presenting the Final Feasibility Study to the Commission in December.

Platform Holly/Piers 421 Decommissioning Project

Staff continues to maintain and monitor the platform and onshore facilities to ensure public health and safety. Staff, ExxonMobil, and their subcontractors continue to monitor the COVID-19 situation and have been planning to reactivate the mothballed Platform Holly rig in preparation for resuming well plug and abandonment work. Subcontractor maintenance personnel returned to the platform on August 16 to begin a five week reactivation program. The full complement of personnel are expected to return mid-September to begin the well plug and abandonment work. Staff is collaborating closely with ExxonMobil and their subcontractors to ensure that the work ahead is conducted safely and to reduce costs where possible. Personnel transport and cargo operations to and from Platform Holly will continue from alternate piers for the foreseeable future while negotiations to regain access to the Ellwood Pier continue.

Last month, staff issued a Notice of Preparation for the Haskell 's beach oil piers (Piers 421) removal project and held virtual public scoping meetings. Staff anticipates releasing the draft Environmental Impact Report later this year.

SB 44 Legacy Well Remediation Program

The SB 44 Legacy Wells and Coastal Hazards program provides \$2 million per year to address legacy wells and coastal hazards. In July, the Commission's engineering contractor successfully plugged and abandoned the Olsson #805 well at Summerland Beach, the third well we have re-abandoned in Santa Barbara County using the SB 44 funds. The abandonment was completed on time, within budget, and without incident. In April, staff authorized dive work to investigate seeps to determine if any of the leaks observed during previous drone surveys were associated with another legacy well. Throughout three days of diving, eight new well casings were discovered, two of which were leaking hydrocarbons into the ocean. During diving operations, old timber piles were also discovered and appear to be remnants of the Treadwell pier. Staff intends to address these wells and remnants in the future as part of the SB 44 program. Staff is developing a plan to prepare engineering programs, cost estimates, and establish priorities for additional well abandonments in fiscal year 2021-22. Staff is excited to continue its successful work and its continued collaboration with partner agencies and the community.

Hollister Ranch Public Access Program

The Hollister Ranch state agency team and its consultants have been leading a robust public engagement process for more than a year and a half. The public engagement process began with interviews of 18 stakeholder groups, followed by three public surveys and other interactive platforms for public engagement, two public meetings (one virtual and one in-person before the pandemic), and six listening sessions with stakeholders, environmental justice communities and tribal representatives. The state agency team established a stakeholder working group that has met regularly over the past year to collaboratively develop the Hollister Ranch Coastal Access Program. Staff completed a draft conceptual program in June and circulated it for public review before a second public meeting the state agency team held on June 16. State agency staff presented the draft program at the June meeting, followed by small group breakout sessions to allow for further public input. Over 300 members of the public participated in the meeting. Formal tribal consultations were initiated after the release of the conceptual draft in June and are in progress.

On August 10, the state agency team hosted a site visit for a ground tour of the Hollister Ranch coastline with Wade Crowfoot, Secretary of the California Natural Resources Agency, Geneva Thompson, Assistant Secretary for Tribal Affairs at the California Natural Resources Agency, Mark Gold, Executive Director of the Ocean Protection Counsel and the Deputy Secretary for Ocean and Coastal Policy for the California Natural Resources Agency, and Senator Monique Limón. After the tour, the group met with representatives from the Hollister Ranch owners and Chumash tribal representatives.

The state agency team and working group are incorporating the input received from the public meeting, an additional public survey released after the meeting, collaboration with the Hollister Ranch owners and through the formal tribal consultations to refine the draft conceptual program. Despite making significant progress, the COVID-19 pandemic delayed the planning process. In April, the team notified the Legislature of the delay as required by AB 1680 (Limón, 2019.) The Coastal Commission expects to hold its first public hearing on a draft public access program in October 2021.

Tijuana River Valley Pollution Crisis

Local, state, and federal partners continue to work toward resolving the Tijuana River Valley pollution crisis. On August 6, the US EPA updated the public on the results of the alternative analysis and presented an overview of several high performing alternatives efforts to address transboundary wastewater pollution issues in the San Diego/Tijuana region, in accordance with the US-Mexico-Canada (USMCA) treaty legislation. Once the alternatives analysis and report are complete, the US EPA will initiate the Environmental Impact Statement Process, which is expected to occur later this summer or in the fall. Commission staff continues to track the progress of the USMCA Mitigation of Contaminated Transboundary Flows project and engage with local partners and agencies to explore collaboration opportunities.

Offshore Renewable Energy Applications

Staff continues to process two offshore wind energy applications for tide and submerged lands located off the coast of Vandenberg Air Force Base. On July 16, staff released a Preliminary Environmental Assessment for a 60-day public review and comment period. Staff is continuing to host engagement meetings with stakeholders and to reach out to our agency partners to offer meetings to discuss feedback on the preliminary environmental assessment. When the public comment period ends, on September 13, , staff will review the comments, and then develop a staff report and recommendation on next steps for Commission consideration at the October 21 public meeting.

Poseidon Huntington Beach Desalination Project

On April 29, 2021, the State Water Resources Control Board voted 4-3 to issue a National Pollutant Discharge Elimination System (NPDES) permit for the proposed desalination facility. The Permit implements Ocean Plan requirements and a Water Code section 13142.5(b) determination to evaluate a range of alternatives proposed by Poseidon for the best available site, design, technology, and mitigation measures to minimize intake and mortality of all forms of marine life and to determine the best combination of feasible alternatives to minimize that intake and mortality. Poseidon will install 1-millimeter fine mesh wedge wire screens on the plant's intake pipe and affix a diffuser to its discharge structure to reduce marine mortality and impacts of the brine effluent to the ocean. Poseidon will also implement mitigation at the Bolsa Chica Wetlands to achieve 59.2 acres of mitigation and create an artificial reef

offshore of Palos Verdes to restore rocky reef habitat buried by recent landslides, for an additional 41.3 acres of mitigation.

The State Water Resources Control Board amended the permit requirements proposed in the Tentative Order to require Poseidon to complete 60 percent design plans, develop estimated timelines and costs, and provide financial assurances for its mitigation projects before discharging wastewater into the ocean. Once these conditions have been met, the discharger can request that the Board reopen the order to consider removing the prohibition on discharge and intake before obtaining the mitigation permits.

Poseidon will need a Coastal Development Permit from the California Coastal Commission to finalize a purchase agreement with the Orange County Water District. Poseidon submitted their application to the Coastal Commission on July 9. State Lands Commission approval is required for any substantial differences that may exist between the project as approved by the Board and by the Coastal Commission compared to the project as previously approved by the State Lands Commission, including the changes to the diffuser design in the Board permit. If Poseidon obtains Coastal Commission approval, Poseidon plans to apply to the State Lands Commission to amend its current lease to incorporate the Board's permit requirements and changes to Poseidon's proposed intake and diffuser design, as well as other changes that might be required by the Coastal Development Permit.

Poseidon is required to coordinate with the State Lands Commission to implement the Board-approved mitigation actions at Bolsa Chica and offshore of Palos Verdes. As required by the Board permit, Poseidon submitted a draft Coordination and Communication Plan to the Board for development and implementation of the mitigation on June 8. On August 2, Board staff determined the Plan did not meet the requirements of the Board permit and provided comments for revision of the plan.

The State Lands Commission's 2017 lease amendment to Poseidon's lease, approving the previous design, was challenged in court on CEQA grounds. In 2019, the Sacramento Superior Court ruled in favor of the Commission, upholding its decision to approve the lease amendment. Earlier this year California's Third District Court of Appeal upheld the Superior Court's decision. The petitioners petitioned the California Supreme Court to review the appellate decision. The Supreme Court denied this request on July 28, 2021, concluding the case.

San Onofre Nuclear Generating Station Units 2&3 Decommissioning

The State Water Resources Control Board notified Southern California Edison that they will not pursue additional enforcement actions relating to the March 25, 2020 sewage release and consider the matter resolved. Southern California Edison anticipates permitting activities in late 2021 and early 2022 to accommodate the required State Water Quality Control Board final approved 401 water quality certification and a US Army Corps of Engineers Clean Water Act Section 404 individual permit, as required under the Clean Water Act.

The San Diego Air Pollution Control District performed a routine unannounced site inspection in early March, and no issues or problems were identified. In July, Aspen Environmental Group provided staff with the latest monitoring report on the onshore construction activities. Major onshore activities will continue to occur at the existing facility. Onshore work will include, but not be limited to, the following: the establishment of equipment and material staging yards; the reconfiguration and/or reinforcement of site access roads and entrances; the installation, modifications, or upgrades to rail infrastructure; the construction of temporary containment enclosures to perform decontamination and dismantlement tasks; the completion of radiological remediation pursuant to applicable U.S. Nuclear Regulatory Commission regulations; the segmentation and packaging of reactor vessel internals for shipment and disposal; the removal and disposal of large components (e.g., reactor vessels, steam generators, pressurizers, turbine-generators); the dismantlement of container buildings; the removal of all remaining above-ground structures; and the partial removal of subsurface structures, systems, and components.

Construction activities offshore are anticipated to start in 2024. Southern California Edison anticipates continuing to discharge through the Unit 2 conduit into the ocean through early 2024 as part of the operation and maintenance of the sewage treatment plant, and the sumps, in addition to draining the spent fuel pools.