

EXECUTIVE OFFICER'S REPORT

December 8, 2021



California State Lands Commission

Pipeline P00547/Southern California Oil Spill Update

As previously reported, on October 2, the U.S. Coast Guard received a report of an oil sheen off the coast of Newport Beach. A Unified Command composed of representatives from the U.S. Coast Guard (USCG), California Department of Fish and Wildlife's Office of Spill Prevention and Response (OSPR), Amplify Energy Corp (the Responsible Party), Orange County and San Diego County has been established.

All available actions have been and continue to be taken to ensure the safety of the public and response personnel, to recover spilled oil, to maximize the protection of environmentally sensitive areas and minimize impact to maritime commerce. Response efforts continue from Long Beach to La Jolla. On November 20, crews scheduled for planned work on the pipeline observed and reported a sheen of 30' by 70' as they approached the pipeline. Divers conducting pipeline assessments discovered small droplets on the syntho-glass wrap. The old wrap was removed from the line and new wrap was installed.

On December 1, USCG and OSPR investigated a report of a sheen near federal platforms Ellen and Eureka, approximately 5 miles from the damaged pipeline. A USCG pollution response team deployed to the area, and in consultation with an OSPR environmental scientist, determined that the sheen was consistent with bacteria and not a petroleum product. Samples were taken as a precaution and an absorbent pad was placed on the sheen, but only green algae was present. Out of an abundance of caution, the Unified Command directed crews monitoring the pipeline to conduct a dive survey of the pipeline wrap section. The dive crews confirmed that the wrap was secure and not leaking. The pipeline has remained shut down since the initial incident. Platforms Ellen, Eureka, and Elly also all remain shut down since the October 2 incident.

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On November 30, based on a determination from the Office of Environmental Health Hazard Assessment that there is no further risk to public health related to seafood consumption, the California Department of Fish and Wildlife lifted the fisheries closure related to the October 2 Incident. In the coming weeks, the Office of Environmental Health Hazard Assessment will post reports on their website, <https://oehha.ca.gov/fish/oil-spills-seafood>, that summarize the chemical testing results and risk. Up-to-date information, including affected wildlife, amount of oil collected, and miles of shoreline impacted, are available at <https://socalspillresponse.com/>.

The minimum release volume has been established as 24,696 gallons. The USCG and partner agencies continue to investigate the cause of the pipeline fracture. USCG is leading a joint investigation, with assistance from the National Transportation Safety Board, Bureau of Safety and Environmental Enforcement, and the Pipeline Hazardous Materials Safety Administration.

The 17.7 mile-long pipeline at issue transports oil from the federal Platform Elly through federal waters into state waters and terminates at the Port of Long Beach. A 4.41 mile section of the pipeline is under lease from the State Lands Commission (Lease No. 5636). The lease, issued to Shell Oil Company in 1979, authorizes the operation and maintenance of a 16-inch diameter pipeline from where it enters the state's 3-mile jurisdiction, from Platform Elly, to the tidelands grant area that the City of Long Beach owns and manages in trust. The line was installed in 1980 in conjunction with the construction of platforms in federal waters. Since then, the Commission has authorized lease renewals, assignments, rent reviews and other actions. The Commission's current lessee for this section of the pipeline is San Pedro Bay Pipeline Company, a subsidiary of Amplify Energy Operations, LLC.

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Rincon Well Abandonment and Decommissioning Project

There are no new updates since the October Executive Officer's Report. Phase 1 work, abandoning the wells and facilities at Rincon Point in Ventura, is complete. The Rincon facilities will remain in caretaker status until the Phase 2 Feasibility Study and CEQA documentation are complete, and until the Phase 3 work, the final island and onshore decommissioning, commences.

Padre Associates, the Commission's environmental consultant, is conducting surveys and assessments to inform a Feasibility Study and subsequent CEQA document, both of which will evaluate decommissioning alternatives for the final disposition of the island and onshore facilities. Staff continues to conduct public outreach, particularly to Mussel Shoals residents. Staff will convene another public outreach meeting after publishing the draft Feasibility Study in the 1st quarter of 2022.

Staff has begun informal consultation with other government agencies, including the California Coastal Commission, State Coastal Conservancy, California Department of Fish and Wildlife National Marine Fisheries Service, and Ventura County. This consultation will continue next year after staff releases the draft Feasibility Study. CEQA analysis will start after staff presents the final Feasibility Study to the Commission.

Platform Holly/Piers 421 Decommissioning (South Ellwood) Project

Well plug and abandonment operations at Platform Holly resumed in October—after a 528-day hiatus owing to the Covid-19 pandemic. As of date of this report, three of the thirty wells have been permanently sealed to date. Staff estimates that the remaining work will be complete in 12-18 months. Staff also, as it has since the oil and gas operations ended in 2017, continues to maintain and monitor Platform Holly to ensure public health and safety.

Commission staff, in partnership with the City of Goleta, is hosting a virtual town hall on December 8 at 6 p.m. to update the community and stakeholders about the well plug and abandonment work on Platform Holly and the eventual decommissioning.

The Commission is the lead agency for the PRC 421 decommissioning project, which is a project to decommission two caissons, pier structures, and associated

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facilities on Haskell's Beach in the City of Goleta. Staff established a Joint Review Panel, comprised of the City of Goleta and the California Coastal Commission, to collaborate on the preparation of the Environmental Impact Report for the project. The purpose of the Joint Review Panel is to avoid duplication in staff efforts, share staff expertise and information, promote intergovernmental coordination, and to serve the public interest by producing a more efficient environmental review process. Staff anticipates releasing the Draft Environmental Impact Report for the PRC 421 decommissioning project later this year or early next year.

SB 44 Legacy Well Remediation Program

The Commission and its consultant, InterAct PMTI, re-abandoned the Duquesne 910 well at Summerland Beach in early December. Similar to the Olsson-805 well re-abandonment staff completed this past July, there was no offshore component to this well re-abandonment. The project site was accessible from shore and all equipment remained on the beach above the waterline. This re-abandonment work is an essential part of the Commission's efforts to permanently stop oil from leaking legacy wells from leaching into surrounding waters and onto Summerland beach. Funding for the Duquesne 910 well remediation came from SB 44 (Jackson, Chapter 645, Statutes of 2017), which provides the Commission with up to \$2 million a year for seven years to plug abandoned oil wells in California. Staff will continue to monitor and investigate remaining legacy wells off Summerland Beach and plan for additional re-abandonments in the coming years.

Hollister Ranch Public Access Program

On November 18, the California Coastal Commission held its first public workshop on the draft Hollister Ranch Coastal Access Program. The purpose of the workshop was to present the draft Coastal Access Program and hear from the Commissioners and the public regarding additional thoughts, concerns, ideas, and questions.

The state agency team staff presented the draft Coastal Access Program during the workshop, which was followed by over 100 presentations and speakers, including the four state agency directors, Senator Limón, Chumash Tribal Officials, working group members, Hollister Ranch property owners and other

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stakeholders. After over seven hours of testimony, during which over 90 individuals testified, the state agency team responded to comments and the California Coastal Commission provided staff with direction. The state agency team staff now is revising the draft Access Program based on public input, and will bring a revised draft to the California Coastal Commission in early 2022.

As background, since 2019, the Hollister Ranch state agency team and its consultants have spearheaded a robust public engagement process to develop a contemporary Hollister Ranch Coastal Access Program—pursuant to AB 1680 (Limón, Chapter 692, Statutes of 2019). The state agency team established a stakeholder working group that met regularly over the past year and a half to assist in developing the draft Program. The team interviewed 18 stakeholder groups, issued four public surveys, and convened interactive public engagement sessions, including hosting two public meetings and eight focused listening sessions with stakeholders, environmental justice communities, youth, and Chumash tribal representatives. Formal Chumash tribal consultations were initiated this past June and are ongoing.

Tijuana River Valley Pollution Crisis

On November 8, the US EPA announced that it would proceed with environmental review of a suite of water infrastructure projects, referred to as a comprehensive infrastructure solution, to address the transborder water pollution that flows from the Tijuana River in Mexico to the U.S. This approach will enable the US EPA to implement a phased approach in the design and construction of various water infrastructure projects. The US EPA committed to continue to engage the public and stakeholders during the National Environmental Policy Act review process and to work with their counterparts in Mexico to ensure binational support for water infrastructure projects. The US EPA intends to update to the public on the status of the environmental review process early next year.

Poseidon Huntington Beach Desalination Project

Poseidon is required to coordinate with the Commission to implement Board-approved mitigation actions at Bolsa Chica, a coastal estuary located in Huntington Beach, and offshore Palos Verdes. On June 8, Poseidon submitted a draft Coordination and Communication Plan to the Board, as required by the Santa Ana Regional Water Quality Control Board. On August 2, Board staff

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determined that the Plan did not meet the permit requirements and provided comments for revision of the plan.

On November 15, the Board received Poseidon's revised Coordination and Communications Plan, pursuant to the terms and conditions in Order R8-2021-001 NPDES No. CA8000403 for the development of the Marine Life Mitigation Plan for the proposed Huntington Beach Desalination Project. The Coordination and Communications Plan will be distributed to agencies collaborating on the proposed Bolsa Chica and Palos Verdes artificial reef projects once the Board's Executive Officer approves it. Poseidon proposes to schedule its first (regularly or as needed) agency representatives meeting, which consists of one representative from each agency, to collaborate and provide written feedback on the restoration plans for the Bolsa Chica Palos Verdes Artificial Reef mitigation projects.

Under the Coordination and Communications Plan, Poseidon proposes that the Board remove the operating prohibition from the Order upon approval of the 60 percent design plans for the two mitigation projects. The Coordination and Communications Plan includes a process for Commission staff and a steering committee to provide feedback on the Bolsa Chica plans before the Board considers approving the plan. There is also a process for Commission staff to provide feedback on the Palos Verdes Artificial Reef mitigation plan.

Offshore Renewable Energy Applications in the Pacific Ocean, Near Vandenberg Space Force Base

On October 21, the Commission delegated authority to its Executive Officer to solicit statements of interest for consultant services to prepare an Environmental Impact Report to evaluate the potential impacts of two proposed offshore wind installation projects in state waters. Staff continues to work with the applicants (CADEMO Corporation and IDEOL USA Inc.), the California Coastal Commission, and the Department of Fish and Wildlife to define the consultant's scope of work and necessary baseline studies.

On November 9, staff met with the applicants and provided an overview of the CEQA process associated with the applications. Staff held follow up discussions with each applicant on December 2 and December 7 to further elaborate on the CEQA process and answer questions. Staff anticipates releasing a bid solicitation in early 2022.

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Coordinated Offshore Wind Energy Planning in Federal Waters

Staff participates in several offshore wind planning efforts related to offshore wind energy develop in federal waters. The Commission is a member of the BOEM-CA Intergovernmental Task Force for offshore wind. In this capacity, staff has been involved in the initial development of “call areas” offshore Morro Bay and Humboldt where BOEM is considering leasing for offshore wind facilities. BOEM recently announced “Wind Energy Areas” that substantially reflect the same areas as the call areas and is preparing Environmental Assessments for each area as a precursor to auction/lease sales. Staff also participates in early outreach to the fishing community and Native American tribal governments as part of a collaborative state agency team generally organized around the recently enacted AB 525 (Chiu, Chapter 231, Statutes of 2021). AB 525 requires the California Energy Commission, in collaboration with specified state agencies, to develop a strategic plan for developing offshore wind in federal waters off the coast of California. As part of this strategic plan development, staff is requesting authority ([Item 71](#)) to enter into an agreement with the California Energy Commission and solicit for consultant services to prepare an assessment of seaport readiness and necessary investments to facilitate offshore wind fabrication, assembly, and operations and maintenance activities.