

# EXECUTIVE OFFICER'S REPORT

August 23, 2022



## California State Lands Commission

### All American Derelict Vessel Removal

Earlier this month, the Commission removed the burned debris of the vessel *All American* from the Sacramento River just north of the I-80 Bridge in Sacramento County. The *All American* was an 85-foot-long Air-Sea Rescue vessel, a type of vessel used by the military during World War II and the Korean War to rescue downed pilots. The vessel was decommissioned in the 1970s and eventually ended up in private ownership. A homeowner used the *All American* to tow a large boat from Antioch to Sacramento. On June 21, shortly after the tow, the *All American* burned at a private dock in the Sacramento River on public land under the Commission's jurisdiction and stewardship.

After the fire was extinguished, the *All American* was at threat of breaking apart and releasing residual petroleum, hazardous waste, and debris into the water. Ownership of the vessel is disputed, and no private party was identified as both responsible and able to timely remove the burned vessel. Sacramento County requested the Commission's assistance to remove and dispose of the vessel. The Commission's Executive Officer declared an emergency pursuant to the Commission's delegation of authority, entered into a contract with Lind Marine for removal and disposal, and coordinated with the Department of Toxic Substances Control to abate hazardous waste before vessel removal. Staff also began negotiating a monetary settlement with the homeowner. The Commission's contractors safely removed the *All American* from the water using a barge-mounted excavator, removing a threat to the environment, navigation, and health and safety. Several local media outlets published news reports about the vessel removal. More information is in [Staff Report 44](#) on today's agenda, and below are pictures of the vessel and the removal operation.

# EXECUTIVE OFFICER'S REPORT

August 23, 2022



*Photo courtesy of Sacramento County Sheriff's Office*



*Photo courtesy of Sacramento County*

# EXECUTIVE OFFICER'S REPORT

August 23, 2022



## Legislative Update

The Legislature must adjourn by midnight on August 31. Bills that are passed before August 31 must be signed or vetoed by September 30 or they become law without the Governor's signature. On August 11, the Senate and Assembly Appropriations committees dispensed with 814 bills, passing 612 bills to their respective floors and holding 202 bills, and that is in addition to the roughly 360 measures that were already on the two floors. AB 2257 would require the Commission to perform a cost study evaluating the fiscal impact of voluntary relinquishing offshore oil and gas leases. SB 1065 would establish an abandoned and derelict commercial vessel program that the Commission would administer. AB 353 would remove the \$300 million cap in the Long Beach Oil Trust Fund, resuming deposits from the State's share of Long Beach oil operation revenues until the Fund reaches a balance that will cover the State's abandonment liabilities. Staff expects these bills to proceed to the Governor's desk. Additional information is in [Staff Report 48](#) on today's agenda.

Several significant policy and budget items remain in flux but are expected to resolve before the August 31 adjournment deadline. These include a multi-billion-dollar climate package and potentially extending the operation of the State's last operating nuclear power plant, Diablo Canyon, by five to ten years. On August 11, the Governor's office provided legislators with a copy of the draft legislation to extend the operation of the Diablo Canyon power plant.

At the federal level, the recently signed Inflation Reduction Act will invest approximately \$369 billion over the next ten years in energy security, environmental justice, and climate change programs and is projected to lower carbon emissions by roughly 40 percent by 2030. As noted in the New York Times, "If enacted, it would be the most significant climate law ever put in place in the United States, investing hundreds of billions of dollars over 10 years in tax credits for manufacturing facilities for things like electric vehicles, wind turbines and solar panels, and \$30 billion for additional production tax credits to accelerate domestic manufacturing of solar panels, wind turbines, batteries, and critical minerals processing. The Act would also impose a fee to penalize excessive emissions of methane, a greenhouse gas."

# EXECUTIVE OFFICER'S REPORT

August 23, 2022



## **Online Payment Portal**

Last month, the Commission launched a new online payment portal on its website. Lessees and applicants can now pay rent, invoices, and other expenses online. The payment portal is the culmination of two years of work and the product of collaboration between the Commission's accounting and information technology teams, and aligns with the strategic plan objective to leverage technology. The online payment portal will benefit applicants and lessees while increasing security and improving process efficiency. Staff anticipates offering additional online services in the future, and is really excited about this new service.

## **Platform Holly and Piers 421 Decommissioning (South Ellwood) Project**

Staff continues to maintain and monitor Platform Holly offshore Santa Barbara and the onshore facilities to ensure public health and safety. Staff, ExxonMobil and their subcontractors have continued to plug and abandon the platform wells. As of today, five of the 30 wells have had surface plugs installed and are permanently sealed. Operations are proceeding on schedule, with 22 of the remaining 25 wells having had the lower oil producing formations sealed off. Once the remaining three wells have the lower formations sealed, work will start to seal all wells at the surface. Staff expects the well work on Platform Holly to finish by early next year, and is working closely with ExxonMobil and their subcontractors to ensure the work is conducted safely and responsibly. Staff and the Commission's contractors continue work to develop a plan to flush and inert both Platform Holly and the Ellwood Onshore Facility when the well plug and abandonment ends. This will enable us to put both facilities into caretaker status while a platform removal engineering study and environmental analysis are underway.

The PRC 421 pier and caisson removal project is scheduled to begin the week of August 29 and take about six months to complete. This project is to remove two piers and caisson structures at Haskell's Beach in the City of Goleta. The piers and caissons formerly supported two oil wells in the surf zone near the Sandpiper Golf Course that the Commission, together with its contractor, Beacon West, plugged in 2019. Removing the two piers and caissons will mark the end of the Ellwood Oil Field that began production in the 1930s.

# EXECUTIVE OFFICER'S REPORT

August 23, 2022



## **Tijuana River Pollution Crisis**

On June 10, the US EPA released a draft Programmatic Environmental Impact Statement for the USMCA Mitigation of Contaminated Transboundary Flows Project. The Proposed Action evaluated in the draft environmental document is the issuance of U.S. appropriations (including but not limited to USMCA Implementation Act appropriations) to implement projects that address impacts from transboundary flows in the Tijuana River watershed and adjacent coastal areas. Alternative 1 includes “core projects” that are sufficiently evolved to be ready for decision making and, after completing the NEPA process, would be considered analyzed in sufficient detail for immediate action. Alternative 2, “the comprehensive solution,” includes the core projects identified in Alternative 1 plus a larger range of projects known as supplemental projects, which require additional consideration in subsequent NEPA documents before a decision can be made. The Commission, in a joint comment letter from state and local partners, expressed support for Alternative 1 and emphasized the importance of pursuing Alternative 2. Staff continues to collaborate closely with federal, state, and local partners to address the ongoing pollution crisis at the border and will continue to monitor for updates as the environmental review process is finalized proposed actions are implemented.

## **Offshore Wind Energy**

### Offshore Wind Energy Applications

Staff continues to process two applications for wind energy projects offshore of Vandenberg Space Force Base. Staff anticipates releasing a Request for Qualifications (RFQ) this fall for an environmental consultant to prepare an Environmental Impact Report for the CADEMO project, and as part of that, is working with the Coastal Commission through a Joint Review Panel to finalize the scope of work. Staff will continue working with other responsible and trustee agencies, stakeholders, and tribes during the CEQA process. Staff is also working with Vandenberg Space Force Base to schedule a site visit in September. As previously reported, at the applicant's request, staff has paused processing BW IDEOL's application.

# EXECUTIVE OFFICER'S REPORT

August 23, 2022



## Coordinated Offshore Wind Energy Planning in Federal Waters

Staff continues to participate in offshore wind planning in federal waters as a member of the Bureau of Ocean Energy Management (BOEM)-California Intergovernmental Task Force for offshore wind, and as a state agency named in AB 525 (Chiu, Chapter 231, Statutes of 2021), which requires the state to develop a strategic plan for offshore wind in federal waters off the coast of California. Several developments have occurred in recent months related to the federal leasing process and task force, AB 525 planning and compliance, and outreach, all of which are detailed below.

On August 1, the Commission and other members of the state agency task force submitted a comment letter to BOEM regarding their proposed sale notice for wind energy development in the Humboldt and Morro Bay wind energy areas. The letter highlights the importance of robust community benefit agreements that equitably engage all stakeholders and encourage investments necessary to establish a floating offshore wind supply chain for California. BOEM anticipates releasing a final sale notice this fall.

On August 10, the California Energy Commission approved a report outlining “maximum feasible capacity” planning goals for offshore wind. The report establishes offshore wind planning goals of 2-5 gigawatts by 2030 and 25 gigawatts by 2045. The California Energy Commission created four technical working groups for AB 525 implementation: transmission infrastructure, environmental/sea space analysis, port infrastructure/workforce development, and tribal and cultural resources. Commission staff are a part of the latter three groups and is working with each group to deliver a strategic plan report later this year.

With respect to port infrastructure and capacity, Commission staff is working closely with the California Energy Commission and BOEM to assess seaport readiness and determine the necessary physical investments to facilitate successful offshore wind energy development consistent with the planning goals. Commission staff, together with California Energy Commission staff and the contractor the Commission selects, is conducting a high-level feasibility screening and analysis of existing waterfront facilities to determine whether any have potential to be redeveloped into a working port that could provide offshore wind unit integration and deployment as well as other non-offshore

# EXECUTIVE OFFICER'S REPORT

August 23, 2022



wind services that would benefit local communities. A final report with the results of this analysis is expected to be complete in late 2022.

Commission staff continues to outreach to the fishing community and tribal governments to ensure meaningful and inclusive participation by these important partners and stakeholders. On June 14 and 19, staff met with fishermen, processors, and port staff in Eureka and Morro Bay, respectively. The goal of the meetings was to further discussions on the lease stipulations of the proposed sale notice. Commission staff also spoke with fisherman to hear their concerns about impacts of offshore wind development to the fishing industry.

## **Marine Invasive Species Program**

On June 30, the Western Governors approved five policy resolutions, including [Policy Resolution 2022-11, Biosecurity and Invasive Species Management](#). Staff worked closely with the Governor's office and staff of the Western Governors' Association (WGA) to provide input on the development of the resolution. The resolution includes policy statements calling for enhanced regional coordination of biosecurity and invasive species control efforts and the need to "advocate for regional needs at the federal level." The resolution urges Congress and the Administration to support state invasive species programs, ensure accountability and oversight of federal agencies, and ensure availability of invasive species funding that can "multiply state resources and support jurisdiction-led biosecurity and invasive species management projects." The resolution calls on the US Coast Guard and the US EPA to consult with western governors, as directed by the federal Vessel Incidental Discharge Act, "to ensure that state and regional aquatic invasive species and water quality resource protection needs are met across the West and the Pacific." The resolution concludes by directing WGA staff to work with congressional committees, the Executive Branch, and other entities to achieve the resolution objectives. Through the Commission's Marine Invasive Species Program, staff will continue to work with partner agencies in Oregon, Washington, Hawaii, and Alaska to develop regional approaches to preventing species introductions and will work with the Governor's office and federal agencies to ensure federal laws and policies protect California and regional interests.

# EXECUTIVE OFFICER'S REPORT

August 23, 2022



## Hollister Ranch Coastal Access Program

At its June 23 meeting, the Commission authorized staff to hire a consultant to prepare a Programmatic Environmental Impact Report and appraisals for the Hollister Ranch Coastal Access Program. The state agency team is coordinating to initiate the Programmatic Environmental Impact Report and appraisals to obtain the necessary property rights for public access and the cultural and tribal resource studies. The State Coastal Conservancy is funding this work. The Coastal Commission will be the CEQA lead agency and will contract with the Commission to develop the Programmatic Environmental Impact Report. The Commission will be the lead agency for the appraisals, and the State Coastal Conservancy will be the lead agency for the cultural and tribal resource study, working closely with local tribal members and representatives.

While the state agency team has continued to meet with Hollister Ranch representatives over the last year, a voluntary public access program has not yet been identified. Stakeholders want to ensure that any interim/voluntary public access program does not impact existing tribal or cultural resources. Phase One of the State Coastal Conservancy's cultural and tribal resource study is the creation of a Tribal Working Group to guide the study. Once the study is completed, the state agency team will re-engage with Hollister Ranch representatives to determine if common ground can be found to provide interim voluntary public access while protecting tribal and cultural resources.

As background, since 2019, the 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, 2019). The team established a stakeholder working group that met regularly for a year and a half to assist in developing the draft Program. The team interviewed 18 groups, issued four public surveys, and convened interactive public engagement sessions, including hosting two public meetings and eight listening sessions with environmental justice communities, youth, and Chumash tribal representatives. Formal Chumash tribal consultations are ongoing, and the state agency team continues to regularly update stakeholders on the planning process.



# EXECUTIVE OFFICER'S REPORT

August 23, 2022



## **Poseidon Huntington Beach Desalination Project**

Poseidon has begun the process of shutting down its entitlement efforts for the proposed Poseidon Huntington Beach Desalination project. Poseidon remains a co-lessee on State Lands Lease No. 1980, a General Lease – Industrial Use for existing seawater intake and outfall pipelines that expires in 2026. The other lessee is AES Huntington Beach, LLC (AES). On May 31, Poseidon terminated a separate easement option agreement it had with AES. On June 3, Poseidon notified staff that it is no longer going forward with the project.

Commission staff met with Poseidon representatives in late June to discuss the need for Poseidon to apply for a lease amendment to remove Poseidon from Lease No. 1980. Shortly thereafter, on June 30, Poseidon submitted an application with the Commission (Application No. A3693).

Staff will continue coordinating with Poseidon and AES to process the application, and it is anticipated that the proposed lease amendment will be brought before the Commission by the end of the year.

## **San Onofre Nuclear Generating Station Units 2 & 3 Decommissioning**

Southern California Edison anticipates continued permitting activities in mid-2022 to accommodate the required State Water Quality Control Board final approved section 401 water quality certification and a U.S. Army Corps of Engineers Clean Water Act Section 404 individual permit required under the Clean Water Act.

On March 23, staff received the latest monitoring report on the onshore construction activities from Aspen Environmental Group. 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 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,

# EXECUTIVE OFFICER'S REPORT

August 23, 2022



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 2024 as part of the operation and maintenance of the sewage treatment plant, and the sumps, in addition to draining the spent fuel pools.