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California State Lands Commission

Budget and Legislative Update

The 2023-24 state budget includes two items specific to the Commission. The first is a \$3,660,000 appropriation from the General Fund, with an extended encumbrance period of June 30, 2026, to secure a caretaker to monitor Platform Holly located offshore of Santa Barbara. The caretaker will monitor, inspect, and promptly respond to conditions on and around Platform Holly during the caretaker period, which is the time between the final plug and abandonment of the 30 wells and when platform decommissioning begins. The second item is a reappropriation of \$1,625,000 from the General Fund and \$2,650,000 in reimbursement authority for the Selby Slag Phase 1 – Capital Outlay project, which has faced some delays.

An additional package of budget and budget related bills, following the June budget agreement, included a public resources trailer bill (AB/SB 122) that expresses legislative intent that the Administration assess offshore wind energy permitting and related resource needs across applicable state entities, including the State Lands Commission. Additional budget-related bills are expected to emerge in August or September.

This week marks the Legislature's return from a month-long summer recess and the last five weeks of the first year of the 2023-24 legislative session. September 14 is the last day for each house to pass bills and interim study recess begins at the end of this day's session.

On Thursday, July 27, the Governor signed the Commission's two sponsored bills, AB 706 (Rivas) and AB 1706 (Bonta) into law. AB 706, the Public Lands Modernization and Transparency Act, will modernize the Commission's mineral extraction laws to allow the Commission to incentivize safe exploration for minerals that could help California meet its clean energy goals. AB 1706 authorizes the Commission to grant public trust lands in the City of Alameda that it acquires in a land exchange, including the recently executed Encinal Terminals exchange, to the City to hold and manage in trust. The Governor also signed AB 655 (Petrie-Norris) into law, a bill the Commission adopted a support position on at its April meeting. AB 655 would protect California waterways from a Caulerpa infestation by expanding the current ban on Caulerpa, a genus of

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salt water algae, to all *Caulerpa* species owing to their invasive potential. The bill was introduced as an expansion on an existing ban of several (but not all) *Caulerpa* species and was the result of the detection and current eradication efforts for *Caulerpa prolifera* that is underway in Newport Harbor.

Three bills aimed at facilitating offshore wind energy are moving through the Legislature. These bills will either have an ancillary effect on the Commission or establish specific requirements on the Commission related to offshore wind energy. The Commission adopted a support position on one of the bills, AB 80 (Addis), at its June meeting. AB 80 would establish a West Coast Offshore Wind Science Entity to assess the environmental impacts of offshore wind energy development.

Other bills that directly affect the Commission include AB 1686 (Grayson), which authorizes the Commission to relieve the City of Martinez of a revenue sharing arrangement for an additional five years, and SB 273 (Wiener), a bill sponsored by the City and County of San Francisco that authorizes the Commission to approve a mixed-use development on Piers 30-32 if it makes certain findings. Also of note is that Assemblymember Villapudua reintroduced legislation Senator Eggman authored last year, which was vetoed, that would have required the Commission to administer a new abandoned and derelict commercial vessel program. All three of the above bills are proceeding.

On the federal level, Representative Garamendi secured his [H.R. 1452](#), legislation supported by the State Lands Commission, in the House's Fiscal Year 24-25 Coast Guard Authorization Act at markup. H.R. 1452 would require the United States Coast Guard to release ballast water treatment system type approval data to any State, the District of Columbia, or United States territory upon request. This requirement would enable the Commission to use the United States Coast Guard ballast water treatment system type approval data to assess the performance of available ballast water treatment systems. This information could help inform a petition from California to the US EPA to strengthen the federal ballast water discharge standards if the data support that conclusion. Staff is working with Representative Garamendi, US Senate staff, and other states to support keeping this provision in the final United States Coast Guard Authorization bill. Staff also coordinated a multi-agency support letter for the bill and its inclusion in the final Coast Guard Authorization Act.

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Marine Invasive Species Program

Our Marine Invasive Species Program (MISP) continues to lead the advancement of invasive species science to inform science-based policy at local to global levels. In June, MISP staff coauthored three important peer-reviewed research articles. One article, published with colleagues from Maryland and New Zealand in the journal *Frontiers in Marine Science*, focused on biofilms and in-water cleaning of commercial vessels to highlight the need for consistency when regulating different types of in-water cleaning methods and the need for further work to determine risks associated with biofilm microorganisms found on vessel hulls. This article is freely available via open access at:

<https://www.frontiersin.org/articles/10.3389/fmars.2023.1197366/full>. Another article, published with colleagues from New Zealand in the journal *Biofouling*, challenges the existing paradigm that biofouling is only problematic for a vessel's operations when on the hull because of drag and excess fuel consumption. This article describes trials using a vessel engine room simulator to determine the impacts, both operationally and financially, of biofouling within vessels' internal seawater systems. The takeaway from this article is that proper biofouling management of internal seawater systems is beneficial for both the shipping industry and biosecurity. This article is available at:

<https://www.tandfonline.com/doi/abs/10.1080/08927014.2023.2225411?src=&journalCode=gbif20>. The third article was published last Friday in the journal *Frontiers in Marine Science*. In this paper, we describe the negative environmental consequences associated with cleaning ships in the water (release of organisms, biocides, microplastics), and recommend ways to mitigate those consequences in a holistic fashion. The paper is available to the public via open access at:

<https://www.frontiersin.org/articles/10.3389/fmars.2023.1239723/full>.

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Climate Resilience Initiative 2023: Nature-Based Strategies

The Commission's Climate Adaptation and Special Initiatives (CASI) team launched a new effort, a climate resilience Initiative, to help the Commission act on its commitment to build a climate resilient California and achieve its Strategic Plan goals. Rising sea levels, warming temperatures, and increasingly frequent and intense wildfires are just a few examples of how climate change impacts are altering California's landscape and increasingly threatening our public trust lands resources. Climate resilience refers to the ability to prepare for, recover from, and adapt to climate change. The Commission plays an integral role in building resilience across the lands it manages.

The Commission's 2023 climate resilience initiative centers on nature-based strategies and solutions. Nature-based solutions and strategies, sometimes referred to as green or natural infrastructure, use existing natural landscape features, or engineered structures of natural materials that mimic naturally formed landscapes and functions, to minimize the risks of floods, erosion, and runoff. These strategies are identified as critical priorities in statewide policies and guidance documents, including the State Adaptation Strategy Guide, Extreme Heat Action Plan, the 30x30 initiative, Cutting Green Tape initiative, the Natural Working Lands Climate Smart Strategy, and the Commission's 2021-2025 Strategic Plan.

The CASI team is meeting with division leadership to identify potential actions and strategies that will help the Commission make progress toward its commitments to advance nature-based strategies. The CASI team is also developing educational opportunities for staff, including presentations, collaborative discussions, field trips and informational interviews to explore specific climate priorities and identify opportunities to implement actions that help California become more resilient. The first educational opportunity is an educational session next month where staff can help develop a shared understanding about nature-based strategies.

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Platform Holly Decommissioning Project

Staff continues to maintain and monitor Platform Holly to ensure public health and safety. Plugging operations on the Platform's 30 wells is complete and the risk from hazardous hydrogen sulfide gas emanating from the platform has been removed. Staff, ExxonMobil and their subcontractors continue to work on the abandonment process, which is nearly completed. The process train on the platform has been cleaned of residual hydrocarbons and the platform to shore pipelines have been cleaned and shut in. The next step in the abandonment process is to cut and remove the conductor casings, which will sever the connections from the platform to the seabed. Preparations for conductor removal have commenced and work is planned to start soon.

The Commission and its contractor have successfully decoupled Platform Holly from, and vacated, the Ellwood Onshore Facility, which had been supplying power, gas, and communications to the platform. Commission staff coordinated with the Trustee of the Venoco Liquidating Trust as well as state and local agencies to ensure a safe handover process.

Our environmental consultant has started developing an Environmental Impact Report to assess the decommissioning of Platform Holly and associated underwater infrastructure. Several dive surveys to assess the biodiversity existing around the platform have already been completed, with further surveys scheduled in the coming months.

Meanwhile, staff and its contractors continue to develop and implement plans to inert the platform after well abandonment work is complete. This will enable the platform to be put into a safe and clean caretaker status mode while ExxonMobil performs its platform removal engineering study and the Environmental Impact Report is completed. Staff continues to work closely with ExxonMobil and their subcontractors to ensure that the work is conducted safely and responsibly.

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Rincon Decommissioning Project

Staff anticipates releasing a Draft Environmental Impact Report for the Rincon Decommissioning Project by the end of the year. Staff will convene public meetings during the public review period to summarize the main components of the Draft and to accept public comments. Staff will continue its 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, as well as Native American tribes.

As background, the Commission approved staff recommendations in August 2022 for the Rincon Decommissioning Project Environmental Impact Report. The approved recommendations include elimination of the complete removal alternative from further analysis and consideration because it has been deemed infeasible, identifying the reuse alternative as the proposed project, and identifying alternatives to be analyzed in the Environmental Impact Report.

SB 44 Legacy Well Remediation Program

On August 14, Commission staff, as part of its Coastal Hazard and Legacy Well Remediation Program, started abandoning two legacy oil and gas wells offshore Summerland Beach along the Treadwell Pier (Treadwell-1 and Treadwell-5). The wells are approximately 20 feet underwater and are located roughly 500-600 feet from the shore. The work is being performed using a crane barge and will involve dive work operations. Staff expects the work to end by August 26, weather permitting. Notices about the work were posted at nearby locations (Lookout Park, Loon Point, Wallace Ave) and in the Santa Barbara Independent. Staff and its contractor informed the Summerland Community about the work and notified the Joint Oil/Fisheries Liaison Officer, issued a Notice to Mariners, and informed the US Coast Guard.

Staff will perform a survey after the work is complete to assess whether there are additional leaking wells to address in future SB 44 funded re-abandonments. The Legacy Well program team continues to meet with stakeholders and plan for future projects.

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Tijuana River Update

On June 9, the US EPA and International Boundary and Water Commission, U.S. Section (USIBWC) issued a Record of Decision for the proposed United States-Mexico-Canada Agreement (USMCA) Mitigation of Contaminated Transboundary Flows Project. The Record of Decision identifies Alternative 2 as the preferred alternative. Within Alternative 2, the EPA and USIBWC have determined that Project A, Option A3 (Expand to 60 million gallons per day) and Project B, Option B1 (Trenching via Smuggler's Gulch and Monument Road) are the preferred selected sub-options in Alternative 2. Option A3 will be implemented under a phased approach, with the first phase expanding the South Bay International Wastewater Treatment Plant up to 50 million gallons per day using funds appropriated to the USMCA. Other selected sub-options and supplemental projects identified in the Record of Decision are contingent on additional funds and/or environmental review. During the comment period on the Draft Programmatic Environmental Impact Statement, the Commission, in partnership with state and local partners, submitted a joint comment letter supporting Alternative 2 and emphasized the importance of pursuing Alternative 2.

The ongoing and recent beach closures and advisories due to excessive bacteria levels from transboundary sewage contamination underscore the need for a comprehensive solution to reduce transboundary flows, and this Record of Decision is a critical step forward. Still, there is much work and funding needed to fully implement the options and projects identified in Alternative 2. On June 27, the San Diego County Board of Supervisors voted unanimously to declare a county-wide state of emergency due to the recent pollution and sewage flows. Recent closures and declaration of a county-wide state of emergency by the board emphasizes the need for action and funding to fix current infrastructure failings and implement improved wastewater management systems. The Commission remains engaged with federal, state, and local partners to address the pollution crisis at the border and will continue to monitor for updates on the implementation of selected options.

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San Onofre Nuclear Generating Station Units 2 & 3 Decommissioning Project

On July 14, staff received the Quarterly Progress Report – Investigation of Non-Radiological Chemicals of Concern Second Quarter 2023 (CAD000630921). During the second quarter 2023, the San Diego County Department of Environmental Health and Quality Monitoring Well (MW) Program inspected the groundwater monitoring wells and soil vapor probes installed under permit LMWP-005092 and found that 30 monitoring wells had deficiencies. A total of 23 monitoring wells had water within the well vault; seven monitoring wells need repairs to the flush-mounted, traffic-rated well vault, and three of those wells had water within the well vault. The San Diego County Department of Environmental Health and Quality recommended that that the tabs of the well vault be replaced in six wells (MW-5 through MW-9, and MW-11); however, due to the construction of the well vaults, the tabs alone cannot be repaired or replaced. The entire well vault will be replaced for those six wells along with MW-10.

The water has been removed from 23 monitoring well vaults, and photographic documentation was provided in the Inspection and Corrective Actions for the Permit Number LMWP-005092 report. Well box and/or surface completion repairs are being planned for seven groundwater monitoring well locations (MW-5 through MW-11). Repairs are planned to be performed before the next sampling event planned for the third quarter 2023. No samples were submitted to the laboratory during the second quarter 2023.

On June 27, the Executive Director of the Coastal Commission waived the requirement for a Coastal Development Permit pursuant to section 13238.1 Title 14, of the California Code of Regulations for the proposed project to remove two abandoned corrugated metal drainage pipes from the bluff adjacent to parking lot four at the San Onofre Nuclear Generating Station and a concrete energy dissipator from San Onofre State Beach. The structures, constructed by Southern California Edison in 1964, are no longer in use. The Department of Parks and Recreation requested that the structures be removed. The proposed Project is part of the Decommissioning project and is not within the Commission's leasing jurisdiction. The proposed Project will not adversely impact coastal resources, public access, or public recreation; is consistent with past Coastal Commission actions in the area; and is consistent with Chapter 3 policies of the Coastal Act.

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On May 9, the U.S. Nuclear Regulatory Commission issued Materials License No. SNM-2516 to Holtec, pursuant to 10 CFR Part 72. Issuance of this license constitutes authorization for a 40-year term to receive, possess, store, and transfer spent fuel and associated radioactive materials at the HI-STORE Consolidated Interim Storage Facility in Lea County, New Mexico. While no plans have been announced to move SONGS spent fuel to the future interim storage facility, the licensing marks a step forward in national efforts to store spent fuel.

SONGS' new NPDES permit began on June 1, 2023. On June 26, 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 the establishment of equipment and material staging yards; the reconfiguration and/or reinforcement of site access roads and entrances; installation, modifications, or upgrades to rail infrastructure; construction of temporary containment enclosures to perform decontamination and dismantlement tasks; completion of radiological remediation; 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 2024 as part of the operation and maintenance of the sewage treatment plant and the sumps, in addition to draining the spent fuel pools.