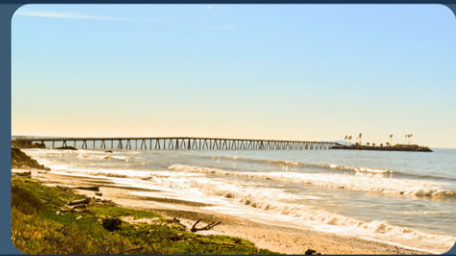


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State Budget

The 2024-25 state budget assumes savings related to departments' vacant position funding and reduced operating budgets in order to achieve a balanced budget. The savings amount was calculated by reducing vacant position funding by 50 percent and decreasing operating budgets by up to 7.95 percent. This means that staff will have to reevaluate current spending and exercise even more prudence when it comes to committing new funds.

The budget also restores \$36 million in funding for offshore wind port infrastructure. The budget also provides \$600,000 to the Ocean Protection Council for three permanent positions and \$3 million to develop an offshore wind environmental monitoring expert panel and begin implementing an offshore wind environmental monitoring and research program. The budget provides \$5.3 million in 2024-25 and two permanent positions to the California Coastal Commission for offshore wind energy and \$1.5 million in 2024-25 for call area planning and management. The budget provides \$5.55 million and four permanent positions in fiscal year 2024-25 to the State Lands Commission for offshore wind energy planning and activities.

In addition to the offshore wind energy funding, the state budget appropriates \$20,782,000 to the Commission from the Federal Trust Fund to implement a [Methane Reduction Program for marginal conventional wells](#). The budget also reappropriates (extends a past appropriation's availability) \$1,625,000 and \$2,650,000 in reimbursement authority to the Commission for the Selby Slag capital outlay project in the town of Rodeo, and \$11,500,000 to plug and abandon wells and oil infrastructure on Platform Holly, offshore Santa Barbara.

Offshore Wind Energy

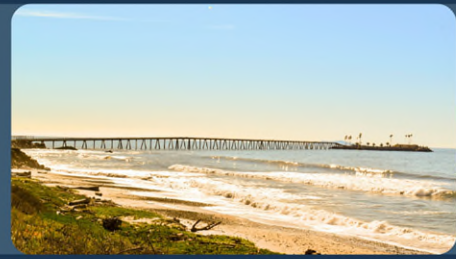
Strategic Plan

The California Energy Commission approved the AB 525 [Strategic Plan](#) for offshore wind development in federal waters off the California coast. The Strategic Plan, the culmination of efforts by the Energy Commission, the State Lands Commission, and other agencies over nearly three years, sets out a roadmap for the development of offshore wind energy in California.

Commission staff were involved in all phases of the plan development, including overseeing the development of three reports about ports and workforce

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readiness. Staff also focused its attention on sections describing potential impacts on California Native American Tribes and underserved communities and measures to reduce those impacts

California Leases: Federal Programmatic Environmental Impact Statement

Staff continue to work with the Bureau of Ocean Energy Management to develop a [Programmatic Environmental Impact Statement](#) for the five lease areas in federal waters off the California coast. The Bureau is expected to release the draft later this year. Commission staff signed a [Memorandum of Understanding](#) with Bureau staff in July to facilitate communication and information sharing.

Tribal and Fisheries Outreach

Staff continue to engage tribal governments and communities through the Energy Commission-led Tribal-Offshore Wind Working Group. Staff also participate as members of the California Offshore Wind Fisheries Working Group, which is developing a strategy to avoid, minimize, and mitigate impacts to fishing and fisheries from offshore wind.

Surveys

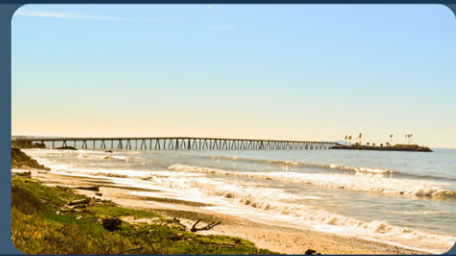
Three of the five federal lessees, [Atlas Offshore Wind](#), [Golden State Wind](#), and [RWE](#), have begun site assessment surveys in federal waters. Atlas is the only lessee anticipated to survey in state waters this year. The Commission issued a geophysical survey permit to Atlas' contractor, Ocean Infinity, for the surveys in state waters. Golden State Wind and RWE are not expected to begin surveying in state waters until 2025 and 2028, respectively. Vineyard and Invenergy are developing site survey plans for submittal to the Bureau of Ocean Energy Management. Staff do not anticipate receiving survey permit applications from these lessees before the end of the year.

CADEMO Application to Install Four Floating Wind Turbines

Staff continue to process the offshore wind energy application for the CADEMO project near Vandenberg Space Force Base. Staff are finalizing a Memorandum of Understanding with the Department of the Air Force, California Coastal Commission, and National Oceanic and Atmospheric Administration to share information, environmental analysis, and interagency communication. Staff are continuing discussions with the applicant to coordinate the scope of work for

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baseline studies to support environmental analysis for the Environmental Impact Report/Environmental Impact Statement.

Wave and Tidal Energy

[SB 605](#) (Padilla, 2023), requires the California Energy Commission, in coordination with other departments, including the State Lands Commission, to evaluate the feasibility, costs, and benefits of using wave and tidal energy as forms of clean energy. On August 8, the California Energy Commission released an [initial report](#) that will inform a 2025 report required by SB 605. Staff participated in a public workshop that preceded the initial report and presented information about its leasing authority and jurisdiction.

New Sea Level Rise Guidance

The Ocean Protection Council adopted [new Sea Level Rise Guidance](#) that will help communities prepare and adapt to rising sea levels. The guidance finds that seas will likely rise by nearly a foot by 2050 and potentially up to twelve feet by 2150, with coastal storms and high tides compounding flooding, erosion, and groundwater challenges. Our Climate Adaptation and Special Initiatives team reviewed the guidance, helped move it forward, and ensured that it focuses on protecting public trust lands and resources, most of which are managed by the Commission and are immensely important for California's communities, ecosystems, and cultural identity.

Environmental Justice and Equity

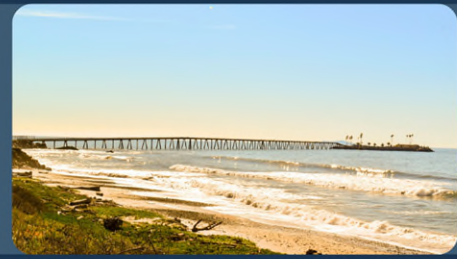
Staff hosted four internal feedback sessions to gather input on our environmental justice policy implementation. We assessed our progress over the last five years, addressed shortcomings, explored ways to continue improving, and identified priorities and goals for the future. Staff will update the Commission and environmental justice advocates regarding the feedback received and will use it to continue building success in equity and environmental justice.

Forested Lands: School Lands

[Agenda item 61](#) is an agreement to allow the Trinity County Resource Conservation District to conduct fuel reduction work on forested [school lands](#) near the town of Weaverville in Trinity County. Staff is also working with a forestry consultant to assess the feasibility of fuel reduction on school land near Truckee,

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and consulting on removing dead and dying trees adjacent to the town of Weaverville.

Staff has developed a school lands forest information system, which is a web-based GIS application that uses publicly available data to provide information about forest attributes on our school lands. Staff is using this data to finalize a report that assesses forested school lands and makes recommendations for further inventory work. Staff is also developing forestry field data collection methods with the help of a GIS company consultant. Staff hopes to test this method this fall and implement it next spring. Staff will use field-collected data to improve the school land forest information system.

Staff is working with CAL FIRE on a vegetation management program for school lands identified as priorities for treatment and participates in a working group led by State Parks and the Department of Fish and Wildlife that identifies ways to improve the pace and scale of fuel reduction projects.

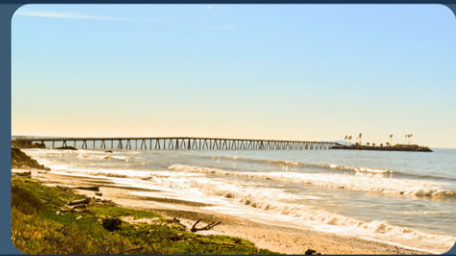
Wildfire Update: Staff is tracking recent wildfire activity across the state and monitoring the Park Fire closely because of its proximity to forested school lands. Our School Lands Forest Information System allows us to identify and track parcels that are affected or at risk from wildfire activity. Our system found that two school land parcels, comprising about 365 acres, are in the Park Fire perimeter and may have burned. Two other parcels, totaling almost 1,300 acres, are within a mile of the fire perimeter. Once the area is safe, staff will assess these parcels to determine the extent of wildfire damage.

Hollister Ranch Coastal Access Program

The interagency Hollister Ranch Coastal Access Program State Agency Team is continuing its planning efforts. The Team retained two separate consultants—Applied Earthworks to undertake a tribal and cultural resource assessment and Ascent Environmental to prepare a Programmatic Environmental Impact Report. The Commission is overseeing the preparation of the Program Environmental Impact Report on behalf of the Coastal Commission, the CEQA lead agency. The CEQA consultant has initiated the planning process and will hold public meetings later this year to provide an update and gather public input.

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In May, the consulting firm undertaking the tribal cultural resource assessment conducted a pedestrian survey, meaning no subsurface activity, accompanied by members of the four Native American tribes who comprise the Chumash Working Group. While the results are confidential at this time, the extent of any known sensitive resources will be considered during the Program Environmental Impact Report process to ensure the protection of those resources. The Coastal Commission staff is preparing to initiate tribal consultation in addition to ongoing collaboration with the Chumash Working Group.

Tijuana River Transboundary Pollution Crisis

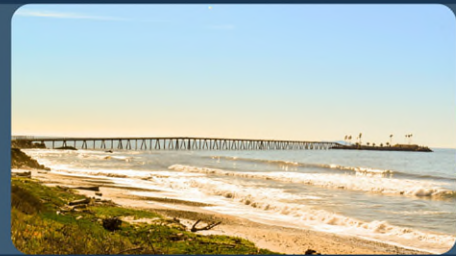
In 2023, more than 44 billion gallons of contaminated water and raw sewage flowed across the border into San Diego County. As of June 2024, the International Boundary and Water Commission has recorded 33.55 billion gallons of polluted flows through the Tijuana River Valley and into the Pacific Ocean, wreaking disastrous consequences on the environment and communities. Multiple efforts are in progress to alleviate flows, including work to rehabilitate the San Antonio de los Buenos Plant and the international collector pipeline in Mexico. Unfortunately, construction on the international collector has resulted in the current excess flows. When construction is in progress, a Mexican pump station must be shut down, resulting in tens of millions of gallons of extra wastewater flowing through the Tijuana River Valley. Construction on the pipeline is expected to finish this summer, which will hopefully reduce the current flows.

On the U.S. side, the International Boundary and Water Commission (IBWC) is working to repair the South Bay International Treatment Plant. In June, a surge tank malfunction resulted in hundreds of thousands of gallons of wastewater spilling onto Hollister Street. While repair work is ongoing, the IBWC is continuing plans to expand the facility and expects to award a construction contract this month. The full expansion of the South Bay facility is still underfunded. Congress has allocated around \$400 million to IBWC, but about \$200 million more is necessary.

Staff has been calling attention to the crisis and advocating for action. Staff are developing a webpage to promote public awareness and summarize activities at the federal, state, regional, and local level. Staff are engaging with regional

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and local partners to identify how we can support them as they navigate delays with federal mitigation project permitting and to assess staff capacity and funding needs to process permits and review plans for construction, mitigation, and restoration efforts.

Commercial Abandoned and Derelict Vessels Removal Program

The 2021 state budget appropriated \$12 million to the Commission to remove abandoned and derelict commercial vessels in the Sacramento-San Joaquin Delta. Staff have used this funding to create a program to identify, prioritize, and remove vessels. The appropriation requires that funds be encumbered (i.e., applied to contracts) by July 2025 and expended by July 2027.

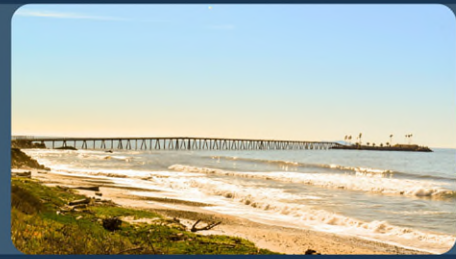
Staff have spent roughly \$1.5 million so far, removing five vessels from the Delta. The program support activities, including surveys and CEQA compliance, will cost about \$1 million. Staff has encumbered \$10 million through five on-call contracts, some of which has been used for vessel removals. This leaves about \$8.75 million for vessel removal and \$500,000 uncommitted, which staff may use for permitting, administrative and regulatory work, and vessel removal.



This image shows the outline of the Delta and the many miles of waterways assessed by the survey.

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Staff surveyed the Delta for abandoned and derelict commercial vessels last June using a contractor that divided the area into five regions. The survey identified 55 locations with abandoned commercial vessels, many of which contained multiple vessels. Some vessels and locations were known to staff; others were new. The survey collected data on each vessel, such as estimated length, condition, and visible hazardous materials. The data will guide staff in prioritizing and removing abandoned and derelict commercial vessels in the Delta.

[Agenda items 63–66](#) are the first batch of vessels prioritized from the data. If approved, staff will ask one of its on-call contractors to assess the vessels and prepare a cost estimate and removal plan. Removal and demolition are likely to cost approximately \$1 million. Staff are also coordinating with the City of Stockton on the removal of the derelict cruise ship *Aurora*.

Staff selected a contractor to prepare a programmatic environmental analysis for vessel removals, though many can be removed using a CEQA exemption because the removal will not have an environmental impact or because the vessel poses an immediate threat to safety or the environment. Other removals will benefit from environmental analysis, mitigation, and best practices developed in the CEQA document. The programmatic CEQA analysis may also support vessel removals by other agencies and will remain useful after the initial funding lapses.

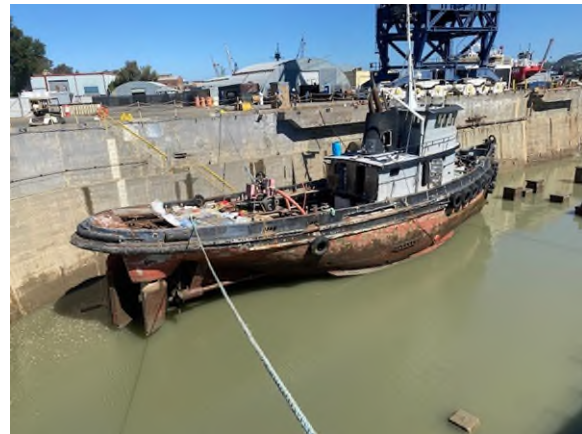
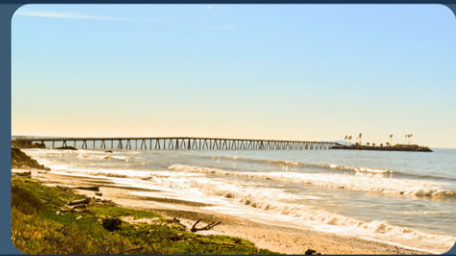
Vessel Removals

Staff has five on-call contracts with marine services contractors for vessel removal. Staff have removed and disposed of five vessels: the [tugboat *Valiant*](#) and [tugboat *Standard No. 2*](#), in 2022, the [tugboat *Ruth Elaine*](#) in 2023, and the [tugboat *Double Eagle* and crane barge *Mink*](#) in 2024. The cost for the first three was \$536,812. Our contractor has not sent invoices for the *Double Eagle* and *Mink*, though the cost is estimated to be about \$1 million. The demolition of the *Double Eagle* is shown below.

Staff has encouraged responsible parties to remove their own vessels. *Double Eagle* and *Mink* are two of about two dozen commercial vessels owned by Salt River Construction Corporation illegally dumped on public waterways. Salt River has removed and disposed of at least six of its barges at no cost to the public.

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City of Newport Beach: Granted Public Trust Lands

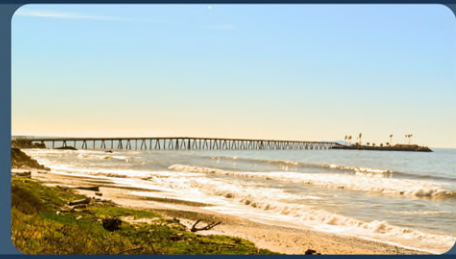
At staff's [request, the City of Newport Beach](#) agreed to postpone revising mooring rates in Newport Harbor to allow Commission staff to review the City's management of its mooring permits and residential pier leases. Staff is working with the city and hopes to complete its review by the end of the year. The city intends to provide staff with documents pertinent to its review by September 6. While staff appreciates the city's efforts to charge fair market rent for on and offshore moorings, the failure to also reassess residential pier rates demonstrated the need for a comprehensive evaluation to ensure that all rates reflect fair market value.

Enforcement: Milton Road in Napa County: Public Outreach

Staff hosted two well-attended public outreach meetings in Napa to assist 114 property owners with structures along the Napa River that require a lease from the Commission. This outreach session marks the last of eight enforcement focus areas in recent years. Staff gave a presentation about the Commission and its jurisdiction and provided survey plats showing the boundary between sovereign and private land along Milton Road. The Napa County Assessor John Tuteur and County Supervisor Joelle Gallagher also attended and answered questions. Staff looks forward to continued engagement with residents and legislators as we bring structures on sovereign land in this area under lease.

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Communications: New Email Subscription Platform

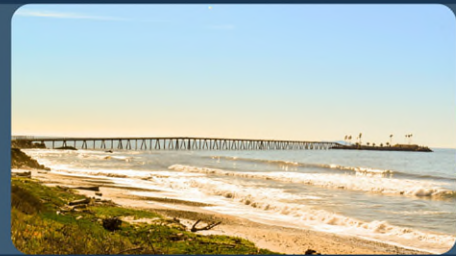
Staff updated the Commission's email subscription platform to GovDelivery, a modern and widely used communication platform where staff can elevate, streamline, and track communication efforts with the public. GovDelivery replaces Mailchimp, our previous email subscription service, and will be our communication tool to distribute information to subscribers. This launch is an enormous step forward in improving our public communication and ensuring that the public receives timely and relevant information. Staff hope to leverage this platform to increase public outreach and engagement by sending custom messaging based on location and interest. The platform enables the Commission to translate its digital communications into multiple languages, an effective way to disseminate important information to a broader audience. Internally, staff issued the third edition of its new Administrative Services Division newsletter, the ASD Buzz.

Methane Emissions Reduction Grant

Staff attended a three-day conference in Pennsylvania as part of its implementation of a federal methane emission reduction grant. The conference, hosted by the Department of Energy, the U.S. Environmental Protection Agency, and the National Energy Technology Laboratory, brought together nearly 200 representatives from the 14 state recipients. Speakers addressed implementation guidelines, technical tools for well selection, and past lessons learned. Each state gave an hour-long presentation explaining its

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implementation plan. Staff explained that the Commission intends to prioritize remediating wells in the West Wilmington field in Long Beach because of its proximity to disadvantaged communities, the presence of marginal conventional wells, and to reduce the state's share of liability.

Marine Environmental Protection

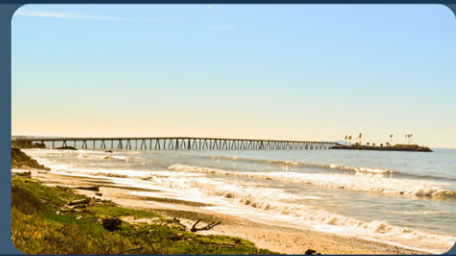
Our Marine Environmental Protection Division hired seven new inspectors, four in our Hercules office and three in our Long Beach office. We also launched a new oil transfer inspection and monitoring database, transforming an outdated database into a cutting-edge system that allows our Marine Environmental Protection Division to provide California with greater security, transparency, accuracy, and scalability. The California Department of Technology funded and supported this project. The new oil transfer inspection and monitoring database, a significant advancement in environmental protection technology, allows the Commission to regulate and inspect all marine oil terminals, vessels, and transfer operations along the coastline. It also enhances our ability to ensure that oil transferred over water occurs safely and protects precious marine ecosystems. Our dedicated staff team ensured that the new technology functioned seamlessly and was critical to its success.

Oil Spill Prevention, Response, and Preparedness Program Audit

Every four years, the Department of Finance's Office of State Audits and Evaluations audits California's Oil Spill Prevention, Response, and Preparedness Program, a program that covers all aspects of marine oil spill prevention and response in California. Its functions are split between the Commission and the Office of Spill Prevention and Response in the California Department of Fish and Wildlife. The Commission's Mineral Resources Management and Marine Environmental Safety divisions fulfill the prevention functions of the Program, and the Office of Spill Prevention and Response fulfills the response functions. The Commission's two divisions monitor oil transfers at the state's 34 marine oil terminals, inspect terminal facilities, and ensure the terminals are compliant with the Marine Oil Terminal Engineering and Maintenance Standards. They also conduct safety audits of offshore oil and gas production facilities and inspect offshore oil production equipment to ensure platform safety.

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The audit is intended to assess the Program's effectiveness and financial basis and identify measures to improve efficiency and effectiveness. The 2024 audit, covering July 1, 2020, through June 30, 2024, started in August. The auditors will gather information on Program activities over the next few months and interview staff. The Department of Finance will issue a final audit report in December.

Diablo Canyon Nuclear Power Plant

The Commission authorized a [lease amendment](#) to PG&E earlier this year for one-time maintenance dredging within the intake cove at the Power Plant. PG&E completed the dredging in July.

Offshore Oil and Gas Decommissioning Projects

Platform Holly

In late August, the Commission, in partnership with ExxonMobil, completed the permanent plugging and abandonment of Platform Holly's 30 oil and gas wells, located about 2 miles offshore of the City of Goleta. This represents a milestone in California's legacy of oil and gas development because these were the last remaining offshore production wells associated with an oil platform in state waters in the Santa Barbara Channel.

Staff will release a Notice of Preparation for an Environmental Impact Report to decommission Platform Holly in early 2025, which will begin a formal comment period where agencies, tribal nations, stakeholders, environmental justice groups, and the public are invited to provide input on the potential environmental effects, the scope of the EIR analysis, and measures to avoid or reduce adverse impacts. Staff anticipates releasing a draft Environmental Impact Report in late 2025, followed by a final Environmental Impact Report and decommissioning plan. ExxonMobil will decommission Platform Holly at its expense after the Commission certifies the Environmental Impact Report. More information is available in the [Phase 2 agreement](#) and agenda [item 73](#).

Rincon Island and Onshore Facility

Staff completed a [final Environmental Impact Report](#) for the Rincon Phase 2 Decommissioning Project. [Agenda item 71](#) is for the Commission to consider certifying the Environmental Impact Report and authorizing the decommissioning project contingent on securing the necessary funding.

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Offshore Oil and Gas Pipelines: Analysis of Impacts to Public Trust Resources and Values

Staff released a [request for qualifications](#) for an environmental consultant to prepare a report that analyzes impacts on public trust resources and values associated with Commission-issued offshore pipeline leases for the transportation of oil and gas from offshore platforms in state and federal waters. This follows a temporary moratorium on new offshore oil and gas pipeline leases that the Commission issued [last December](#). Consultant responses are due by September 13, and staff expects the consultant to begin work this fall. The report will consider the risks and benefits of oil production and transportation in light of the climate crisis, energy needs, environmental concerns, and other factors. The analysis is due in December 2026 and will inform the Commission in its review of current and future applications for offshore oil and gas pipeline leases.

All photos provided by Commission staff unless otherwise noted.