

EXECUTIVE OFFICER'S REPORT

February 25, 2025



Southern California Wildfires

Our hearts go out to all who were impacted by the wildfires and the subsequent extreme weather events. Staff have been meeting with other agencies to collaborate on fire recovery and rebuilding efforts. The wildfires affected public lands along the coast in many ways, and some of those lands may be under the Commission's jurisdiction. Hazardous debris from the fires has been deposited on state beaches adjacent to coastal waters within the Commission's jurisdiction, and many beaches are closed while debris is removed and other safety factors are assessed.

Staff are carefully monitoring recent executive orders to expedite debris removal and rebuilding and facilitate recovery. Staff are also working to identify the Commission's role and responsibility for any lands under our jurisdiction and quantify fire-related impacts and the effects on state lands and public trust resources.

Budget Update

The Governor's proposed budget for 2025-26 assumes savings related to departments' vacant position funding and reduced operating budgets. The savings include eliminating 6,500 vacant positions and decreasing operating budgets by nearly eight percent. The Commission's proposed total budget of \$68,382,000 will decrease in accordance with these reductions and it will lose some vacant positions. Staff will continue to evaluate spending and exercise prudence when it comes to committing new funds.

The Governor's proposed budget includes two budget change proposals submitted by the Commission. The first is for \$4.08 million of a \$12.48 million multi-year appropriation to operate, maintain, and dredge the [Bolsa Chica wetlands](#) and a feasibility study for sea level rise adaptive measures. The second is a \$12.5 million appropriation to implement the [Rincon Decommissioning Project](#). This Project addresses the decommissioning of Rincon Island, the associated onshore facility, and onshore pipeline connections.

Environmental Justice and Equity

Staff will host a community outreach and engagement meeting at the South Oxnard Community Center on February 28 as part of its environmental justice

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analysis for the Ormond Beach Generating Station lease amendment application. The meeting will occur in the evening to make it accessible to the predominantly agricultural community. Staff has been working closely with Central Coast United for a Sustainable Economy (CAUSE), a community-based environmental justice organization, to ensure the meeting meets the needs of the community, including having Spanish interpretation and conducting the meeting in a hybrid format. Staff look forward to gaining significant insight from the community meeting and incorporating the feedback in the environmental justice analysis.

Port of Long Beach State of the Port

Staff attended the 2025 Port of Long Beach State of the Port event. Staff and the ports of Long Beach and Humboldt ceremonially [signed a memorandum of understanding](#) during the event, memorializing an agreement to collaborate on critical port infrastructure upgrades needed to support offshore wind projects statewide.



Photo credit: Port of Long Beach

Annual West Coast Ocean Alliance Summit

In January, staff attended the annual [West Coast Ocean Alliance Summit](#) in Washington. The Summit provided a platform for Alliance members, tribal governments, and federal and state agencies from California, Oregon, and Washington to collaborate on regional ocean planning priorities. Alliance members discussed the status of current projects, including the development of the West Coast Ocean Health Dashboard and the West Coast Ocean Data

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Portal. The West Coast Ocean Health Dashboard is a project underway to develop regional health indicators that can inform ocean planning needs and progress on the West Coast. Two of these indicators, kelp and harmful algal blooms, will be ready to share publicly later this year. The [West Coast Ocean Data Portal](#) is the primary mechanism to coordinate and share ocean-related data for Alliance activities.

The West Coast Ocean Alliance is a regional ocean partnership comprised of regional governments focused on addressing ocean and coastal issues of common concern. The National Defense Authorization Act authorizes regional ocean partnerships as a federal program within the National Oceanic and Atmospheric Administration. The Bipartisan Infrastructure Law dedicated funding for partnership activities. The new federal administration, however, paused Alliance funding as part of a broader federal funding freeze that is currently being litigated. The Ocean Protection Council and the California Coastal Commission are also member agencies and attended the Summit.

Marine Invasive Species Program

Staff helped instruct a [Hazard Analysis Critical Control Point Train-the-Trainer course](#) hosted by the U.S. Fish and Wildlife Service at the National Conservation Training Center in West Virginia. Participants attended from all over the United States, including the states of Alaska, Hawaii, California, Nevada, and Arizona. This diverse group represented federal, state, and regional agencies, including the U.S. Fish and Wildlife Service, the National Park Service, the Tahoe Regional Planning Agency, and the Fairbanks Soil and Water Conservation District. Over the course of three days, students honed their teaching skills to deliver hazard analysis training more effectively. This new group of instructors helps to provide the needed capacity to deliver certification courses that are scheduled throughout the country this year. These courses will help to decrease the risks posed by invasive species.

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Photo credit: U.S. Fish and Wildlife Service / Theresa Thom

Staff continue to work with state and federal agencies as part of the Golden Mussel Interagency Task Force to develop a comprehensive response to the recent detection of invasive golden mussels in Stockton. Staff serve on the steering committee and separate teams focused on containment, monitoring, outreach and education, and policy, all with the goal of creating a golden mussel response plan for California.

Offshore Wind Energy

California Leases: Federal Programmatic Environmental Impact Statement

The Commission, in partnership with the California Energy Commission, the Coastal Commission, Department of Fish and Wildlife, and the Ocean Protection Council submitted a [letter in response](#) to the Bureau of Ocean Energy Management's draft [Programmatic Environmental Impact Statement \(PEIS\)](#) for the five lease areas off the California coast. The Draft PEIS analyzes programmatic avoidance, minimization, mitigation, and monitoring measures that may be required as approval conditions for future offshore wind projects in California.

Offshore Wind and Port Development

Last week, staff attended the [California Ports and Offshore Wind Symposium](#), co-hosted by the Energy Commission and the Port of Long Beach. The symposium and associated events included meetings with and presentations from ports, tribal governments, labor organizations, environmental justice communities, and philanthropist organizations.

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Offshore Wind Energy Surveys of Federal Leases and Cable Corridors

[Atlas Offshore Wind](#), [Golden State Wind](#), and [Canopy Offshore Wind](#) conducted geophysical surveys in their respective federal lease area in 2024. Golden State Wind's deployment of [two meteorological-ocean buoys](#) in their lease area, originally scheduled for fall 2024, is now expected to take place within the next couple of months. No site surveys (neither in federal nor state waters) are anticipated in the next six months for any of the federal lessees.

Tribal, Fisheries, and Environmental Justice Outreach

Staff continue to engage tribal governments and communities through the Energy Commission-led Tribal-Offshore Energy Working Group. Staff participate as members of the [California Offshore Wind Fisheries Working Group](#), which is at its half-way point in producing a strategy to avoid, minimize, and mitigate impacts to fishing and fisheries. Staff continue to engage with environmental justice communities regarding this new industry, with a focus on port-adjacent communities.

Wave and Tidal Energy

Staff continue to work with state agencies to implement SB 605 (Padilla, 2023), which mandates a report about the feasibility, costs, and benefits of using wave and tidal energy. Public comment on Phase 1 of the report closed in January and will be considered for adoption by the Energy Commission by mid-2025. A second phase report is anticipated for release in March or April 2025 and is anticipated to include the identification of suitable sea space for wave and tidal technologies, mitigation measures, and monitoring and adaptive management strategies. Updates can be found on the [Energy Commission's SB 605 Wave and Tidal webpage](#) and by subscribing to the Offshore Renewable Energy list serve available via that webpage.

Litigation Settlement

On January 28, the Commission and DCOR LLC settled litigation that will end offshore oil and gas production at Platform Esther off the coast of Seal Beach. Platform Esther, one of three remaining oil production platforms in state waters, has an operative life of about 15 years. This settlement establishes decommissioning deadlines and ensures that DCOR LLC will pay all the

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decommissioning costs, including plugging and abandoning all the platform wells.

The settlement resolves litigation between the Commission and DCOR LLC over DCOR's ability to repurpose an existing 6-inch pipeline between state Platform Eva and federal Platform Edith to transport oil from Platform Eva to Platform Edith. In exchange for relinquishing its mineral rights and decommissioning Platform Esther, the settlement grants DCOR LLC a \$10 million royalty credit on future oil produced from Platform Eva. This credit is significantly less than Platform Esther's production value. The Settlement also ensures that DCOR updates the community and stakeholders on the status of onshore infrastructure and long-term decommissioning plans and preserves the Commission's authority to approve platform decommissioning plans.

Legacy Oil and Gas Well Re-abandonments

In late February, staff will permanently re-abandon [two legacy oil wells offshore Summerland Beach](#) in Santa Barbara County. The work on these wells, which are known as wells A and B, will begin on February 23 and conclude on March 1. Staff contracted with 2H Offshore California, Inc. for the engineering and permitting work. This well abandonment work is part of our [SB 44 program](#) and, when complete, will bring the total number of legacy oil and gas wells the Commission has re-abandoned to eight. Staff are keeping the community and elected officials informed and are in close touch with the Summerland Citizens Association to share updates.

Methane Emissions Reduction Grant

Staff have been anticipating plugging and abandoning 25 wells in the Wilmington Oil Field in Los Angeles County this year with federal [grant funding](#). But in the last week of January, the federal government paused the grant. Before the pause, staff completed measurement and well prioritization plans, a requirement under the grant, and submitted them to the Department of Energy for review and feedback. In December, staff and the Ecotec Group, the company that manufactures the methane detection and quantification equipment staff purchased, visited the site of the proposed abandonments and inspected the candidate wells. Staff and Ecotec Group are reviewing the inspection analysis to further refine the plug and abandonment plan for the 25

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wells. Staff also finalized a contract with Tidelands Oil Production Company, LLC, the operator of West Wilmington, to plug and abandon the wells.

Marine Environmental Protection

Staff monitored 30 percent of oil transfers (1,492 of 4,929 transfers) conducted at marine oil terminals this past year. During this same period, over 29 billion gallons of regulated product were transferred at marine oil terminals. Spills resulting from oil transfers during this time were just .0238 barrels or 1 gallon. This is practically zero. In the same time frame, staff conducted 69 spot, annual, and training and certification inspections at marine oil terminals.

The Commission reviewed over 87 MOTEMS audit reports, designs, drawings, and inspections-related submittals from all 35 terminals in California, including the commissioning of two new marine oil terminals and the review of five major marine oil terminal rebuild projects, including the new Shell Morman Island terminal at Berth 169 in the Port of Los Angeles. The new Shell Morman Island terminal, projected to be operational by March 1, 2025, is designed to receive up to 85,000 deadweight-ton vessels and transfer conventional fuels to supply the Los Angeles area market. The new terminal will significantly reduce the risk of oil spills. Marine oil terminals in California continue to make substantial progress toward full [MOTEMS](#) compliance. Staff have also been working with nine marine oil terminal renewable fuels projects, analyzing proposals for new and existing marine oil terminals to support their transition to renewable fuel production. Three of the state's marine oil terminals have transitioned to 100 percent renewable fuels to date.

Martinez Refining Company Fire

On February 1, a fire broke out at a refinery in Martinez. The fire was reportedly caused when a process unit opened a piece of equipment during scheduled maintenance, causing a hydrocarbon leak that sparked the fire. Six employees were injured during the fire. The nearby marine oil terminal subject to the Commission's regulatory oversight was not affected and continues to operate normally. The refinery remains shut down, which could decrease future product transfers at the terminal.

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Offshore Oil and Gas Pipelines: Public Trust Resources and Values Impact Analysis

Staff are seeking funding to support a report that would analyze impacts to public trust resources and values from Commission-issued offshore oil and gas pipeline leases. 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. This follows a temporary moratorium on new offshore oil and gas pipeline leases that the Commission issued in [December 2023](#). The report will inform the Commission in its review of offshore oil and gas pipeline lease applications.

Offshore Oil and Gas Decommissioning Projects

[Platform Holly](#)

Platform Holly has been powered off and in caretaker status since November. The remaining navigation and safety systems on the platform are provided through solar power. Staff visits the platform regularly to ensure the maintenance of navigation and safety precautions and monitor its condition. Staff are preparing a draft Environmental Impact Report to decommission the platform and anticipate releasing the Notice of Preparation for that later this year. ExxonMobil will decommission Platform Holly at its expense after the Commission certifies a final Environmental Impact Report.

[Rincon Island](#)

In December, the Commission and Coast Ranch Family LLC executed a donation agreement that grants a portion of land at the Rincon onshore facility to the State of California along with a financial contribution to remediate soil contaminated by hydrocarbons from decades of oil processing. The donation improves access to a state-owned parcel at the Rincon onshore facility and will enhance efficiencies in the eventual Rincon Island Phase 3 project, which is to remediate Rincon Island and the onshore facility. Staff is preparing an addendum to the [Rincon Phase 2 Decommissioning Project Environmental Impact Report](#) to address the addition of the Coast Ranch parcel to the decommissioning project and ensure CEQA compliance.

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Nuclear Power Plant Operations and Decommissioning

Diablo Canyon Nuclear Power Plant

In November, the U.S. Nuclear Regulatory Commission requested public comment on the draft Pacific Gas and Electric Company; Diablo Canyon Nuclear Power Plant, Units 1 and 2; Draft Supplemental Environmental Impact Statement. The U.S. Nuclear Regulatory Commission is proposing to renew Pacific Gas and Electric Company's Facility Operating License for an additional 20 years for Diablo Canyon Nuclear Power Plant, Units 1 and 2. In December, staff submitted a [comment letter](#) to the U.S. Nuclear Regulatory Commission and a copy of Pacific Gas and Electric Company's lease with the Commission.

Tijuana River Valley Transboundary Pollution:

In December, the Commission sent a [letter](#) to the Biden Administration emphasizing the seriousness of the Tijuana River Valley transboundary pollution crisis and the impacts on communities and the environment, and to call for additional federal funding and support to implement critical infrastructure projects in the region. On December 21, President Biden signed [H.R. 10545](#), which appropriates funding to federal agencies, including \$250 million in construction funds to the U.S. International Boundary and Water Commission. This funding, combined with previous allocations, meets the funding needs for the rehabilitation and expansion of the South Bay International Water Treatment Plant.

While efforts are underway to rehabilitate and expand the South Bay International Water Treatment Plant and update infrastructure on the Mexico side of the Border, transboundary flows continue to affect the San Diego region. On January 1, Veolia, the operator for the U.S. International Boundary and Water Commission, reported a wastewater spill at the Hollister Street pump station. The pump station was brought back into service on January 23. About 4.2 million gallons of spilled wastewater occurred while it was offline. Staff continue to monitor the transboundary crisis and track the progress of infrastructure improvements. Staff also continue to work with regional and local partners to identify opportunities to advocate for funding and support to implement critical infrastructure projects needed to fully address the scale and scope of the transboundary flows.

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