

**Appeal of the Change of Owner, Guarantor, and Operator
of the
Las Flores Pipeline System
(formerly Plains All American Lines 901/903)**

**Board of Supervisors Hearing
September 19, 2023**



**County of Santa Barbara
Planning and Development
Planner: Jacquelynn Ybarra**



Introductions

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County P&D - Energy, Minerals & Compliance

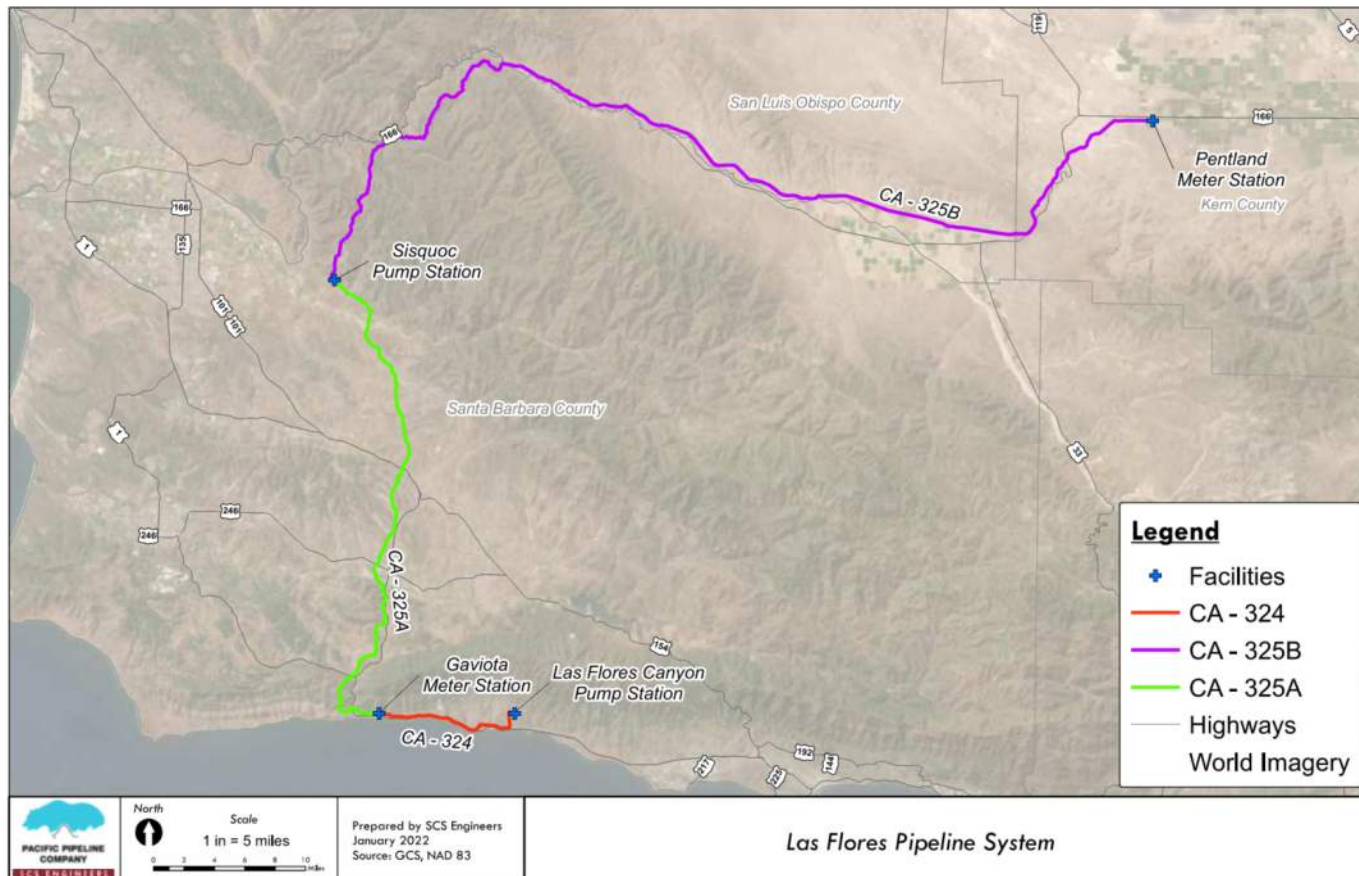
- John Zorovich, Deputy Director
- Errin Briggs, Supervising Planner
- Jacquelynn Ybarra, Project Planner

Appellant: Grey Fox Class Members c/o A. Barry Cappello

Applicant: Pacific Pipeline Company & ExxonMobil Pipeline Company



Pipelines Vicinity





Request

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Final Development Plan Permit No. 88-DFP-033 (RV01)z, 88-CP-60(RV01)

1. Change of Ownership from Plains All American to Pacific Pipeline Company
2. Change of Guarantor from Plains to ExxonMobil Corporation
3. Change of Operator from Plains to ExxonMobil Pipeline Company



ExxonMobil



Request

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Pacific Pipeline Company acquired ownership from Plains in October 2022

- ❑ ExxonMobil Pipeline Company would operate on behalf of PPC
- ❑ ExxonMobil is the financial Guarantor

Chapter 25B governs the process to transfer a County permit from an existing Owner/Operator/Guarantor to new entities for certain oil and gas facilities

- ❑ Permit transfer first approved by P&D in March 2023
- ❑ Second application approved by Planning Commission in June 2023 and appealed to the Board of Supervisors

Appeal Issues



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Issue Area 1

The project is not exempt from CEQA

- Interconnected with the 901/903 Pipeline Replacement Project & Valve Upgrade Project
- Would allow pipelines to restart without CEQA review
- Would negate requirements to implement Pipeline Replacement Project

Staff Response:

- Permit transfer is required by Chapter 25B following the transfer/sale of assets
- Others are independent projects subject to CEQA and discretion by County
 - Pipeline Replacement Project undergoing environmental review
 - BOS took no action on Valve Upgrade Project
- Approval would not facilitate restart (process under OSFM/PHMSA)
- County action is not subject to CEQA - does not constitute a “project”

Appeal Issues



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Issue Area 2

Conditions of Approval are not properly modified

- Transfer establishes same set of COAs as original approval
- Deletes references to age of original DEIR/EIS (1986)
- Retains inconsistent information

Staff Response:

- Chapter 25B-7 requires new Owner/Operator/Guarantor be listed on permits and previous parties be removed
- General revisions made to keep full record of the permit
- COAs were modified appropriately in accordance with Chapter 25B-7

Appeal Issues



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Issue Area 3

Inconsistent with purpose of Chapter 25B

- Pipelines cannot be operated safely due to oil spill and inadequate SIMQAP
- Pipelines are not in compliance with FDP cathodic protection requirements

Staff Response:

- County is required to approve a permit transfer if findings can be made in accordance with Chapter 25B-9 and 25B-10
- SIMQAP is adequate
- Plains is in compliance with cathodic protection requirements of the FDP and DEIR/EIS
 - System installed with required equipment and inspections

Appeal Issues



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Issue Area 4

Permit transfer should wait until Sable submits application

- Pipelines will be transferred to Sable/Flame
- Action should wait until subsequent buyer submits application

Staff Response:

- Permit transfer is required following the sale of the pipelines
- County permits are not transferable without approval of permit amendment
- Sable/Flame would be required to submit separate application
- County's responsibility to process existing request

Appeal Issues



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Issue Area 5

Pipeline easements have lapsed

- Easements have lapsed and COAs for land use entitlements are invalid
- Acquisition of new easements should be a required COA prior to transfer

Staff Response:

- Chapter 25B does not require active easements to approve the permit transfer
- County does not adjudicate private easement disputes
- County may only impose additional conditions related to insurance and financial guarantees



Consistency Analysis & Findings

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Chapter 25B Finding/Requirement	Change of Owner	Change of Guarantor	Change of Guarantor
Fees and exactions paid	✓	-	✓
Financial guarantees updated	✓	✓	✓
Conditions of the permit accepted	✓	-	✓
County-conducted safety audit submitted to proposed Owner	<i>No County-conducted audit is required OSFM/PHMSA audit information submitted</i>	-	✓
Owner is in compliance with requirements of the permit	✓	-	✓
Operator updated Compliance Plans	-	-	✓
Operator submitted approved Transitional Plan	-	-	✓
Operator adequately performed County-approved emergency response drills	-	-	✓
Operator has the skills/training/resources to operate and demonstrates ability to comply	-	-	✓



Staff Recommendation

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- Deny the appeal, Case No. 23APL-00027;
- Make the required Findings for Approval for the Change of Ownership, Change of Guarantor, and Change of Operator, including CEQA findings;
- Determine the request is not a project pursuant to CEQA Guidelines Section 15378(b)(5); and
- Grant *de novo* approval of the permit transfer, subject to the Conditions of Approval.

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