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Katherine Douglas

From:	Pamela Harper <pharper@cappellonoel.com>
Sent:	Friday, September 15, 2023 10:52 AM
To:	sbcob
Cc:	Ybarra, Jacquelynn; A. Barry Cappello; Leila Noel; Lawrence J. Conlan; Richard Lloyd; Mandy Duong
Subject:	September 19, 2023 Hearing of Appeal of June 14, 2023 Planning Commission's Decision re: Change of Ownership
Attachments:	2023.09.15 Letter to BOS re Challenge to Change of Ownership.pdf

Dear Chair Williams and Honorable Supervisors:

Please see the attached correspondence in connection with the above-referenced matter.

Please confirm receipt.

Thank you kindly.

Respectfully submitted,

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CAPPELLO
& NOËL LLP
TRIAL LAWYERS

A. Barry Cappello

September 15, 2023

Via E-Mail Only

Santa Barbara County Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
sbcob@countyofsb.org

Re: Appeal of the June 14, 2023 Planning Commission's Decision Approving Change of Ownership, Change of Guarantor, and Change of Operator for the Las Flores Pipeline System (formerly AAPL Lines 901/903); Case Nos. 88-DPF-033 (RV01)z, 88-CP-60 (RV01) (88-DPF-25cz; 85-DP-66cz; 83-DP-25cz)

Dear Chair Williams and Honorable Supervisors:

Our firm, together with co-counsel, represent the individual and class representative plaintiffs (collectively "Owners") in *Grey Fox, LLC et al. v. Plains Pipeline L.P. et al.*, Case No. 2:16-cv-03157, currently pending in the Federal District Court in the Central District of California. The certified Class in the *Grey Fox* case is comprised of all parcel Owners previously subject to easement contracts ("Easements") that provided Plains Pipeline, L.P. and Plains All American Pipeline, L.P. (collectively, "Plains") with limited, narrow access to the parcels to take certain actions related to Plains' pipeline system, Lines 901 and 903 (collectively, the "Lines"). The *Grey Fox* Class includes approximately 150 Owners, the identities of which are attached as **Exhibit A**.

On behalf of the Owners, we are appealing the Planning Commission's June 14, 2023 decision to approve Applicant's application for a "permanent" Change of Ownership, Change of Guarantor, and Change of Operator for the Las Flores Pipeline System (the "Change of Ownership Decision"). We request that Applicant's request either be denied, or continued with directions to Staff to prepare additional and/or modified permit conditions necessary to protect the interests of the public and the environment, requiring Applicant to submit a full and updated Environmental Impact Report reflecting current conditions.

1. The Board must conduct an in-depth evaluation of both the existing and proposed owner, including existing and future compliance with permit conditions; whether the proposed financial guarantee is adequate, and can and should impose additional permit conditions necessary to protect public health and safety and safeguard the environment

Applicant, County Staff and the Planning Commission have taken the position that the change of ownership process is virtually ministerial in nature[1], and that the County has little choice but to approve the requested change. (*See e.g.,* Staff Report at 4; Staff Report, Attachment C, CEQA Notice of Exemption.) This position is contrary to the County Code, the language of the permit, and California case law governing the County's discretion to amend, add conditions, or even revoke permits to best serve the public interest.

The County's Petroleum Code makes clear that its purpose is, among other things, "to protect the *health, safety, public welfare, physical environment and natural resources* of the county by the reasonable regulation of onshore petroleum facilities and operations." (SBMC § 25-2(a), emphasis added.) Section 25B, governing permit amendment requests reflecting a Change of Owner, Operator, or Guarantor, similarly states the County must place the protection of public health and safety and the environment over all other considerations:

> The purposes of this chapter are to protect public health and safety, and safeguard the natural resources and environment of the county of Santa Barbara, by ensuring that safe operation, adequate financial responsibility, and compliance with all applicable county laws and permits are maintained during and after all changes of owner, operator or guarantor of certain oil and gas facilities.

(SBMC § 25B-1, emphasis added.)

Viewed through the lens of these clear statements of legislative intent, any decision taken pursuant to Section 25B must strictly further these statutory objectives, and any doubt must be resolved in favor of public health and safety and protection of the County's environment.

The procedural provisions of Section 25B also confirm that a permanent change of ownership is a decision of consequence, requiring careful evaluation and consideration of the public's interests. It is no accident that a Section 25B-10 application must be evaluated and

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[1] Staff presented you with a permit for a project called the "Gaviota Creek Pipeline Lowering and Relocation Project", yet asserts the permit would authorize PPC to run and operate a 130 mile, decrepit non-operational oil pipeline. The project is a restart of that pipeline and it will have serious adverse effects if the Board refuses to adopt the conditions we recommend herein. (*See* Staff Report, Appendix B at page 6.)

heard by the Planning Commission, rather than County staff, and requires a noticed public hearing and public input before any decision is made, (*See generally* Section 25B-10.) The Municipal Code further limits the discretion of the Planning Commission to approve changes, and can *only* do so where nine distinct findings are met, and the Planning Commission is authorized to "impose additional conditions" to ensure the financial guarantees relied upon are maintained. (*Id.*)

The language of the permit itself also supports the County's power to review the existing permit, verify the existing owner is in compliance and, where appropriate *add* conditions that promote the public health and safety and protect the environment. For example, the Planning Commission, at a noticed public hearing and upon finding that the operator is not in compliance with *any* permit condition, has the express ability to revoke, amend, alter, delete, or add conditions to the permit. (*See* Permit Condition A-2.) The County may also, *at any appropriate time*, conduct a "comprehensive review of permit conditions". (Permit Condition B-2.) Where existing permit conditions are deemed to be "inadequate to mitigate significant environmental impacts", the County may impose "additional reasonable conditions" to further mitigate those impacts. (*Id.*)

Further, any operator "*shall obtain* a *new or modified permit* or authority to continue operation under the existing permit, prior to undertaking any activities which, in the judgment of the County, result in *significant changes* to the impact on the County. (Permit Condition A-13.) Examples of these major changes include, *but are not limited to*: major pipeline or pump station modifications, and major changes in pipeline throughput[2]. (*Id.*) Where modifications of procedures, operating techniques, design, equipment and other procedures are at issue, the permit also requires either a substantial conformity determination, or a "new or modified permit". (Permit Condition A-7.)

Long-standing California caselaw also permits the County to vary and impose additional conditions on permits, up to and including *revocation* of even vested permits, in circumstances where the permitholder has demonstrated a failure to comply with the terms and conditions contained in the permit, or where "compelling public necessity" justifies alteration and/or revocation of the permit. (See *O'Hagen v. Board of Zoning Adjustment* (1971) 19 Cal.App.3d 151, 158 ["vested permit right "may be revoked if the permittee fails to comply with reasonable terms of conditions expressed in the permit granted"]; *Korean American Legal Advocacy Foundation v. City of Los Angeles* (1994) 23 Cal.App.4th 376, 393, fn. 5 [endorsing alternate

[2] Where conditions are in conflict, the permit condition "most protective of public and health and safety and natural environmental resources shall prevail to the extent feasible." (Permit Section A-10.)

remedies such as "imposition of additional conditions or controls" as alternative to revocation of permit, where feasible].)

Taken as whole the County Code provisions, express Permit conditions and California law clearly authorize the Board to take a considerably more expansive and robust approach to the Change of Ownership process than either Applicant or Staff have stated, including but not limited to adding or modifying permit conditions, and requiring a full environmental review before any change of ownership is approved.

2. Plains is not in compliance with existing permit conditions, PPC cannot bring the pipeline into compliance, and additional permit conditions must be imposed to protect public health and safety and the environment

When the Planning Commission approved the permit amendment request, it made a finding that the *current* owner, Plains All American, was in compliance with all the requirements of the permit. (Staff Report at 10.) This was clear error, because Plains is manifestly not in compliance with the permit requirements, including Permit Conditions J10 and J-11 [governing mandatory property rights requirements] and Permit Condition A-7 [governing pipeline procedures, operating techniques, design and equipment]. The Planning Commission also declined to impose any additional conditions on its approval. The Board must now take this opportunity to correct the Planning Commission's omissions.

a. The landowners are third-party beneficiaries of this permit, an agreement made in part for their benefit. Plains and/or PPC cannot comply with permit conditions requiring proof of right-of-way ownership because the required easements have lapsed and/or expired

Permit Condition J-10 requires the owner of the pipeline to provide proof of ownership *before* commencing any construction on the Pipeline. Permit Condition J-11 limits the owner to conducting "operational maintenance" only, in the absence of an express easement or agreement[3]. According to the express terms of the permit, Plains cannot do anything other than

[3] Multiple other conditions in the permit require express approval and/or consultation with affected property owners, ensuring the private property interests of landowners affected by the pipeline are adequately considered and protected. (See e.g. Permit Condition H-13 [landscaping plans shall be developed in consultation with property owner]; J-1 [mandatory notice to property owners]; J-4 [mandatory requirement to consult and develop mutually satisfactory controls]; J-5 [mandatory notification required in absence of easement or agreement]; J-7 [same]; K-4 [limiting construction to ROW with advance approval from property owners required for use of private roads or other areas]; K-5 [permittee must demonstrate owner (or Court) approval of private road maintenance plans or terms); M-1 [mandatory consultation regarding landscaping plans]; N-2 [mandatory notice to property owners of noise exceeding limits].)

"operational maintenance", and are precluded from even *operating* the pipeline, unless it can prove it possesses sufficient property rights to do so.

These permit conditions make the Owners the real parties-in-interest and/or beneficiaries of the permit, and the Owners reserve their right to bring any legal action necessary to mandate the County enforce its permit conditions, against the existing or any future permit holder and/or force the permit holder to comply with the conditions.

It is clear that Plains or PPC cannot meet this condition, because the easements have lapsed or terminated under their written terms, which limit the life of the easement to between 3-5 years after non-operation of the pipeline. As stated in one of the Rights of Way ("ROWs"):

> "It is agreed that all rights and privileges herein granted and given Grantee shall automatically end and terminate in the event that Grantee, or its successors and assigns shall fail to install or operate and maintain said pipeline for a period of five (5) consecutive years."

(Right of Way Grant, recorded July 23, 1986, p. 2, emphasis added.)

It is now over 8 years since May 2015, when the pipeline was ordered to be shut down by the Pipeline and Hazardous Materials Safety Administration. The easements have therefore automatically terminated under their terms, and multiple property owners have indicated they have no intent of allowed the owner of the pipeline onto their property[4]. (*See generally* Declarations of Roger McMullin, Mark Tautrim, and Matt Satterthwaite, attached as **Exhibits B-D**.)

Because there is no substantial evidence showing that the owner/operator of Line 901 is in compliance with Permit Condition J-10 and J-11, the finding required for approval pursuant to County Code § 25B-9 (5) cannot be made and the permit amendment request should be denied.

As an alternative to denial, the Board could direct Staff to prepare findings incorporating an additional permit condition that makes clear Plains and/or PPC must prove it possesses all necessary rights to repair, operate and maintain the pipeline *before* any permit amendment request is granted. Vague, hand-waving references to eminent domain rights are also not the answer—Plains and/or PPC must prove it *owns* the rights, not that it may be able to acquire them at some indeterminate later date. Imposing this permit condition is both necessary and reasonable to ensure the rights of the 100+ property owners are adequately protected, and that the

[4] The validity of the Easements is being litigated in the federal Grey Fox case. PPC have disclaimed the right to build a new or replacement pipeline under the existing easements, and their right to do anything other than remove the pipeline (at their own expense) remains to be determined.

current and/or future owners of the pipeline cannot simple trample over the fundamental property rights of the property owners.

b. The Board must incorporate the express provisions of the Consent Decree and require installation of Automatic Shut-Off Valves, including conducting an appropriate environmental review, prior to approving any change in ownership

Applicant and Staff reference the 1988 Settlement Agreement and the Consent Decree as an excuse for why this Board cannot require a safety audit of its own, and cannot exercise independent oversight or jurisdiction over a pipeline which caused massive financial harm and catastrophic property damage to this County's environment and populace.

Yet there is a very simple answer to this "conundrum"—the existing permit must be modified to explicitly incorporate the terms set out in Appendix B and Appendix D of the Consent Decree, thereby allowing the County to exercise its own independent oversight and jurisdiction over the operation of the pipeline. The Board therefore should direct Staff to consider and come back with findings that reflect the necessary permit modifications.

Further, AB 864, codified as Cal. Gov. Code § 51013.1, requires the current and/or future owner of the pipeline to install the "best available technology" to protect public health and safety and safeguard the environment. This includes the installation of Automatic Shutoff Valves necessary to prevent and/or mitigate the impact of any future oil spill. The Board has already heard from representatives of the Office of the State Fire Marshall ("OSFM") that any owner must have "certain safety measures in place prior to putting any oil in the pipeline," and without best available technology in place, Plains are "in conflict with state law requirements" and a restart of the pipeline would be "fundamentally blocked" because "if you want to establish flow you would need the valves[5]."

As this Board knows, PPC's application to install Automatic Shutoff Valves on the pipeline was denied by the Planning Commission, and the Board ultimately took no action, letting that decision stand. While we are unaware of any alternative means or explanation by which PPC will bring the Pipeline into compliance with state law, statements by PPC representatives at the hearing were extremely concerning—specifically the implied threat that PPC will attempt to re-open the pipeline "as-is" and without installing the required Automatic Shutoff Valves[6].

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[5] August 22, 2023 Board of Supervisors Meeting at 1:55:00, (Available at https://www.youtube.com/watch?v=sA5oFjPSQiA)
[6] *Id.* at 2:20:00

The Board should therefore deny the permit amendment request, unless and until Plains and/or PPC have obtained the necessary permits to install "best available technology" on the pipeline, which must include Automatic Shutoff Valves, and must include a requirement that a full and up-to-date environmental impact report be prepared.

Approving a permit amendment request without that information would contravene Chapter 25B's express purpose to "protect public health and safety, and safeguard the natural resources and environment of the county of Santa Barbara, by ensuring that safe operation, adequate financial responsibility, and compliance with all applicable county laws and permits are maintained during and after all changes of owner, operator or guarantor of certain oil and gas facilities."

As an alternative to denial, the Board could direct Staff to prepare findings that include modification of the existing permit to explicitly require the installation of Automatic Shutoff Valves, including but not limited to, requiring proof of County approval, proof of sufficient private property rights, and requiring full environmental review.

c. The Pipeline's failed cathodic protection system and Plains' history of criminal maintenance failures renders the pipeline unfit for service and out of compliance with Permit Condition A-7

The Final Development Permit pursuant to which Plains (and any future owner) is permitted to operate the pipeline includes the following condition:

> ***The procedures, operating techniques, design, equipment and other descriptions (hereinafter procedures)*** described in by AAPLP in its application to the County 83-DP-25 cz, 83-CP-97, and in subsequent clarifications and additions to that application and the Final Development Plan ***are incorporated herein as permit conditions and shall be required elements of the project.*** Since ***these procedures were part of the project description which received environmental analysis, a failure to include such procedures in the actual project could result in significant unanticipated environmental impacts.*** Therefore, modifications of these procedures will not be permitted without a determination of substantial conformity or a new or modified permit. The use of the property and the size, shape, arrangement and location of buildings, structures, walkways, parking areas and landscaped areas shall be in substantial conformity with the approved Final Development Plan.

(Permit Condition A-7, emphasis added)

Permit Condition B-3 further states that the issuance of the permit is "premised upon findings that where feasible, all significant environmental effects. . . will be substantially mitigated by the permit conditions."

Here, it is well-documented that Plains' failure to install and operate a functional cathodic protection system, combined with criminal failures of maintenance, were the root cause the 2015 Refugio Oil Spill. As a result, thousands of barrels of oil spilled into the environment, causing catastrophic environmental damage that, to date, has cost Plains almost $1 billion in clean-up and compensation costs.

The existing Pipeline continues to use that failed system, and Plains has indicated an intent to seek a waiver from the OSFM for its failed cathodic protection system should it seek restart of the pipeline. (*See* Plains Valve Appeal Planning Commission Staff Report (2/2/23) p. 14.) This directly contradicts the findings in the 1985 EIR which anticipated "[t]he entire pipeline would be protected from corrosion with cathodic protection systems consisting of groundbeds and rectifiers." (DEIR p. 2-5.) The Project Description further provides "[m]aintenance activities associated with the pipeline and the ROW would include the following: ...Inspection and maintenance of cathodic protection systems." (DEIR p. 2.24.) The Draft EIR acknowledges that "[p]rotection of a pipeline from corrosion is of critical importance to the environment as well as the pipeline operator." (DEIR, p. 4-106 emphasis added.)

As the PHMSA Report makes clear, the rupture in Line 901 resulted from progressive external corrosion of the pipeline, caused by ineffective protection against external corrosion and failure by Plains to detect and mitigate the corrosion. (PHMSA Report p. 14, attached hereto as **Exhibit E**.) The condition of the pipeline's coating and insulation system fostered an environment that led to the external corrosion, and the pipeline's cathodic protection system was not effective in preventing corrosion from occurring beneath the pipeline's coating/insulation system. (*Id.*, p. 3.) Plains failed to identify corrosion under insulation (CUI) as risk-driving threat in their federally-mandated integrity management program (IMP) and did not fully implement their IMP as required. (*Id.*, pp. 14-15.)

Critically, the PHMSA Report explains at length that the failures in the insulation/coating system, ineffectiveness of cathodic protection, and Plains' maintenance failures have significantly compromised the entire pipeline. In fact, Plains recognized the failed condition of its pipeline, when it sought a wholesale replacement rather than attempting restart.

Because there is no substantial evidence showing that the owner/operator of Line 901 is in compliance with the critical aspect of the project description requiring effective cathodic protection, the current owner/operator is not in compliance with Condition A-7, and the finding required for approval pursuant to County Code § 25B-9 (5) cannot be made.

As an alternative to denial, the Board should direct Staff to prepare findings modifying the permit to explicitly include proof that the owner is utilizing an *effective* cathodic protection system, or, if that is not possible, requiring the owner to replace the pipeline with non-insulated pipe. (*See* Consent Decree, Appendix B, Article I, § 2.A.)

3. The Board should deny the Change Request because the proposed financial guarantee is wholly inadequate to cover the real costs of a future oil spill

In order to approve a permit amendment request, a finding is required that: "All necessary insurance, bonds or other instruments or methods of financial responsibility approved by the county and necessary to comply with the permit and any county ordinance have been updated, if necessary, to reflect the new operator and will remain in full effect following the operator change." (Chapter 25B-10(a)(2).) Additional conditions may also be imposed to ensure "any insurance or other financial guarantees" relied upon "are maintained". (Chapter 25B-10(b).)

Remarkably, Staff contend the FDP Permit "does not require the Owner, Guarantor, Operator to carry insurance or other financial responsibility (e.g. surety bond) to cover oil spills or other damages, or for the final abandonment of the pipelines, and that previously required bonds and endowments have been satisfied. (*See* Staff Report, Attachment A, § 2.1.1.)

However, the express language of Chapter 25B-10 clearly permits the Board to impose *new*, *modified* or *additional* financial guarantees as a condition on the change of ownership, including conditions sufficient to ensure those guarantees are maintained. Further, even if the permit does not require a guarantee to cover the costs of oil spills, the Board can find the existing permit conditions are inadequate to adequately mitigate the impacts, and impose "additional reasonable conditions" to further mitigate those impacts. (Permit Condition B-2.) The Board may also impose additional conditions pursuant its inherent authority to modify a permit when the permittee fails to comply with the reasonable terms and conditions of that permit, or where there is a "compelling public necessity". (*See O'Hagen, supra*, 19 Cal.App.3d at 158 ["vested permit right "may be revoked if the permittee fails to comply with reasonable terms of conditions expressed in the permit granted"]; *Korean American Legal Advocacy Foundation, supra*, 23 Cal.App.4th, at 393, fn. 5 [endorsing alternate remedies such as "imposition of additional conditions or controls" as alternative to revocation of permit, where feasible].)

Here, the ultimate owner of the pipeline, Sable and/or Flame, has only a $100 Million guarantee to cover losses under the current terms of the transfer[7]. This guarantee is grossly insufficient, and does not come close to covering the damages of any future spill.

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[7] See, OSPR Dispatch Report Inland Facility, Evidence of Certificate of Responsibility, at 5 http://nrm.dfg.ca.gov/FileHandler.ashx?DocumentID=121519&inline.

To demonstrate the inadequacy of this guarantee, we refer to Plains' June 30, 2023 Quarterly Report to its investors regarding the true cost of the 2015 Refugio oil spill:

> "Effective as of June 30, 2023, we estimate that the **aggregate total costs we have incurred or will incur with respect to the Line 901 incident will be approximately $740 million**, which includes actual and projected emergency response and clean-up costs, natural resource damage assessments, fines and penalties payable pursuant to the Consent Decree, certain third party claims settlements (including the Class Action Settlement and the Derivative Settlement),and estimated costs associated with our remaining Line 901 lawsuits and claims as described above,as well as estimates forcertain legal fees and statutory interest where applicable.

Further, the Board should not rely on promises of insurance. In that same quarterly report, Plains concedes that less than half of its costs have been covered by insurance, and it faces significant coverage challenges for reimbursement:

> To date, we have received payment of approximately $3.6million from one insurer, which represents the final payment obligation of such insurer and brings the total amount collected from all insurers under such program to $275 million of the $500 million policy limits as of June 30, 2023. Insurers responsible for $185 million of the remaining $225 million of coverage formally communicated a denial of coverage for the Class Action Settlement generally alleging that some or all damages encompassed by the Class Action Settlement are not covered by their policies and that all or some portion of the $275 million for which Plains has already received insurance reimbursement does not properly exhaust the underlying policies that paid those sums."

Given this recent evidence demonstrating the enormous financial impact oil spills *on this County*, the Board should direct Staff to prepare findings that including requiring, at minimum, a financial guarantee of $1 billion, in the form of either a cash or bond, as a condition of approval.

4. This application, the Pipeline Replacement Project and the Valve Upgrade Project are not separate and independent projects but are integral aspects of Applicant's plan to restart the failed Line 901 and 903 pipelines and are subject to CEQA

As a preliminary issue, if the Board denies the permit amendment request, or directs Staff to return with additional findings, then no CEQA review is required. (Pub. Res. Code, §

21080(b)(5) [CEQA does not apply to "[p]rojects which a public agency rejects or disapproves."]; *see also, Sunset Sky Ranch Pilots Association v. County of Sacramento* (2009) 47 Cal.4th 902 [denial of permit renewal exempt from CEQA analysis].)

However, should the Board decide to approve the permit amendment request, an Environment Impact Report must be prepared that reflects the impact on public health and safety and the environment of this first step in the inevitable re-opening of Lines 901 and 903.

In their report to the Board, as with Applicant's Valve Upgrade Project, Applicant claims (and Staff erroneously concurs) that this Project is simple, and does not imply the pipelines will restart. That is an absurdly myopic view that ignores the fundamental reality of this permit amendment request, specifically what possible reason could a new owner have for taking over a pipeline, if not to re-open it?

The pipelines are currently designated as "non-operational"—a reality the County acknowledged when it changed the base line for the still-pending Pipeline Replacement Project in April 2022. (*See*, Revised Notice of Preparation of a Draft Environmental Impact Report/Environmental Impact Statement ("NOP"), SCH #2019029067, pp. 2-3 [attached hereto as **Exhibit F**].) The County's change of baseline is critically important, as it acknowledges the *actual state* of the pipelines as it exists today.

CEQA also defines "Project" as the whole of the action, which has the **potential** for resulting in either a direct **or reasonably foreseeable** indirect physical change in the environment. (Guidelines, Section 15378(a).) The heart of CEQA is the EIR requirement. (*County of Inyo v. Yorty* (1973) 32 Cal.App.3d 795, 810, 814; Guidelines, Section 15003(a).)

The EIR process serves not only to protect the environment but also to demonstrate to the public that it is being protected. (*Id.* at 15003(b).) Caselaw is clear that CEQA must be interpreted in such a manner as to afford the fullest possible protection to the environment within the reasonable scope of the statutory language. (*Friends of Mammoth v. Board of Supervisors* (1972) 8 Cal.3d 247, 259; Guidelines, Section 15003(f).) The lead agency must therefore consider the whole of an action, not simply "chop" it into constituent parts, in determining whether it will have a significant impact. (Guidelines, Sections 15003(h), Section 15378(a), (c)-(d); *Poet, LLC v. State Air Resources Board* (2017) 12 Cal.App.5th 52, 73.)

By ignoring the non-operational status of the pipelines, Applicant and Staff ignore CEQA Guidelines, 14 CCR section 15301, which state the "key consideration is whether the project involves negligible or no expansion of use." (Guidelines, Section 15301.) Here, the lines are not being used to provide any services whatsoever. The County has acknowledged they are purged. (*See*, Appeal of Plains Valve Upgrade Project, Attachment 3, p. 14: "After the oil spill in 2015, the Lines were cleaned and flushed of all potentially corrosive materials and filled with Nitrogen

gas, which is an inert gas;" *see also*, NOP at p. 3 [". . .the baseline conditions evaluated in the Draft EIR/EIS were changed to the conditions that existed on the ground at the time the 2019 NOP and NOIs were released, **which is, and continues to be, a non-operational pipeline**."].) The lines therefore cannot be considered "existing" in the sense that the CEQA Guidelines focus on use.

5. The "Project" is incomplete and does not reflect current reality because the prior EIR failed to consider Las Flores Canyon GHG emissions as required by law

Staff and Applicant both erroneously rely on the prior EIR/EIS, by assuming that the prior EIR/EIS fully reviewed all matters of significance. However, the prior EIR/EIS – prepared over 30 years ago – did not fully calculate the potential GHG emissions, only separate emission components. That was because the GHG rules were only adopted in 2010, long after the original EIR/EIS.

Plains did calculate the GHG emissions as part of its Replacement Project, however. (*See,* Replacement Project, Attachment C.3, authored by SCS Engineers, at p. 1: "Santa Barbara County's threshold of significance for GHG emissions is 1,000 metric tonnes (MT) per year. The Project would produce a net increase of approximately 21,243 MTs per year of GHGs, not including the potential increase in indirect GHGs.") This is a substantial increase of which the County and the public should be aware; but it is not considered in the permit amendment request or Staff's analysis.

The lack of any GHG calculation renders this "Project" incomplete. The permit amendment request is the first step in a "Project" which anticipates oil being transported through the lines and the restart of the Las Flores Canyon facility—which in operation was responsible for **40% of the County's greenhouse gas emissions**. Yet neither Applicant or Staff have address the requirement for additional studies of GHG emissions. Under the new GHG Guidelines, the Owner must provide such a good-faith evaluation, if there is any likelihood the Project could have an impact, as is clearly the case here. Without such an evaluation, this Board cannot fully consider the environmental impacts of the Project.

Finally, when this permit amendment request was first submitted, and when it was considered by the planning Commission, Applicant was sitting on the fence, deciding how to reconcile its statements that "restart" was not required, while at the same time refusing to confirm it will not perform the Replacement Project.

Since then, the Applicant has since unequivocally stated in a public court filing that it does not have the right to either fully replace the existing pipeline, or to install a second pipeline:

> "PPC—the new owner of the Pipelines—now seek entry of a Proposed Order unequivocally waiving and disclaiming any right (on behalf of itself and successors) to construct and install a second, new pipeline system without negotiating new easements"
>
> "[I]t is now clear (and PPC agrees) that the existing Easements do not permit construction and installation of a new pipeline without new rights of way."

(**Exhibit G**, Excerpts of PPC Motion to Dismiss filed Aug 11, 2023)

Given Applicant's unequivocal public statements, there is no doubt whatsoever that this permit amendment request is simply the first, mandatory step towards the "Project" that is restarting the existing, corroded pipeline. A full EIR must therefore be ordered that evaluates the environmental impact of that restart under the existing, changed conditions, and outlines the mitigation measures required to mitigate the impact of a restart.

6. Conclusion

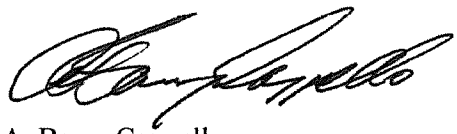
The Owners are real parties-in-interest and/or beneficiaries of this permit, and they must be protected. PPC owns no easements, an issue that is currently being litigated in federal court. Until that litigation is resolved this permit must clearly say no restart and no new pipeline without new land rights confirmed. PHMSA's investigation report makes clear that corrosion problems are endemic in Line 901 and Line 903, correctly ordered them both shut down, and until recently, the only viable option was seen as a wholesale replacement of the entire project. That has now changed, and PPC and/or the ultimate owner appears hell-bent on restarting the failed pipeline.

The Board must act now to either deny the permit amendment request, until Plains and/or PPC can demonstrate it is in compliance with the permit conditions, or direct Staff to return with findings that include additional conditions sufficient to protect public health and safety and safeguard the environment, including but not limited to requiring proof of necessary property rights; incorporating the Consent Decree provisions into the permit; requiring installation of ASVs; requiring an adequate financial guarantee in the form of cash or a bond, and requiring *effective* cathodic protection or, if that is not feasible, *replacement* of the pipeline with non-

insulated pipe. Staff should also include in those findings a requirement that a full Environmental Impact Report be prepared.

Sincerely,

CAPPELLO & NOËL LLP



A. Barry Cappello

Exhibit A

ID #	Current Owner	APN
1	La Poloma Ranch, LLC	081-230-029
2	OLIVO2337, LLC	081-230-028
3	Mark W. Tautrim Revocable Trust	081-230-021
3	Mark W. Tautrim Revocable Trust	081-230-024
4	Freeman 2004 Trust	081-210-051
4	Freeman 2004 Trust	081-210-050
5	Vargas Family Trust	081-210-046
6	Maz Properties Inc., Bean Blossom, Grey Fox, Winter Hawk, LLC	081-210-047
6	Maz Properties Inc., Bean Blossom, Grey Fox, Winter Hawk, LLC	081-200-028
6	Maz Properties Inc., Bean Blossom, Grey Fox, Winter Hawk, LLC	081-200-032
6	Maz Properties Inc., Bean Blossom, Grey Fox, Winter Hawk, LLC	081-200-031
6	Maz Properties Inc., Bean Blossom, Grey Fox, Winter Hawk, LLC	081-200-033
7	Maz Properties/Hearst Properties	081-150-006
8	Paul Antolini /The Braille Institute/American Cancer Society	081-150-007
9	Land Trust for Santa Barbara County	081-150-002
10	Richard Simon	081-150-028
11	Brown Family Trust	081-140-019
12	Gaviota Springs Ranch	081-140-025
13	Native Energy Farms, LLC	081-140-023
14	Richard Woodall, Inc.	081-130-068
14	Richard Woodall, Inc.	081-130-053
15	Hvolboll Family	081-210-036
16	Parcel 123 Partnership	083-700-019
17	HR 127 Partnership	083-700-023
18	Brown Clyde Jackson Trustee	083-700-024

19	**HPB Rancho Arbolado, LLC**	083-500-025
20	**Mathis Gaviota Ranch, LP**	083-500-029
20	**Mathis Gaviota Ranch, LP**	083-430-034
20	**Mathis Gaviota Ranch, LP**	083-330-032
21	**Nojoqui Falls Ranch Limited Partnership**	083-500-004
22	**Thomas Kopitnik (FKA Bryan & Kay Reid)**	083-430-033
23	**Eleanor Jean Graham Trust**	083-430-035
24	**Canutt**	083-430-024
24	**Canutt**	083-430-028
25	**New Frontiers Holdings Inc.**	083-430-031
26	**Satterthwaite Family Trust**	083-430-030
27	**Graef Family Trust (FKA Howard F. Williams)**	083-430-022
28	**The Jones Organization**	083-330-024
29	**Live Oak Bazzi Ranch, LP**	083-330-012
30	**Geraldine & William Mosby, Trustees**	083-190-012
31	**Lavendar Oak Ranch, LLC**	083-190-013
32	**Anne Chewning (FKA Debruin, Johannes & Nadine)**	083-190-009
33	**Joshua & Jacob Acin 2012 Irrevocable Trust**	083-190-004
33	**Joshua & Jacob Acin 2012 Irrevocable Trust**	083-180-011
33	**Joshua & Jacob Acin 2012 Irrevocable Trust**	083-180-037
33	**Joshua & Jacob Acin 2012 Irrevocable Trust**	083-180-038
34	**Givens, John & Carrie**	083-180-013
34	**Givens, John & Carrie**	083-180-012
35	**Baltoro Trust (AKA Chouinard Family Trust)**	083-180-016
36	**Valley Mobile Park Investments**	099-690-001
37	**Willemsen Family Trust**	099-670-004
37	**Willemsen Family Trust**	099-670-005

38	**Buellton Ranch LP**	099-400-069
38	**Buellton Ranch LP**	099-400-073
38	**Buellton Ranch LP**	099-251-011
38	**Buellton Ranch LP**	099-251-063
38	**Buellton Ranch LP**	099-252-064
38	**Buellton Ranch LP**	099-252-008
39	**Karen Ross (FKA Brian & Karen Keller)**	099-400-090
40	**ZACA Preserve, LLC**	099-400-017
41	**Powell - Hartman Family Trust**	099-430-001
42	**Stephen & Carissa Luke Family Trust**	099-430-026
43	**Deanerow, LLC**	099-630-003
43	**Deanerow, LLC**	099-630-001
44	**Buellton Sportsmens Association LLC**	099-630-007
44	**Buellton Sportsmens Association LLC**	099-630-008
45	**Maria R. McGee**	099-640-003
46	**Rancho La Purisima**	099-640-006
46	**Rancho La Purisima**	099-640-005
47	**Jeffrey Elings**	099-040-025
48	**Rancheria LLC**	099-040-019
48	**Rancheria LLC**	099-040-009
49	**Fred Chamberlin**	133-151-058
50	**Rancho San Juan, Inc.**	133-110-062
51	**Nolan Ranch, LLC**	133-070-016
51	**Nolan Ranch, LLC**	133-070-015
51	**Nolan Ranch, LLC**	133-110-061
52	**JTMT LLC (JT Ranch)**	133-070-009
52	**JTMT LLC (JT Ranch)**	133-070-010

52	JTMT LLC (JT Ranch)	133-070-004
53	Flood Ranch Co.	133-070-027
53	Flood Ranch Co.	133-040-011
53	Flood Ranch Co.	133-010-024
53	Flood Ranch Co.	129-026-038
54	Lone Oak Springs Ranch, LLC	129-260-037
55	Dan & Marnie Donovan	129-260-030
56	Edwin Woods Jr. Separate Trust	129-260-033
56	Edwin Woods Jr. Separate Trust	129-260-031
57	Barbara Bank Revocable Trust	129-260-007
58	Tepusquet Ranch	129-050-014
59	Acquistapace Ranches LLC	131-130-016
60	H.D. & Carol Perrett	131-090-089
60	H.D. & Carol Perrett	131-190-016
60	H.D. & Carol Perrett	131-190-004
61	Marshall & Rhonda Munger Living Trust	131-090-024
61	Marshall & Rhonda Munger Living Trust	131-141-001
61	Marshall & Rhonda Munger Living Trust	131-090-023
62	Pensco Trust Company	131-090-073
63	Rory Oreilly	131-200-024
64	William Jr. & Sarah Moses	131-090-075
64	William Jr. & Sarah Moses	131-200-025
65	Barbara & Sivert Ross	131-200-013
66	Leno Louis DeLorenzi, Jr.	131-200-014
67	Libbey Trust	131-200-012
68	Timothy & Karissa Bennett	131-200-001
69	Barak & Alyssa Moffitt Revocable Trust	131-200-002

69	**Barak & Alyssa Moffitt Revocable Trust**	131-200-003
70	**Manuel Valdez**	131-190-005
71	**Gerald Domingues**	131-190-013
72	**Robert Chin Pao Chou**	131-190-006
73	**Mary Lou Eleazar Cuellar**	131-190-009
74	**Leo & Marlene Miller Trust**	131-190-008
75	**Timothy & Freddie Larson**	131-190-007
76	**Mike & Denise McNutt**	131-190-010
77	**Tremper Trust**	131-030-048
77	**Tremper Trust**	131-030-049
78	**Bruce & Lynn Attig Family Trust**	131-030-053
79	**Quinones Family Trust**	131-030-043
80	**Hutchings Family Trust**	131-030-003
80	**Hutchings Family Trust**	131-030-019
80	**Hutchings Family Trust**	131-030-021
80	**Hutchings Family Trust**	131-030-039
81	**77 Broad Street LLC**	131-010-026
81	**77 Broad Street LLC**	131-030-018
81	**77 Broad Street LLC**	131-010-066
82	**Rinconada Ranch Association LLC**	131-020-005
83	**Thomas Rickard**	094-381-015
84	**James Rickard**	094-381-010
85	**Dennis Rickard (Deceased)**	094-381-011
86	**Robert Rickard**	094-381-012
87	**John Rickard**	094-381-014
88	**Hassan Baharloo**	094-391-001
89	**El Rancho Espanol de Cuyama No. 1**	094-401-003

90	North Fork Cattle Co.	094-411-014
91	Glen H. Stoller	094-411-016
92	Heirs of Helen S. Reid	096-032-009
93	Brodiaea Inc.	096-141-004
93	Brodiaea Inc.	096-141-002
93	Brodiaea Inc.	096-141-003
93	Brodiaea Inc.	
94	Caliente Ranch Cuyama LLC	
94	Caliente Ranch Cuyama LLC	096-131-001
94	Caliente Ranch Cuyama LLC	096-121-001
94	Caliente Ranch Cuyama LLC	096-121-002
94	Caliente Ranch Cuyama LLC	096-411-008
94	Caliente Ranch Cuyama LLC	096-411-009
94	Caliente Ranch Cuyama LLC	096-421-012
94	Caliente Ranch Cuyama LLC	096-451-012
94	Caliente Ranch Cuyama LLC	149-300-010
94	Caliente Ranch Cuyama LLC	096-411-001
94	Caliente Ranch Cuyama LLC	147-030-012
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-006
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-023
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-013
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-019
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-015
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-016
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-020
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-004
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-005

95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-451-021
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-431-012
95	Russell S. Hubbard, Jr.; Amethyst Properties, Inc.	096-441-059
96	Diamond Farming CO	096-441-060
96	Diamond Farming CO	096-441-061
97	Constence Hawkins	096-191-003
98	Bolthouse Properties, LLC	096-441-065
98	Bolthouse Properties, LLC	096-441-026
99	Lapis Land Co.	096-441-025
99	Lapis Land Co.	096-441-012
99	Lapis Land Co.	096-441-013
99	Lapis Land Co.	096-441-014
99	Lapis Land Co.	096-441-015
100	Trust 4 LLC	240-260-021
100	Trust 4 LLC	240-260-19
100	Trust 4 LLC	240-260-10
100	Trust 4 LLC	240-260-13
100	Trust 4 LLC	240-260-11
100	Trust 4 LLC	240-251-02
100	Trust 4 LLC	239-232-02
101	Buena Vista Highland	240-260-15
102	Edmund Ansin Trust	239-232-03
102	Edmund Ansin Trust	239-231-21
102	Edmund Ansin Trust	239-231-18
102	Edmund Ansin Trust	239-231-06
103	Klipstein, Philip (Heirs)	239-231-07
104	Eyherabide Land Co., LLC	239-231-08

104	**Eyherabide Land Co., LLC**	239-212-14
104	**Eyherabide Land Co., LLC**	239-212-05
104	**Eyherabide Land Co., LLC**	239-212-10
104	**Eyherabide Land Co., LLC**	239-212-13
105	**Beverly & Robert McGregor**	239-211-18
106	**Ballard Land Holdings, LLC**	239-300-31
106	**Ballard Land Holdings, LLC**	239-300-14
106	**Ballard Land Holdings, LLC**	239-300-30
107	**Abdi & Angelica Escobar**	239-310-28
108	**James Carlile**	239-310-27
109	**J.H. Kennedy**	239-310-25
110	**Alberta Weir Estate Trust**	239-310-21
111	**Robert Dodge**	239-310-41
112	**Ross, Louis H.**	239-132-17
113	**Gless Murcott Ranch, LLC**	239-132-35
114	**Joseph & Sharon Parker (FKA Trinity Partners)**	099-750-001
115	**Charles & Jill Rearick Survivor Trust**	099-750-015
116	**Signa Family Trust**	099-750-018
117	**Gosney Family Trust**	099-750-019
118	**David & Jennifer Ezell Living Trust**	099-750-020
119	**Kenneth Stevens**	099-750-021
120	**Barrett Wellington**	099-750-022
121	**B&K Buellton Homes LLC**	099-750-023
122	**Valley Dairy Road Land Trust**	099-760-015
123	**Gurdev Singh**	099-760-016
124	**James M Toscano**	099-760-017
125	**Ramon Leon**	099-760-018

126	**Rosalyn P Degraffinreid**	099-760-019
127	**Robert Joseph Mercado**	099-760-020
128	**Gerald Plier**	099-760-021
129	**Baker Family Trust**	099-760-022
130	**Elroy E & Virginia L Allain Living Trust**	099-800-020
131	**Ayala Roger (FKA Gregory D Tracy)**	099-800-021
132	**Ryan Metzer**	099-800-017
133	**Natalia S. Weed**	099-800-022
134	**Rexford Title, Inc.**	099-800-023
135	**Brian & Robyn Caplan**	099-700-036

Exhibit B

DECLARATION OF ROGER MCMULLIN

I, ROGER MCMULLIN, hereby declare:

1. I am the authorized representative for named Plaintiffs Grey Fox, LLC, Bean Blossom LLC, MAZ Properties, Inc. and Winter Hawk LLC ("MAZ Entities") in the case of *Grey Fox, LLC, et al. v. Plains Pipeline, L.P., et al.* Case No. 2:16-cv-03157, currently pending in the Federal District Court in the Central District of California.

2. I submit this Declaration in support of our counsel's request that the Board of Supervisors deny Pacific Pipeline Company's application for a Development Plan/Conditional Use Permit Amendment and Coastal Development Permit Pertaining to Line 901-903 Upgrade Project (21 AMD-00000-00009 & 22CDP-00000-00048).

3. The MAZ Entities, with other related entities, are the record owners of multiple parcels that together form an approximately 3,500 acre real estate subdivision on the Gaviota coast, known and referred to as El Rancho Tajiguas. A diagram of the various properties, their APNs, and their respective ownership entities is attached to this declaration as **Exhibit A**.

4. Grey Fox LLC is the current owner of "Lot X", APN 081-210-047. Lot X contains a fully-developed luxury home, which has been on the market since 2017 but has remained unsold. Infamously, the Grey Fox property is the site of Plains' 2015 pipeline rupture, which caused hundreds of thousands of gallons of oil to spill onto the land and out into the ocean. As a result of the spill, the Grey Fox property was the site of a massive, coordinated clean-up operation for months, and damages caused by the spill and its aftermath continue to this day.

5. Bean Blossom LLC, APN 081-200-032, also known as "Lot H", also contains a fully-developed luxury home that has sat on the market unsold for nearly a decade, because of its association with the Plains oil spill. The MAZ

Properties and Winter Hawk LLC remain undeveloped—a major contributing factor to which is the ongoing uncertainty over what will happen to the pipelines, and the reasonable fear of a future pipeline rupture.

6. Each of the southern-most parcels of the El Ranch Tajiguas subdivision, APN 081-210-047, 081-200-028, 081-200-032, 081-200-031, and 081-200-033, have a pipeline easement recorded against their properties.

7. The pipeline easement has a clause that states: "It is agreed that all rights and privileges herein granted and given Grantee shall automatically end and terminate in the event that Grantee, or its successors and assigns, shall fail to install or operate and maintain said pipeline for a period of five (5) consecutive years."

8. It is my understanding that the owner of the pipeline, either current or via its predecessor-in-interest, has not operated the pipeline since the spill in 2015, now over eight years, and therefore the easement, by its terms, has terminated.

9. As the owner of properties which were the direct site, and directly adjacent to, where the 2015 Refugio oil spill occurred, I am very aware of the catastrophic damage caused when oil spills onto the land and into the ocean, as well as the extreme disruption caused by the clean-up and remediation process. The association of the properties with the spill, as well as uncertainty over the safety of the pipeline currently in the ground, has caused massive financial damages to the MAZ Entities, losses which continue to accrue to this day.

10. There have always been concerns about the safety of the Project, but even more so now the Owner appears to have abandoned its replacement project, and now appears intent on restarting the existing pipeline.

//

//

11. I urge the Board of Supervisors to order a full Environmental Impact Report, to ensure the Project accounts for all potential impacts to the environment, surrounding landowners, and to the public at large.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed at [Burlingame], California, this 17 day of August 2023.

RogerMcMullin
RogerMcMullin (Aug 17, 2023 15:44 PDT)

ROGER MCMULLIN
on behalf of Grey Fox LLC, Bean Blossom LLC, MAZ Properties, Inc, and Winter Hawk LLC

Exhibit A

EL RANCHO TAJIGUAS
Subject Property Overview
(Landmark File: 051-1-16)

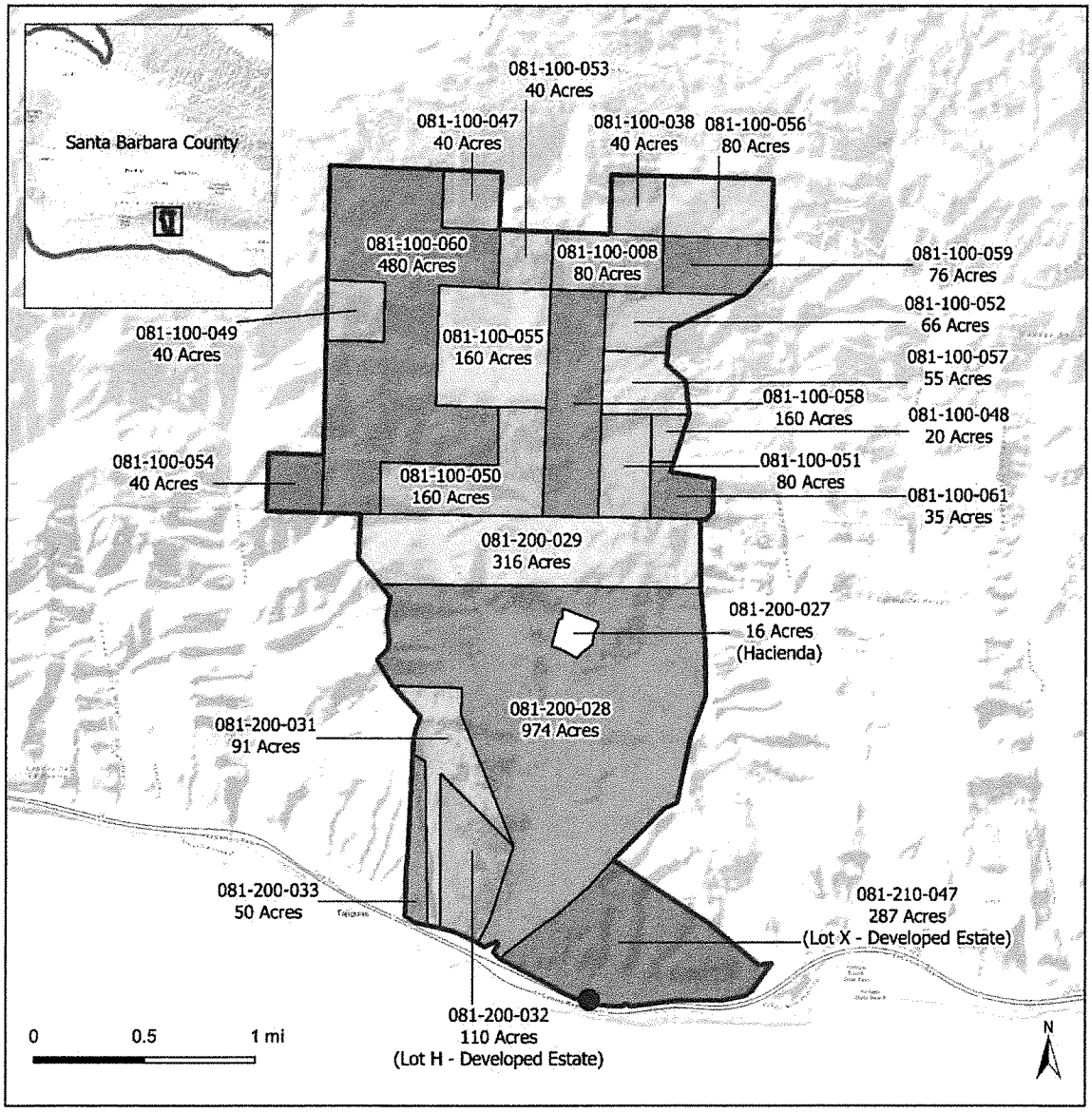


Figure 4: Map Depicting Subject Property's Subdivision

Exhibit C

DECLARATION OF MARK W. TAUTRIM

I, MARK TAUTRIM, hereby declare:

1. I am a named Plaintiff and class representative in *Grey Fox, LLC, et al. v. Plains Pipeline, L.P., et al.* Case No. 2:16-cv-03157, currently pending in the Federal District Court in the Central District of California.

2. I submit this Declaration in support of our counsel's request that this Board of Supervisors deny Pacific Pipeline Company's application for a Development Plan/Conditional Use Permit Amendment and Coastal Development Permit Pertaining to Line 901-903 Upgrade Project (21 AMD-00000-00009 & 22CDP-00000-00048).

3. I own the property known as Orella Ranch, APN 081-230-021. The Ranch is approximately 280 acres in size and has been owned by our family since the mid-1800s. Our current use of the Ranch is a working livestock ranch and dog boarding facility. There is a pipeline easement recorded against the Ranch property.

4. The pipeline easement has an abandonment clause that states: "It is agreed that all rights and privileges herein granted and given Grantee shall automatically end and terminate in the event that Grantee, or its successors and assigns, shall fail to operate and maintain said pipeline after the initial start-up of operations for a period of five (5) consecutive years."

5. It is my understanding that the owner of the pipeline, either current or via its predecessor-in-interest, has not operated the pipeline since the spill in 2015, well over five years, and therefore the easement, by its terms, has terminated.

6. Our property is close to the site where the 2015 Refugio oil spill occurred, and we witnessed first-hand the catastrophic damage caused by the oil spilling both onto the land, and out into the ocean.

7. I am extremely concerned about the safety of the Project, even more so now the Owner appears to have abandoned its replacement project and instead will be restarting the existing pipeline. I urge the Board of Supervisors to order a full Environmental Impact Report to ensure the Project accounts for all potential impacts to the environment, surrounding landowners, and to the public at large.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed at Goleta, California, USA, this 17 day of August 2023.

Mark W. Tautrim (Aug 17, 2023 17:45 EDT)

MARK W. TAUTRIM

Exhibit D

DECLARATION OF MATT SATTERTHWAITE

I, MATT SATTERTHWAITE, hereby declare:

1. I submit this Declaration in support of my counsel's request that this Board of Supervisors deny Pacific Pipeline Company's application for a Development Plan/Conditional Use Permit Amendment and Coastal Development Permit Pertaining to Line 901-903 Upgrade Project (21 AMD-00000-00009 & 22CDP-00000-00048).

2. I am the owner of an approximately 15-acre property, situated west of Highway 101 and north of Gaviota, APN 083-430-030. The property is currently used as an commercial apple orchard. I understand the property has a pipeline easement recorded against it.

3. The pipeline easement has a clause that states: "It is agreed that all rights and privileges herein granted and given Grantee shall automatically end and terminate in the event that Grantee, or its successors and assigns, shall fail to operate and maintain said pipeline for a period of five (5) consecutive years."

4. It is my understanding that the owner of the pipeline, either current or via its predecessor-in-interest, has not operated the pipeline since the spill in 2015, now over eight years, and therefore the easement, by its terms, has terminated.

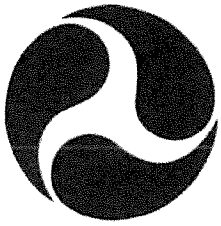
5. I am concerned about the safety of the Project, even more so now the Owner appears to have abandoned its replacement project and instead appears intent on restarting the existing pipeline. I urge the Board of Supervisors to order a full Environmental Impact Report to ensure the Project accounts for all potential impacts to the environment, surrounding landowners, and to the public at large.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

Executed at Solvang, California, this 16 day of August 2023.

MATT SATTERTHWAITE,

Exhibit E



U.S. Department
of Transportation

Pipeline and Hazardous Materials Safety Administration

Failure Investigation Report

Plains Pipeline, LP, Line 901
Crude Oil Release, May 19, 2015
Santa Barbara County, California

May 2016

Table of Contents

Executive Summary

At approximately 10:55 a.m. Pacific Daylight Time (PDT) on May 19, 2015, the Plains Pipeline, LP (Plains), Line 901 pipeline in Santa Barbara County, CA, ruptured, resulting in the release of approximately 2,934 barrels (bbl) of heavy crude oil.[i] An estimated 500 bbl of crude oil entered the Pacific Ocean. Line 901 is a 24-inch diameter buried, insulated pipeline which extends approximately 10.7 miles in length and transports heated crude oil from Exxon Mobil's storage tanks in Las Flores Canyon westward to Plains' Gaviota Pumping Station. On May 21, 2015, the Pipeline and Hazardous Materials Safety Administration (PHMSA), a regulatory agency within the U.S. Department of Transportation, issued a Corrective Action Order (CAO) that required the operator to shut down Line 901. Concurrent with the issuance and implementation of the CAO, PHMSA conducted an investigation to identify causal factors that contributed to the occurrence and size of the crude oil release. As the failure investigation progressed, the CAO was amended to address additional safety concerns that were identified. On June 18, 2015, Line 901 was purged and filled with inert nitrogen to enhance safety during the investigation and development of a remedial action plan.[ii] No fatalities or injuries occurred as a result of this rupture and release. The spill resulted in substantial damage to natural habitats and wildlife.

PHMSA's findings indicate that the proximate or direct cause of the Line 901 failure was external corrosion that thinned the pipe wall to a level where it ruptured suddenly and released heavy crude oil. PHMSA's investigation identified numerous contributory causes of the rupture, including:

1) Ineffective protection against external corrosion of the pipeline

- The condition of the pipeline's coating and insulation system fostered an environment that led to the external corrosion.
- The pipeline's cathodic protection (CP) system was not effective in preventing corrosion from occurring beneath the pipeline's coating/insulation system.

2) Failure by Plains to detect and mitigate the corrosion

- The in-line inspection (ILI) tool and subsequent analysis of ILI data did not characterize the extent and depth of the external corrosion accurately.

3) Lack of timely detection of and response to the rupture

- The pipeline supervisory control and data acquisition (SCADA) system did not have safety-related alarms established at values sufficient to alert the control room staff to the release at this location.
- Control room staff did not detect the abnormal conditions in regards to the release as they occurred. This resulted in a delayed shutdown of the pipeline.
- The pipeline controller restarted the Line 901 pipeline after the release occurred.
- The pipeline's leak detection system lacked instrumentation and associated calculations to monitor line pack (the total volume of liquid present in a pipeline section) along all portions of the pipeline when it was operating or shut down.
- Control room staff training lacked formalized and succinct requirements, including emergency shutdown and leak detection system functions such as

alarms.

The consequences of the spill were additionally aggravated by an oil spill response plan that did not identify the culvert near the release site as a spill pathway to the Pacific Ocean.

This report contains factual information and analysis regarding the events leading up to the release, information collected during PHMSA's failure investigation to date, and the technical analysis of that information known at the time of the completion of this report. PHMSA used this information to mandate remedial measures on Line 901, Line 903, and associated stations and tankage. PHMSA will also use the information to determine whether violations of the federal pipeline safety regulations occurred.

Final Report Methodology

PHMSA conducted relevant interviews, gathered and reviewed numerous historical documents and available records, and performed a thorough review of the Plains Control Room in Midland, TX. An ILI subject matter expert (SME) was hired to review the raw magnetic flux leakage (MFL) data and final vendor reports from the MFL surveys, and evaluated Plains actions as a result of their review of the vendor reports. PHMSA issued a CAO which in part instructed Plains to have the failed pipe examined by a PHMSA-approved metallurgical laboratory and to have a root cause failure analysis (RCFA) performed by a third party independent consultant.

The factual evidence reviewed includes: the Plains Integrity Management Plan (IMP), CP records, ILI reports, anomaly dig information, SCADA event and alarm logs, pressure and flow trends, procedures and reports obtained from the pipeline operator and PHMSA SMEs.

The arrangement of this report provides a general description of the pipeline system, the events that occurred on the day of the release, and acts or omissions of the operator that led to this failure and release of crude oil. Specific evidence is supplied and pertinent statements from each report are excerpted where appropriate.

Facility Background

Plains transports crude oil produced in federal and state waters off the coast of Santa Barbara, CA to inland refineries. Plains' pipeline is composed of two major pipeline sections: (1) Line 901, and (2) Line 903. Lines 901 and 903 were constructed in the late 1980s, hydrostatically tested in 1990, and went into crude oil service in 1992 and 1991, respectively. The pipelines are coated with coal tar urethane and covered with foam insulation which in turn is covered by a tape wrap over the insulation. Shrink wrap sleeves, which provide a barrier between the steel pipeline and soil for corrosion prevention, are present at all of the pipeline joints on Line 901 and multiple locations on Line 903. The pipelines carry high viscosity crude oil at a temperature of approximately 135 degrees Fahrenheit to facilitate transport. Lines 901 and 903 are controlled from the Plains Control Room's (PCR) California console in Midland, TX.

(1) Line 901 is a 24-inch diameter pipeline that extends approximately 10.7 miles in length from the Las Flores Pump Station to the Gaviota Pump Station; and (2) Line 903 is a 30-inch diameter pipeline that extends approximately 128 miles in length from the Gaviota Pump Station to the Emidio Pump Station, with intermediate stations at Sisquoc Mile Post (MP) 38.5 and Pentland (MP 114.57). There is a delivery point into Line 901 from Venoco's Line 96 located approximately 2 miles downstream of the Las Flores Station. All of Line 901 crude oil throughput enters Line 903. Line 901 was manufactured of low carbon steel by Nippon Steel

in Japan in 1986. Line 901's pipe specifications are API 5L, Grade X-65 pipe, 0.344-inch wall thickness, with a high frequency-electric resistance welded (HF-ERW) long seam. The line was hydrotested to 1,686 pounds per square inch gauge (psig) on November 25, 1990.

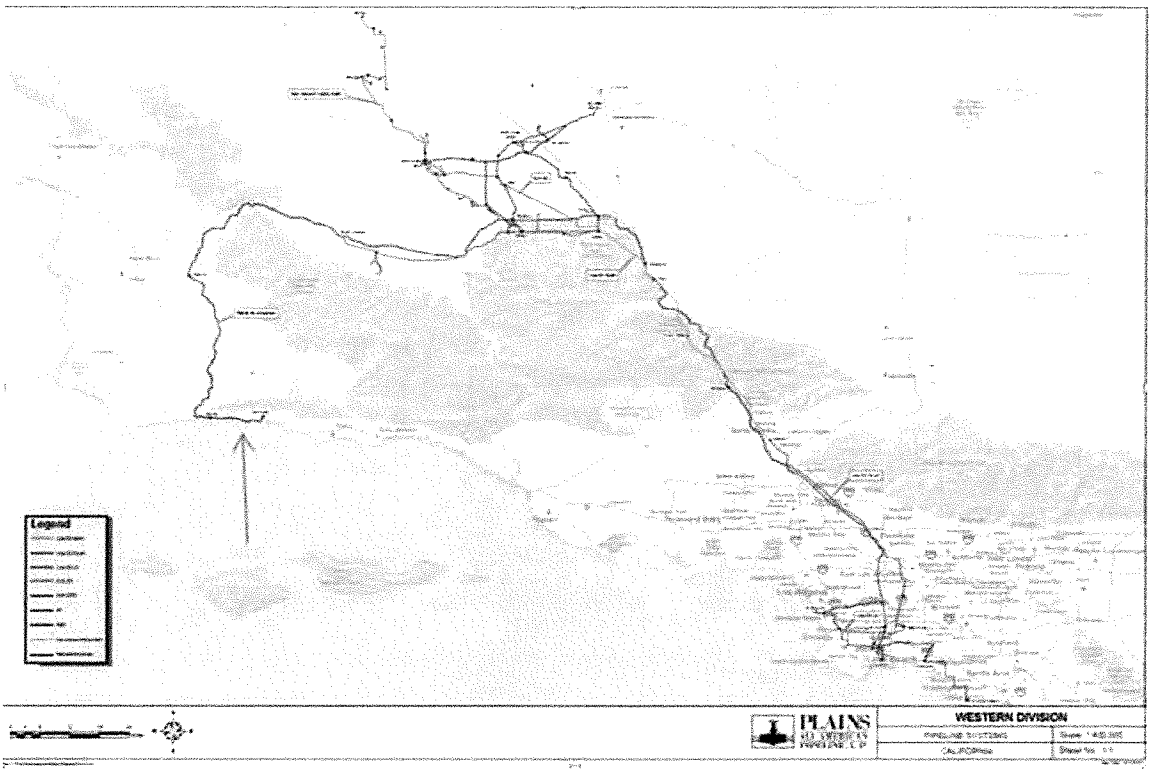


Figure 1. Map of Plains' Western Division Pipelines. The arrow points to the approximate release site on Line 901.

At Sisquoc Station, crude oil can be pumped to one of two locations: a nearby refinery via a 12-inch diameter pipeline operated by Phillips 66, or continue down Line 903 to Pentland Station. There are additional crude oil lines coming in and out of Pentland Station with numerous tanks at that station used to blend different crude oils for delivery further downstream. At Emidio Station crude oil is delivered to above-ground storage tanks for future delivery to Los Angeles refineries in a separate pipeline system.

Prior to the May 19, 2015 release, there had been four small releases meeting PHMSA reportable criteria at pump stations on Lines 901 and 903. No releases were reported to PHMSA on the pipelines outside of pump stations prior to 2015. The operator reported maximum operating pressure (MOP) of Line 901 is 1,341 psig.

At the time of the spill, Plains All American Pipeline (PAAPL) operated Line 901 and Line 903 under a Federal Energy Regulatory Commission (FERC) certificate of economic regulatory jurisdiction that was issued in 1987. Plains Pipeline, LP, is a subsidiary of PAAPL. Based on the FERC filing, Lines 901 and 903 were classified as interstate pipelines, pursuant to 49 U.S.C. § 60101(7), as facilities used to transport hazardous liquid in interstate or foreign commerce, and as such, were regulated by PHMSA as interstate pipelines. Plains cancelled the FERC certificates for Lines 901 and 903 on February 12, 2016 and April 29, 2016,

respectively, stating that the transportation service was no longer available in interstate commerce. Line 903 from Gaviota to Sisquoc to Pentland Stations was purged with nitrogen in accordance with Amendment No. 2 to the CAO, and remains shut down between these stations. The Pentland to Emidio segment of Line 903 is active and operating intermittently at low pressures. This section of pipe between Pentland and Emidio is not directly connected to the Gaviota to Pentland segment and is used to transport crude product from breakout tanks in Pentland Station.

Events Immediately Prior to and During the Crude Oil Release

On the morning of May 19, 2015, Lines 901 and 903 were transporting crude oil with a flow rate setpoint of 1,240 bbl per hour (BPH) leaving the Las Flores Station, and the discharge pressure was approximately 575 psig. Pumps were operating at the Las Flores Station on Line 901 and Sisquoc Station on Line 903. A Plains instrumentation and electrical technician was dispatched that morning to disconnect and remove a motor from a non-operational pump at the Sisquoc Station. While the technician was performing his work, the operational pump (Pump 401) at the Sisquoc Station was shut down unintentionally (i.e., "uncommanded"). When Pump 401 on Line 903 stopped operating, the pressure in Line 901 increased. The pressure rose to a maximum of 696 psig at the Las Flores Station discharge. The controller shut down the pump at Las Flores Station and the pressure remained at 677 psig. Approximately four minutes later, the pump at Las Flores Station was restarted. At approximately 10:55 a.m. PDT, the flow rate at Las Flores Station climbed from zero to 2,042 BPH. Concurrently, the line pressure rose to a high of 721 psig, then dropped to 199 psig, and then slightly increased to approximately 210 psig until the Las Flores pump was shut down a second and final time. Generally, a sudden increase in flow rate accompanied by a decrease in pressure is indicative of a release. PHMSA has determined that Pump 401 going offline in an "uncommanded" manner on the morning of May 19, 2015, was an abnormal event, but that this in itself should not have caused Line 901 to rupture.

PHMSA performed a detailed review of the SCADA event and alarm logs, and pressure and flow records. The review indicated that there was information reported by the SCADA system that indicated a release had occurred by approximately 10:58 a.m., and an alarm was generated on low pressure. The alarm was not set at an appropriate value. The alarm also did not have a major priority/severity or safety-related alarm status. The controller did not recognize the information he received as indicative of an abnormal operation. Evidence indicates that the controller was focused on the events at Sisquoc Station (i.e., restarting the Sisquoc pump that had gone down once uncommanded, and a second time on high case temperature along with other duties).[iii]

Due to the Sisquoc Station maintenance activity resulting in an unplanned pump shutdown, the controller anticipated alarms would be activated from the pipeline leak monitoring (PLM) system. According to interviews and a review of the alarm log, the PLM inhibit was requested by the controller to the step-up shift supervisor between 11:15 and 11:22 a.m.[iv] The step-up shift supervisor then inhibited (shut off) the PLM system alarms.[v] Also, during this time, the controller started an investigation of the SCADA data in an attempt to understand the operational abnormalities that were occurring. After attempting to restart the Sisquoc pump twice, the controller shut down the pipeline. PHMSA requested the operator review the flow imbalance calculations and provide a time when the PLM system would have generated an alarm if not inhibited, and it was determined that alarms would have been generated

approximately two minutes before the controller shut down the pipeline.[vi]

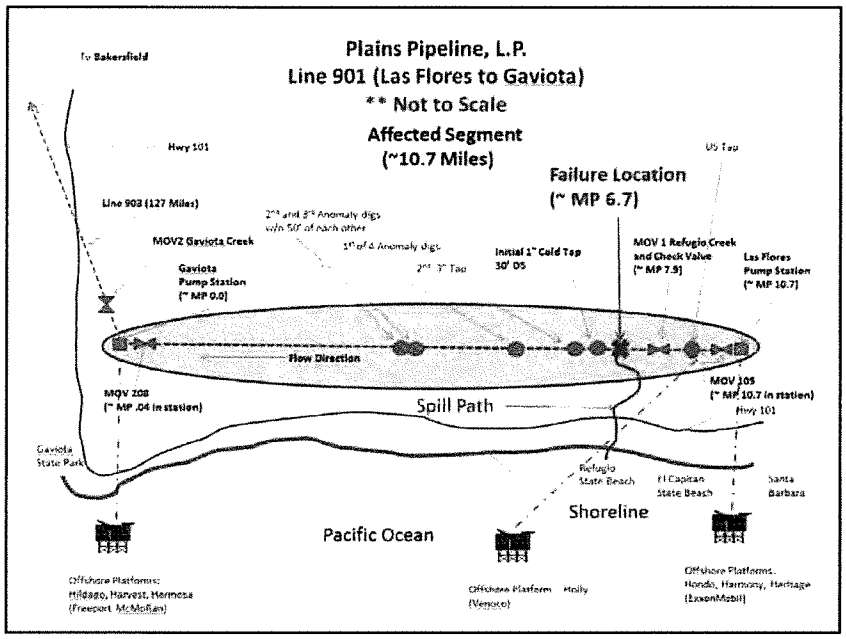


Figure 2. Schematic of Plains Pipeline, LP, Line 901 and spill path.

Plains' Field Response and National Response Center Notifications

The following is a timeline of Plains and emergency responder activities conducted immediately prior to locating the leak site:[vii]

- At 11:42 a.m. a call reporting a petroleum smell was received at Santa Barbara Fire Department (SBFD) Station 18. Engine 18 left the station to investigate the odor complaint near Refugio State Beach.
- At approximately 12:15 p.m., prior to a scheduled tabletop spill drill required by federal regulations 49 C.F.R. §194, the pre-drill meeting was completed and adjourned. A representative from the Santa Barbara Office of Emergency Management (SB-OEM) received a call from the SBFD reporting that there was oil on Refugio Beach. The SB-OEM representative and the Plains representatives left the spill drill and drove separately to Highway 101 at Refugio Beach.
- The Santa Barbara Dispatch notified the National Response Center (NRC #1116950) at 12:43 p.m. PDT of an unknown sheen in the ocean at Highway 101 and Refugio Beach.[viii]
- At approximately 12:55 p.m., the two Plains representatives arrived at the south side of Highway 101 where the SBFD personnel were. They noted oil in the ocean but could not determine the source of the oil. One of the Plains representatives told the assembled group that he did not think the oil was coming from Line 901 because the pipeline is located on the other side of Highway 101, and there would be oil flowing across Highway 101 if Line 901 was leaking.

- The Plains representatives drove to the company's pipeline right-of-way (ROW). At approximately 1:27 p.m., the Plains representatives located the leak site on the Plains ROW. They called the controller to report the leak and to tell the controller to leave Line 901 shut down and to close the Refugio gate valve. The Plains representatives used their cell phones to contact other Plains personnel, the landowner where the leak occurred, Plains' oil spill response contractors, and others. The Plains representatives noted that crude oil from the release site had entered a culvert that crosses under the Highway 101 and railroad tracks and discharges to Refugio Beach. The Plains representatives, along with Fire Department personnel, attempted to stop the flow of oil into the culvert. However, the culvert was too large to stop the flow with shovels, and sand bags were not readily available, so their immediate efforts were unsuccessful. At approximately 3:00 p.m., additional equipment and personnel arrived, the culvert was dammed and oil was prevented from entering the culvert.
- At 2:56 p.m., a representative from Plains called the NRC to report (NRC #1116972) the release of crude oil at 2:56 p.m. PDT. This report indicated that the release was at Latitude: 34° 27' 43" N; and Longitude: 120° 05' 24" W. This NRC report was made 89 minutes after the release site was found by Plains field personnel.[ix]

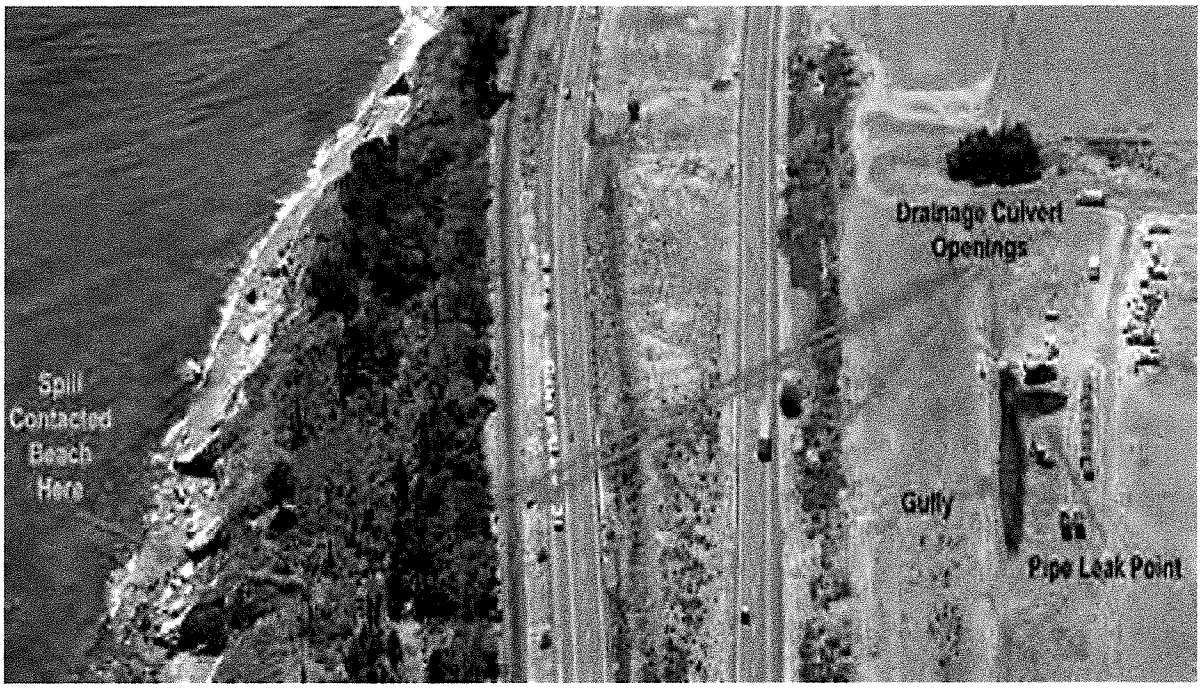


Figure 3. Spill location relative to Refugio Beach in Santa Barbara County, CA. Photo: John L. Wiley http://flickr.com/jw4pix

Federal pipeline safety regulations, (49 C.F.R. § 195.52), require that the NRC be notified at the earliest practicable moment following discovery of a release of a hazardous liquid, including "[a]ny failure that resulted in pollution of any stream, river, lake, reservoir, or other similar body of water that violated applicable water quality stands, caused a discoloration of the surface of the water or adjoining shoreline, or deposited a sludge or emulsion beneath the surface of the water or upon adjoining shorelines." On January 30, 2013, PHMSA issued an

Advisory Bulletin clarifying that this was to be interpreted as within one hour of discovery. Plains reported the rupture to the NRC approximately 89 minutes after discovery, thus notifying the NRC 29 minutes late.

The estimated costs reported by the operator as of December 23, 2015, were $142,931,884. This figure includes all costs the operator spent as a result of this release through the date reported, including commodity lost, the operator's property damage and repairs, operator's emergency response, environmental remediation, and estimated other costs spent including government agency costs and media relations expenses.[x]

PHMSA's Corrective Action Order

On May 21, 2015, PHMSA issued a CAO, CPF No. 5-2015-5011H, to Plains. The CAO required Plains to purge Line 901; review the pipeline's construction, operating, maintenance, and integrity management history; expedite the review of data from the May 5, 2015, ILI tool run; conduct metallurgical evaluation of the failed pipe; repair any integrity-threatening anomalies identified by the ILI survey; and conduct a root cause failure analysis. The CAO requires Plains to purge Line 901 and to keep Line 901 shut down until PHMSA approves the restart of the pipeline. Plains' Line 901 was purged and filled with an inert nitrogen gas on June 18, 2015.

On June 3, 2015, PHMSA issued Amendment No. 1 to the CAO. The amendment was issued to address preliminary findings from the early stages of PHMSA's investigation, and the possibility that the conditions on Line 901 also existed on Plains Line 903. The amendment to the CAO required Plains to conduct additional non-destructive testing of ILI anomalies on Lines 901 and 903; review the construction, operating, maintenance, integrity management, and ILI history of Line 903; and reduce the operating pressure of Line 903 to 80% of the highest pressure sustained for a continuous 8-hour period during the month before the May 19 failure. This pressure reduction was intended to enhance safety until all facets of the line's integrity could be evaluated.

On November 12, 2015, PHMSA issued Amendment No. 2 to the CAO. The amendment required Plains to empty and purge Line 903 between Gaviota and Pentland Stations and fill it with an inert gas. Line 903 was purged between Gaviota and Pentland Stations and filled with inert nitrogen. The complex purging operations began in December 2015, and were completed on April 18, 2016. Both Line 901 and the purged sections of Line 903 will remain shut down until all actions required by PHMSA's CAO and subsequent amendments have been completed. PHMSA may continue to issue additional amendments to the CAO as necessary.

Pipeline Alignment

Las Flores Station to Gaviota Station Line 901 Elevation Description

To fully understand the Line 901 release, it is vital to understand the elevation profile of Line 901 and Line 903 from the Las Flores Canyon to Pentland Station. Line 901 starts at the Las Flores Station at an elevation of approximately 180 feet. There are two large hills downstream of the originating pump station. The first hill has a peak elevation of approximately 740 feet and the second hill has an elevation of approximately 600 feet. The release occurred downstream of the second hill at an elevation of approximately 80 feet. Immediately downstream of the release point, the pipeline rises slightly and then runs relatively level approaching the Gaviota station. This fact is important because as soon as the pump at Las

Flores Pump Station was turned off the second time, the only crude oil that could be released was the height of oil in the pipeline above the release site and not the amount located between the two aforementioned hills.

Gaviota to Pentland Station Line 903 Elevation Description

Line 903 receives all of the crude oil delivered by Line 901. The line elevation at Gaviota is approximately 150 feet. The elevation at Sisquoc is approximately 880 feet. Downstream of Sisquoc, Line 903 rises to 2,420 feet and then to a height of approximately 2,750 feet and ultimately to an elevation of close to 3,000 feet before dropping into Pentland Station at an elevation of approximately 690 feet. Line 903 exhibits many of the same construction and operation conditions as Line 901 and was addressed by the amendments to the CAO. Pump 401 at Sisquoc Station has adequate capacity to push the oil up and over the downstream hills and into Pentland Station but only if it has full suction pressure and full flow coming into the pump. Because of the release, the pump could not push the oil over the downstream hills, and so the oil in the pump became hot and the pump shut down to prevent overheating.

Post-Incident Investigation Results

Metallurgical Evaluation of Failed Pipe

The failed pipe segment has been analyzed by third-party metallurgical experts, Det Norske Veritas (U.S.A.), Inc.'s (DNV-GL) in Dublin, OH. The failed pipe assessment and testing was witnessed by PHMSA, the California Department of Fish and Wildlife, and the U.S. Department of Justice.

Figure 4. The failed pipe and surrounding insulation and coating.

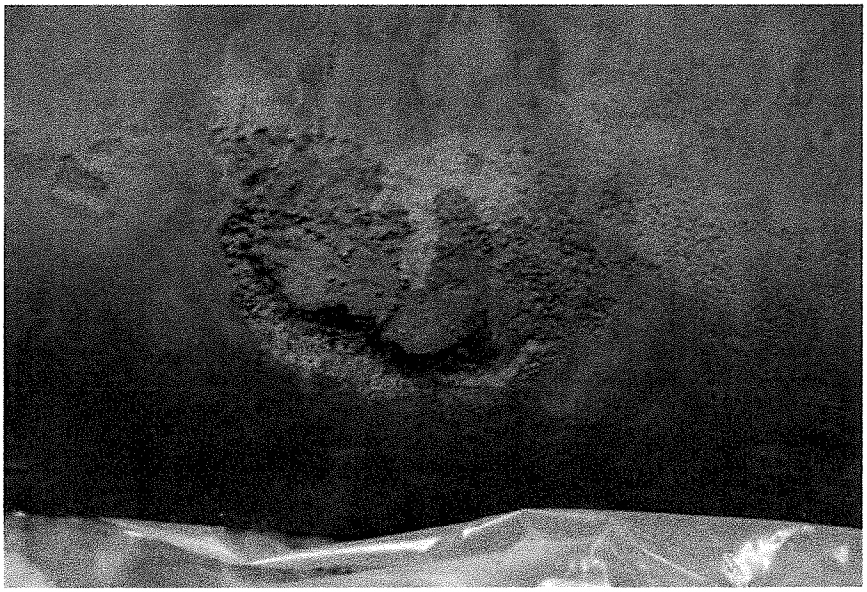


Figure 5. Pipe External Surface at the Line 901 failure site after cleaning.

DNV-GL's draft report was completed and disseminated to Plains and PHMSA on August 6, 2015. The draft report was reviewed by PHMSA engineers, and a number of comments and clarification requests were made. DNV-GL reviewed the comments and revised the report. The Final Report was issued on September 18, 2015.

The Final Report provides a summary of findings, including the following excerpt:

"The results of the metallurgical analysis indicate that the leak occurred at an area of external corrosion that ultimately failed in ductile overload under the imposed operating pressure. The morphology of the external corrosion observed on the pipe section is consistent with corrosion under insulation facilitated by wet-dry cycling."[xi]

In-Line Inspection Survey Review

Plains conducted ILI surveys on Line 901 (10.7 miles in length) to assess the integrity of the pipeline in accordance with PHMSA regulations in 2007, 2012, and 2015. According to 49 C.F.R. § 195.452(j)(3), the pipeline is required to be surveyed at intervals commensurate with the pipeline's risk of integrity threats, but at least every 5 years. Plains changed Line 901 from a 5-year assessment cycle to a 3-year assessment cycle after the 2012 ILI survey.

The data collected during these surveys must be fully evaluated within 180 days of the ILI, and an operator must take action upon discovery of any "immediate repair conditions" as defined in 49 C.F.R. § 195.452(h) unless the operator can demonstrate that the 180-day period is impracticable.

The most recent ILI survey for Line 901 was completed on May 6, 2015. The 2015 ILI survey data for the first 2 miles of Line 901, as measured from the Las Flores Station, was found to be incomplete and not useable for ILI analysis. For the rest of the ILI survey, the correlation digs, which are used to gauge survey data accuracy in the ILI vendor's preliminary report, had not been finished at the time of the May 19, 2015 failure.

PHMSA's independent third-party ILI SME also performed an analysis of the data from past ILI surveys of Line 901. Preliminary data from the results of each of the ILI surveys are summarized below and show a growing number of corrosion anomalies on Line 901.

Number of Anomalies

Metal loss	June 19, 2007	July 3, 2012	May 6, 2015
Greater than 80%	0	0	2
60-79%	2	5	12
40-59%	12	54	80

The May 6, 2015 ILI survey data and subsequent analysis by the ILI vendor predicted external corrosion at the failure site with an area of 5.38 inches by 5.45 inches, and a maximum depth of 47% of the original pipe wall thickness. After the failure, the DNV-GL metallurgical investigators physically measured external corrosion at the failure site to have a maximum depth of 89%.[xii] The dimensions of the corrosion feature were 12.1 inches axially by 7.4 inches in circumference. The maximum depth, as measured using laser scan data, was 0.318 inches or 89% of the measured wall thickness (0.359 inches).

The ILI summary report prepared by PHMSA's SME also examined the "as-called" (ILI-predicted) versus as-found (field measured) lengths, widths and area for the excavated anomalies on Line 901. The report demonstrates that the lengths and widths of the anomalies were under-called (underestimated) in many cases, however many were also over-called. Plains submitted little documentation concerning their analysis of how the field measured anomalies compared to the ILI vendor analysis. Furthermore, Plains did not provide documentation showing that discrepancies between the originally reported anomaly sizes predicted by the ILI vendor and Plain's actual field-measured sizing of the corrosion anomalies were subsequently discussed with the ILI vendor, as required by Plains' IMP.[xiii]

Cathodic Protection Findings

According to 49 C.F.R. § 195.563, CP is required under the federal Pipeline Safety Regulations to prevent external corrosion of buried pipelines. Historical CP records for line 901 have been reviewed and reveal protection levels that typically are sufficient to protect non-insulated, coated steel pipe. Line 901 and Line 903, however, are insulated. An increasing frequency and extent of corrosion anomalies were noted on both Lines 901 and 903 in ILI survey results, anomaly excavations, and repairs. PHMSA inspectors noted moisture entrained in the insulation at four excavations performed by Plains on Line 901 after the May 19 spill and prior to the PHMSA-mandated purging of the pipelines.

Spill Volume Estimate from Plains' Third-Party Consultant

Plains initially estimated the volume of spilled crude oil to be approximately 2,400 bbl, of which 500 bbl was estimated to have reached the ocean. On August 4, 2015, Plains reported to the Unified Command that the 2,400 bbl release estimate was still accurate. However, after Plains completed the PHMSA-mandated purge, the company's calculations indicated that up to 3,400 bbl had possibly been released from the pipeline. Plains notified the Unified Command

that RPS Knowledge Reservoir (RPS), a third-party investigator hired by Plains, was still trying to reconcile the difference.

On November 24, 2015, Plains informed PHMSA that RPS had completed their analysis regarding the release volume and produced a report of findings. RPS used the OLGA simulation software tool to model the behavioral dynamics of the pipeline prior to, during, and immediately after the May 19, 2015 leak. The report concluded that the discharge leak volume was 2,934 bbl. The RPS report was dated November 11, 2015. Plains has reported 1,100 bbl of crude oil have been recovered.

Investigation Findings and Conclusions

Line 901 pipeline ruptured at approximately 56% of the MOP. Although the operational events that occurred on the morning of the release were abnormal, this should not have caused the release if the pipeline's integrity had been maintained to federal standards.

Proximate or Direct Cause

PHMSA determined that the proximate or direct cause of the release was progressive external corrosion of the insulated, 24-inch diameter steel pipeline. The corrosion occurred under the pipeline's coating system, which consisted of a urethane coal tar coating applied directly to the bare pipe, covered by foam thermal insulation with an overlying Polyken tape wrap. Water has been noted in the foam insulation at a number of digs, indicating that the integrity of the coating system had been compromised. The external corrosion was facilitated by the environment's wet/dry cycling, as determined by the PHMSA-approved, third-party metallurgical laboratory. The release was a single event caused at an area where external corrosion had thinned the pipeline wall. There is no evidence that the pipeline leaked before the rupture. There was a telltale "fish mouth" (a split due to over-pressurization) at the release site indicating the line failed in a single event.

PHMSA's investigation identified numerous contributory causes of the rupture. The contributory causes can be grouped into three categories: 1) ineffective protection against external corrosion of the pipeline; 2) failure by Plains to detect and mitigate the corrosion;, and 3) lack of timely detection of the rupture. Below is a summary of the key contributory causes:

Contributory Causes

1) Ineffective protection against external corrosion of the pipeline

   - Plains' CP system was ineffective in protecting thermally insulated underground pipeline systems from external corrosion. Industry practices recognize that an impressed current system like the one utilized on Line 901 cannot protect an insulated steel pipeline should the coating (tape wrap over insulation) become compromised. The external coating in the area of the rupture had allowed moisture to enter the insulation adjacent to the steel pipe.[xiv] Corrosion under insulation (CUI) cannot be prevented on insulated lines where the coating system has been compromised.[xv]

2) Failure by Plains to detect and mitigate external corrosion

   - Plains did not identify CUI as a risk-driving threat in their federally-mandated integrity management program (IMP).

- Plains' did not fully implement their IMP.
    - Plains did not perform suitable analysis of the field measurements of the excavated corrosion anomalies that occurred after ILI surveys were completed in 2007 and 2012.
    - The data reported by the ILI vendor were inconsistent (and did not meet the published accuracy of the ILI tools of +/- 10%, 80% of the time for depth) when compared to the results of the field-measured corrosion anomalies.
    - Plains' as-found field measurements of corrosion anomalies were inconsistent with the as-called vendor-provided ILI data and analytical reports. ILI surveys conducted in 2007 and 2012 revealed inconsistencies in the character of the anomalies. In both of these cases, Plains did not consult the ILI vendor to help resolve the inconsistency.
    - Plains failed to follow written procedures directing the IMP group to perform appropriate statistical analysis after the anomaly dig reports were received from the field, and to discuss any inconsistencies with the ILI vendor.[xvi]
        - Plains' Pipeline Integrity group created a unity plot for depth after the 2012 ILI survey and anomaly digs. There is no documentation detailing what was done with the information from the unity plot.
    - Plains incorrectly added the over-called anomalies in the close-out reports.
        - The close-out reports should have only reported the anomalies that were within the reported accuracy of the ILI tool. The reported tool accuracy is +/- 10 %, 80 % of the time. Adding the overcalled anomalies outside of the tool accuracy skews the data.
- Plains' Pipeline Integrity group was historically focused on pitting corrosion under "shrink sleeves" at the pipeline girth welds (circumferential welds to join pipe segments).
    - The release location was within 6 feet of a corrosion anomaly that was exposed and repaired after the 2012 ILI survey. There was evidence of corrosion and degraded coating systems between the 2012 repair site and the 2015 rupture site.
    - The anomaly that ruptured was called out by the ILI tool at 45% depth in 2012. Plains' IMP specified adding 10% to all anomalies (55% depth in this case) then "growing them" to predicted failure using an anticipated corrosion growth rate. This analysis would provide a predicted failure time. Plains did not excavate the anomaly that failed.

3) Lack of timely detection of and response to the rupture

- The controller did not have information communicated from the SCADA system in such a manner to be successful in detecting abnormal operations. The pipeline SCADA system did not have safety-related alarms on low pressure configured at the

correct value or priority to alert the control room staff of the rupture. When this alarm was provided to the controller, the discharge pressure at Las Flores was 199 psig but, within a minute, pressure elevated above 210 psig, the alarm status cleared, and the discharge pressure remained above 200 psig (approximately 210-211 psig) until the pipeline was purged. The pipeline was still leaking when the discharge pressure at Las Flores was above 200 psig, and continued to do so without additional alarm indications. When the pipeline was down, isolated but still leaking, the minimum pipeline discharge pressure at Las Flores remained at 210-211 psig. The low discharge pressure alarm setpoint value was not set properly as it should have been above 211 psig. This type of alarm should be identified as a high priority safety related alarm. While the controllers and shift supervisors can access historical trend data or continue to monitor a given pressure or flow, when the pipeline was ultimately shut down at 11:30 a.m., neither the controller nor step-up shift supervisor detected any drop of pressure at the specific failure location that would indicate that oil was being released.

- Neither the pipeline controller nor step-up shift supervisor detected the initial abnormal conditions as the release occurred. There was an indication of decreased pressure and increased flow between 10:53 and 10:58 a.m., which is consistent with a pipeline release. This resulted in a delayed shutdown of the pipeline. Adequate alarm setpoint values with correct priorities are essential to controller and shift supervisor recognition of abnormal operations, especially when many pipeline systems are operated from the same console.

- The pipeline controller restarted Line 901 after the release occurred.
- The pipeline leak detection system lacked instrumentation and associated calculations to monitor line pack.
    - The function of the PLM system was a simple line balance calculation based on flow meter values without line pack considerations. The PLM relies on comparing "meter in – meter out" calculations over time. This type of leak detection system without the use of safety-related, high-priority, low-pressure alarms does not provide the controller or shift supervisors with adequate information when the pipeline is down.
    - When the pipeline is not running, even if only due to scheduling and not required maintenance activities, flows will be close to zero and the imbalance calculation will provide little if any value as currently configured. Leak detection on a down pipeline requires a robust system of planned and accurate high-priority alarm types and alarm setpoint values in order for response to occur on critical low pressures.
    - The leak detection system for Lines 901 and 903 consists of two leak detection segments. Additional instrumentation such as pressure and temperature transmitters located at Refugio Gate and Cuyama valve settings (both transmitter types on each side of the valves) would allow additional information about the operating status of the pipeline to be presented and pack calculations pursued.
    - Plains utilizes the SimSuite application for other pipelines in the control

center. This application does allow for pack calculations to be utilized in the leak detection system. According to information obtained during meetings with Plains hydraulic specialists, Lines 901 and 903 were pipeline systems with a low to medium priority defined for future modeling efforts compared to other assets in the Plains operations. The approach utilized by Plains for prioritizing which systems should be modeled first did not appear to take into account all appropriate consequence-based asset impacts (such as culverts providing a pathway to the ocean) associated with these two systems. Existing instrumentation and the need for added instrumentation would factor into this prioritization decision.

- Control room staff training lacked formalized and succinct requirements, including emergency shutdown and leak detection system functions such as alarms.
    - Interviews determined that the step-up shift supervisor and shift supervisor training lacked formalized and succinct requirements, including that for leak detection system functions such as "inhibit" options. The interviews determined that different shift supervisors performed PLM inhibit functions without contacting the console supervisor first as required by procedure.
    - Step-up and shift supervisor responsibilities include emergency shutdown of any pipeline. However, training does not cover a means by which to accomplish this for all relevant pipelines. A general emergency shutdown provision has not been programed for supervisory use on all systems.
- The oil spill response plan required by 49 C.F.R. §194 did not account for a culvert near the release site that traversed the Pacific Coast Highway and Amtrak railroad tracks. This culvert provided a quick flow path between the pipeline ROW and the Pacific Ocean, thereby allowing crude oil to flow easily towards Refugio State Beach and the ocean. The response plan did not have a response strategy that considered the presence of the culverts.

PHMSA Post-Incident Action Chronology

Following the May 19, 2015 Plains Pipeline, LP, Line 901 rupture in Santa Barbara County, CA, PHMSA took the following actions:

- On May 19, 2015, PHMSA deployed inspectors to investigate the Plains Pipeline LP Line 901 pipeline failure in Santa Barbara County, CA. PHMSA also provided information updates to the Unified Command (UC), US Coast Guard, the Federal on Scene Coordinator (FOSC), State Fish and Wildlife, and other agencies on site.
- On May 21, 2015:
    - PHMSA issued a Corrective Action Order (CAO), CPF No. 5-2015-5011H, to Plains Pipeline LP ordering it to suspend operations and to specific safety actions to further protect the public, property, and the environment from potential hazards associated with the recent failure. PHMSA staff reviewed the CAO with the operator and briefed the California State Attorney on the CAO and provided an overview of PHMSA's regulations.
    - PHMSA sent an inspector to Plains' control room in Midland, Texas to collect operational data and interview the control room operators on duty at the time of the incident and their supervisors. The inspector gathered any pertinent logs and information, including electronic copies of relevant data from the Supervisory Control and Data Acquisition (SCADA) system.
    - PHMSA staff worked with the operator to review their plan to expose the pipe and to cold tap it to ensure there was no pressure or crude left in the line at a low spot immediately downstream of the release point. The plan was signed off by the UC at approximately 5 pm PDT.
- On May 22, 2015:
    - PHMSA staff met with representatives from the Assistant U.S. Attorney, DOT Inspector General, EPA Criminal Investigation Division, California Attorney General, and others to brief them on PHMSA's process for securing and transporting the failed pipe to a metallurgical lab for evaluation.
    - PHMSA staff remained on the scene as the operator exposed, tapped, removed any remaining product, and excavated the pipeline downstream of the release site.
- On May 25, 2015:
    - PHMSA issued an approval letter for Plains to excavate, remove and secure the failed joint of pipe under the supervision of two DNV metallurgists (third party contractor) but requested that the coating and insulation not be touched until the failed pipe has been removed because the DNV personnel were interested in in gathering available samples there as well.
    - A PHMSA inspector returned to Midland, TX to interview the controller and the Operations Control Center supervisor and to obtain any handwritten logs created by the controller on the morning of the release.
- On May 28, 2015:
    - A PHMSA investigator was on site when affected pipeline was removed, crated, and transported to secure location for metallurgical evaluation. PHMSA retained a third-party ILI expert to examine the 2012 and 2015 ILI runs. DNV personnel took soil and insulation samples.
- On June 3, 2015, PHMSA amended the CAO to address preliminary findings from the early stages of the investigation (Amendment No. 1). The amended CAO mandated

additional safety requirements on Line 901 and expanded the scope of the CAO to include the 128-mile long Line 903, which is located downstream of Line 901. The amendment reduced the operating pressure of the Lone 903 by 80% of the highest 8 hour continuous pressure between April 19, 2015 and May 19, 2015. On May 30, 2015, Plains voluntarily shutdown Line 903.

- On June 18, 2015, PHMSA staff monitored the Line 901 purge to ensure safety during the purging process. Plains completed the purge and injected inert gas in Line 901.
- On September 18, 2015, PHMSA received the DNV Final Mechanical and Metallurgical Report. PHMSA staff reviewed the document and provided comments.
- On November 12, 2015, PHMSA issued Amendment No. 2 to the CAO, which ordered Plains to purge and shutdown Line 903 from Gaviota to Pentland.
- On December 1, 2015, PHMSA staff monitored Plains moving Freeport McMoRan crude oil from their offshore platforms into Line 903 from Gaviota Station to Sisquoc Station. Movement of the Freeport McMoRan oil was completed on December 10, 2015.
- On December 4, 2015, PHMSA staff received the DNV Root Cause Failure Analysis Report. PHMSA reviewed and commented on the report.
- On December 14, 2015, PHMSA staff monitored the purge process on Line 903 from Gaviota Station to Sisquoc Station. The purge was completed on December 18, 2015 and the line was filled with inert gas.
- On February 17, 2016, PHMSA issued a Preliminary Factual Final Report.
- On April 2, 2016, PHMSA staff monitored the Line 903 Sisquoc to Pentland portion purge that was completed on April 18, 2016. Line 901 and 903 are shutdown, except for the Pentland to Emidio section of Line 903, which is not connected to 903 any longer.

APPENDICES

A. Investigation Summary Detail
B. Supervisory Control and Data Acquisition (SCADA) Log Excerpts
C. Pipeline Leak Monitoring Details
D. Excerpts and Discussion of Plains Integrity Management Plan (IMP) Requirements
E. Corrosion Control and Pipeline Conditions
F. Industry Standards and General Requirements for In-Line Inspection
G. In-Line Inspection Report
H. PHMSA's Independent Analysis of In-Line Inspection Data
I. Maps and Photographs
J. National Response Center Report #1
K. National Response Center Report #2
L. Form PHMSA F 7000.1: Accident Report for Hazardous Liquid Pipeline Systems
M. Det Norske Veritas (U.S.A.), Inc. (DNV GL): Line 901 Release (5/19/15) Mechanical and Metallurgical Testing
N. Det Norske Veritas (U.S.A.), Inc. (DNV GL): Line 901 Release (5/19/15) Technical Root Cause Analysis
O. NACE International: Effectiveness of Cathodic Protection on Thermally Insulated Underground Metallic Structures

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[i] According to the *FRACTURE CONTROL TECHNOLOGY FOR NATURAL GAS PIPELINES CIRCA 2001* (the PRCI report superseding NG-18 Report 208): "The distinction between leak and rupture for the pipeline community is based on the size and configuration of the breach, not how it develops." Based on these calculations and visual observations, the length of the feature is consistent with a leak, arresting within the corrosion feature, and did not propagate outside of the feature into nominal wall-thickness pipe. According to the instructions for completing PHMSA Accident Form 7000-1, this type of accident would be classified as a rupture since PHMSA defines a "rupture" as a "loss of containment that immediate impairs the operation of the pipeline".

[ii] The remedial action plan requires: a) investigation and remediation of anomalies on Line 901 (including anomalies requiring repair per 49 C.F.R. § 195.452(h) and similar anomalies); b) analysis of field measurements taken from anomaly investigations; c) re-grade of previous in-line inspection (ILI) data from 2012 and 2015 ILI surveys using an expanded set of interaction criteria; d) additional integrity assessments using a circumferential magnetic flux leakage (MFL-C) ILI tool and integration of MFL-C ILI data with previous ILI survey results; e) investigation and remediation of anomalies that are identified in the MFL-C tool run (if any); f) based on information collected from remedial work plan and root cause analysis report released by Det Norske Veritas (U.S.A.), Inc., improving the integrity management program; and g) integrity studies to reduce spill volumes, including an emergency flow restriction device evaluation and a surge study. Completion of the remedial work plan is required prior to the PHMSA Western Region Director approving a restart plan and return to service for Line 901.

[iii] High case temperature refers to the oil temperature inside the pump cavity. The case holds the pump impeller

where oil passes through. This was a centrifugal pump that continues spinning whether there is product in the pump or not. When the rupture occurred, there was not enough pressure or flow rate to allow the pump to continue pumping the oil over the hills and into Pentland Station. Therefore, the oil that was in the pump remained in place and as the pump continued to spin, and temperature was reported to the SCADA system. If the pump reaches the high temperature setpoint, the pump shuts itself off to protect itself from burning up.

[iv] The PCR utilizes two shift supervisors to cover the entire set of 22 consoles. The California Console is handled by shift supervisor B. The shift supervisor B position at the time of the failure was filled by a step-up shift supervisor. A step-up shift supervisor is a controller who is currently qualified on a specific console in the PCR and has received some informal training by working on shift with other shift supervisors. Step-up shift supervisors are used to cover the shift supervisor positions when additional personnel are needed due to illness, vacation, training, etc. Plains has indicated that two step-up shift supervisors are not allowed to be on duty at the same time so one shift supervisor is paired with a step-up shift supervisor when additional personnel is needed.

[v] PLM is the SCADA vendor software tool that serves as the leak detection system for PCR.

[vi] *See* Appendix B.

[vii] SCADA Data/Plains Control Room time is local to the Central Time Zone. A two-hour time difference separates Central Time from Pacific Time, with Central Time falling two hours ahead. The release occurred in the Pacific Time Zone which is two (2) hours earlier. All times in this report have been adjusted to Pacific Time.

[viii] *See* Appendix J.

[ix] *See* Appendix K.

[x] *See* Appendix L.

[xi] *See* Appendix M.

[xii] PHMSA has access to this data through a view-only web portal.

[xiii] *See* Appendix G.

[xiv] The inability of an impressed cathodic protection system to protect insulated pipelines was most recently reaffirmed in the National Association of Corrosion Engineers (NACE) Publication 10A392 (2006 Edition) – "Effectiveness of Cathodic Protection (CP) on Thermally Insulated Underground Metallic Structures."

[xv] *See* NACE Report at Appendix O, Background section stating that "[o] n most thermally insulated oil and gas transmission pipelines installed prior to 1980 to 1981, a shop mold-formed thermal insulation was placed directly over the bare steel pipe, with an outer jacket applied to moisture-proof the system. At the field joint, preformed insulation half shells were applied over the joint area to fit between the ends of the shop-applied insulation. After the insulation was fitted, a heat shrink sleeve or a tape wrap was applied over the insulation. When the integrity of the outer moisture barrier was compromised, the space, gap, or void between the edges of the preformed half shells and the shop-applied insulation allowed oxygenated water to diffuse to the bare steel beneath. Damage to the outer moisture barrier has also occurred remote from the joint, allowing oxygenated ground water ingress.

"Thermally insulated pipelines have experienced relatively aggressive corrosion, with some failures occurring within three years of service, although acceptable industry standards of CP had been applied and maintained shortly after line construction. The most predominant failures have been those occurring at joints; however, moisture has migrated along the pipeline steel surface to create electrochemical corrosion cells remote from the field joint, culminating in extensive replacements of substantial lengths of line. An article titled 'Corrosion of Underground Insulated Pipelines' supports this committee's conclusions that sufficient CP current from an external source may not reach the insulated metallic surface in sufficient quantity to establish adequate corrosion control."

[xvi] *See* Appendix D.

Exhibit F

REVISED NOTICE OF PREPARATION
SCH #2019029067

TO:	State Clearinghouse Governor's Office of Planning and Research 1400 Tenth Street Sacramento, CA 95812	**FROM:**	Jacquelynn Ybarra, Planner Santa Barbara County Planning & Development 123 East Anapamu Street Santa Barbara, CA 93101

SUBJECT:	Revised Notice of Preparation of a Draft Environmental Impact Report / Environmental Impact Assessment
PROJECT NAME:	Plains Replacement Pipeline Project
PROJECT LOCATION:	Gaviota Coast inland to the Sisquoc Pump Station, through San Luis Obispo County in Cuyama to the Plains Pentland Pump Station in Kern County
PROJECT CASE NOs:	17DVP-00000-00010, 17CUP-00000-00027, 17DRP-00000-00002 and 17CDP- 00000-00060
PROJECT APPLICANT:	Plains Pipeline, L.P. (Plains)

Santa Barbara County (SB County) has revised the attached Notice of Preparation (NOP) to reflect changes to the draft Environmental Impact Report (EIR) for the proposed Plains Replacement Pipeline Project (Project), including: 1) a change from preparing an EIR to preparing a joint Environmental Impact Report/Environmental Impact Assessment (EIR/EIS) in conjunction with the Bureau of Land Management (BLM); 2) a change in the baseline conditions used for the draft EIR/EIS from the baseline conditions described in the original EIR Notice of Preparation (NOP) dated February 14, 2019; and 3) inclusion of minor revisions to the proposed Project description based on Applicant-proposed changes submitted to SB County in April 2020.

For convenience to the reader, revisions to the NOP are indicated by striking text for deletion (~~example~~) and underlined text for additions (example). A summary of the changes is described below.

Joint EIR/EIS

SB County and the BLM are currently processing applications for the proposed Project that require preparation of an EIR under the California Environmental Quality Act (CEQA) and an EIS under the National Environmental Policy Act (NEPA).

As the CEQA and NEPA Lead Agencies, SB County and the BLM originally sought to prepare stand-alone environmental documents (an EIR and an EIS, respectively) to use when considering approval of the proposed Project. Preparation of separate NEPA and CEQA documents had originally been decided due to preparation time limits and document length limitations of NEPA EISs prescribed under the 2017

Executive Order 13807, as implemented by the United States Department of the Interior under Secretarial Order 3355.

Santa Barbara County circulated an NOP of a Draft EIR on February 14, 2019 to provide information about the Project and obtain agency views on the scope and content of the document's environmental information. The NOP was circulated for 30 days, and two subsequent scoping meetings were held on February 27, 2019 and February 28, 2019 in Santa Barbara and Arroyo Grande, California, respectively. The NOP and comments received in response were used to direct the scope of the analysis and the technical studies in the EIR.

The BLM published a Notice of Intent (NOI) of a Draft EIS in the Federal Register (Volume 84, No. 86) on May 3, 2019. The NOI formally opened the public comment period under NEPA and initiated a 30-day public scoping period for the EIS, provided information about the Project, and served as an invitation to provide comments on the scope and content of the EIS. The scoping input was used to formulate the issues addressed in the planning process of the EIS.

In 2021, the previous 2017 federal orders were rescinded by the Biden Administration under Executive Order 13990 and Secretarial Order 3398. Because of this, SB County and the BLM decided to prepare a joint EIR/EIS for the Project for clearer communication to the public based upon the White House Council on Environmental Quality (CEQ), and the California Governor's Office of Planning and Research (OPRs) joint guidance on how to best integrate federal and state environmental reviews. Existing efforts on the Draft EIR and Draft EIS were combined in February of 2022 to prepare a joint document.

Responsible Agencies, Trustee Agencies, Cooperating Agencies, and other public agencies that have a role in approving or implementing the proposed Project may also need to consider the EIR/EIS when issuing approvals.

Baseline Revisions

At the time the 2019 NOP was released, the baseline for the proposed Project was determined to be the average of the last three (3) full years of pipeline operations prior to the May 19, 2015 Refugio oil spill (2012 – 2014). Determination of the operational baseline was based on SB County's understanding at the time that no additional permits or approvals from SB County decision makers were needed in order to restart the existing Line 901 and 903 pipeline system.

Since releasing the draft NOP, and in preparing the Draft EIR/EIS, SB County confirmed with the California State Fire Marshal and the Pipeline and Hazardous Materials Safety Administration (PHMSA) that restarting the existing Line 901 and 903 pipeline system would require a State Waiver from the Fire Marshal and a Special Permit from PHMSA, as Plains cannot meet the current cathodic protection requirements outlined in PHMSA's Corrective Action Orders (CAOs) due to deficiencies in the existing pipeline coating. Further, if Plains were to pursue restart of the existing lines, they would be required to retrofit Line 901-903 using best available technologies pursuant to State Assembly Bill AB 864 prior to restart approval from the State Fire Marshal and PHMSA. This required retrofit work has not yet been completed at the time of release of this Revised NOP.

Retrofits to the existing line (e.g installation of additional valves) would require discretionary action from SB County, via an amendment to the approved Development Plan No. 85-DP-66cz. The work requested under this amendment application (case number 21AMD-00000-00009 amending 85-DP-66cz) is considered outside of regular maintenance and repair activities. Because discretionary actions to permit

restart activities are needed from the California State Fire Marshal, PHMSA, and SB County, the baseline conditions evaluated in the Draft EIR/EIS were changed to the conditions that existed on the ground at the time the 2019 NOP and NOIs were released, which is, and continues to be, a non-operational pipeline.

Project Description Changes

Minor revisions to the project description were made based on the following Applicant-proposed changes submitted to SB County in April 2020: 1) the addition of an extra pump station in the Cuyama Valley region of San Luis Obispo County identified as West Cuyama; 2) a change in the number of pipeline control valves from 40 to 52; 3) a reduction of the proposed expansion of the Sisquoc Pump Station; and 4) a change in the Applicant point-of-contact information. In addition, the zoning information for pipeline locations crossing parcels within Kern County have been corrected in the Revised NOP.

Conclusion

The NOP has been revised to include additional information for the preparation of a joint EIR/EIS, including additional scope of analysis for issue areas under NEPA, baseline description changes, and project description changes. The information set forth in the attached Revised NOP are being included in the Draft EIR/EIS. Revisions to the NOP are indicated by striking text for deletion (~~example~~) and underlined text for additions (example). The current project information and application materials remain maintained on SB County's website at:

http://sbcountyplanning.org/energy/projects/PlainsPipeline.asp.

Questions regarding this Revised NOP should be directed to Jacquelynn Ybarra, County of Santa Barbara Planning and Development Department, Energy, Minerals and Compliance Division, 123 E. Anapamu Street, Santa Barbara, CA 93101, via email at jybarra@countyofsb.org or telephone at (805) 568-5066.

Sincerely,

April 26, 2022

Jacquelynn Ybarra, Planner III
County of Santa Barbara
Planning and Development
E: jybarra@countyofsb.org
P: 805-568-5066

cc: Clerk of the Board (please post for 30 days)

Encl: Revised Notice of Preparation SCH #2019029067

REVISED NOTICE OF PREPARTION

SCH #2019029067

PROJECT OVERVIEW AND SCOPE OF ANALYSIS

A. APPLICANT

Mr. Steve Greig
~~Ms. Heather Tuggle~~
Plains Pipeline, L.P. (Plains)
333 Clay Street #1600
Houston, TX 77002

B. LOCATION

Plains Pipeline, L.P. is proposing to replace the existing, and currently shut-in, 123.4-mile Line 901 and 901 pipeline system. The existing Plains Line 901, a 10.9-mile, insulated twenty-four inch diameter steel pipeline currently extends from the Plains Las Flores Pump Station (within ExxonMobil's Las Flores Canyon facility) north of Highway 101 along the Gaviota Coast into the Gaviota Pump Station. Line 903, a 113.5-mile, insulated thirty-inch diameter, steel pipeline, exits the Gaviota Pump Station, crosses under Highway 101 into Gaviota State Park and parallels Highway 101 as it heads inland. Line 903 crosses underneath Highway 101 just north of its intersection with State Route 154, south of Los Alamos, and continues north through the southern portion of the State Designated Cat Canon Oil Field and underneath the Sisquoc River to the Sisquoc Pump Station. Once Line 903 reached the Sisquoc Pump Station it heads eastward along the SB County and SLO County boundary to the Pentland Delivery Point in Kern County. Although the existing pipeline alignment currently traverses through the City of Buellton, the proposed pipeline would be relocated outside the existing alignment just outside Buellton City limits. Additionally, the proposed alignment would deviate from the existing alignment for a small portion along the Gaviota Coast to avoid sensitive resources.

The proposed pipeline would traverse approximately 260 different parcels (155 in SB County) which range in size from just less than 1-acre to over 3,400-acres and are zoned AG-I (Agriculture), AG-II (Agriculture), REC (Recreation), M-CR (Coastal Related Industry), M-CD (Coastal Dependent Industry), RMZ (Resource Management) within Santa Barbara (SB) County, AG (Agriculture) and RL (Rural Lands) within San Luis Obispo (SLO) County, and A (Exclusive Agriculture), A FPS (Exclusive Agriculture, Floodplain Secondary Combining), A-1 (Limited Agriculture), and E (20) RS (Estate (minimum 20 acre) Residential Suburban Combining) within Kern County. The existing and proposed replacement pipelines also cross California Department of Fish and Wildlife's Carrizo Plains Ecological Reserve as well as Federal lands, including Los Padres National Forest, the Carrizo Plain National Monument and the Bitter Creek Wildlife Refuge. No change in existing land use designation and/or zone district is proposed as part of the Project. Figure 1 shows the proposed alignment within SB, SLO and Kern Counties, as well as State and Federal lands.

Figure 1. Project Vicinity Map

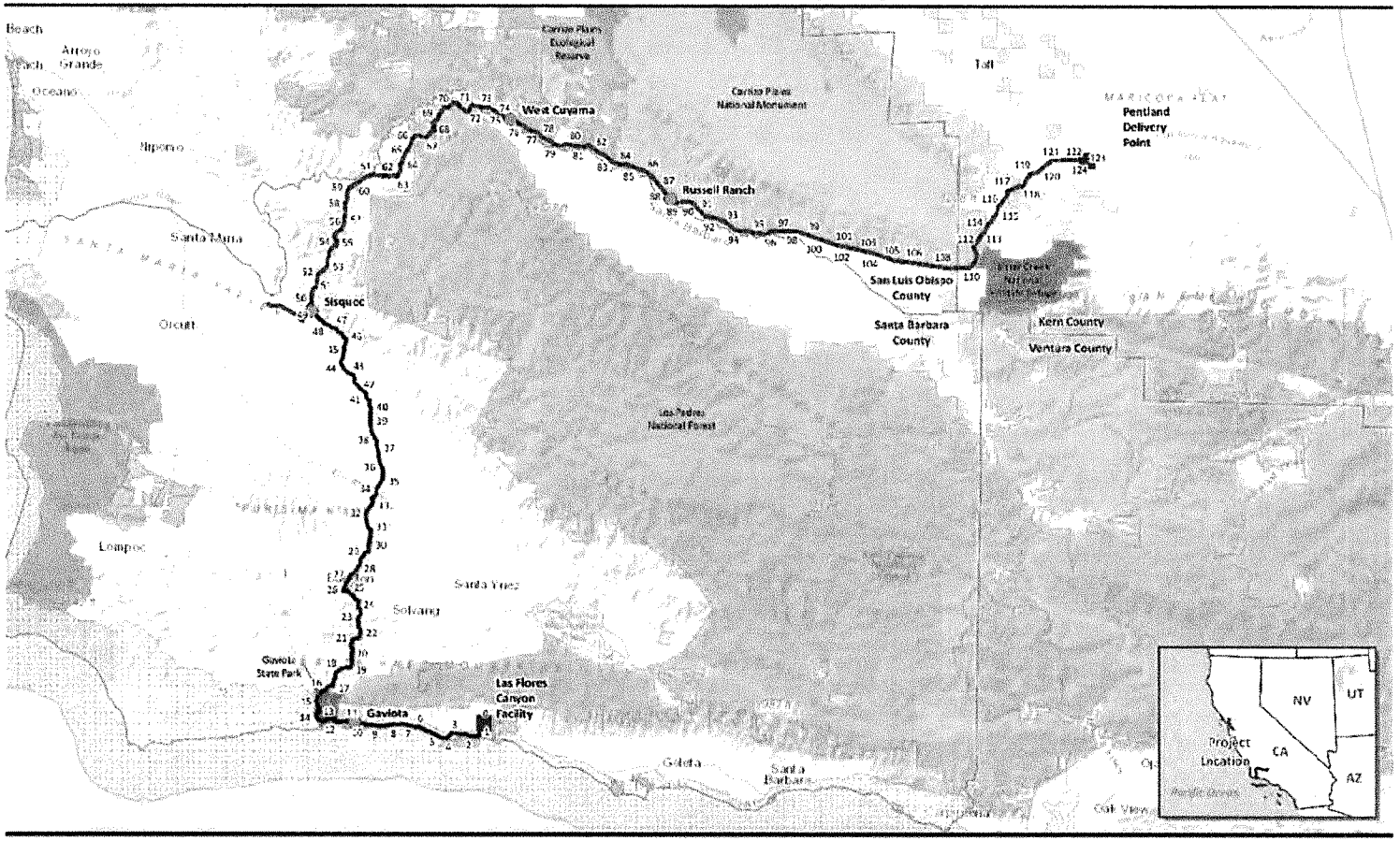
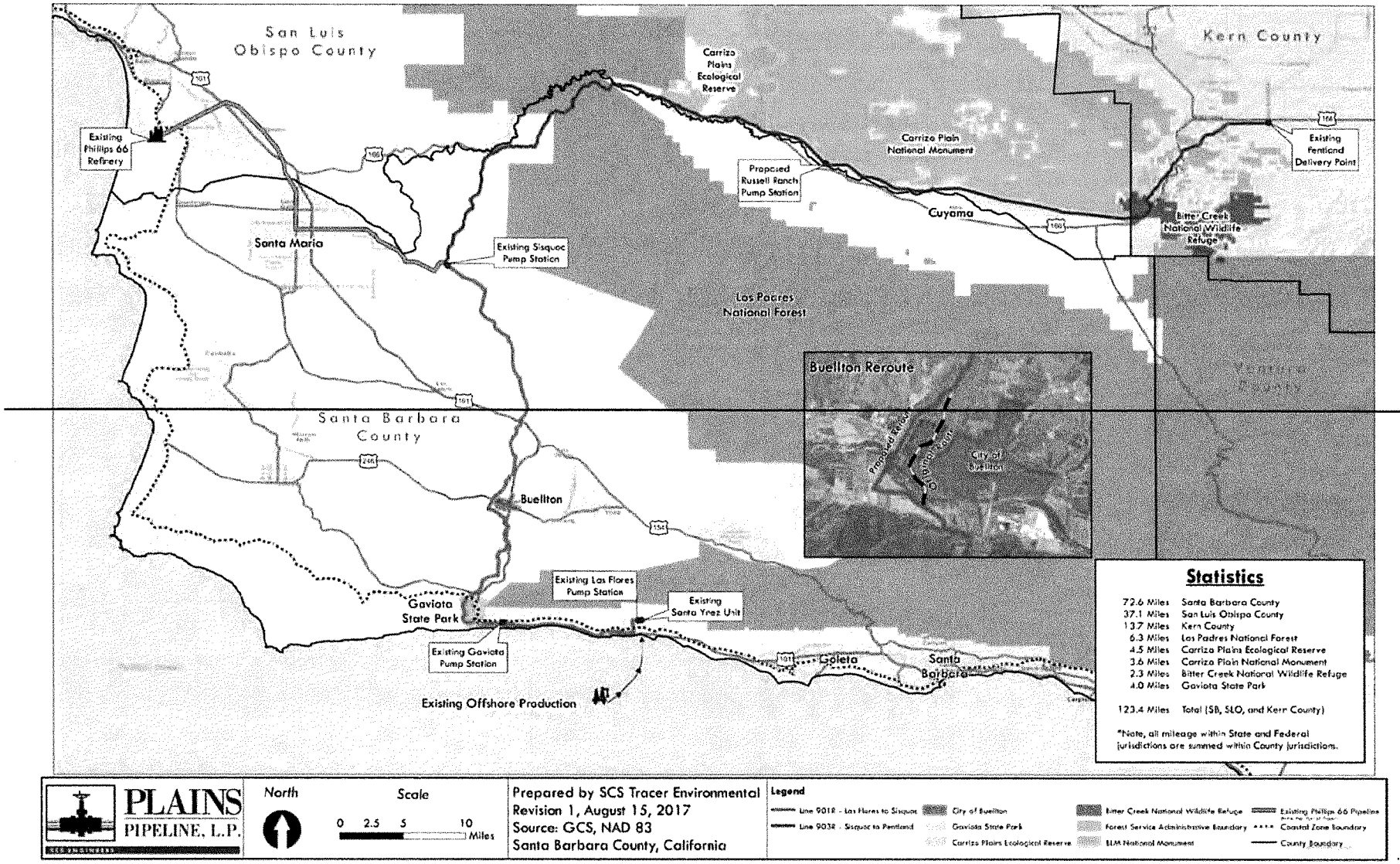


Figure 2-1
Project Overview

Plains Replacement Pipeline Project
Santa Barbara, San Luis Obispo, and Kern Counties, CA


San Luis Obispo County
Kern County
Carrizo Plains Ecological Reserve
Carrizo Plain National Monument
Existing Phillips 66 Refinery
Proposed Russell Ranch Pump Station
Existing Pentland Delivery Point
Cuyama
Bitter Creek National Wildlife Refuge
Santa Maria
Existing Sisquoc Pump Station
Los Padres National Forest
Buellton Reroute
Proposed Reroute
Existing Alignment
City of Buellton
Santa Barbara County
Buellton
Existing Las Flores Pump Station
Existing Santa Ynez Unit
Gaviota State Park
Existing Gaviota Pump Station
Goleta
Santa Barbara
Existing Offshore Production
Statistics
72.6 Miles Santa Barbara County
37.1 Miles San Luis Obispo County
13.7 Miles Kern County
6.3 Miles Los Padres National Forest
4.5 Miles Carrizo Plains Ecological Reserve
3.6 Miles Carrizo Plain National Monument
2.3 Miles Bitter Creek National Wildlife Refuge
4.0 Miles Gaviota State Park
123.4 Miles Total (SB, SLO, and Kern County)
*Note, all mileage within State and Federal jurisdictions are summed within County jurisdictions.
PLAINS PIPELINE, L.P.
North
Scale
0 2.5 5 10 Miles
Prepared by SCS Tracer Environmental
Revision 1, August 15, 2017
Source: GCS, NAD 83
Santa Barbara County, California
Legend
Line 901R - Las Flores to Sisquoc
Line 903R - Sisquoc to Pentland
City of Buellton
Gaviota State Park
Carrizo Plains Ecological Reserve
Bitter Creek National Wildlife Refuge
Forest Service Administrative Boundary
BLM National Monument
Existing Phillips 66 Pipeline
Coastal Zone Boundary
County Boundary

C. REQUEST/DESCRIPTION

Overview of the Project

Plains is proposing to replace the existing Line 901 and 903 pipeline system with a smaller diameter and smaller capacity un-insulated steel pipeline, herein after referred to as Lines 901R and 903R. As part of the proposed Project Plains would install, operate and maintain Lines 901R and 903R, 52 ~~forty~~ pipeline control valves, update equipment at three existing pump stations (Las Flores, Gaviota, and Sisquoc), add oil storage tank and heaters to the Sisquoc Pump Station ~~expand and upgrade the existing Sisquoc Pump Station~~, construct ~~a~~ two new pump stations in the Cuyama Valley region of SLO County (West Cuyama and Russell Ranch); and update and install various pipeline-related ancillary equipment including but not limited to: pipeline location markers, cathodic protection, fiber optic lines, supervisory control and data acquisition (SCADA) systems, remote communication equipment, emergency battery systems, diesel powered back-up generators, and/or solar panels. Although removal of the existing pipeline is not proposed at this time, portions of the line may be removed where technically feasible and required by agreement with landowners and/or Project Conditions. Therefore, impacts associated with pipeline removal would also be addressed and analyzed.

Background and Historic Operation

On February 18, 1986 SB County approved the Celeron/All American Pipeline Project under a Final Development Plan (85-DPF-066cz), which was subsequently revised in 1988 (88-DPF-033). The proposed Celeron/All American Pipeline Project was for the construction of a 1,200-mile pipeline that would transport Outer Continental Shelf and other locally produced crude oils from the Santa Barbara and Santa Maria Basins through Emidio Station in Kern County California, to McCamey Texas. The 122-mile Celeron segment would extend from Las Flores to Emidio Station and the 1,084-mile All American segment would extend from Emidio Station in California, to McCamey Texas; both pipelines would transport heated crude oil. Pipeline construction occurred from 1988 to 1991, and Line 903 became operational in 1991, and Line 901 became operational a few years later in 1994. Line 901 and 903 system was an interstate pipeline and operated under federal jurisdiction.

On May 19, 2015, Line 901 ruptured approximately 100 yards north of Highway 101, and oil traveled through a drainage culvert to the Pacific Ocean approximately ¼ mile west of Refugio State Park. An estimated 124,000 gallons or 2,960 barrels of crude oil were released. On May 20, the Director of Planning and Development gave verbal and email authorization to Plains to conduct emergency response operations pursuant to the County's Coastal Zoning Ordinance. Site clean-up and monitoring activities continued into 2016 and were overseen by the Unified Command led by the United States Coast Guard (USCG) and the United States Environmental Protection Agency (EPA), in consultation with the California Department of Fish and Wildlife (CDFW), County Office of Emergency Management (OEM) and Plains. The Unified Command was dissolved in early 2017.

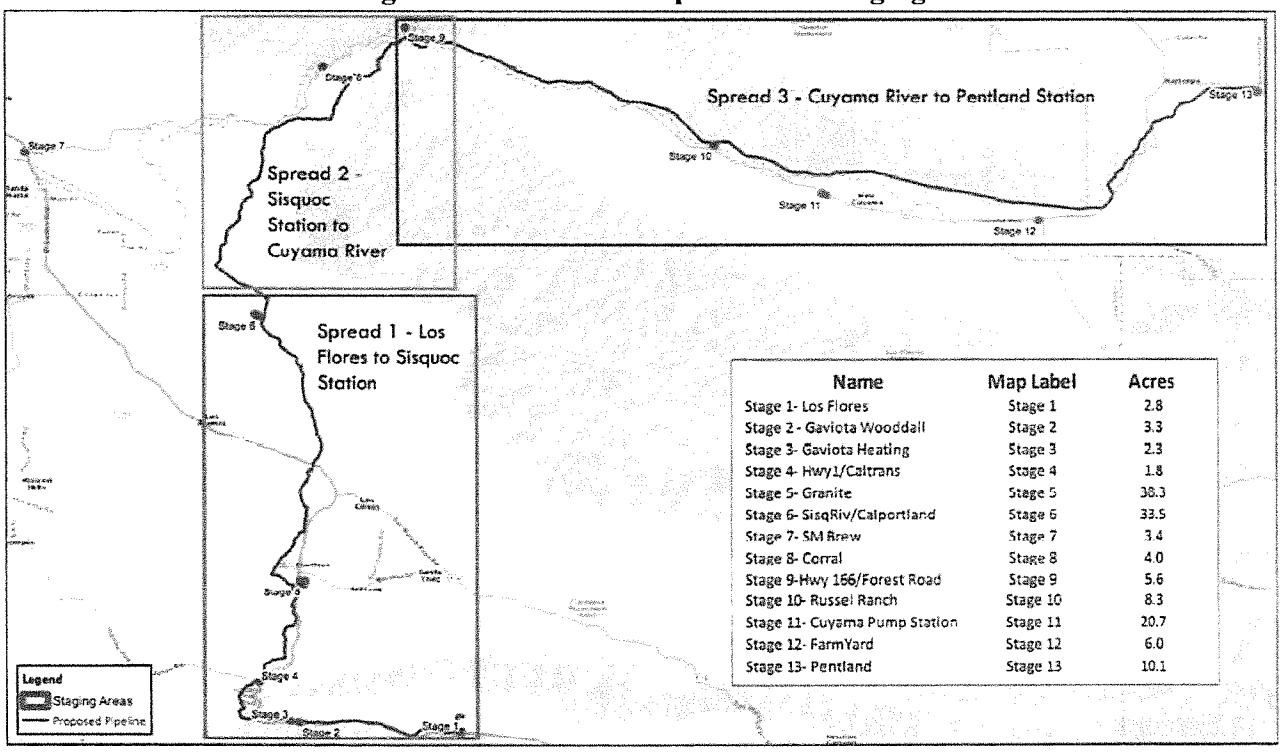
Since the May 19, 2015 rupture and release of crude oil, Plains' 901 and 903 pipeline system has been shut-in. As part of their review and investigation, the Pipeline Hazardous Materials Safety Administration (PHMSA) issued a Corrective Action Order (CAO) requiring the purging of Line 901, a review of the pipeline's integrity and repair of any integrity-threatening anomalies identified by subsequent inspections and a root cause failure analysis. The CAO required Line 901 to remain shut down until PHMSA approves the restart of the pipeline. Two amendments were issued shortly thereafter. The first amendment to the CAO was issued on June 3, 2015 and addressed preliminary findings from PHMSA's investigation and required additional testing on Line 901 and 903, further review of processes, management and oversight

of Line 903 and reduction of Line 903's operating pressures. The second amendment was issued on November 12, 2015 and required the purging of Line 903 between the Gaviota and Pentland Pump Stations and the filling of both Line 901 and 903 with inert gas. Purge operations began on November 30, 2015 and were completed on April 18, 2016. To-date, the Line 901 and 903 pipeline system from the Las Flores Pump Station to the Pentland Pump Station remain non-operational. Plains continues to work with PHMSA to address the CAO requirements. In furtherance of this effort, Plains submitted an application for an amendment (21AMD-00000-0009) to their existing Development Plan (85-DP-66cz) for the Line 901 and 903 system that would allow for the installation of numerous new valves to meet the State Fire Marshal's requirements under AB 864.

Pipeline Construction

To construct the replacement pipeline and abandon or remove designated pipeline sections within the proposed 12-18 month timeline, Plains is proposing to utilize three construction spreads concurrently (see Figure 2).

Figure 2. Construction Spreads and Staging



Name	Map Label	Acres
Stage 1- Los Flores	Stage 1	2.8
Stage 2 - Gaviota Wooddall	Stage 2	3.3
Stage 3- Gaviota Heating	Stage 3	2.3
Stage 4- Hwy1/Caltrans	Stage 4	1.8
Stage 5- Granite	Stage 5	38.3
Stage 6- SisqRiv/Calportland	Stage 6	33.5
Stage 7- SM Brew	Stage 7	3.4
Stage 8- Corral	Stage 8	4.0
Stage 9-Hwy 166/Forest Road	Stage 9	5.6
Stage 10- Russel Ranch	Stage 10	8.3
Stage 11- Cuyama Pump Station	Stage 11	20.7
Stage 12- FarmYard	Stage 12	6.0
Stage 13- Pentland	Stage 13	10.1

Each construction spread would be comprised of a crew of approximately 150 to 200 employees and associated construction equipment with vehicles to support pipeline installation, abandonment and/or removal activities. Construction equipment and vehicles include, but are not limited to the following: light-duty passenger trucks, passenger vans, heavy duty trucks, welding trucks, fuel trucks, water trucks, stringing trucks, graders, dozers, trackhoes, trenching machines, bending machines, forklift, Horizontal Directional Drilling (HDD) machine, jack and Boring Machine, mud pumps, cranes, air compressors and generators. Designated staging areas would be located in level areas near or adjacent to the pipeline alignment and respective work areas and would be dismantled and returned to existing conditions as work activities progress or culminate. A centralized pipe yard for short-term storage and offsite fabrication of

valve systems and similar equipment would be utilized as well. Trucks would transport materials to identified staging areas along the pipeline alignment.

Construction would occur during permitted hours, however trenchless excavation methods (described below) may need to operate 24 hours, 7 days a week where safety and technical needs warrant longer working hours. The three construction spreads are expected to operate simultaneously and are estimated to average approximately 700 linear feet of pipeline installation per day, depending on site conditions and terrain.

Pipeline installation would generally occur in the following six steps:

1. Construction Staging. This stage includes the establishment of a Pipe Yard, as noted above, as well as the various staging areas along the pipeline alignment.

2. Pipeline Construction Corridor and Right-of-Way. This stage entails the clearing of the temporary construction corridor (i.e., vegetation and tree removal as necessary) under the observation of biological and cultural monitors and marking of the pipeline right-of-way. During this stage topsoil along the pipeline alignment would be removed and stockpiled and the area would be graded in preparation for trenching activities.

3. Excavation and Trenchless Construction. During this stage trenching machines would be used to excavate along the pipeline alignment at a depth of approximately 6-7 feet below grade. In areas that require deeper pipeline placement such as creeks or road crossings, trenchless excavation methods would be utilized. Trenchless excavation methods include Jack and Bore or Horizontal Directional Drilling (HDD) (See Figure 3). Jack and Bore entails the excavation of access pits on either side of the crossing at the same depth as the pipeline and a boring machine. As the boring machine creates a straight horizontal path to the exit pit as it pulls the casing pipe behind it. Once the tunnel is drilled and the casing is in place, the pipeline is strung through the casing and the access pits are backfilled. HDD is typically used for longer sections than Jack and Bore, such as sensitive resources or major rivers. The HDD machine does not require access pits and is typically set up on the existing ground surface. The HDD is setup so that it gradually angles down to the target depth and then resurfaces again hundreds of feet away creating an underground arc.

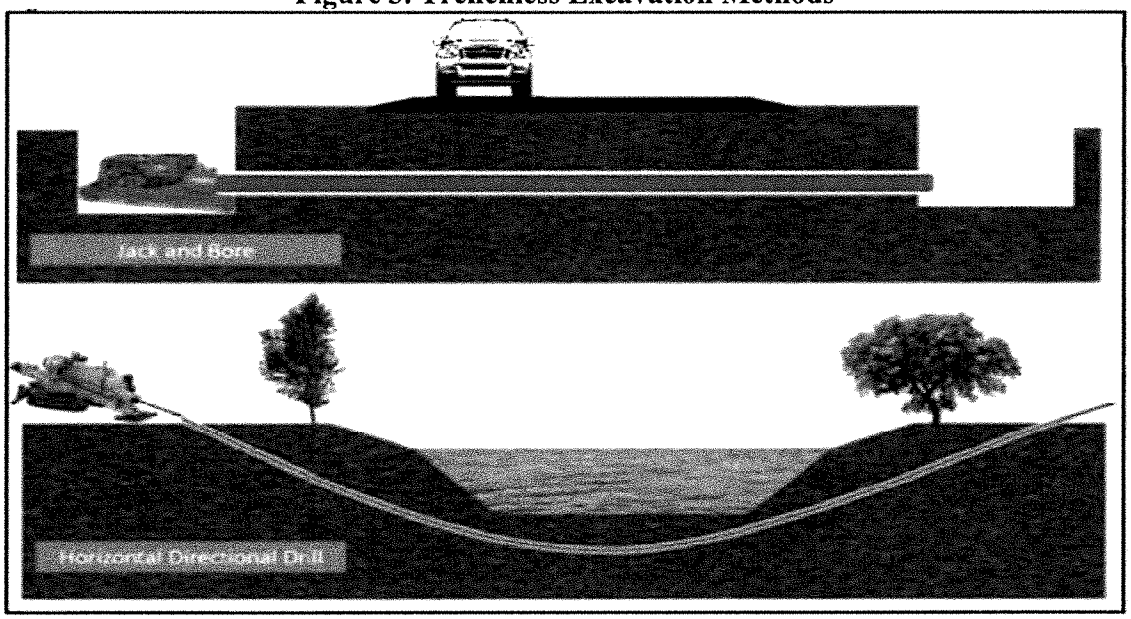
4. Pipeline Transportation and Installation. During this stage, sections of pipeline would be transported from the Pipe Yard and staging areas to the project site, placed in the trench, welded to one another and sand blasted. The weld joints would then be treated with epoxy to prevent corrosion. No insulation would be applied or used along any portion of the replacement pipeline.

5. Testing and Inspection. Once the pipeline segments have been welded, each joint would be inspected via x-ray to ensure quality control and the pipeline would be lowered by crane into the trench. Once the trench has been back filled, pipeline segments would be hydrostatically tested to ensure the integrity of the newly constructed pipeline. If any portion of the pipeline fails during this test, the pipeline segment would be re-exposed and Steps 4 and 5 would be repeated until pipeline integrity is verified.

6. Restoration of Construction Corridor. During this final stage, the Temporary Construction Corridor, created as part of Step 2, would be restored. Topography would be returned to existing

grade, top soil would be redistributed and disturbed areas would be revegetated according to a Revegetation and Restoration Plan.

Figure 3. Trenchless Excavation Methods



Pipeline Abandonment

Pipeline Abandonment activities would adhere with all Federal, State and local requirements. Where technically feasible and allowed by landowners and permits, portions of the existing pipeline would be abandoned in place and minimize additional project impacts. Pipeline abandonment activities would require approximately 25-30 additional specialized employees, and specialized equipment including material delivery trucks, pump trucks and import trucks. The same construction Pipe Yard and staging areas would be used for these activities as well.

Abandonment activities would generally occur as follows:

1. Buried pipeline sections would be flushed/cleaned of any fluids. (Already completed under PHMSA's oversight and direction pursuant to their COAs)

2. Unless otherwise noted in the equipment list, existing aboveground equipment such as facility piping, motor operated valves, pig launchers, and pig receivers would be removed.

3. Existing check valves would be exposed via the excavation of an access pit approximately 20 x 30 feet in size and would be removed.

4. Depending upon terrain conditions, small sections of buried pipeline would be exposed in intervals varying from one-half (0.5) to two (2) miles for access purposes. Below-grade access to the pipeline would be achieved via excavation of temporary access pits approximately 20 x 30 feet in size. Due to the proposed location of the replacement pipelines parallel with and in close proximity to existing pipelines, excavations associated with the abandonment process would

primarily fall within the perimeter of the Temporary Construction Corridor for the replacement pipeline.

5. Using the excavated access locations, the buried pipelines would be filled with a material such as slurry, foam, nitrogen, or an equivalent inert substance and exposed ends would be welded closed with steel plates.

6. All excavations would be backfilled, recompacted as appropriate for their location, and revegetated/recontoured to return to existing prior conditions as much as possible.

7. Buried sections of pipeline would be recorded such that future land owners/users are able to identify their location.

Pipeline Removal

Portions of the existing pipeline may be removed where technically feasible and required by agreement with landowners and/or Project conditions. Approximately 117 of the total 257 parcels have easement or right-of-way agreements with clauses which allow the property owner to request pipeline removal. If all the applicable property owners request that the pipeline is removed from their properties, approximately 77.8-miles of pipeline would be removed.

Pipeline removal activities would use most of the same personnel, vehicles and equipment required for pipeline construction, with the addition of 50-70 specialized employees, passenger trucks, passenger vans, material delivery/hauling trucks, welding trucks and dump trucks.

Pipeline removal would generally occur as follows:

1. Buried pipeline sections would be flushed/cleaned of any remaining fluids. (Already completed under PHMSA's oversight and direction pursuant to their COAs)

2. A typical benched or sloped trench approximately thirty (30) feet in width would be excavated over the top of the pipeline segment; topsoil would be separated and stockpiled.

3. Welding trucks would be used to cut the pipeline into individual sections.

4. Sidebooms, trackhoes, trucks, and various construction fleet vehicles would be utilized to lift and remove sections of pipe.

5. Pipe sections would loaded onto flatbed trucks and hauled to regional metal recycling facilities.

6. Due to the reduction in pipeline diameter between existing and replacement pipeline sizes, additional fill material would be imported. The trench would be backfilled with native soil and/or clean fill material and top soil would be replaced. The disturbed area would be recontoured and revegetated to as close to prior surrounding conditions as possible.

7. Large woody vegetation such as oak trees may not be replanted if such vegetation would be likely to disrupt the operation and/or maintenance of the replacement pipeline system.

8. Unless otherwise noted in the equipment list, existing aboveground equipment such as valves, facility piping, pig launchers, and pig receivers would be removed.

9. Two (2) existing below-grade check valve stations would no longer be needed. Valve station 1-300 would be excavated and removed at the same time as the surrounding pipeline segments and the surface conditions recontoured and revegetated to as close to prior surrounding conditions as possible. Valve station 3-1200 would be replaced by the new Russell Ranch Pump Station. All other valve and pump stations would be repurposed for the replacement pipeline system.

Removal of the existing pipeline segments would commence approximately four (4) weeks prior to construction of the replacement pipelines, the two processes would proceed concurrently thereafter. If the majority of the existing pipeline was required to be removed, the entire removal process as well as replacement pipeline construction would take approximately 15-21 months to complete.

Operations, Spill Contingency and Safety

Plains is proposing to utilize their centralized Control Center in Midland, Texas to manage the operations of the replacement pipeline, Lines 901R and 903R. The Control Center is manned by qualified personnel 24-hours per day, 365 days per year. Approximately 10 full-time staff would be needed for pipeline operations and maintenance.

The replacement pipeline system would be monitored 24 hours a day, 7 days a week by a Supervisory Control and Data Acquisition (SCADA) control system. Plains personnel in the Midland Control Center would utilize a SCADA system to continually monitor and operate pipeline systems, and carry out a remote shut-down of the system if circumstances warrant. Additionally, the pipeline SCADA system allows for various Plains personnel to access and view pipeline-related operational data, in real-time, from any properly equipped computer system in the world, including Plains offices in Santa Maria and Bakersfield, California. This shared access to technology allows for close coordination around-the-clock between local Plains operations staff and controllers in Plains' Midland Control Center.

Pipeline Controllers have the authority and the responsibility to shut down the pipeline systems when pipeline integrity is in doubt. Restart the pipeline systems is delayed until any identified issues are corrected and proper authorization has been received from Operations and Control Center Management and if necessary, the State Fire Marshall's Office of Pipeline Safety. Once the pipeline is shut off, Plains' pipeline controllers in Midland, Texas can choose to automatically isolate the affected section of pipe by remotely closing automated valves.

The Project design and construction would conform to industry accepted best practices and Best Available Technology (BAT) in adherence with the Elder California Pipeline Safety Act, California Assembly Bill 864, as well as all local, state, and federal requirements for pipeline design and construction. Prior to commencement of pipeline operations, the Project would be incorporated into the operator's existing Pipeline Operation & Maintenance Plan, Operator Qualifications Plan, Pipeline Integrity Management Plan, and Emergency Response Plan in compliance with applicable local, state, and federal requirements.

Design considerations for the proposed Project include:

- Although subject to final design modifications, the system would likely be constructed of API 5L Gr. X52 carbon steel with a maximum operating pressure (MOP) of approximately 1,350 pounds per square inch (psig) and a maximum operating temperature of 200 degrees Fahrenheit.
- Consultation with the California State Fire Marshal (CSFM) Pipeline Safety Division.

- Adherence to CFR Title 49 Part 195 "Transportation of Hazardous Liquid by Pipeline", CCR Title 19 Div. 1 Ch. 14 "Hazardous Liquid Pipeline Safety", and appropriate sections of API, ANSI, ASME, CEC, CFC, CBC, NACE, NFPA, and other applicable codes.
- Incorporation of the use of in-line inspection tools, such as smart pigs.
- Completion of a hydraulic and surge analysis.
- Incorporation of results from a final Emergency Flow Restriction Device (EFRD) analysis.
- Completion of a seismic and geotechnical study including field and laboratory testing.
- Confirmation of existing utility locations for consideration during final pipeline route selection and maintain required clearances.

Pipeline Safety considerations during construction would include:

- Hydrostatic testing per DOT and CSFM regulations and retention of associated construction records.
- Non-destructive testing of all welded pipeline joints in a manner which meets or exceeds applicable standards per Department of Transportation (DOT) regulations and additional applicable local, state, and federal requirements.
- Geotechnical testing to verify adherence to construction specifications.
- Installation of at least one (1) below ground warning tape above each pipeline.
- Installation of aboveground pipeline location markers.
- Installation of security fencing around all valve and pump stations.

Examples of personnel safety considerations during construction include:

- Compliance with applicable California Occupational Safety and Health Administration (OSHA) administered regulations such as shoring, bracing, and confined space entry.
- Overall construction safety program by licensed construction contractor(s).
- Implementation of various onsite safety activities including completion of Job Safety Analysis (JSA), daily safety tailgate briefings, and dedicated safety monitoring personnel.
- Advanced utility locating to avoid interference with existing underground improvements.

Examples of safety considerations throughout operations and maintenance of the proposed facilities include continued:

- Compliance with CFR Title 49 Part 195 "Transportation of Hazardous Liquid by Pipeline", CCR Title 19 Div. 1 Ch. 14 "Hazardous Liquid Pipeline Safety", and appropriate sections of API, ANSI, ASME, CEC, CFC, CBC, NACE, NFPA, and other applicable codes.
- Maintenance of routine and emergency operations plans.
- Safety training for operations staff; minimum experience requirements by operator classification.
- Maintenance inspections and retention of associated records as required by local, state, and federal regulations.
- Routine safety device inspections and testing.
- Maintenance of the facility's Hazardous Materials Business Plan and Spill Prevention, Control, and Countermeasures Plan.
- Coordinated interface with interconnected systems operated by third parties.
- Maintenance and testing of the pipeline SCADA systems.
- In-line inspection to meet or exceed the frequency established by applicable regulations.
- Maintenance of aboveground pipeline location markers.
- Participation in Underground Service Alert utility locating system.

- Maintenance and replacement of equipment and components throughout the life of the Project.
- Documentation of results of tests and inspections over life of the Project, including the date and extent of any replaced pipeline segments.

Examples of Leak Protection and SCADA Leak Detection System Elements & Operation:

- A series of motor-operated-valves (MOV) and check valves would be installed in strategic locations to protect environmentally sensitive areas consistent with all applicable local, state, and federal regulations.
- Cathodic protection (sacrificial anode system) designed to protect the pipelines from external corrosion.
- Safety and operational data would be monitored by a SCADA system. Information would be gathered from multiple points along the pipeline system and would include flow rate, temperature, and pressure.
- Operating data would be continuously monitored to identify deviations indicative of a leak or rupture. The pipeline would shut down when conditions vary beyond pre-set pressure and flow conditions in accordance with the Elder California Pipeline Safety Act and additional applicable local, state, and federal requirements.
- The automatic shutoff system would shut off pipeline pumps without human intervention if the instruments detect:
  - A drop in pipeline pressure below a programmed threshold.
  - A drop in pipeline pressure combined with increased pipeline flow at the origination point and decreased pipeline flow at the destination point.
- In the event the pipeline flow reverses direction, strategically located check valves on the pipeline would close automatically, without human intervention.

D. ISSUE AREAS

Each specified impact area warrants an objective and systematic discussion that identifies the baseline environmental setting; thresholds of significance; impacts and their severity; and, where the impact is potentially significant, the mitigation measures to avoid, reduce or eliminate the impact.

Baseline Conditions

The Line 901 and 903 pipeline system was evacuated and purged as of May 21, 2015, and continues to be non-operational to date. Baseline conditions will be described from these existing conditions with a non-operational pipeline.

~~Although the existing Line 901 and 903 pipeline system is currently shut down, the permits that authorized the construction of the pipeline system remain active. If Plains addresses PHMSA's CAO and subsequent amendments, Plains maintains the ability to restart the pipeline system without the need for additional permits or project approval from County decision makers. Under CEQA baseline is normally the conditions that exist on the ground at the time the Notice of Preparation is released. However, under CEQA the Lead Agency has the discretion to decide how the existing physical conditions without the project can most realistically be measured, subject to environmental review and as supported by factual evidence. Since Plains retains the ability to restart the pipeline system without additional discretionary permits and to provide a realistic representation of facility operations, baseline conditions for the resources area analyses will be an average of the last 3 full years of pipeline operations prior to the May 19, 2015 spill event (2012-2014).~~

Air Quality

The Air Quality and Greenhouse Gas (GHG) analyses would include the evaluation of criteria air pollutants, GHG emissions, odors and consistency of the Project with the regional and applicable Air Quality Management Plans. The Applicant has prepared an Air Quality Technical Report (AQTR) and associated emission calculations for the proposed Project. The AQTR was reviewed by the Santa Barbara County Air Quality Control District (SBCAPCD) and all SBCAPCD comments have been addressed. The AQTR includes information for both stationary and mobile emissions. The results of this analysis indicate that long-term unmitigated emissions are not predicted to exceed the County of Santa Barbara's significance threshold levels for NOx, ROC, $PM_{2.5}$ and PM_{10}.

However, per the emission calculations submitted as part of the Application, the proposed Project's NO_X, ROC and PM_{10} emissions resulting from construction activities would exceed 25 tons within a 12-month period. Pursuant to SBCAPCD's Rule 202 D.16, if the combined emissions from all construction equipment used to construct a stationary source which requires an Authority to Construct permit have the potential to exceed 25 tons of any pollutant, except carbon monoxide, in a 12-month period, the owner of the stationary source shall provide offsets under the provisions of Rule 804 and shall demonstrate that no ambient air quality standard would be violated. Furthermore, since Santa Barbara County violates the state standard for PM_{10}, dust mitigation measures are required for all discretionary construction activities regardless of the significance of the fugitive dust impacts based on the policies in the 1979 Air Quality Attainment Plan.

At this time, the proposed Project includes the abandonment of the majority of the Line 901 and 903 pipeline system (122.9 miles) between Las Flores and Pentland. However, as discussed above, approximately 117 property owners have the ability to request the removal of the pipeline on their respective properties. Activities associated with potential removal of the 77.8 miles of the existing pipeline could result in NO_X and PM_{10} (fugitive dust) emissions that exceed 25 pounds per day. Nevertheless, these emissions are not associated with stationary sources that would require an ATC from the SBCAPCD and therefore at this time would not be considered to exceed any existing thresholds.

Lastly, the SBCAPCD determined that no Health Risk Assessment (HRA) would be necessary for this project thus no HRA has been conducted. SBCAPCD requires permits for equipment and operations associated with this project.

Greenhouse Gases

According to the submitted calculations, pipeline construction and installation activities are anticipated to generate approximately 18,984 metric tonnes of CO_2 equivalent per year ($MTCO_2e$/year). These emissions would exceed the GHG threshold established by the County Board of Supervisors in the approved Environmental Thresholds and Guidelines Manual (revised January 2021 ~~March 2018~~). A bright-line GHG threshold of 1,000 metric tons of carbon dioxide equivalent per year applies to the Project. Potential mitigation may include the development of a County-approved GHG Mitigation Plan to mitigate potential impacts.

Biological Resources

The EIR/EIS would evaluate the extent of temporary and permanent impacts to wildlife and habitat as a result of the proposed Project and identify potential feasible mitigation measures. Construction activities include grading and vegetation removal, excavation, trenchless excavation, pipeline installation, and associated activities. Operational activities typically include routine on-going maintenance activities and accidental spill response activities.

Under the proposed Project, 122.9 miles of the existing Line 901 and 903 pipeline system from Las Flores to Pentland would be in abandoned in place and 123.4 miles of replacement pipeline would be installed within or adjacent to the existing pipeline corridor. Pipeline installation activities could potentially temporarily interfere with terrestrial wildlife movement primarily during construction. Construction activities would affect wildlife in adjacent habitats by interfering with localized movement patterns or causing animals to temporarily avoid areas adjacent to the work. More mobile species (birds and larger mammals) would be expected to disperse into surrounding habitat areas during land clearing and grading, and other temporary construction activities. Potential impacts from the operation of the proposed Project include wildlife interference from maintenance vehicles, anomaly repairs and unanticipated spills and spill response.

The Biological Assessment included a review of the California Natural Diversity Database as well as pedestrian surveys which identified potential impacts to the following listed, threatened and endangered species, including, but not limited to: California red-legged frog, steelhead, and southwestern willow flycatcher, least Bell's vireo, Nelson's antelope squirrel (observed in 2017), giant kangaroo rat, Tipton kangaroo rat, and San Joaquin kit fox (sign observed in 2017). Additionally per the Assessment, upland habitat for the California tiger salamander, potential habitat for the Kern primrose sphinx moth and blunt-nosed leopard lizard (observed 2017 in SJV) could be affected. Vegetation trimming and clearing of the pipeline alignment would result in the removal or trimming of habitats such as, but not limited to: coast live oak woodland, annual grassland, California coastal scrub, riparian and wetland habitats.

The potential impacts to coast live oak woodland are of particular concern, with approximately 654 mature (at least 6 inches diameter at breast height) trees that may be impacted or removed by the proposed Project. Oak woodlands support a variety of sensitive species and are afforded special protection by local ordinances and the CDFW. As part of their application Plains has also compiled a Conceptual Oak Tree Mitigation Analysis which identifies potential oak mitigation opportunities within the project area.

In addition, under the proposed project, there would be 123 trenched stream crossings and 18 trenchless stream crossings; trenched crossings would require a Section 404 Clean Water Act permit from the U.S. Army Corps of Engineers and consultation with the U.S Fish and Wildlife Service for federal actions that may adversely affect federally listed species under Section 7 of the Endangered Species Act. The water crossings would be evaluated in the EIR/EIS.

Potential impacts associated with biological resources could be significant.

Cultural/Historic Resources

The cultural/historic resources analysis would determine whether the Project may adversely affect the significance of cultural/historic resources. The EIR/EIS would provide a discussion of the potential impacts related to Cultural Resources and mitigation measures for project activities and alternatives. Construction activities include grading and vegetation removal, excavation, trenchless excavation, pipeline installation, and associated activities. As discussed above, approximately 117 property owners have the ability to request the removal of the pipeline on their respective properties. Activities associated would include excavation, pipeline removal and associated activities. Operational activities typically include routine on-going maintenance activities and accidental spill response activities. Direct impacts could include impacts that result from intentional ground disturbance related to grading, excavation and pipeline removal. Indirect impacts may also occur as a result of the project, but would not result from

intentional ground disturbance. Other indirect impacts could include erosion, unauthorized artifact collecting, and vandalism.

The Applicant has prepared a Phase I Archaeological Survey Report for the proposed project, which includes the results of archival and background research, official record searches conducted at the Central Coast Information Center (CCIC) of the California Historical Resources Information System at the University of California, Santa Barbara, the Southern San Joaquin Valley Information Center (SSJVIC) at California State University Bakersfield, the Heritage Database with the United States Forest Service, Los Padres North Zone, and the BLM Bakersfield Field Office Cultural Resource Geo database. An intensive (BLM Class III) pedestrian survey of the proposed Project Study Area has also been conducted.

As designed, the proposed pipeline would be directionally drilled to avoid the majority of recorded and identified sites located within the right-of-way. Additional archeological investigations would need to be conducted to define the Area of Potential Effect and determine if the project would impact historical sites. All subsurface work would be conducted in accordance with an approved work plan, currently being developed in coordination with the State Historic Preservation Officer (SHPO) and the Bureau of Land Management (BLM). Project impacts would be evaluated against Section 8 of SB County's Environmental Thresholds and Guidelines Manual (revised January 2021 ~~May 2018~~), against applicable thresholds for San Luis Obispo and Kern counties, and evaluated in accordance with Section 106 of the National Historic Preservation Act. Potential impacts associated with cultural/historic resources could be significant.

Geologic Processes/Geologic Hazards

The Project includes the construction of a new, replacement pipeline which would traverse a variety of terrains, geological conditions and hazards. Potential issues that would be evaluated include geologic hazards such as erosion, slope instability, unsuitable soil conditions, and liquefaction. The potential for impacts as a result of seismic hazards such as strong seismic ground shaking would also be addressed.

In coordination with the Risk of Upset analysis, an assessment of the potential for spills related to geologic processes, hazards and seismic activity would be conducted.

The Applicant has prepared a Geologic Hazards Evaluation for the proposed pipeline alignment which crosses ten potentially active faults, twelve splays of the San Andres Fault, expansive soils, erodible soils, steep slopes and soils with liquefaction potential. The EIR/EIS section would also address existing environmental conditions in the affected area, identify and analyze environmental impacts of construction and operation of the proposed Project, and would include recommended measures to reduce or avoid adverse geologic impacts anticipated from Project construction and operation.

Project impacts would be evaluated against Section 10 of SB County's Environmental Thresholds and Guidelines Manual (revised January 2021 ~~May 2018~~), and against applicable thresholds for San Luis Obispo and Kern counties..

Hazardous Materials/Risk of Upset

The main objectives of the Risk of Upset analysis are to disclose the potential for serious accidents, exposure to the public, safety and environmental risks of spill events, and the mitigation measures that could reduce these risks. This analysis would consider the potential for risks associated with the installation of the natural gas pipeline and the transportation of crude oil via pipeline using Risk of Upset studies provided by the Applicant, including a Pipeline Quantitative Risk Analysis (QRA), an Emergency Flow Restriction

Device (EFRD) Study and a Surge Study prepared for the proposed Project. This issue area discussion would also include a description of the differences (i.e., pipeline pressure, diameter, material thickness, etc.) between the existing line that ruptured and the proposed replacement line.

Risk would be assessed according to Section 15 requirements of SB County's Environmental Thresholds and Guidelines Manual which specify thresholds for significant impact to the public through exposure to acute risks (i.e., serious injury and fatality) that stem from certain types of activities, and against applicable thresholds for San Luis Obispo and Kern counties. Potential impacts associated with Risk of Upset could be significant.

Noise

The noise and vibration analysis would focus on potential adverse impacts from temporary construction-type noise (including trenching activities, pipeline installation and vehicle noise), impacts from truck traffic along offsite travel routes, and permanent stationary noise sources, such as pump stations and valve sites. The EIR/EIS would also address noise associated with construction of the proposed natural gas pipeline.

In assessing noise impacts from proposed activities, details such as predicted decibel levels, duration, etc., for each construction and operation activity would be compared against the County's Community Noise Equivalent Level (CNEL) thresholds in locations of adjacent noise sensitive receptors. The noise and vibration analysis would identify specific recommendations and noise mitigation components to reduce adverse impacts to the extent feasible. Project impacts would be evaluated against Section 13 of SB County's Environmental Thresholds and Guidelines Manual (revised January 2021 ~~May 2018~~), and against applicable thresholds for San Luis Obispo and Kern counties.

Paleontological Resources

Portions of the Project are located within areas that are known to be sensitive for significant paleontological resources, as defined by federal standards codified in the Potential Fossil Yield Classification Index (PFYC). Due to the extensive subsurface disturbance associated with this project, there is the potential for impact to these resources.

Surface/Groundwater Resources

The Applicant has prepared a Groundwater Protection Report which provides a desktop analysis of shallow groundwater and/or sensitive aquifers that are within the proximity of the proposed project. Grading and excavation activities may result in erosion and sedimentation along the pipeline alignment and adjacent disturbed areas, particularly if precipitation effects occur. Portions of the proposed pipeline would also be constructed within mapped flood plains and below numerous streams, creeks and rivers. Use of heavy equipment and machinery could potentially result in an accidental release of hazardous materials. Surface and groundwater have the potential to be impacted if an accidental release were to occur in these areas. Additionally, approximately 40 miles of the proposed pipeline would transect five geographic areas known to contain shallow groundwater averaging about 30 to 110 feet below ground surface. Where boring or HDD would take the pipeline to a greater depth, the relative risk to shallow groundwater would increase. The total length of boring and HDD installation within shallow groundwater areas is limited to approximately 2.87 miles (2%) of the total 123.4 mile replacement pipeline system.

The water resources section of the EIR/EIS would assess the Project's potential to affect surface and groundwater resources. Due to the nature of the project and the proposed pipeline alignment, potential impacts to surface and groundwater quality could be significant.

Traffic/Transportation

The Traffic and Transportation analysis would focus on the contribution of new traffic volumes and vehicle miles traveled associated with construction and operational activities. This analysis would also consider potential impacts to traffic flow from temporary lane or roadway closures related to the installation of the oil and gas pipelines.

The construction of the proposed Project would introduce new traffic volumes. As detailed in Section C under *Pipeline Construction* the project would utilize three construction spreads concurrently. Each construction spread would be comprised of a crew of approximately 150 to 200 employees and associated construction equipment and vehicles to support pipeline installation, abandonment and/or removal activities. Designated staging areas would be located in level areas near or adjacent to the pipeline alignment and respective work areas and would be dismantled and returned to existing conditions as work activities progress or culminate. The potential primary staging areas would be used to store construction materials and would be located in previously disturbed areas, such as underutilized commercial parking lots, fallow agricultural fields, and private oilfield or agricultural work yards. Most of the preliminarily identified staging areas would be located in rural areas and impacts to traffic to/from the staging areas is anticipated to occur before morning peak hours and/or after evening peak hours and would be temporary. A centralized pipe yard for short-term storage and offsite fabrication of valve systems and similar equipment would be utilized as well. Trucks would transport materials to identified staging areas along the pipeline alignment.

Upon completion of the pipeline construction project, operations and maintenance would require 10 full-time equivalent operators and maintenance staff. Traffic generated by operators would be minimal (less than 50 daily trips generated by the 10 operators) and would not significantly impact public highways and roads in the vicinity of the pipeline corridor.

Most of the project related traffic is associated with the construction phase of the project. As described in the Applicant's Traffic Impact Analysis, approximately 192 to 206 daily trips are anticipated per construction spread, with 8 trips or less occurring the AM and PM peak hours on regional roadways including: US 101, SR 1, SR 246, and SR 166.

Approximately 400 to 600 employees and/or contractors would be employed for Project construction at various locations across the construction corridor. Construction workforce parking would occur in designated locations at previously disturbed or developed sites such as, but not limited to, existing, underutilized commercial parking lots, existing industrial work yards, or temporary unpaved parking areas in locations that are already relatively flat in topography and devoid of natural habitat. Construction employees would report to the approved parking zones, consolidate into field vehicles as feasible, and commute to the active work zone along designated traffic routes. Construction workers would drive to/from approved parking zones prior to the beginning of and after the end of each work day. Potential impacts to traffic and transportation along regional roadways as well as key intersections would be analyzed.

Project impacts would be evaluated against Section 1~~8~~9 of SB County's Environmental Thresholds and Guidelines Manual (revised January 2021 ~~May 2018~~).

Land Use

The Project would be subject to the County's Inland and Coastal Zoning Ordinance standards as well as policies from the County's Comprehensive Plan, including the Coastal Land Use Plan. The Project is proposing the transportation of produced crude oil via pipeline.

The Project would be subject to the SB County's Inland and Coastal Zoning Ordinance standards, SLO County's Inland Land Use Ordinance (LUO) Title 22, Kern County's Zoning Ordinance (Title 19), as well as policies from SB and SLO County's Comprehensive Plans, and Kern County's General Plan. SB County policies require that pipelines be constructed, operation and maintained as common-carrier or multiple-use pipelines and require that the Applicant to account for the reasonable, foreseeable needs of other potential shippers in the design of their common carrier and multiple-user pipelines. Multiple-user pipelines provide equitable access to shippers with physically compatible stock on a nondiscriminatory basis. The proposed project would replace an existing pipeline system and appurtenances and include the construction of a new pump station. No residential development is proposed, all employees would travel to and from the site on a daily basis and the Project would not require connection to domestic or sanitary water services.

CEQA Guidelines §15125(d) requires that an EIR discuss any inconsistencies between a proposed project and applicable general plans, specific plans, and regional plans. As such, a preliminary policy consistency analysis would be developed and would contain a list and analysis of applicable ordinance standards and policies. However, it is the responsibility of SB ~~and~~ SLO, and Kern Counties, as decision makers with discretion over the Proposed Project, to make the final determination regarding consistency issues as it relates to applicable ~~Santa Barbara County~~ county policies.

NEPA Only Resource Analysis

The following issues areas would be evaluated in the EIR/EIS, as NEPA-only resource analysis. These issue areas are anticipated to be less than significant under CEQA.

Aesthetics/Visual Resources

The proposed pipeline would be located underground with the exception of several valve sites, a new crude oil storage tank at the Sisquoc Pump Station and the proposed West Cuyama and Russell Ranch Pump Stations. The new facilities may be visible from public roads, however with the exception of the proposed crude oil storage tank at the Sisquoc Pump Station, would be similar in nature to existing development in the surrounding areas and are not anticipated to significantly impact identified public vantage points or scenic resources. Additional visual analysis may be conducted.

Agricultural Resources

The pipeline would be located approximately 5-7 feet below grade in most areas, except for roadway and stream/river crossings, and would temporarily disturb minor portions of agricultural properties, many of which are under Williamson Act Contracts. Additionally, the Agricultural Preserve Advisory Committee (APAC) reviewed the project and found it to conform to the County's uniform rules for parcels under Agricultural Preserve Contracts.

Under NEPA, issues to be considered include agricultural uses not being restored to pre-construction status, and the effects of multiple projects to the grazing allotments on BLM and USFS lands.

Environmental Justice

Under NEPA, environmental justice issues to be considered include effects to disadvantaged communities and peoples.

Issues Anticipated to be Less Than Significant under CEQA

The following issue areas would be evaluated in the EIR/EIS, but are anticipated to be less than significant under CEQA:

~~***Aesthetics/Visual Resources***~~

~~The proposed pipeline would be located underground with the exception of several valve sites, a new crude oil storage tank at the Sisquoc Pump Station and the proposed Russell Ranch Pump Station. The new facilities may be visible from public roads, however with the exception of the proposed crude oil storage tank at the Sisquoc Pump Station, would be similar in nature to existing development in the surrounding areas and are not anticipated to significantly impact identified public vantage points or scenic resources. Additional visual analysis may be conducted.~~

~~***Agricultural Resources***~~

~~The pipeline would be located approximately 5-7 feet below grade in most areas, except for roadway and stream/river crossings, and would temporarily disturb minor portions of agricultural properties, many of which are under Williamson Act Contracts. Additionally, the Agricultural Preserve Advisory Committee (APAC) reviewed the project and found it to conform to the County's uniform rules for parcels under Agricultural Preserve Contracts.~~

Energy

The County's Environmental Thresholds and Guidelines Manual does not contain significance thresholds for electrical and/or natural gas service impacts. As part of the proposed Project, a 3.8 mile natural gas line would be constructed, owned and operated by Southern California Gas Company to supply the expanded Sisquoc Pump Station. The proposed project is not anticipated to require a substantial increase in energy demand and would not require the development of new energy sources.

Fire Protection

The proposed project would include the construction of an additional pump station as well as a secondary containment area for the 120,000 barrel crude oil break-out tank, new fire water storage tank, and installation of a foam fire suppression system at the Sisquoc pump station. All facilities have been reviewed by the County Fire Department and would adhere to the required standards for fire protection including, but not limited to, emergency access, onsite stored water systems and portable fire extinguishers.

Public Facilities

The proposed project would not generate waste in excess of County thresholds and would not require connection to public water or sanitary facilities.

Recreation

The alignment of the proposed pipeline generally follows the existing right-of-way with the exception of three areas, one of which is a reroute around the City of Buellton. The pipeline alignment would traverse

several state and federal parks and may result in temporary area closures. However, the quality or quantity of existing recreational opportunities recreational uses, including biking, equestrian or hiking trails in the project vicinity is not anticipated to be degraded.

Project Alternatives

Alternatives would be designed to avoid and/or substantially reduce any impacts that cannot otherwise be mitigated to a level below significance. The alternatives discussion would include an analysis of environmental impacts of each alternative considered, along with a comparative analysis to distinguish the relative effects of each alternative and its relationship to Project objectives. The alternatives analysis would also identify the "no project/no action alternative", and the environmentally preferred alternative under CEQA, NEPA, and Section 404 of the Clean Water Act. ~~"environmentally superior alternative" from among the alternatives~~

Exhibit G

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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION

GREY FOX, LLC, et al.,
Plaintiffs,

v.

PLAINS ALL AMERICAN PIPELINE, L.P., et al.,
Defendants.

Case No. 2:16-cv-03157-PSG-JEM

MEMORANDUM IN SUPPORT OF DEFENDANT PACIFIC PIPELINE COMPANY'S MOTION TO DISMISS CLAIMS ONE, TWO, THREE, AND TEN

Judge: Hon. Philip S. Gutierrez
Hearing Date: September 8, 2023
Hearing Time: 1:30 pm
Courtroom: 6A

[Filed concurrently with Notice of Motion; Declaration of Dawn Sestito; and [Proposed] Order]

IV. PLAINTIFFS' CLAIMS ONE, TWO, THREE, AND TEN MUST BE DISMISSED AS MOOT.

The claims at issue in this motion—Claims One, Two, Three, and Ten—all derive from a single core grievance: that the existing Easements allegedly do not permit the construction of a new, second Pipeline. PPC—the new owner of the Pipelines—now seeks entry of a Proposed Order unequivocally waiving and disclaiming any right (on behalf of itself and successors) to construct and install a second, new pipeline system without negotiating new easements. The Proposed Order, once entered, provides Plaintiffs all the relief they sought and definitively resolves the relevant claims, which must be dismissed as moot.

"A case becomes moot—and therefore no longer a 'Case' or 'Controversy' for purposes of Article III—when the issues presented are no longer live or the parties lack a legally cognizable interest in the outcome." *Already, LLC v. Nike, Inc.*, 568 U.S. 85, 91 (2013). Where a defendant voluntary ceases its challenged conduct, courts will dismiss for mootness "if subsequent events made it absolutely clear that the allegedly wrongful behavior could not reasonably be expected to recur." *See Rosebrock v. Mathis*, 745 F.3d 963, 971 (9th Cir. 2014). Because PPC requests entry of a Proposed Order providing Plaintiffs the complete declaratory and injunctive relief they seek on their Claims One, Two, Three, and Ten, those claims are moot and must be dismissed for lack of subject matter jurisdiction.[4]

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[4] Because the claims PPC has assumed are moot, those claims must be dismissed against Plains for the same reasons.

All claims against Plains must ***also*** be dismissed for an ***additional*** reason: Claims One, Two, Three, Ten, and Fifteen all seek declaratory and injunctive relief against activities concerning the Pipelines and Easements, and Plains indisputably *does not* own or operate the Pipelines anymore and is no longer the permit applicant for the Replacement Project that would result in installing a second Pipeline. Plains therefore cannot provide Plaintiffs any relief, and any prospective injunctive or declaratory relief concerning the Easements would be a nullity as to Plains: Where,

Defendants replace the Pipeline, the easements as they currently exist will not cover the required activity. *See* Class Cert. Order at 6 ("Plaintiffs' first two causes of action seek clarification of the terms of the easement, and whether new easements are required to construct a new pipeline."). The overburdening this claim seeks to remedy is "the work required to construct and install a new pipeline," which Plaintiffs allege "exceeds the allowed uses of the Easements and is therefore not permissible." SAC ¶ 174. The relief sought for that alleged injury is "a declaratory ruling that the installation of a second pipeline would overburden the easements." Mot. for Class Cert. at 7; *see also* Dkt. 96 at 1 (describing "a declaratory judgment that the installation of a second pipeline, which requires a massive and invasive construction project, would overburden the easements negotiated in the 1980s").

Again, PPC's waiver and disclaimer as set forth in the Proposed Order resolve any dispute and eliminate any ongoing controversy: it is now clear (and PPC agrees) that the existing Easements do not permit construction and installation of a new pipeline without new rights of way. Because there is no further relief sought or required, *see Chen*, 819 F.3d at 1145, Claim Two is moot.

C. Claim Three: Injunctive Relief

Claim Three seeks to enjoin the "material overburdening of the Easements" because "Defendants have no right under the easements to install a second pipeline or to overburden the Easements." SAC ¶¶ 178, 180. PPC concedes the point, as reflected in the Proposed Order: PPC waives and disclaims any right to install a second pipeline under the rights-of-way granted by the existing Easements. In light of this express and enforceable waiver, no controversy remains as to this claim, and it is absolutely clear that the challenged conduct will not occur. No further injunctive relief is necessary or possible.

D. Claim Ten: Threatened Nuisance

Claim Ten seeks an injunction with two "provisions:" (1) "prohibiting