August 22, 2023

Safety Valve Upgrade Hearing: Appellant's Presentation



PACIFIC PIPELINE COMPANY 1

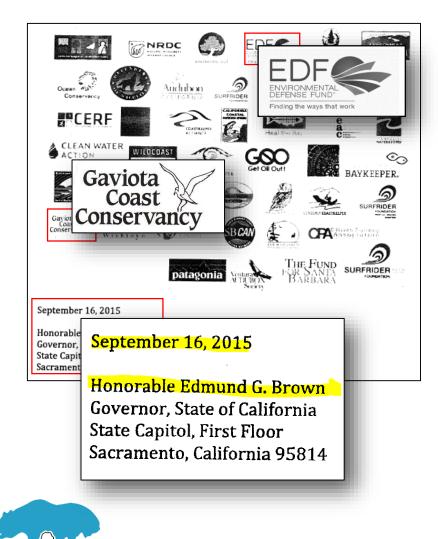
# Assembly Bill 864

## AB 864 (Cal. Gov. Code § 51013.1)

"[A]n operator of an existing pipeline near environmentally and ecologically sensitive areas in the coastal zone shall submit a plan to retrofit . . . with the **best available technology** . . . <u>based on a risk analysis</u> conducted by the operator to <u>reduce the amount of oil released in an oil spill</u> to protect state waters and wildlife."



### **AB 864 Support**



On May 20, 2015, you issued an emergency proclamation for Santa Barbara County due to the effects of the oil spill. Oil related to the spill was found approximately 150 miles away. Refugio State Beach and El Capitan State Beach were closed for over a month because of the oil spill. Fisheries from Canada de Alegria to Coal Oil Point were also closed for over a month, which negatively impacted several commercial fisheries - including lobster, crab,

cancelations and decreased bookings due to the spill. These devastating impacts were entirely avoidable, and AB 864 will help ensure another oil pipeline disaster like the May 19<sup>th</sup> spill does not occur.

#### 19th spill does not occur

AB 864 sets out numerous safety improvements for all intrastate oil pipelines, including: 1) Require, by January 1, 2018, that any new or replacement pipeline near environmentally and ecologically sensitive areas in the coastal zone shall use best available technology in order to reduce the amount of oil released in a spill to the environment.

2) Specify that best available technology include, but is not limited to, installation of leak detection technologies, automatic shutoff systems, remote controlled sectionalized block valves, or any combination of these technologies based on a risk analysis conducted by the operator.

3) Require, by July 1, 2018, that any operator of an existing pipeline near environmentally and ecologically sensitive areas in the coastal zone submit a plan to retrofit these pipelines with best available technology, and complete the retrofits by January 1, 2020.

4) Require the Office of the State Fire Marshal (SFM) to adopt regulations by July 1, 2017 to implement this bill. Requires the regulations to include all of the following:
a) A definition of automatic shutoff systems;
b) A process to assess the adequacy of the operator's risk analysis;

c) A process by which an operator is allowed to request confidential treatment of information; and,d) A determination of how near an environmentally and ecologically sensitive area a

pipeline must be to subject to be the requirements of the bill.

Collectively, these oil pipeline safety improvements will provide the needed safeguards to protect our coastal and ecologically sensitive areas. We thank you for your support and respectfully urge your signature on this important bill.

protect our coastal and ecologically sensitive areas. We thank you for your support and respectfully urge your signature on this important bill.

### **AB 864 Support**

#### SUPPORT/OPPOSITION

#### Support: Audubon California

#### Azul

California Coastal Commission California Coastal Protection Network

California Coastal Protection Network California Coastkeeper Alliance California League of Conservation Voters Carpinteria Valley Association Center for Biological Diversity Citizens Planning Association of Santa Barbara County Clean Water Action Coastal Environmental Rights Foundation Community Environmental Council Defenders of Wildlife Environment California Environmental Action Committee of West Marin Environmental Defense Center Environmental Defense Fund

Friends of the Earth Gaviota Coast Conservancy

#### Get Oil Out!

Heal the Bay Heal the Ocean Los Angeles Waterkeeper Natural Resources Defense Council Ocean Conservancy Orange County Coastkeeper Pacific Environment San Francisco Baykeeper Santa Barbara Audobon Santa Barbara Channelkeeper Santa Barbara County Action Network Santa Barbara County Board of Supervisors Enrolled Bill Report

Page 4

B' 'umber: AB 864 Auuror: Williams & Burke

Support: Audubon California, Azui, California Coastal Commission, California Coastal Protection Network, California Coastkeeper Alliance, California League of Conservation Voters, Carpinteria Valley Association, Center for Biological Diversity, Citizens Planning Association of Santa Barbara County, Clean Water Action, Coastal Environmental Rights Foundation, Community Environmental Council, Defenders of Wildlife, Environment California, Environmental Action Committee of West Marin, Environmental Defense Center, Environmental Defense Fund, Friends of the Earth, Gaviota Coast Conservancy, Get Oil Out, Heal the Bay, Heal the Ocean, Los Angeles Waterkeeper, Natural Resources Defense Council, Ocean Conservancy, Orange County Coastkeeper, Pacific Environment, San Francisco Baykeeper, Santa Barbara Audubon, Santa Barbara Channelkeeper, Santa Barbara County Action Network, Santa County Board of Supervisors, Sierra Club California, Surfrider California, Surfrider Foundation, West LA/Malibu Chapter, the Fund for Santa Barbara, The Wildlands Conservancy, Ventura Audubon, Ventura Coastkeeper, Wholly H20, Wildcoast, and Wishtoyo Foundation.

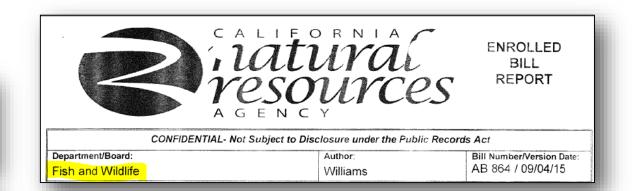


### **AB 864 Support**

#### ECONOMIC IMPACT

Early oil spill detection technology and automatic shutoff controls are critical tools in preserving California's ocean waters, coastline, and wildlife. Many times during a large spill, State beaches, State parks, and many local fishing areas along the coastline must be evacuated or closed immediately, dramatically impacting the affected community's economy. Requiring pipelines to

According to this bill's author, had the pipeline been equipped with automatic shut off valves or remote controlled sectionalized block valves, the impact of the oil spill would have been far less.



#### RECOMMENDATION

**Sign.** Improving pipeline technology for pipelines that operate in the coastal zone will lessen the chance of oil spills in those delicate areas. The requirement that the Fire Marshal consult with the Office regarding impacts to state waters and wildlife is appropriate and related to existing statewide spill prevention and response workload.



## **AB 864 Implementation**

"The State Fire Marshal <u>shall determine</u> what is the <u>best available technology</u> and shall consider the effectiveness and engineering feasibility of the technology when making this determination."

CAL. GOV. CODE § 51013.1(G)(2)

"It is the intent of the Legislature, in enacting this chapter, that the State Fire Marshal shall exercise <u>exclusive safety regulatory and enforcement authority</u> over intrastate hazardous liquid pipelines . . . ."

CAL. GOV. CODE § 51010



## **Best Available Technology**

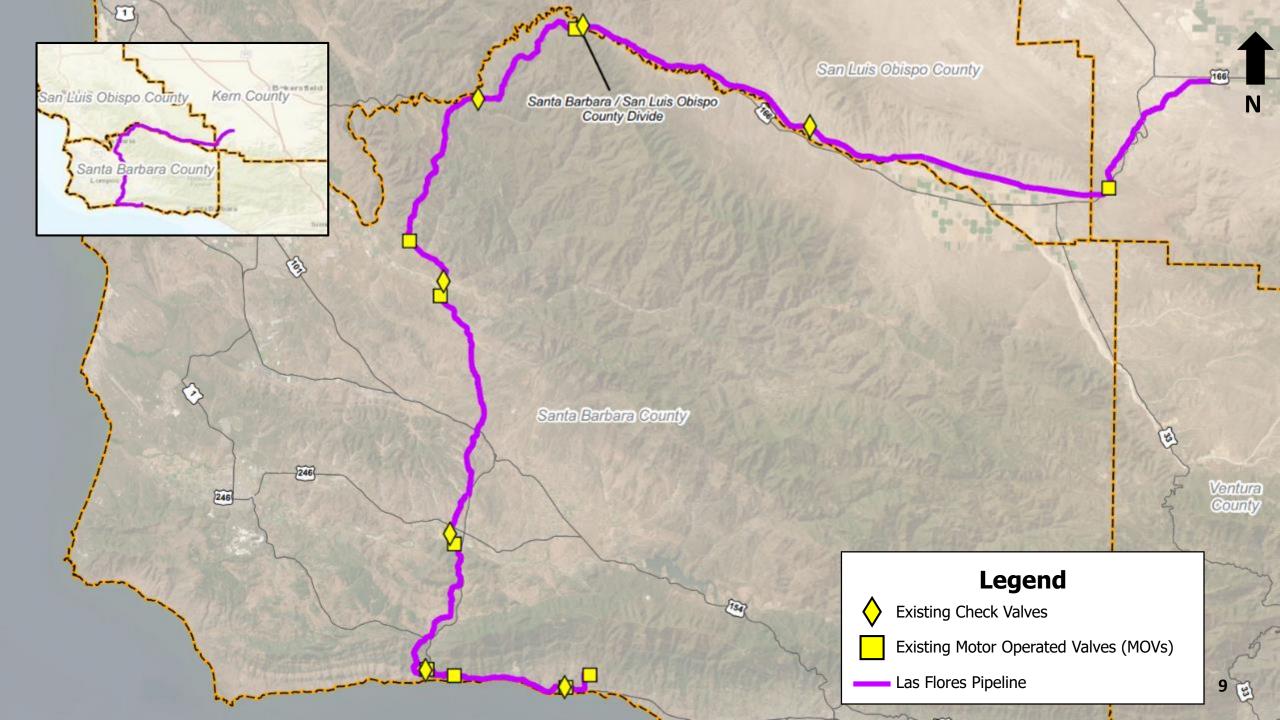
**<u>"[B]est available technology</u>**, includ[es], <u>but [is] not limited to</u>, installation of leak detection technologies, automatic shutoff systems, or remote controlled sectionalized block valves, or any combination of these technologies . . . ."

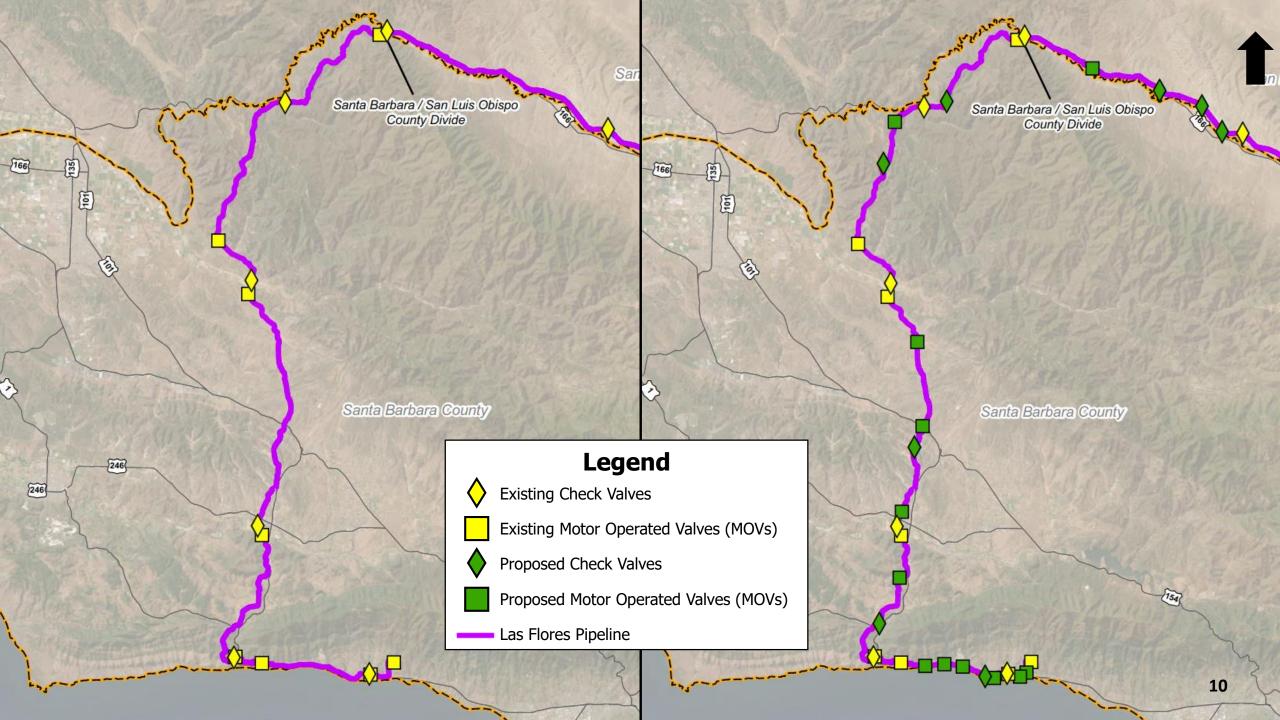
CAL. GOV. CODE § 51013.1(B)(1)

### **Best Available Technology Can Include**

- Implement enhanced leak detection
- Install additional instrumentation (e.g. flow sensor) to support leak detection
- Automate pump shut-offs when potential pipeline rupture is detected
- Automate motor operated valve closures when potential pipeline rupture is detected
- Install additional safety valves







### Background

- **4/1/21:** Plains submitted BAT Risk Analysis and Implementation Plans (RA & IP)
- **7/6/21:** Office of State Fire Marshal accepted RA & IP
- 9/16/21: San Luis Obispo County Planning Department approved Zoning Clearances for additional valves
- **12/6/21:** Plains submitted safety valve application to Santa Barbara County (SBC)
- 7/12/22: <u>Kern County Planning Director authorized additional valves</u>
- 8/22/22: SBC Zoning Administrator approved safety valves
- 3/1/23: SBC Planning Commission Hearing re: appeals of safety valves
- 4/26/23: SBC Planning Commission Hearing subsequent hearing <u>Denied</u>
- 8/22/23: SBC Board of Supervisors Hearing



# Planning Commission Findings

### **Summary of Denial Findings**

- Finding 2.1.1.3: Safety valves are incompatible with viewshed.
- Findings 2.1.2.1, 2.1.3.1, 2.2.1.1, and 2.2.2.1: Safety valves are detrimental to health, safety, comfort, convenience, and general welfare.



## **Summary of Denial Findings**

- Finding 2.1.1.3: Safety valves are incompatible with viewshed.
- Findings 2.1.2.1, 2.1.3.1, 2.2.1.1, and 2.2.2.1: Safety valves are detrimental to health, safety, comfort, convenience, and general welfare.

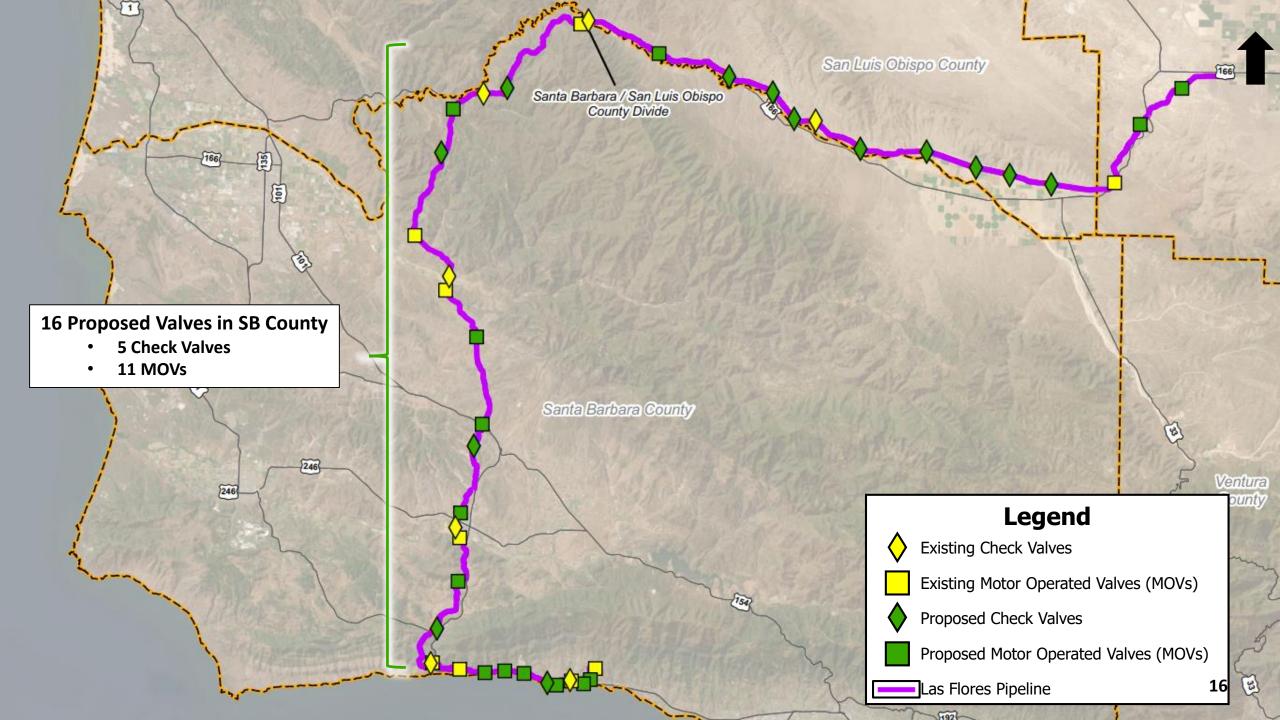


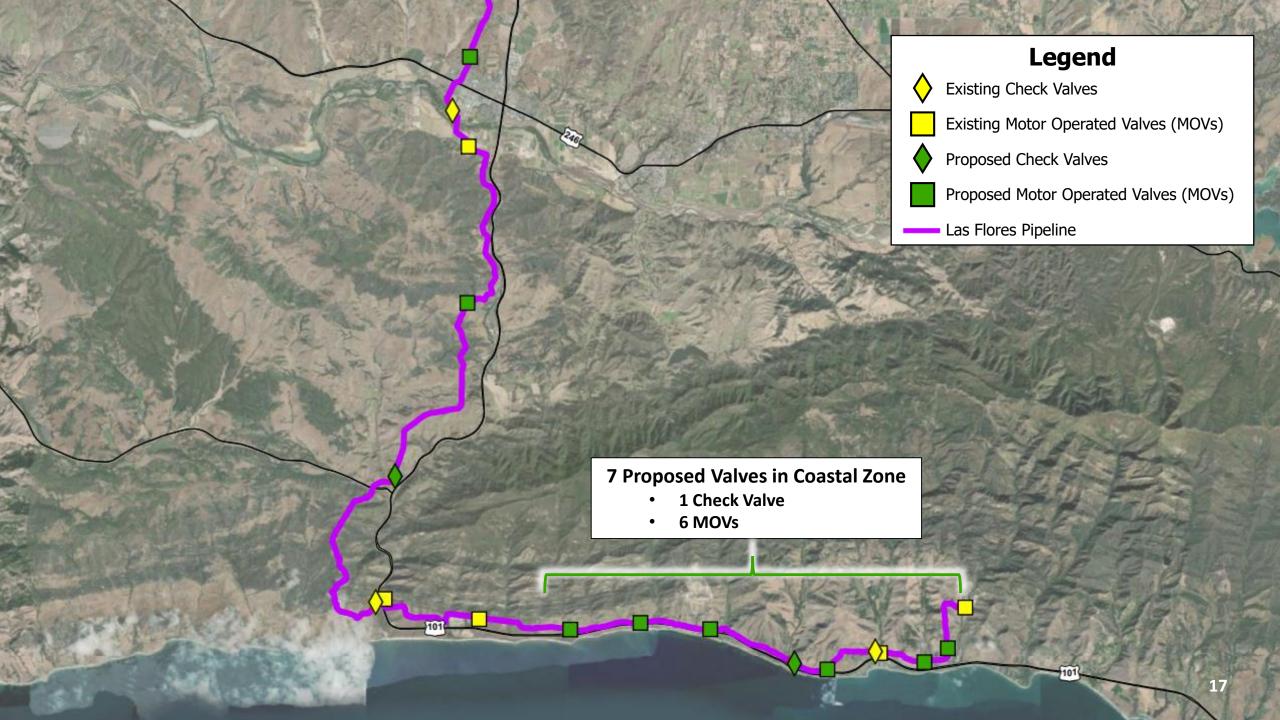
## **Planning Commission Denial Finding 2.1.1.3**

### 2.1.1.3 (Coastal Development Permit)

The Planning Commission finds that the project will not be compatible with the established physical scale of the project area because the Motor Operated Valve stations require construction of permanent aboveground equipment within the Gaviota Coast which will be visible from public view sheds. The Gaviota Coast is not an adequate location for the valves because they will add scattered industrial infrastructure to the otherwise rural landscape. Therefore, this finding cannot be made.







### **Existing Check Valve Site**



### **Limited Visual Impact of 6 Coastal Zone MOVs**

| Proposed<br>MOV | Highwa         | y Visibility              | Approximate Time<br>Visible While  | Distance From<br>Highway to<br>Valve (ft) |  |
|-----------------|----------------|---------------------------|------------------------------------|---|--|
|                 | Lane of Travel | Visibility Window<br>(ft) | Traveling Highway<br>Speed (65mph) |   |  |
| MOV1-990P       | Southbound     | 300                       | 3 Seconds                          | 700                                       |  |
| MOV1-890P       | Southbound     | 450                       | 5 Seconds                          | 300                                       |  |
|                 | Northbound     | 200                       | 2 Seconds                          | 200                                       |  |
| MOV1-790P       | Southbound     | 40                        | 0.4 Seconds                        | 300                                       |  |
| MOV1-610P       | Not Visible    | Not Visible               | Not Visible                        | 300                                       |  |
| MOV1-220P       | Not Visible    | Not Visible               | Not Visible                        | 700                                       |  |
| MOV1-210P       | Southbound     | 50                        | 0.5 Seconds                        | 1,850                                     |  |
|                 | Northbound     | 950                       | 10 Seconds                         | 1,800                                     |  |

Real next to the Baron Ranch Trail. The site is visible from Highway 101. As compared to the existing sites, the proposed project demonstrates the intent to decrease and minimize each site's visibility through minimization of massing, use of existing topography, vegetation, surrounding structures, and the ability to blend in with the surrounding environment. The proposed valve sites have been intentionally placed to be visually subordinate to the natural and agricultural environment as seen from public viewing places.

-March 1, 2023 Staff Report



## **Summary of Denial Findings**

- Finding 2.1.1.3: Safety valves are incompatible with viewshed.
- Findings 2.1.2.1, 2.1.3.1, 2.2.1.1, and 2.2.2.1: Safety valves are detrimental to health, safety, comfort, convenience, and general welfare.



## **Planning Commission Denial Finding 2.1.2.1**

### 2.1.2.1.A (Conditional Use Permit, Coastal Zone)

The County Planning Commission finds that the following finding required for initial approval of the original Development Plan . . . does not remain valid to accommodate the project as revised with the new development proposed by the current Amendment.

Finding 1.1.e: That the project will not be detrimental to the health, safety, comfort, convenience, and general welfare of the neighborhood and will not be incompatible with the surrounding areas.

The Planning Commission determines that while the severity of a potential future oil spill <u>could</u> be minimized through installation of the proposed sixteen new valves, the frequency of a potential future spill may be increased because of the degradation to the pipeline's integrity that has occurred since its commissioning in 1994. Oil spill related impacts may still occur even after successful implementation of mitigation measures imposed as part of the original project approval, as well as the proposed valve installations, due to several factors that have acted in combination to cause degradation of the line including inadequate inspection intervals, a lack of adequate anomaly repairs, internal corrosion, and corrosion under insulation (external corrosion). The risks of an oil spill are elevated above what was previously approved and the project would be detrimental to the health, safety, comfort, convenience, and general welfare of the neighborhood and environment.



### Planning Commission Denial Findings 2.1.3.1, 2.2.1.1, and 2.2.2.1

### 2.1.3.1 (Development Plan Amendment, Coastal Zone)

The Planning Commission finds that [the following] finding cannot be made as outlined in Finding 2.1.2.1.A above.

That the findings required for approval . . including any environmental review findings made in compliance with the California Environmental Quality Act, that were previously made when . . initially approved remain valid to accommodate the project as revised with the new development proposed .... 2.2.1.1 (Conditional Use Permit)

The Planning Commission finds that [the following] finding cannot be made as outlined in Finding 2.1.2.1.A above.

That the findings required for approval . . . including any environmental review findings made in compliance with the California Environmental Quality Act, that were previously made when . . . initially approved are still applicable to the project with the addition of the development proposed....

### 2.2.2.1 (Development Plan Amendment)

The Planning Commission finds that [the following] finding cannot be made as outlined in Finding 2.1.2.1.A above.

That the findings required for approval . . including any environmental review findings made in compliance with the California Environmental Quality Act, that were previously made when . . . initially approved are still applicable to the project with the addition of the development proposed....



### **OSFM-Approved Risk Analysis**

Tautrim, Gaviota Coast Conservancy & GreyFox, LLC Appeal of Plains Valve Upgrade Project Case Nos. 22APL-00000-00024, 22APL-00000-00025, & 22APL-00000-00026 Attachment C1 - Addendum Page C1-7

#### Surface and Ground Water

Impacts to water resources associated with the construction and operation of the All American pipeline was identified in the EIR/EIS (SCH No. 1983110902) as a significant and unavoidable. The existing pipeline traverses through the Gaviota Coast then north and east toward Cuyama. The EIR/EIS for the originally approved project identified impacts to water resources through the degradation of surface and ground water quality below Federal and State standards as a result of major oil spills. To reduce these impacts, the EIR/EIS identified mitigation measures to minimize temporary construction disturbance in areas near a watercourse (Measure 4), create an Oil Spill Contingency Plan for monitoring and early detection of groundwater contamination (Measure 6), install more automatic block and check valves along the pipeline, and use low permeability backfill on the bottom and sides of the pipeline trench in topographically and biologically sensitive areas (Measure 7). This method forces leaked contaminants to the surface rather than seeping into the groundwater. The EIR/EIS concluded that even with the implementation of these measures, impacts to water resources will remain significant and unavoidable. Modifications to the project will not result in any new significant environmental effects or a substantial increase in the severity of previously identified significant effects.

As identified by the

Office of State Fire Marshal's approved BAT Implementation Plan, the additional valves included in the proposed project will significantly reduce the volume of a potential pipeline release by affording the operator more control to limit the volume of a spill

Office of State Fire Marshal's approved BAT Implementation Plan, the additional valves included in the proposed project will significantly reduce the volume of a potential pipeline release by affording the operator more control to limit the volume of a spill. Disturbance areas will be restricted to within the existing 50 foot ROW and such disturbances will be revegetated and restored after construction activities conclude.



### **AB 864: Best Available Technology**

- **1.** AB 864 compliance is required by state law for the pipeline
- 2. Technology must be <u>available</u>
  - San Louis Obispo County:
    - Kern County:
    - Santa Barbara County:

**<u>"[B]est available technology</u>**, includ[es], <u>but [is] not limited to</u>, installation of leak detection technologies, automatic shutoff systems, or remote controlled sectionalized block valves, or any combination of these technologies . . . ."

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CAL. GOV. CODE § 51013.1(B)(1)



## **Approved AB 864 Retrofit Plans**

- Implement enhanced leak detection
- Install additional instrumentation (e.g. flow sensor) to support leak detection
- Automate pump shut-offs when potential pipeline rupture is detected
- Automate motor operated valve closures when potential pipeline rupture is detected
- Install additional safety valves

|  | Las Flores Pipeline |              | AB 864 Retrofit Plans of Other Similar Pipelines |              |              |              |
|--|---------------------|--------------|--|--------------|--------------|--------------|
| Best Available Technology (BAT)<br>Element | Santa Barbara       | SLO, Kern    | Pipeline A                                       | Pipeline B   | Pipeline C   | Pipeline D   |
|  | 24"/30" diameter    | 30" diameter | 20" diameter                                     | 24" diameter | 16" diameter | 24" diameter |
| Advanced Leak Detection System             | $\checkmark$        | V            | $\checkmark$                                     | ×            | ×            | ×            |
| Additional Instrumentation                 | V                   | V            | $\checkmark$                                     | V            | V            | V            |
| Existing Motor Operated Valves             | $\checkmark$        | V            | V  | ~            | V            | ~            |
| Automatic Pump Shutoffs                    | $\checkmark$        | V            | V  | V            | V            | V            |
| Automatic Valve Closures                   | V                   | V            | ×  | ×            | ×            | ×            |
| Additional Valves                          | ?                   | V            | ×  | ×            | ×            | ×            |



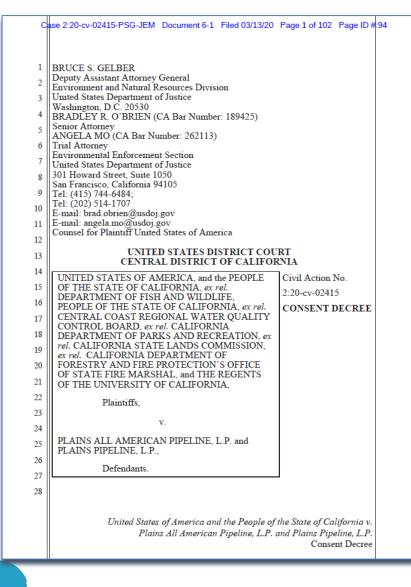
### Restart

### **Consent Decree outlines stringent requirements for <u>restart</u>, including:**

- Documentation of the completion of all mandated actions under Consent Decree
- PPC's Integrity Management Plan (IMP):
  - More frequent and specific protocols for in-line inspection (ILI) assessment tools
  - More robust ILI tool validation and sizing criteria
  - Additional requirements for how ILI data is collected and interpreted
  - Plan to address potential for corrosion under insulation (CUI)
- Restart Plan:
  - Incremental pressure increases
  - Sufficient pipeline surveillance and patrolling
  - Testing line integrity
  - Coordination with emergency response officials
  - Enhanced personnel training



### **Consent Decree (March 2020)**



### Signatories:

- PHMSA
- OSFM
- EPA
- CA Dept. of Fish and Wildlife
- CA Dept. Parks and Recreation
- Dept. of Interior
- Nat. Oceanic Atmospheric Admin.
- CA State Lands Commission
- Reg. Water Quality Control Board
- US Coast Guard
- UC Regents

### **EDC and GCC CD Comments Support Valves**

III. The Injunctive Relief Should Require Additional Safeguards to Protect the Environment and Public Health and Safety.

In addition, EDC and others have requested additional requirements for state-regulated pipelines including a requirement that an operator must incorporate an automatic shut-off system unless infeasible.<sup>4</sup>

including a requirement that an operator must incorporate an automatic shut-off system unless infeasible.<sup>4</sup> EDC has also raised concerns about the frequency of some of the inspections and testing that will be required, even under the proposed new state regulations.

Accordingly, Plains should be required to install an automatic shut-off system for any

Accordingly, Plains should be required to install an automatic shut-off system for any new, replacement, or restarted line.





These comments are submitted on behalf of the Gaviota Coast Conservancy,

These comments are submitted on behalf of the Gaviota Coast Conservancy, a California public benefit corporation organized to protect and enhance the Gaviota Coast in Santa Barbara County, California. The May 2015 Refugio Oil Spill took place on the Gaviota Coast and impacted marine

We join in the comments of the Environmental Defense Center.

We join in the comments of the Environmental Defense Center. We share the concern that the magnitude of the spill has been substantially understated, and consequently, contend that the financial penalties in the consent Decree must be increased. The actual size of the spill is estimated by independent witnesses to have been more than three times the amount of oil spilled that was estimated by Plains. Any proposed stipulated resolution of this matter cannot be accepted by the Court while there continues a material evidentiary question of this core figure.

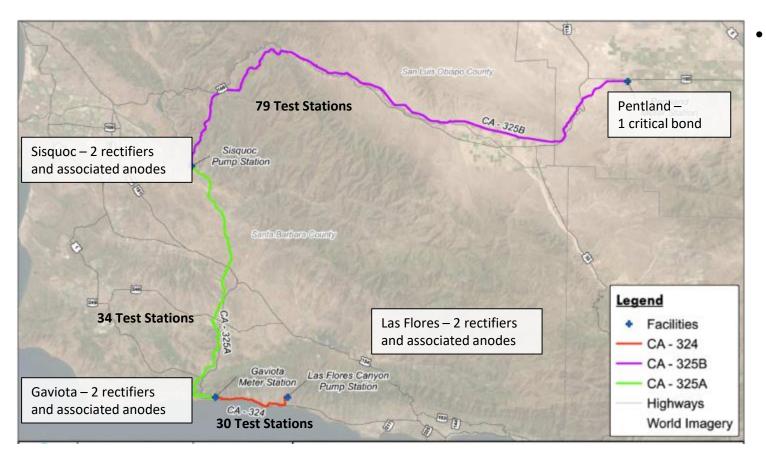


## **Pipeline Integrity**

- Pipeline repaired after 2015
- Pipelines actively monitored
- Pipelines safely holding inert gas pressure
- Pipelines undergo integrity inspections
- Seven federal and state agency audits conducted from 2018 to present



### **Cathodic Protection**



- Cathodic protection is consistent with the original EIR/EIS project description
  - ✓ Rectifiers installed and maintained
  - Anode beds installed and maintained
  - ✓ Test stations installed at least every 10 miles
  - CP inspected at least every 6 months



# **CEQA** Compliance

### **Additional Safety Valves are Exempt from CEQA**

- Statutory Exemption: 8-Mile Exemption (Pub. Resources Code § 21080.23)
  - Project area (valve installations) is less than 8 miles, 0.21 miles <u>cumulative</u>
  - OSFM contemplated in AB 864 rulemaking





### Additional Safety Valves are Exempt from CEQA

CEQA

#### Standardized Regulatory Impact Assessment

Requirements For New, Replacement, Or Existing Pipelines Near Environmentally And Ecologically Sensitive Areas In The Coastal Zone 10/31/2018

Permitting costs to install ASV and RCBV are negligible because the pipelines are existing and are unlikely to require CEQA review or are exempt from the CEQA process.

process. Discussions with local agency personnel revealed that any costs imposed on State or local agencies for permit review, where a permit is required, will likely be recoverable under a fee agreement between the agency and the operator. In most cases, a permit and/or fee may not be required or imposed unless the retrofit of an existing pipeline proposes a large amount of construction work or may incur environmental impacts. This determination would be made on a case-by-case basis. In the event a permit is required, permits must be reviewed by city or county permitting personnel which can cost up to \$225 per hour. Smaller projects can take 50-100 hours of permit review, while larger projects can take at least 1000 hours (typically for construction of a new pipeline).

**CEQA** Considerations In OSFM's "Initial Statement of Reasons" document (Page 21 of 44), OSFM states that costs to install automatic shutoff valves and remote controlled ball valves are negligible because pipelines are unlikely to trigger CEQA the OSFM spoke with local permitting agency personnel and

Revising the CEQA process is outside of the scope of the proposed regulation language but was broached in an attempt to be inclusive of potential costs discussed in the SRIA not in the ISOR as contended by the commenter. As part of the potential permitting process and developing cost estimates

the OSFM spoke with local permitting agency personnel and conducted review of CEQA laws. The discussions and research revealed that because pipelines are existing projects, retrofits are largely unlikely to need or are exempt from CEQA review. Additional exemptions exist under CEQA for existing pipeline projects in the Public Resources Code at sections 21080.21 and 21080.23 and in 14 CCR 15284 (referencing "pipeline" as defined in Government Code section 51010.5 which is the Elder Pipeline Safety Act and falls under OSFM jurisdiction). Those CEQA exemptions specifically address inspection, maintenance, repair, or

replacement of a valve among others.



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## **Additional CEQA Exemptions**

- Categorical Exemptions
  - Existing Facilities (CEQA Guidelines § 15301)
  - Appurtenant Structures (CEQA Guidelines § 15311)
  - Small Structures (CEQA Guidelines § 15303)





## **Full CEQA Review of the Project is Inappropriate**

- Environmental review is <u>limited</u> to the impact of valves
  - <u>No discretion</u> to disregard existing EIR and apply a different baseline
  - Any CEQA analysis required was <u>limited</u> to the Staff's proposed Addendum
  - Staff's Addendum adequately addressed (beneficial) incremental effects
- An Addendum is <u>not</u> piecemealing
  - Valves do not impact restart; baseline assumes operational pipeline
- The original EIR has <u>not</u> expired
  - Santa Barbara County:

"CEQA **does not impose a time-limit** on the **validity of an EIR**. Rather, an **addendum** to a prior EIR **may be relied upon where many years have elapsed** since the certification of the original EIR."

Respondents' Brief, *Residents for Orcutt Sensible Growth v. County of Santa Barbara* (Nov. 15, 2021) 2021 WL 5744173 (emphasis added).



### **No Changed Circumstances or Significant New Information**

- Original EIR addressed impacts of air emissions, pipeline corrosion, and spills
- Greenhouse gas emissions and climate change are not new information requiring subsequent CEQA review
- The pipelines have active cathodic protection and a robust liner
- Archaeological experts conducted thorough surveys; extensive outreach to tribes





### Conclusion

Consistent with Planning and Development Staff's recommendation, the Board should:

- 1. Grant the appeal
- 2. Make findings for approval
- 3. Determine no additional environmental review is necessary
- 4. Grant *de novo* approval of the safety valves



# Supplemental

### **Land Rights Before Construction**

 Conditions to project approval require PPC to acquire any additional land rights if/where needed before installing the valves

Condition of Approval number 43 of 21AMD-00000-00009 and 11 of 21CDP-00000-00048 is added as follows:

**Evidence of Right to Construct.** The operator shall demonstrate to the Planning and Development Department that it has obtained the right to construct the project for each parcel involving construction activities. Evidence demonstrating the right to construct shall be reviewed and approved by Planning and Development and County Counsel prior to issuance of Zoning Clearance.

- There has been <u>no</u> adjudication that the easements have lapsed; there will be no adjudication regarding easement validity for many of the valve sites at issue here
- PPC can exercise its eminent domain rights, where necessary

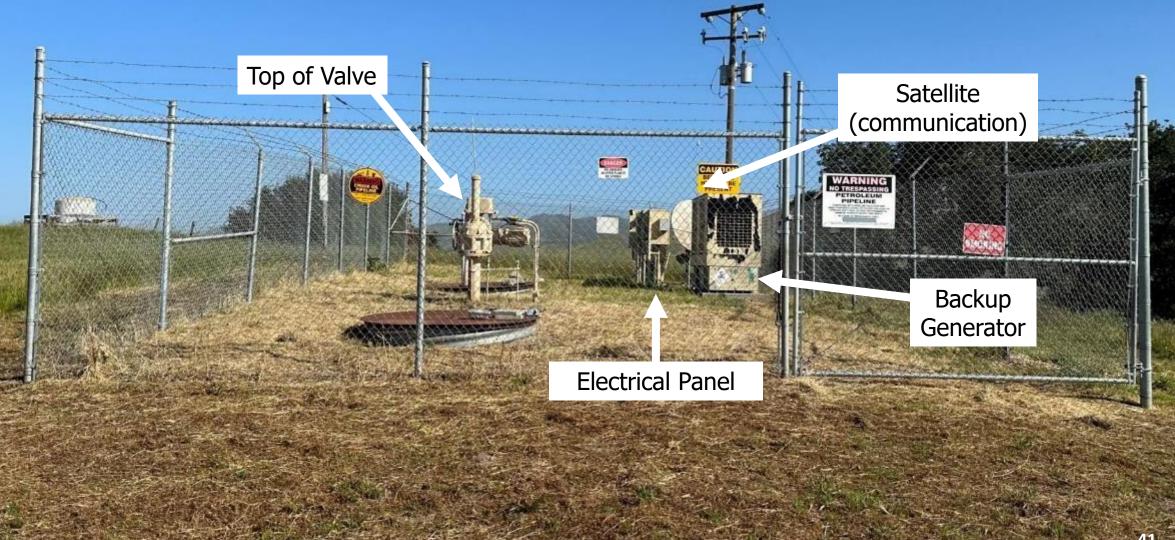


### **PPC: Owner-Operator of the Pipeline**

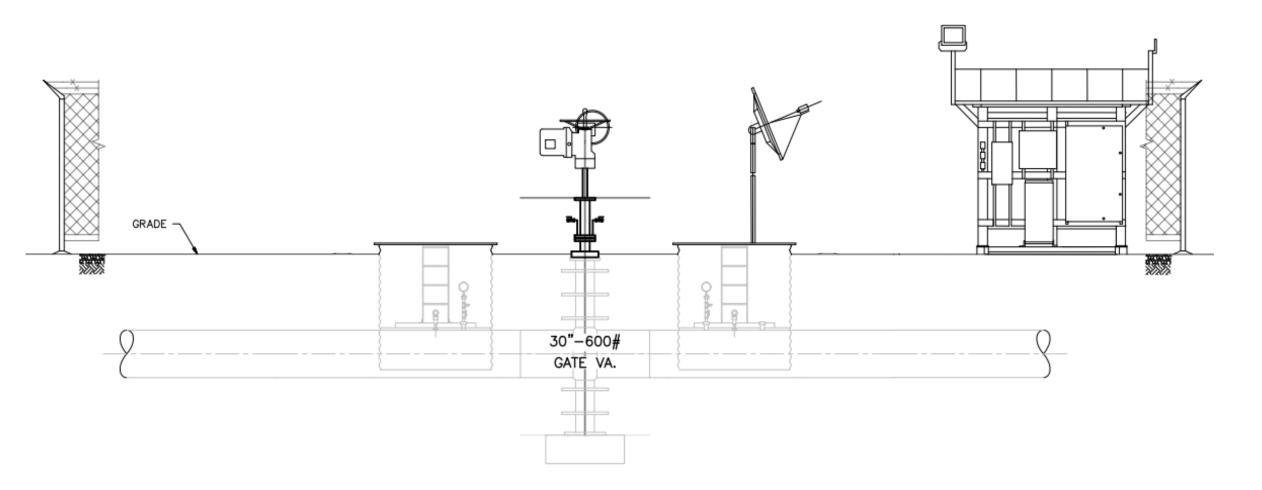
- PPC purchased the pipelines in October 2022
- PPC's application for transfer of ownership approved by Planning Director on March 13, 2023, and Planning Commission on June 14, 2023
- Ownership recognized by PHMSA, OSFM, OSPR, SLO and Kern Counties, and Santa Barbara County APCD & Tax Assesor
- PPC is a defendant in litigation related to scope of pipeline easements
- Under CEQA, identity of the end user is irrelevant
- Compliance with AB 864 is required regardless of owner



## **Existing MOV Site**

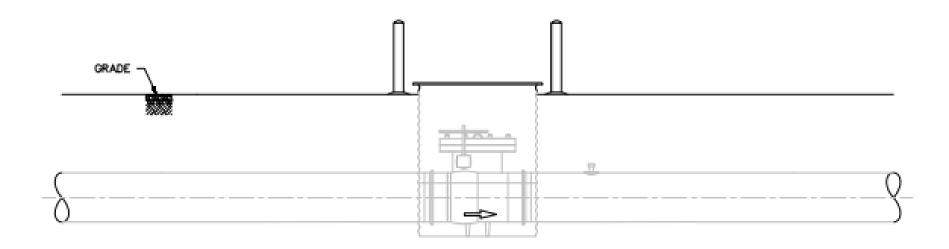


### **Motor Operator Valve Site**



**Side View** 

### **Check Valve Site**



**Side View** 

### Motor Operated Valve (MOV)

### **Check Valve**

