

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors
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Agenda Number:

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TO: Board of Supervisors

FROM: Valentin Alexeeff, Director
Planning and Development Department

STAFF CONTACT: John Day, Planner, Energy Division, 568-2045
Doug Anthony, Energy Specialist, Energy Division, 568-2046

SUBJECT: Oil Transportation Policies and Regulations.

RECOMMENDATION:

That the Board of Supervisors:

- A. Adopt the attached resolution initiating amendments to the Santa Barbara Coastal Plan, Land Use Element and Zoning Ordinances, for the purpose of updating Oil Transportation Policies and related regulations.

ALIGNMENT WITH BOARD STRATEGIC PLAN:

The recommendation is aligned with Goal No. 2. A Safe and Healthy Community in Which to Live, Work and Visit, and with Goal No. 5. A High Quality of Life for All Residents.

EXECUTIVE SUMMARY AND DISCUSSION:

The County's oil transportation policies, adopted in 1984/5, require offshore producers who land oil in Santa Barbara County to use overland pipelines, if feasible, to transport oil to refining centers. Overland pipelines are environmentally superior to marine vessels. Pipelines are less likely to cause uncontrollable, catastrophic oil spills. Pipelines also emit far less air pollution than marine vessels and are more compatible with the scenic character and recreational uses of the coastline than tanker terminals. Public misgivings about crude oil tankering date back at least to the first federal lease sale in the Santa Barbara Channel in 1966.

The County's policies were adopted at a time when the volume of oil produced offshore and landed in Santa Barbara County was projected to peak in the range of 500 to 800 thousand barrels per day in the early 1990s, a production increase of more than tenfold in less than a decade. The anticipated production volume far exceeded the capacity of the then-existing pipelines. The policies are part of a package of measures that tolerated offshore oil production in exchange for mitigation to the maximum extent feasible, enhanced environmental review and monitoring, and enhanced safety controls and inspection.

The policies and ordinances provide for marine transport if a shipper's refinery of choice is not served by pipeline or if pipeline transport is technically or economically infeasible. They also provide for up to one additional marine terminal east of Point Conception.

The policies envisioned the development of pipelines to Bakersfield, and from there to McCamey (Texas) and Los Angeles, which would nullify the need for marine terminals and vessel shipments once operational. Hence, the policies require that when pipeline transport becomes feasible, marine terminals will become non-conforming uses and construction or modification of crude oil processing facilities would be permissible only if the oil is transported by pipeline.

Twenty years later, several factors have changed which support the recommended update to the County's oil transportation policies and regulations. Consider the following (also see Table 1 and Figure 1):

1. New pipelines were installed and, with the exception of transport to Texas¹, are currently operating substantially below design capacity: Plains Pipeline (formerly AAPL); Pacific Pipeline; and Sisquoc Pipeline.
2. Several major pipelines to the refining centers in Los Angeles and San Francisco Bay Area that were previously proprietary lines (or common carrier lines that served a single shipper) now operate as common carriers, increasing the flexibility of the pipeline infrastructure.
3. Many marine terminals have been decommissioned, including those at Carpinteria, Gaviota, Cojo Bay (near Point Conception), Avila and Estero Bay (both in San Luis Obispo County). A consolidated marine terminal that was permitted offshore Las Flores Canyon was never installed, in favor of using new pipeline capacity.
4. Only one marine terminal remains (Venoco's Ellwood Marine Terminal). It ships oil produced from Platform Holly by barge 2-3 times per month (less than 5% of total oil production offshore Santa Barbara County). The County rezoned the onshore portion of the terminal in the early 1990s, rendering it a legal, non-conforming use. The underlying lease with UCSB expires in 11½ years.
5. Offshore oil production peaked in 1995 at volumes less than projected in the mid-1980s, due in part to a prolonged period of low oil prices, followed by relinquishment of most of the offshore leases. Today, there are 27 currently producing leases² on the federal Outer

¹ The segment of the All American Pipeline that connected California to Texas was subsequently abandoned in place due to lack of demand to ship California oil to the Gulf of Mexico refineries.

² In addition, there are 10 non-producing leases located within producing units and 2 previously producing leases on the OCS.

Continental Shelf in the tri-county area and 2 leases on State Tidelands. 36 undeveloped leases remain on the OCS, and three more remain on State Tidelands offshore Naples.³

6. Several catastrophic oil spills from marine tankers worldwide stimulated tougher laws and regulations to reduce the incidence of marine tanker spills and clarify the shippers' and carriers' liabilities for such spills. Among other provisions, the Oil Pollution Act of 1990 requires use of double-hulled tankers by the mid-2010s, thereby making overland pipeline a more attractive economic option.
7. California recently enacted law that prohibits transport of new offshore oil production via marine vessels (P.R.C. 30262, amended by Assembly Bill 16, 2003).

In 2004, there is no longer a need or justification for the County to allow marine tankering or provide a permitting mechanism for marine tanker terminals. Marine tankering is now prohibited by state law. Common carrier pipelines are in operation from both the South Coast and northern County, connecting to common carrier pipelines to refining centers in Los Angeles and San Francisco Bay Area. Current pipeline capacity is sufficient to accommodate any reasonable future production scenario. All tanker terminals in the County but one have been abandoned. Pipelines have proven their economic viability by transporting all of the County's offshore-produced oil, apart from small volumes barged from the one remaining marine terminal.

The time has come to bring the oil transportation policies and regulations into step with present-day circumstances and into conformance with State law. Staff proposes the following:

Marine Terminals.

- Under current policies, no new marine terminal is permissible north of Point Conception. Construction and operation of one consolidated marine terminal is allowed on the South Coast. A new terminal is not a permitted use after an onshore pipeline becomes feasible. Once a pipeline becomes operational, existing marine terminals become legal, non-conforming uses. However, a marine terminal may be a permitted use if pipeline transport is not feasible for a particular shipper.
- The proposed updates would repeal the policies and related ordinances that allow a new marine terminal, so that no new marine terminal would be permissible. The one remaining marine terminal at Ellwood would be allowed to continue operating, as it has a vested right to do, subject to the restrictions on a non-conforming use.

Oil Transportation

- Current policies require that permits for new processing facilities be conditioned to require oil to be transported to refinery by pipeline if technically and economically feasible and when a pipeline of adequate capacity is available to the refinery of a shipper's choice. Marine transport is allowable in case of emergency or refinery upset.
- The proposed updates would require that all oil produced offshore be transported by pipeline to onshore facilities and from there to refineries, with three exceptions: First, an exception is provided where the operator has a vested right to transport oil by marine vessel. Second, an exception is provided to allow marine transport in case of a Governor-declared emergency that disrupts pipeline transport. A third exception would allow the heaviest fraction of

³ Further production could occur on several previously produced leases offshore Carpinteria.

processed crude oil to be transported by highway or rail if future development yields oil that is too viscous for pipeline transport.

The specific proposed changes are provided as Attachment A of the Proposed Board Resolution (attached).

Upon initiation, these proposed amendments would go before the Planning Commission for deliberation, after which the Commission would forward its recommendations to the Board of Supervisors.

MANDATES AND SERVICE LEVELS: In general, local jurisdictions are required to implement their local coastal programs in a manner that is consistent with the California Coastal Act. Therefore, it is advisable to update local coastal programs to reflect revisions to the California Coastal Act and avoid potential conflicts between local actions and State requirements. Such updates also provide better service to each local jurisdiction's constituency, by way of maintaining a current local coastal program.

FISCAL AND FACILITIES IMPACTS: This project is funded by a combination of State (AB 1431) and Federal (Coastal Impact Assistance Program), as shown on page D-300 of the FY 04-05 budget, under Sources of Grants Summary. Expenditures are shown on the same page under Use of Funds Summary, Long Range Planning.

SPECIAL INSTRUCTIONS: Clerk of the Board to send a copy of executed resolution to Energy Division staff contacts.

Clerk of the Board will forward a copy of the Minute Order to Planning and Development, Attn: Cintia Mendoza, Hearing Support.

CONCURRENCE: County Counsel

ATTACHMENTS:

- A. Proposed Board Resolution to Initiate Amendments to County Policies and Ordinances Concerning Oil Transportation.
- B. Text of California Public Resources Code Section 30262, as Amended by AB 16 (2003)

Table 1. Evolution of Offshore Oil Production and Related Onshore Infrastructure
(Santa Barbara County / Tri-county Area)

	At time existing policies were written (1984)	1985 → 2004	Future expectations^c (2005-2020)
Oil Production^a	<ul style="list-style-type: none"> 1985 production was 47 MBD^a. Production rate was projected to increase to 500-800 MBD by the early 1990s^b. 90% of projected production was expected to come from South Coast (including Pt. Arguello) 	<ul style="list-style-type: none"> Actual production peaked in 1995 at 180 MBD, far below predictions. Production today is approximately 60 MBD (2004 estimate); over 90% of production is from South Coast. 	<ul style="list-style-type: none"> Production of currently exploited reserves is expected to continue its declining trend, but with transitory spikes (e.g., new drilling in the 451-E lease may recover 10-20 MBD during 2005-2007). Projected maximum production, assuming undeveloped OCS leases and South Elwood Field are developed, is as follows (by region^d): <ul style="list-style-type: none"> Eastern – 17 MBD Central – 134 MBD Northern – 100 MBD These maximum production levels are unlikely to be reached, even if 36 federal OCS leases are developed.
Offshore Oil/Gas Leases	<ul style="list-style-type: none"> Approximately 200 OCS leases were issued in federal waters offshore the tri-county area 1966-1984. (A fraction of these had expired or been relinquished by 1984.) 35 leases were issued in State waters off Santa Barbara prior to 1968. (6 had been quitclaimed by 1984.) Issuance of another eight leases was under consideration between Pt. Arguello and Pt. Conception. 	<ul style="list-style-type: none"> 75 OCS leases remain in the tri-county area. Of these, 36 remain undeveloped. 30 are currently producing. 14 State leases remain, of which 3 are pending quitclaim. Only 2 leases are currently producing (from Platform Holly). Federal leasing moratorium is in effect until 2012, and a State leasing moratorium is in effect without a sunset date (although restricted leasing options are still possible). 	<ul style="list-style-type: none"> Most leases in the eastern S.B. Channel are nearing the end of production life. Leases in the western Channel and Santa Maria Basin may continue producing beyond 2015. Most undeveloped leases are located in the Santa Maria Basin. Future development of these leases is uncertain and depends on 1) the outcome of pending litigation and mediation efforts, 2) results of proposed exploratory drilling, and 3) environmental review and multi-agency project approvals.
Crude Oil Pipelines	<ul style="list-style-type: none"> Union Oil operated pipelines to move crude oil from northern Santa Barbara County to Union's Santa Maria Refinery (in SLO County). From there, partially refined crude was transported via tanker from Unocal's Avila Marine Terminal and via pipeline to the Bay Area. (The pipelines were technically common carrier, but served only Union Oil.) There were no crude oil transmission pipelines serving processing facilities between Ellwood and Gaviota. Pipelines were seriously inadequate for the volume of oil expected to be landed on the western South Coast. 3 new major pipeline systems were being proposed to move oil from Las Flores and Gaviota to refining centers: Celeron (Las Flores-to-Emidio), Getty (Gaviota-to-Bakersfield), and Arco/Chevron (Gaviota-to-LA). Adequate pipelines existed along the eastern South Coast to move oil produced offshore Carpinteria and Ventura to LA basin refineries. 	<ul style="list-style-type: none"> Pipeline capacity far exceeds current production volumes in the County. Major common carrier pipelines are in operation to transport crude out of the tri-county area include: <ul style="list-style-type: none"> <u>Eastern region</u> – ConocoPhillips and Equilon lines Ventura to LA. <u>Central region</u> – Plains Pipeline (formerly All American Pipeline) from Gaviota to Pentland (Kern County), connecting to pipelines to Bakersfield, LA area, and Bay Area refineries. Design capacity 300 MBD (425 MBD with additional pumps). <u>Northern region</u> – ConocoPhillips pipeline from Santa Maria to Santa Maria Refinery (S.L.O. County) and from there to Bay Area. Pipeline design capacities 84 and 50 MBD. Throughput may be limited by pipeline capacity from refinery to Bay Area (58 MBD). The Sisquoc Pipeline now connects Plains Pipeline with ConocoPhillips' pipelines, allowing transfer of oil between the systems. Pacific Pipeline is now in operation, adding 130 MBD capacity from the San Joaquin Valley to Los Angeles. Several major pipelines to refining centers are now common carriers. 	<ul style="list-style-type: none"> Capacity of existing pipelines in all regions is projected to be sufficient to accommodate peak production for any foreseeable development scenario offshore the tri-county region. Existing capacity greatly exceeds peak production for realistic development scenarios. Short pipeline segments to connect into the existing common carrier system might need to be built if there is major new offshore development (e.g., South Elwood Field or far northern leases). If future development yields crude oil that is too viscous for pipeline transport, that fraction could feasibly be transported by highway or rail.
Marine Terminals	<ul style="list-style-type: none"> Marine terminals existing in 1984 included: <ul style="list-style-type: none"> Chevron Estero Bay (SLO Co.) Unocal Avila Beach (SLO Co.) Unocal Cojo Bay Getty Gaviota Exxon OS&T (offshore Tajiguas) Exxon El Capitan Venoco Ellwood Chevron Carpinteria Over 50 MBD was being shipped by barge and tanker from the South Coast. County received permit applications for 3 tanker terminals in 1983 to accommodate expected production. 	<ul style="list-style-type: none"> All crude oil marine terminals in the tri-county region have been decommissioned, with the exception of Ellwood MT. Ellwood MT operates as a legal, non-conforming use. Production from Platform Holly is about 3.3 MBD, requiring 2-3 barge trips per month. State legislation in 2003 (A.B. 16) amended Public Resources Code (PRC §30262) to prohibit marine transport of oil from new or expanded offshore oil operations. Statewide, marine terminals handling crude oil are now concentrated near refineries in LA/Long Beach and SF regions. 	<ul style="list-style-type: none"> The legal, non-conforming status of the Ellwood Marine Terminal precludes expansion of operations. Possible future expansion of offshore production facilities would require oil transport via pipeline. Construction of new marine terminals is unnecessary, as any foreseeable new production can be transported by existing pipelines. Construction of new marine terminals is inconsistent with PRC §30262, as amended.

a. Approximate figures given in thousands of barrels per day (MBD)

b. Oil Transportation Plan and Draft Environmental Impact Report, 1984. The Oil and Gas Journal estimated 800 MBD.

c. Principal reference: California Offshore Oil and Gas Energy Resources Study, 2000.

d. Regions are defined as follows: Eastern – Ventura/LA County line to Carpinteria; Central – western boundary of Carpinteria to the Santa Ynez River; Northern – Santa Ynez River to Point Estero (S.L.O. County).

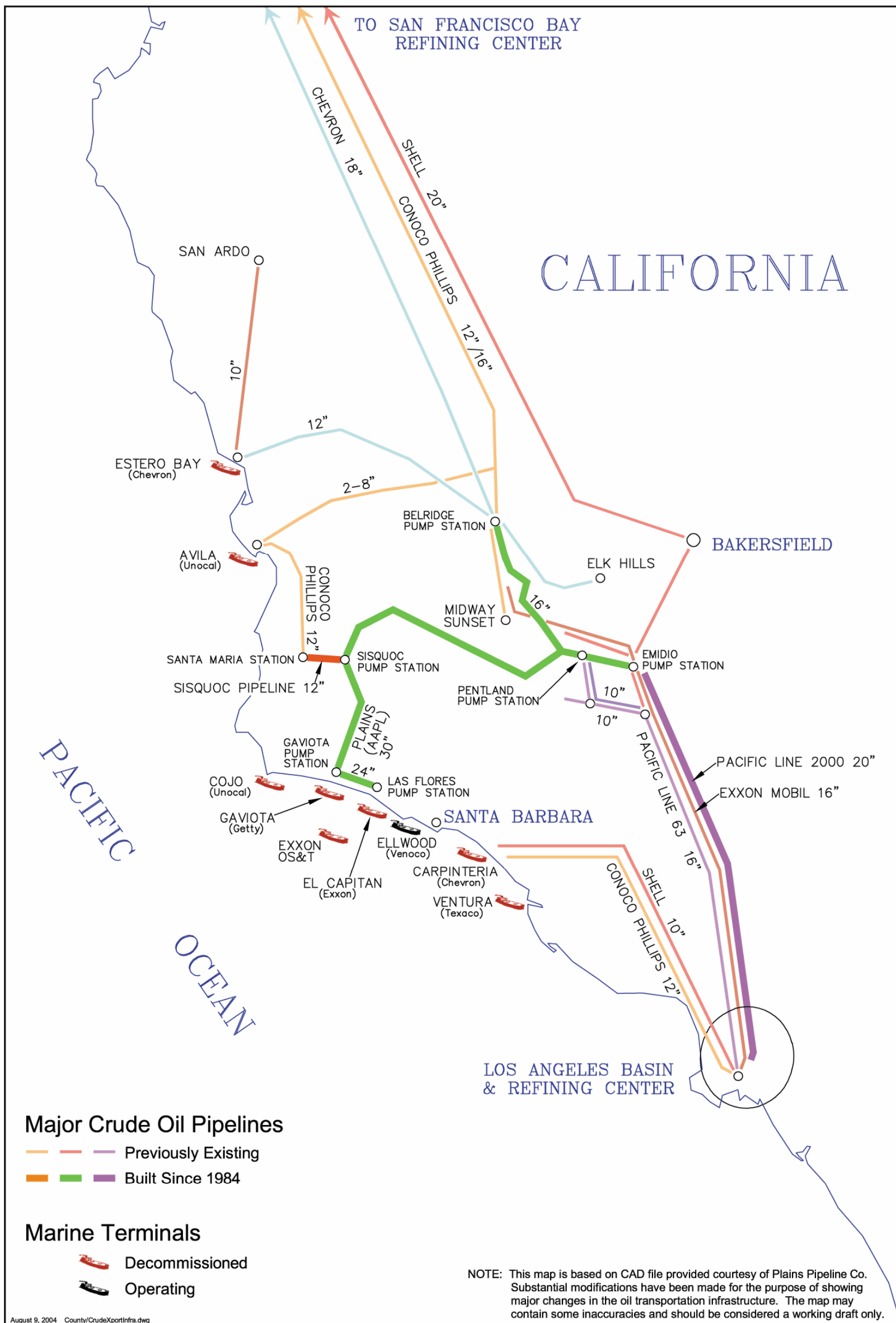


Figure 1. Crude Oil Transportation Infrastructure -- Changes 1984-2004.

Three new pipelines (shown in broad lines) facilitate transport of crude oil from Santa Barbara to refineries: Plains Pipeline (formerly AAPL); Pacific Line 2000; and the Sisquoc Pipeline interconnect. A number of marine terminals have been decommissioned in the Tri-County area while one remains in operation at Ellwood.

ATTACHMENT A

PROPOSED BOARD RESOLUTION TO INITIATE AMENDMENTS TO COUNTY POLICIES AND ORDINANCES CONCERNING OIL TRANSPORTATION

**SANTA BARBARA COUNTY BOARD OF SUPERVISORS
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

IN THE MATTER OF INITIATING
AMENDMENTS TO THE COASTAL PLAN,
LAND USE ELEMENT, AND ARTICLES II AND
III OF CHAPTER 35, ZONING, OF THE COUNTY
CODE TO REPEAL PROVISIONS PERTAINING
TO MARINE TERMINALS AND REVISE
PROVISIONS PERTAINING TO CRUDE OIL
TRANSPORTATION.

RESOLUTION NO: 04-XXX

CASE NOS.:

04GPA-00000-00014, 00015,

04ORD-00000-00014, 00015

WITH REFERENCE TO THE FOLLOWING:

- I. In 1982, the California Coastal Commission certified Santa Barbara County's first Local Coastal Program (LCP). In 1985, the California Coastal Commission certified LCP amendments adopted by the County to promote transportation of oil produced from reserves offshore Santa Barbara County via overland pipeline rather than marine vessels (hereafter "Oil Transportation Policies"), deeming the latter mode to be significantly more damaging to coastal resources that are protected by the California Coastal Act, should an oil spill occur.
- II. The existing LCP Oil Transportation Policies list five marine terminals for transport of oil by marine vessel that were extant at the time the policies were adopted. Only one of the terminals, Ellwood Marine Terminal ("EMT"), remains in operation today. The EMT operates as a legal, non-conforming use.
- III. The need for new marine terminals or oil tank farm sites within the County's coastal zone has been negated by: a) termination of several undeveloped oil and gas leases offshore Santa Barbara County, b) decreasing volumes of offshore oil and gas production, c) surplus capacity of the overland oil pipeline network, d) availability of appropriate inland storage and processing sites for any new production in the offshore Santa Maria Basin.
- IV. It is now deemed in the interest of orderly development of the County and important to the preservation of the health, safety and general welfare of the residents of said County to initiate amendments to the Santa Barbara County Coastal Plan, Comprehensive Plan Land Use Element, and zoning ordinances, as follows:

- A. Revise Chapter 3.6.4 of the Coastal Plan as shown in Exhibit A:
 - 1. Revise policies on OIL AND GAS PROCESSING FACILITIES concerning marine and pipeline oil transportation and conditioning of permits to require transport of oil by pipeline;
 - 2. Repeal policies on MARINE TERMINALS;
 - 3. Add new policy on OIL TRANSPORTATION to prohibit new or expanded marine terminals, require transport of oil by pipeline, and specify circumstances under which transport by alternate transportation mode may be permitted.
- B. Revise Land Use Development Policies of the Land Use Element concerning marine and pipeline oil transportation and conditioning of permits to require transport of oil by pipeline, as shown in Exhibit B.
- C. Revise Coastal Zoning Ordinance (Chapter 35, Chapter II) as shown in Exhibit C:
 - 1. Revise Sections 35-87 and 35-92 to delete marine terminals as a permitted use in the Coastal Dependent Industry and Coastal Related Industry zoning districts;
 - 2. Revise Section 35-154 ONSHORE PROCESSING FACILITIES NECESSARY OR RELATED TO OFFSHORE OIL AND GAS DEVELOPMENT concerning pipeline oil transportation and conditioning of permits to require transport of oil by pipeline;
 - 3. Repeal Section 35-156 MARINE TERMINALS.
- D. Revise Inland Zoning Ordinance (Chapter 35, Chapter III) as shown in Exhibit D:
 - 1. Revise Section 35-236 to delete marine terminals as a permitted use;
 - 2. Revise Section 35-296 TREATMENT AND PROCESSING FACILITIES concerning marine and pipeline oil transportation and conditioning of permits to require transport of oil by pipeline;
 - 3. Repeal Section 35-298 MARINE TERMINALS.

NOW, THEREFORE, IT IS HEREBY RESOLVED AS FOLLOWS:

- 1. The above recitations are true.
- 2. Pursuant to the provisions of Santa Barbara County Code Section 35-180.3 and 35-325.3, the Board of Supervisors initiates the foregoing amendments to the Coastal Plan, Land Use Element, and zoning ordinances as described above, and directs the Planning and Development Department to process these amendments.

PASSED, APPROVED, AND ADOPTED this _____ day of September, 2004, by the following vote:

AYES:

NOES:

ABSTAINED:

ABSENT:

Joseph Centeno, Chair
Board of Supervisors of the County of Santa Barbara
State of California

ATTEST:

Michael F. Brown
County Clerk of the Board

By _____
Deputy Clerk of the Board

APPROVED AS TO FORM:

STEPHEN SHANE STARK
County Counsel

By: _____
Deputy County Counsel

**EXHIBIT A: PROPOSED TEXTUAL AMENDMENTS
TO THE SANTA BARBARA COUNTY COASTAL PLAN
CHAPTER 3.6 – INDUSTRIAL AND ENERGY DEVELOPMENT**

The following textual amendments include deletions to existing text (shown in a ~~strikeout~~ font) and additions of new text (shown in an *italicized and underlined* font).

Repeal Portions of the preamble to *Oil and Gas Processing Facilities* policies (pp. 62-63).

~~Oil transportation is one of the key issues associated with oil development in Santa Barbara County. Pipelines have been found to be environmentally superior to tankers. Tanker transportation presents greater impacts to marine, visual, recreation and air resources than do pipelines. General pipeline "feasibility" will be determined through the market based on producer choice of refining center, refining capacity in that center, and economic feasibility being tested through ability to obtain financing and the choice to build and operate the pipeline. Once constructed and operational to the refining center of a producer's choice (e.g. Houston, San Francisco, Los Angeles), pipelines shall be the required mode of transportation because they are less environmentally damaging than other modes of transportation. This requirement is based on the assumption that, when operational, pipelines serving various refining centers will have adequate capacity and that the tariffs and costs of transporting the oil to its ultimate refining destination will be reasonable. This "reasonableness" will be based on the balancing of public and private interests in economic and environmental factors. (Adopted by B/S 6/18/84, Resol. #84 284).~~

~~The County should assure that producers have access to competitive markets, however, the County need not provide unlimited flexibility to all producers. Since pipelines are not yet in place and may not be constructed to all refining centers, other methods of oil transportation are needed for production that precedes pipeline construction and operation and for refining centers not served by pipeline. (Adopted by B/S 6/18/84, Resol. #84 284).~~

~~The County recognizes the potential for transportation demand to exceed system capacity and should take affirmative measures to ensure equitable, pro rata access to the transportation system by all shippers consistent with the County's goals of consolidation. (Adopted by B/S 6/18/84, Resol. #84 284).~~

~~Because of uncertainty regarding crude oil production volumes, industry economics, and permits, there is a need for periodic review of the County's oil transportation policies. (Adopted by B/S 6/18/84, Resol. #84 284).~~

Renumber Policy 6-6A (as 6-10F) and delete reference in the text preceding it (p. 63).

~~Policy 6-6A applies to oil and gas processing facilities and sites that serve offshore producers.~~

~~Policy 6-6A If upper throughput limits exist in any new oil transportation system, the County shall, to the maximum extent feasible and legally permissible, assure equitable, pro rata access for all shippers. Permits for oil transportation systems shall require the permittee~~

~~to achieve County's goals for consolidation. County shall retain continuing permit jurisdiction to assure that these goals are met. For the purposes of this plan, "shipper" shall refer to the entity in legal ownership of the oil to be transported. (Added 7/88).~~

Revise Policy 6-6B (p. 64).

~~Policy 6-6B: Except for facilities not directly related to oil and gas processing as referenced in Policy 6-11B (Marine Terminals),~~ This policy applies to areas of the coastal zone that are outside the South Coast Consolidation Planning Area (SCCPA). The SCCPA is the unincorporated area from Point Arguello to the western boundary of the City of Santa Barbara, and from the ridge of the Santa Ynez Mountains to the three mile offshore limit. (Added 12/14/87, B/S Resol. #87 616)

If new sites for processing facilities to serve offshore oil and gas development are needed, expansion of facilities on existing sites or on land adjacent to existing sites shall take precedence over opening up additional areas, unless it can be shown that the environmental impacts of opening up a new site are less than the impacts of expansion on or adjacent to existing sites. Consideration shall also be given to economic feasibility.

Revise Policy 6-8 (p. 66).

~~Policy 6-8: If an onshore pipeline for transporting crude oil to refineries is determined to be technically and economically feasible, proposals~~ Any permit approval for expansion, modification, or construction of new oil and gas processing facilities shall be conditioned to require transportation of oil by pipeline, in accordance with policies on Oil Transportation (Policies 6-10A through 6-10F). ~~through the pipeline when constructed, unless such condition would not be feasible for a particular shipper. (Revised 6/18/84, B/S Resol #84-284; 11/19/91, B/S Resol #91-670)~~

Repeal Policies 6-8a through 6-8e (pp. 66-67).

- ~~a) Pipeline transportation of crude oil to a refining center served by a pipeline is presumed to be technically and economically feasible and the required method of transportation to that center. (Revised 6/18/84, B/S Resol #84 284).~~
- ~~b) Pipeline transportation of crude oil is presumed feasible for a particular shipper if a pipeline is in operation to the refining center of the shipper's choice. (Revised 6/18/84, B/S Resol #84 284).~~
- ~~c) Crude oil processing facilities shall be conditioned to require that each shipper's oil leaving those facilities be transported by pipeline when a pipeline is in operation to the refining center of the shipper's choice. (Revised 6/18/84, B/S Resol #84 284).~~
- ~~d) Until pipelines become available, and for refining centers not served by pipeline, other modes of oil transportation are allowed consistent with County policies. Rail is not preferred for large volume shipments of oil. (Revised 6/18/84, B/S Resol #84 284).~~
- ~~e) For refining centers served by pipeline, other modes of transportation up to the limits of permitted capacity for those modes, and with assurances that the shipper or transportation facility operator can and will mitigate the environmental impacts caused~~

by the alternate transportation mode, are allowed only under the following circumstances:

- 1) Pipeline unavailability or inadequate capacity; or
- 2) A refinery upset lasting no longer than two (2) months and only where the alternate refining center is not served by pipeline; or
- 3) An emergency which may include a national state of emergency. (Revised 6/18/84, B/S Resol #84 284).

Repeal the preamble to *Marine Terminals* policies (pp. 67-68).

Marine Terminals

~~The County has permit jurisdiction over those portions of a marine terminal that are on land (i.e., pipelines, storage tanks) except where the County has been granted jurisdiction over State Tidelands.² Those portions of a marine terminal which are seaward of the mean high tide line are regulated by the Coast Guard and the State Lands Commission. Further, the County's "Statement of Policy Relative to the Location of On Shore Oil Facilities" favors no more than one additional marine terminal along the South Coast.~~

~~While the existing policies and regulations appear consistent with the policies of the Coastal Act, policies addressing the location of new marine terminals need to be clarified in two aspects: (1) the status of marine terminals if an onshore pipeline proves to be feasible, and (2) the impact of lease sale #53 on the need for marine terminals between Point Conception and the Santa Maria River.~~

~~The County recognizes the potential for transportation demand to exceed system capacity and should take affirmative measures to ensure equitable access to the transportation system by all shippers entitled to use it consistent with the County's goals of consolidation. Equitable access is intended to prevent non owners of a facility from being forced out of, or not allowed into, transportation facilities. (Added 6/18/84, B/S Resol #84 284).~~

~~The County does not wish to encourage the long term use of marine transportation facilities which are incompatible with surrounding land uses or which possess technological limitations significantly affecting or potentially affecting public health and safety and the environment. (Added 6/18/84, B/S Resol #84 284).~~

~~² The County's only granted Tidelands are in Carpinteria. The existing Chevron marine terminal in Carpinteria is under the jurisdiction of the City.~~

Where

~~— Landward support facilities for the Gaviota Interim Marine Terminal are designated as Coastal Dependent Industry on the land use plan maps.~~

~~— Oil storage sites (tank farms) for transportation facilities should be consolidated and serve the entire oil transportation system (pipeline, marine, rail, other). A siting study was conducted in 1984 which identified the preferred environmental characteristics for an oil~~

storage site on the Gaviota coast. These characteristics are based on those of Canada de la Pila for all attributes except geology and soils, which must meet standard County requirements through engineering and design review. Present County policy precludes the use of Canada de la Pila as a tank farm site. Proposed oil storage sites should meet these standards through project design and on and off site mitigation, though the County recognizes that environmental trade offs may be required to ensure than an environmentally preferable site is used.

Repeal Policy 6-10 (p. 68).

Policy 6-10: All relevant sections of Ordinance No. 661, the Petroleum Ordinance, and "Statement of Policy Relative to the location of On Shore Oil Facilities" are hereby incorporated by reference.

Repeal Policy 6-11 (p. 68).

Policy 6-11: If an onshore pipeline is determined to be technically and economically feasible existing marine terminals shall become, after a specified period, non conforming uses. Crude oil shall be transported by pipeline, unless the County makes the finding that transportation of oil by pipeline is not feasible for a particular shipper according to the provisions of Policies 6-8 and 6-8A. (Revised 6/18/84, B/S Resol #84-284).

Repeal Policy 6-11B (p. 68).

Policy 6-11B: Policies 6-6 and 6-6A regarding consolidation of oil and gas processing facilities shall be applied to all oil and gas facilities. Consolidated storage facilities shall be designed to support a complete oil transportation system including one or more transportation modes. Facilities approved by the County shall be sited to provide for reasonable expansion. (Added 6/18/84, B/S Resol #84-284).

Repeal Policy 6-12 (pp. 68-69).

Policy 6-12: Due to scenic and natural resources in areas between Point Conception and the Santa Maria River, marine terminals are not considered at present as appropriate development in that area. If activity under lease sale #53 results in a need for marine terminal(s) in the North County, detailed studies shall be undertaken to determine appropriate location(s). No onshore facilities, except pipelines, shall be located on any environmentally sensitive habitat areas.

Add a new preamble entitled *Oil Transportation*, to replace preamble to *Marine Terminals*.

Oil Transportation

The following policies apply to the transportation of oil produced from any offshore reservoir and landed in Santa Barbara County and oil produced from a reservoir offshore Santa Barbara County, regardless of landing location. Pipelines are environmentally less damaging than other modes of crude oil transport, including highway, rail, and marine tank vessel. In particular, while tanker or barge accidents occur less frequently than pipeline spills, the adverse environmental impacts of tanker or barge spills can be far greater due to

the large volumes of oil released, the extreme difficulty in containing and cleaning up offshore spills, and the overall sensitivities of marine and coastal resources.

Whereas:

The County seeks to minimize adverse environmental impacts of oil transportation, both onshore and offshore, by requiring crude oil produced from offshore reserves to be transported by pipeline to the maximum extent feasible.

Add New Policy 6-10A.

Policy 6-10A: Phase-out of Marine Terminals.

No new marine oil terminals, or expansion of existing marine terminals, shall be permitted in the County. As used here, “expansion of existing facilities” means any activity beyond what an owner has a vested right to do under existing permits. Existing marine terminals shall remain classified as a legal, non-conforming uses, with the expressed intent that they be phased out of existence once the owner’s current vested right to operate under existing permits is exhausted.

Add New Policy 6-10B.

Policy 6-10B: Transport of Crude Oil from Offshore to Onshore.

- 1) Crude oil produced from offshore production facilities shall be transported to onshore facilities exclusively by pipelines that conform to all applicable regulations and standards.
- 2) Any new pipeline shall be routed to maximize protection of coastal resources. Factors to be balanced in selecting the route include minimizing the length of the offshore segment (to reduce the risk of oil spills in coastal waters), location of sensitive species and habitats both onshore and offshore, and anticipated hazards to pipeline integrity.

Add New Policy 6-10C.

Policy 6-10C: Transport of Crude Oil to Refineries.

- 1) Production from new offshore facilities.
Crude oil received onshore from new or expanded offshore production facilities, or from onshore operations to extract oil from offshore reserves, shall be transported to processing facilities and final refining destination by overland pipeline, except as provided for in Policy 6-10D and E. The pipelines shall conform to all applicable regulations and standards.
- 2) Production from existing offshore facilities.
Crude oil received onshore from existing offshore production facilities shall be transported to processing facilities and final refining destination by overland pipeline, except where an owner has a vested right to transport oil by marine vessel or as provided in Policy 6-10D and E.

Add New Policy 6-10D.

Policy 6-10D: Exception to Policy 6-10C Requirement for Transport via Pipeline.

Crude oil received onshore from offshore production facilities may be transported by highway or rail if the Director determines that the oil is so highly viscous that pipeline transport is

infeasible, taking into account available options such as modifications to existing pipelines, blending of NGLs, etc.

Any shipment of oil by highway or rail under this policy shall be limited to that fraction of the oil that is technically infeasible to transport by pipeline. The shipper or carrier shall mitigate to the maximum extent feasible any significant environmental impacts caused by use of the alternate transportation mode.

Add New Policy 6-10E.

Policy 6-10E: Emergency Provision.

Notwithstanding the provisions of Policies 6-10A to 6-10D, temporary transport of oil by waterborne vessel may be authorized under an emergency permit if the Governor of the State of California declares a state of emergency pursuant to Public Resources Code Sec. 30262(a)(8) for an emergency that disrupts the pipeline transportation of oil produced offshore Santa Barbara County. In such a case, the oil transported by alternate mode shall be limited to that fraction which cannot feasibly be transported by pipeline. Transport by the alternate mode shall cease immediately when it becomes technically feasible to resume pipeline transport.

Add Policy 6-10F (renumbered from previous Policy 6-6A).

Policy 6-10F: If upper throughput limits exist in any new oil transportation system, the County shall, to the maximum extent feasible and legally permissible, assure equitable, pro rata access for all shippers. Permits for oil transportation systems shall require the permittee to achieve County's goals for consolidation. County shall retain continuing permit jurisdiction to assure that these goals are met. For the purposes of this plan, "shipper" shall refer to the entity in legal ownership of the oil to be transported. (Added 7/88).

EXHIBIT B: PROPOSED TEXTUAL AMENDMENTS TO THE SANTA BARBARA COUNTY COMPREHENSIVE PLAN LAND USE ELEMENT

The following textual amendments include deletions to existing text (shown in a ~~strikeout~~ font) and additions of new text (shown in an *italicized and underlined* font).

Revise Preamble Preceding Policy 12 (p. 82-d).

The county has conducted a comparative assessment of available modes for shipping large volumes of crude oil which are produced from offshore fields, processed locally, and requiring transportation to refineries. The assessment concluded that, although pipelines exhibit potentially significant adverse impacts to the environment, they are measurably the environmentally preferred mode of transportation when compared to marine tanker and rail. *Furthermore, major crude oil pipelines are in operation for transporting crude oil from both northern and southern Santa Barbara County to refineries outside the county.* Consequently, the county shall require that, ~~to the maximum feasible extent,~~ *all* crude oil *produced from offshore reserves* shall be shipped *to onshore facilities* via pipeline, and ~~from local processing facilities~~ *thence to refineries via overland pipeline, except as specified below provided in Policy 12.* Presently this policy does not apply to facilities that serve only onshore fields however, it shall apply to facilities that serve both onshore and offshore fields as well as only offshore fields.

Revise Policy 12 (pp. 82-d to 82-f).

12. ~~If an onshore pipeline for transporting crude oil to refineries is determined to be technically and economically feasible,~~ *Proposals for expansion, modification, or construction of new oil and gas processing facilities, oil storage facilities, or pipeline terminals, which receive oil from offshore fields exclusively or from both offshore and onshore fields, shall be conditioned to require transportation of oil through the by pipeline when constructed, unless such condition would not be feasible for a particular shipper to processing facilities and final refining destination, except as follows:*

Crude oil received onshore from offshore production facilities may be transported by highway or rail if the Director determines that the oil is so highly viscous that pipeline transport is infeasible, taking into account available options such as modifications to existing pipelines, blending of NGLs, etc.

Any shipment of oil by highway or rail under this policy shall be limited to that fraction of the oil that cannot feasibly be transported by pipeline and shall not exceed the limits of permitted capacity for these transportation modes. The shipper or carrier shall mitigate to the maximum extent feasible any environmental impacts caused by use of the alternate transportation mode.

Temporary transport of oil by waterborne vessel may be authorized under an emergency permit if the Governor of the State of California declares a state of emergency pursuant to Public Resources Code Sec. 30262(a)(8) for an emergency that disrupts the pipeline transportation of oil produced offshore Santa Barbara County. In such a case, the oil transported by alternate mode shall be limited to that fraction which cannot feasibly be transported by pipeline. Transport by the alternate mode shall cease immediately when it becomes technically feasible to resume pipeline transport.

- a. ~~Pipeline transportation of crude oil to a refining center served by a pipeline is presumed to be technically and economically feasible and the required method of transportation to that center.~~
- b. ~~Pipeline transportation of crude oil is presumed feasible for a particular shipper if a pipeline is in operation to the refining center of the shipper's choice.~~
- c. ~~Crude oil processing facilities shall be conditioned to require that each shipper's oil leaving those facilities be transported by pipeline when a pipeline is in operation to the refining center of the shipper's choice.~~
- d. ~~Until pipelines become available and for refining centers not served by pipeline, other modes of oil transportation are allowed consistent with County policies. Rail is not preferred for large volume shipments of oil.~~
- e. ~~For refining centers served by pipeline, other modes of transportation up to the limits of the permitted capacity for those modes, and with assurances that the shipper or transportation facility operator can and will mitigate the environmental impacts caused by the alternate transportation mode, are allowed only under the following circumstances:
 - (1) ~~Pipeline unavailability or inadequate capacity; or~~
 - (2) ~~A refinery upset lasting no longer than two (2) months and only where the alternate refining center is not served by pipeline; or~~
 - (3) ~~An emergency which may include a national state of emergency.~~~~

Repeal Implementing Action Statement (p. 82-f)

Implementing Action

~~The Planning Commission shall implement this policy pursuant to Section 35-296 of Article III, Chapter 35 of the Santa Barbara County Code (inland zoning ordinance). The regulations of Section 35-296 apply specifically to separation of oil and water from an offshore area and processing/treatment plants that are not described in the previous section, 35-295. This Oil Transportation Policy is intended to apply facilities which process production obtained exclusively from offshore fields or from both offshore and onshore fields. (91-GP-3)~~

**EXHIBIT C: TEXTUAL AMENDMENTS
TO ARTICLE II (COASTAL ZONING ORDINANCE)
OF CHAPTER 35 OF THE SANTA BARBARA COUNTY CODE**

The following textual amendments include deletions to existing text (shown in a ~~strikeout~~ font) and additions of new text (shown in an *italicized and underlined* font).

Repeal Section 35-87.3.3 (p. 154) [Permitted Uses for M-CD Coastal Dependent Industry]

- ~~3. Onshore components of marine terminals that are determined to be required for waterborne shipments of crude oil or petroleum products and that require a site on or adjacent to the sea to be able to function at all. Such uses are subject to the regulations of DIVISION 9 OIL AND GAS FACILITIES. (Amended by Ord. 3947, 11/19/91)~~

Repeal Section 35-92.3.3 (p. 170) [Permitted Uses for M-CR Coastal Related Industry]

- ~~3. Onshore components of marine terminals required for waterborne shipments of crude oil or petroleum products, subject to the regulations of DIVISION 9 OIL AND GAS FACILITIES.~~

Revise Section 35-154.5.i (pp. 340-341) [Onshore Processing Facilities]

- i. ~~Permits for expanding, modifying, or constructing crude oil processing or related facilities shall be conditioned to require that a~~All oil processed by the facility shall be transported from the facility and the County *to the final refining destination by overland pipeline, as soon as the shipper's oil refining center of choice is served by pipeline. with the following exception: Temporary transport of oil by an alternate transportation mode, including waterborne vessel, may be authorized under an emergency permit if the Governor of the State of California declares a state of emergency pursuant to Public Resources Code Sec. 30262(a)(8) for an emergency that disrupts the pipeline transportation of oil produced offshore Santa Barbara County. In such a case, the oil transported by alternate mode shall be limited to that fraction which cannot feasibly be transported by pipeline. Transport by the alternate mode shall cease immediately when it becomes technically feasible to resume pipeline transport.*
- ~~(1) within the limits of the permitted capacity of the alternative mode; and~~
~~(2) when the environmental impacts of the alternative transportation mode are required to be mitigated to the maximum extent feasible; and~~
~~(3) when the shipper has made a commitment to the use of a pipeline when operational to the shipper's refining center of choice; and~~
~~(4) when the County has determined that use of a pipeline is not feasible by making one of the following findings:~~
- ~~(a) A pipeline to the shippers' refining center of choice has inadequate capacity or is unavailable within a reasonable period of time;~~
~~(b) A refinery upset has occurred, which lasts less than two months, precludes the use of a pipeline to that refinery, and requires temporary transportation of oil to an alternative refining center not served by pipeline;~~

- ~~(c) The costs of transportation of oil by common carrier pipeline is unreasonable taking into account alternative transportation modes, economic costs, and environmental impacts; or~~
- ~~(d) An emergency, which may include a national state of emergency, has precluded use of a pipeline.~~

~~———— A permit based on findings (b) or (d) may be granted by the Director of the Planning and Development Department and shall be subject to appeal to the Planning Commission. A permit based on findings (a) and (c) may be granted by the Board of Supervisors. All permits in this section are subject to appeal to the Coastal Commission.~~

~~———— All permits for the use of a non pipeline mode of transportation may specify the duration for such permitted use. Such permit may be extended upon a showing of good cause based upon a consideration of the findings listed above. A permit based on finding (b) shall be granted for two months only. If refinery upset conditions continue beyond two months and the shipper wishes to continue use of a non pipeline transportation mode, the shipper must seek a new or modified permit that is based on a consideration of finding (a), (c), or (d). In all cases, the burden of proof as to unavailability or inadequate capacity, unreasonable tariffs, and the need for and use of other transportation systems shall be on the shipper.~~

Repeal Section 35-156. (pp. 345-351) [Marine Terminals]

Sec. 35-156. Marine Terminals.

(Amended by Ord. 3745, 11/21/88)

- ~~1. Applicability. The specific regulations contained within this section shall apply to the onshore portion of the components of a marine terminal which include loading and/or unloading equipment, storage tanks, terminal control and safety equipment and navigational facilities but not including pipelines. The regulations for pipelines and related facilities are located in Sec. 35-157. These regulations shall apply to existing and new marine terminals and as of April 12, 1967, there exists in the County four (4) marine terminals which are located at Cojo Bay, Gaviota, El Capitan and Coal Oil Point.~~
- ~~2. Permitted Districts. Marine terminals are a permitted use in the Coastal-Related Industry (M-CR) District. They are also permitted in the Coastal-Dependent Industry (M-CD) District if such use is determined to require a site on or adjacent to the sea to be able to function at all. (Amended by Ord. 3947, 11/19/91) However,~~
 - ~~a. No more than one (1) additional marine terminal to the number in existence within the County as of April 12, 1967, shall be permitted in the area east of Point Conception.~~
 - ~~b. Where the land to be used for the onshore portions of the marine terminal is also subject to the Environmentally Sensitive Habitat Area Overlay District (ESH), such facilities shall not be permitted.~~
 - ~~c. Where the land to be used for the onshore portions of the marine terminal is also subject to the View Corridor Overlay District (VC), such facilities require a Major Conditional Use Permit, as provided in Section 35-172.~~

- d. ~~After adoption of a Resolution by the County Board of Supervisors that an onshore pipeline for transporting crude oil to refineries is technically and economically feasible, new marine terminals shall not be a permitted use in any district and existing marine terminals shall continue to be a permitted use until the pipeline is operational, at which time they shall become legal nonconforming uses. After the pipeline is operational, marine terminals are a use permitted subject to a Major Conditional Use Permit in the Coastal Related Industry (M-CR) District, and if determined to require a site on or adjacent to the sea to be able to function at all in the Coastal Dependent Industry (M-CD) District. Marine terminals are permitted in these two districts only upon a finding, in addition to those normally required for a marine terminal, as set forth in paragraph 4, that transshipment of oil by onshore pipeline is not feasible for the particular operator. (Amended by Ord. 3947, 11/19/91)~~
 - e. ~~Major oil storage facilities shall be consolidated and shall support the most environmentally preferred oil transportation system. Minor storage facilities may be allowed at specific operating areas where clearly needed, where it can be shown that it is not feasible to provide such storage at the consolidated site(s), where it is located in the least environmentally damaging location and where the adverse environmental impacts are mitigated to the maximum extent feasible.~~
3. ~~Processing.~~
~~No permits for development including grading shall be issued except in conformance with an approved Final Development Plan, as provided in Sec. 35-174. (Development Plans), and with Sec. 35-169. (Coastal Development Permits).~~
~~In addition to the other information required under Sec. 35-174.3. (Development Plans), the following information must be filed with a Preliminary or Final Development Plan application:~~
- a. ~~An updated emergency response plan, that addresses the potential consequences and actions to be taken in the event of hydrocarbon leaks or fires. The emergency response plan shall be approved by the County's Emergency Services Coordinator and Fire Department.~~
 - b. ~~A phasing plan for the staging of development which includes the estimated timetable for project construction, operation, completion, and abandonment, as well as location and amount of land reserved for future expansion.~~
4. ~~Findings Required for Approval of Development Plans.~~
~~In addition to the findings for Development Plans set forth in Sec. 35-174.7. (Development Plans), no Preliminary or Final Development Plan shall be approved unless the Planning Commission also makes all of the following findings:~~
- a. ~~There are no feasible alternative locations for the proposed marine terminal that are less environmentally damaging.~~
 - b. ~~Expansion of an existing marine terminal onto adjacent lands is not feasible or is more environmentally damaging.~~
 - c. ~~The proposed facility is compatible with the present and permitted recreational, educational, and residential development and the scenic resources of the surrounding area.~~
5. ~~Development Standards.~~

- a. ~~The level of noise generated by the facility at the property boundary shall not exceed 70 dB(A).~~
- b. ~~The applicant has received "authority to construct" from the Air Pollution Control District.~~
- c. ~~There shall be no visible emission of smoke.~~
- d. ~~Permanent structures and equipment shall be painted a neutral color so as to blend in with natural surroundings.~~
- e. ~~The installation shall be visually compatible with the potential surroundings by use of any or all of the following measures where applicable: Buffer strips; depressions, natural or artificial; screen planting and landscaping continually maintained; camouflage and/or blending colors.~~
- f. ~~All lights shall be shielded so as not to directly shine on adjacent properties.~~
- g. ~~Grading and alteration of natural drainages shall be minimized.~~
- h. ~~Adequate provision shall be made to prevent erosion and flood damage.~~
- i. ~~Except in an emergency, no materials, equipment, tools, or pipes used for marine terminal operations shall be delivered to or removed from the plant site through streets within a residential district between the hours of 7 p.m. and 7 a.m. of the next day.~~
- j. ~~The following standards must be achieved on site or through off-site mitigation:
 - 1) ~~The facility shall not have a significant visual impact.~~
 - 2) ~~The significance of visual impact shall be determined based on a visual contrast rating developed according to the United States Bureau of Land Management Scenic Quality Inventory and Evaluation System (1981), which utilizes a scale ranging from 0 (best) to 33 (worst). A score of 7 or greater (more severe) following mitigation shall be considered significant.~~
 - 3) ~~No known or potential significant habitat for locally rare or regionally endemic species shall be adversely affected by the facility.~~~~
- k. ~~Oil storage facilities shall meet each of the following goals on site or through off-site mitigation except where aggregate impacts, notwithstanding one or more exceedances of the following goals, demonstrate that a particular site is the least environmentally damaging reasonable site available:
 - 1) ~~To ensure public health and safety, human exposure to risk of an accident at the tank farm shall be limited to an aggregate of 240 person hours per day on average, exclusive of facility employees, within one-half (1/2) mile of the proposed facility;~~
 - 2) ~~Not more than 1.6 acres or their equivalent of high productivity terrestrial habitat (equivalent to 1025 acres of industrial use land) shall be disturbed;
 - a) ~~Impacts on terrestrial habitat shall be assessed based on a detailed environmental analysis of site-specific conditions. "Equivalent acres" shall be determined according to the following guidelines based on a standard of high productivity terrestrial habitat based on wetland productivity and biological assessments, but the determination of the environmentally preferable site and mitigation programs shall be based on site-specific environmental data.~~~~~~

<u>Habitat Type</u>	<u>High Productivity Habitat Equivalent</u>
Wetland	1 acre
Native Grassland	3 acres
Undisturbed Riparian	3 acres
Coastal Strand	5 acres
Disturbed Riparian	9 acres
Coastal Bluff Scrub	10 acres
Oak Woodland/Forest	10 acres
Coastal Sage Scrub	15 acres
Chaparral	20 acres
Cismontane Introduced Grassland	50 acres
Agricultural/Introduced Plantings	200 acres
Recently Disturbed	200 acres
Industrial	640 acres.

(eg., 40 acres Coastal Bluff Scrub is equivalent to 4 acres of high productivity habitat.)

~~The interpretation of the Coastal Zoning Ordinance shall not result in less resource protection than mandated by Environmentally Sensitive Habitat areas (ESH) protection policies and other policies contained within this Coastal Plan.~~

- ~~3) Not more than 0.064 acres or their equivalent of high productivity marine habitat (equivalent to 1.19 acres of sandy beach) shall be disturbed by a ballast water treatment outfall associated with a marine terminal;~~
- ~~a) Impacts on marine ecology shall be assessed based on a detailed environmental analysis of site specific conditions. "Equivalent acres" shall be determined according to the following guidelines based on a standard of high productivity rocky bottom kelp habitat, but the determination of the environmentally preferable site and mitigation programs shall be based on site specific environmental data:~~

<u>Habitat Type</u>	<u>High Productivity Habitat Equivalent</u>
Kelp, rocky bottom	1 acre
High relief boulder/ Exposed intertidal reefs	1.6 acres
Kelp, sandy bottom	3 acres
Low relief intertidal bedrock reefs	6.9 acres
Cobble/gravel beach	8.1 acres
Hard bottom/deep water (no kelp)	10.8 acres
Silty/mud bottom	17.1 acres
Sand beach	18.6 acres

- 4) — No residents shall be subject to greater than a 9 dB increment above baseline in ambient noise level;
- 5) — No significant cultural resources shall be adversely affected.

**EXHIBIT D: TEXTUAL AMENDMENTS
TO ARTICLE III (INLAND ZONING ORDINANCE)
OF CHAPTER 35 OF THE SANTA BARBARA COUNTY CODE**

The following textual amendments include deletions to existing text (shown in a ~~strikeout~~ font) and additions of new text (shown in an *italicized and underlined* font).

Repeal Section 35-236.3.3 (p. 133) [Permitted Uses for M-CR Coastal Related Industry]

3. ~~Onshore components of marine terminals required for waterborne shipments of crude oil or petroleum products subject to the regulations of DIVISION 8, ENERGY FACILITIES.~~

Repeal Section 35-296.5.1.h (p. 306) [Treatment and Processing Facilities]

- h. ~~After adoption of a Resolution by the County Board of Supervisors that an onshore pipeline for transporting crude oil to refineries is technically and economically feasible, proposals for expansion, modification, or construction of new onshore treatment and processing facilities for offshore oil and gas shall be conditioned to require transshipment of oil through the pipeline when constructed, unless such conditions would not be feasible for a particular operator.~~

Revise Section 35-296.5.1.k (p. 307) [Treatment and Processing Facilities]

(Amended by Ord. 3940, 9/3/91)

- k. ~~Permits for expanding, modifying, or constructing crude oil processing or related facilities, All oil processed by facilities which receive oil from offshore fields exclusively or from both offshore and onshore fields, shall be conditioned to require that all oil processed by the facility shall be transported from the facility and the County to the final refining destination by overland pipeline, as soon as the shipper's oil refining center of choice is served by pipeline except in the case of highly viscous oil or during an emergency, as stipulated below. Transportation by a mode other than pipeline may be permitted only:~~
- ~~(1) For that fraction of the oil that cannot feasibly be transported by pipeline;
and~~
 - ~~(2) When the environmental impacts of the alternative transportation mode are required to be mitigated to the maximum extent feasible.~~

~~In all cases, the burden of proof as to the infeasibility of transport by pipeline and the need for alternate transportation modes shall be on the shipper.~~

~~Highly Viscous Oil:~~

~~A Development Plan may permit transportation of oil by highway or rail only if the Director makes the following finding, in addition to those required for approval of Development Plans in Sections 35-296.4A, 35-296.4B, and 35-174.7: The oil is so highly viscous that pipeline transport is infeasible, taking into account available options such as modifications to existing pipelines, blending of NGLs, etc.~~

Declared Emergency:

Temporary transport of oil by an alternate transportation mode, including waterborne vessel, may be authorized under an emergency permit if the Governor of the State of California declares a state of emergency pursuant to Public Resources Code Sec. 30262(a)(8) for an emergency that disrupts the pipeline transportation of oil produced offshore Santa Barbara County. In such a case, the oil transported by alternate mode shall be limited to that fraction which cannot feasibly be transported by pipeline. Transport by the alternate mode shall cease immediately when it becomes technically feasible to resume pipeline transport.

- ~~(1) — Within the limits of the permitted capacity of the alternative mode; and~~
- ~~(2) — When the environmental impacts of the alternative transportation mode are required to be mitigated to the maximum extent feasible; and~~
- ~~(3) — when the shipper has made a commitment to the use of a pipeline when operations to the shipper's refining center of choice; and~~
- ~~(4) — When the County has determined use of a pipeline is not feasible by making one of the following findings:
 - ~~(a) — A pipeline to the shipper's refining center of choice has inadequate capacity or is unavailable within a reasonable period of time;~~
 - ~~(b) — A refinery upset has occurred, which lasts less than two months, precludes the use of pipeline to that refinery, and required temporary transportation of oil to an alternative refining center not served by pipeline;~~
 - ~~(c) — The costs of transportation of oil by common carrier pipeline are unreasonable taking into account alternative transportation modes, economic costs, and environmental impacts; or~~
 - ~~(d) — An emergency, which may include a national state of emergency, has precluded use of pipeline.~~~~

~~A permit based on finding (b) or (d) may be granted by the Director of the Planning and Development Department and shall be subject to appeal to the Planning Commission. A permit based on findings (a) and (c) may be granted by the Board of Supervisors.~~

~~All permits for the use of non pipeline mode of transportation may specify the duration for such permitted use. Such permit may be extended upon a showing of good cause based upon a consideration of the findings listed above. A permit based on finding (b) (a)i. shall be granted for two months only. If refinery upset conditions continue beyond two months and the shipper wishes to continue use of a non pipeline transportation mode, the shipper must seek a new or modified permit that is based on a consideration of finding (a), (c), or (d).~~

~~In all cases, the burden of proof as to by pipeline unavailability or inadequate capacity, unreasonable tariffs, and the need for and use of other transportation systems shall be on the shipper. (Amended by Ord. 3940, 9/3/91)~~

Repeal Section 35-298 (pp. 311-313) [Marine Terminals]

~~Sec. 35-298. Marine Terminals.~~

~~Sec. 35-298.1. Applicability.~~

~~The specific regulations contained within this section shall apply to the onshore portion of the components of a marine terminal (except LNG facility) which include facilities for loading and/or unloading equipment, storage tanks, terminal control and safety equipment, and navigational facilities, but not including pipelines. (The regulations for pipelines and related facilities are located in Sec. 35-290.) This section shall apply to existing and new marine terminals and as of April 12, 1967, there exists in the County four (4) marine terminals which are located at Cojo Bay, Gaviota, El Capitan, and Coal Oil Point.~~

~~Sec. 35-298.2. Permitted Districts.~~

~~Marine terminals are a permitted use in the Coastal Related Industry (M-CR) district, except:~~

- ~~1. — No more than one (1) additional marine terminal to the number in existence within the County as of April 12, 1967 shall be permitted in the area east of Pt. Conception and south of the ridge line of the Santa Ynez mountains.~~
- ~~2. — After adoption of a Resolution by the County Board of Supervisors that an onshore pipeline for transporting crude oil to refineries is technically and economically feasible, new marine terminals shall not be a permitted use in any district and existing marine terminals shall continue to be a permitted use until the pipeline is operational, at which time they shall become legal nonconforming uses. After the pipeline is operational, marine terminals shall be a use permitted subject to a Major Conditional Use Permit in the Coastal Related Industry (M-CR) District, but only upon a finding, in addition to those normally required for a marine terminal, as set forth in paragraph 4, that transshipment of oil by onshore pipeline is not feasible for the particular operator. (Amended by Ord. 3939, 9/3/91)~~

~~Sec. 35-298.3. Processing.~~

~~No permits for development including grading shall be issued in conformance with an approved Final Development Plan, as provided in Sec. 35-317. (Development Plans), and with Sec. 35-314. (Land Use Permits).~~

~~In addition to the other information required under Sec. 35-317. (Development Plans), the following information must be filed with a Preliminary or Final Development Plan application:~~

- ~~1. — An updated emergency response plan that addresses the potential consequences and actions to be taken in the event of hydrocarbon leaks or fires. The emergency response plan shall be approved by the County's Emergency Services Coordinator and Fire Department.~~
- ~~2. — A phasing plan for the staging of development which includes the estimated timetable for project construction, operation, and completion, as well as location and amount of any land reserved for future expansion.~~

~~Sec. 35-298.4. Findings Required for Approval of Development Plans.~~

~~In addition to the findings for Development Plans set forth in Sec. 35-317.7. (Development Plans), no Preliminary or Final Development Plan shall be approved unless the Planning Commission also makes all of the following findings:~~

1. ~~There are no feasible alternative locations for the proposed marine terminal that are less environmentally damaging.~~
2. ~~Expansion of an existing marine terminal onto adjacent lands is not feasible or is more environmentally damaging.~~
3. ~~The proposed facility is compatible with the scenic quality and land uses of the surrounding area.~~

Sec. 35-298.5. Development Standards.

1. ~~The level of noise generated by the facility at or beyond the property boundary shall not exceed 70 db(A).~~
 2. ~~The installation shall be visually compatible with the existing and anticipated surroundings by use of any or all of the following measures where applicable: Buffer strips; depressions, natural or artificial; screen planting and landscaping continually maintained; camouflage and/or blending colors.~~
 3. ~~All lights shall be shielded so that all lighting is confined to the project site.~~
 4. ~~Grading and alteration of natural drainages shall be minimized.~~
 5. ~~Adequate provisions shall be made to prevent erosion and flood damage.~~
 6. ~~It is prohibited to operate trucks exceeding one and a half tons for use in oil and gas operations between the hours of 9:00 p.m. and 7:00 a.m. upon streets within any residential neighborhood. This prohibition shall not apply in an emergency as determined by the County Sheriff or Fire Department or Petroleum Administrator.~~
- ~~This ordinance shall not be effective as to any street or part thereof unless and until signs giving notice of the prohibition are posted at entrances to the street or parts thereof affected.~~
- ~~Truck routes shall be reviewed for proposed oil or gas facilities to insure that oil field support traffic is not routed through residential neighborhoods, unless no alternative routes exist.~~

ATTACHMENT B

TEXT OF CALIFORNIA PUBLIC RESOURCES CODE
SECTION 30262, AS AMENDED BY AB 16 (2003)

TEXT OF CALIFORNIA PUBLIC RESOURCES CODE
SECTION 30262, AS AMENDED BY AB 16 (2003)

30262. (a) Oil and gas development shall be permitted in accordance with Section 30260, if the following conditions are met:

- (1) The development is performed safely and consistent with the geologic conditions of the well site.
- (2) New or expanded facilities related to that development are consolidated, to the maximum extent feasible and legally permissible, unless consolidation will have adverse environmental consequences and will not significantly reduce the number of producing wells, support facilities, or sites required to produce the reservoir economically and with minimal environmental impacts.
- (3) Environmentally safe and feasible subsea completions are used if drilling platforms or islands would substantially degrade coastal visual qualities, unless the use of those structures will result in substantially less environmental risks.
- (4) Platforms or islands will not be sited where a substantial hazard to vessel traffic might result from the facility or related operations, as determined in consultation with the United States Coast Guard and the Army Corps of Engineers.
- (5) The development will not cause or contribute to subsidence hazards unless it is determined that adequate measures will be undertaken to prevent damage from that subsidence.
- (6) With respect to new facilities, all oilfield brines are reinjected into oil-producing zones unless the Division of Oil, Gas, and Geothermal Resources of the Department of Conservation determines to do so would adversely affect production of the reservoirs and unless injection into other subsurface zones will reduce environmental risks. Exceptions to reinjections will be granted consistent with the Ocean Waters Discharge Plan of the State Water Resources Control Board and where adequate provision is made for the elimination of petroleum odors and water quality problems.
- (7) (A) All oil produced offshore California shall be transported onshore by pipeline only. The pipelines used to transport this oil shall utilize the best achievable technology to ensure maximum protection of public health and safety and of the integrity and productivity of terrestrial and marine ecosystems.
(B) Once oil produced offshore California is onshore, it shall be transported to processing and refining facilities by pipeline.
(C) The following guidelines shall be used when applying subparagraphs (A) and (B):
 - (i) "Best achievable technology," means the technology that provides the greatest degree of protection taking into consideration both of the following:
 - (I) Processes that are being developed, or could feasibly be developed, anywhere in the world, given overall reasonable

expenditures on research and development.

(II) Processes that are currently in use anywhere in the world. This clause is not intended to create any conflicting or duplicative regulation of pipelines, including those governing the transportation of oil produced from onshore reserves.

(ii) "Oil" refers to crude oil before it is refined into products, including gasoline, bunker fuel, lubricants, and asphalt. Crude oil that is upgraded in quality through residue reduction or other means shall be transported as provided in subparagraphs (A) and (B).

(iii) Subparagraphs (A) and (B) shall apply only to new or expanded oil extraction operations. "New extraction operations" means production of offshore oil from leases that did not exist or had never produced oil, as of January 1, 2003, or from platforms, drilling island, subsea completions, or onshore drilling sites, that did not exist as of January 1, 2003. "Expanded oil extraction" means an increase in the geographic extent of existing leases or units, including lease boundary adjustments, or an increase in the number of well heads, on or after January 1, 2003.

(iv) For new or expanded oil extraction operations subject to clause (iii), if the crude oil is so highly viscous that pipelining is determined to be an infeasible mode of transportation, or where there is no feasible access to a pipeline, shipment of crude oil may be permitted over land by other modes of transportation, including trains or trucks, which meet all applicable rules and regulations, excluding any waterborne mode of transport.

(8) If a state of emergency is declared by the Governor for an emergency that disrupts the transportation of oil by pipeline, oil may be transported by a waterborne vessel, if authorized by permit, in the same manner as required by emergency permits that are issued pursuant to Section 30624.

(9) In addition to all other measures that will maximize the protection of marine habitat and environmental quality, when an offshore well is abandoned, the best achievable technology shall be used.

(b) Where appropriate, monitoring programs to record land surface and near-shore ocean floor movements shall be initiated in locations of new large-scale fluid extraction on land or near shore before operations begin and shall continue until surface conditions have stabilized. Costs of monitoring and mitigation programs shall be borne by liquid and gas extraction operators.

(c) Nothing in this section shall affect the activities of any state agency that is responsible for regulating the extraction, production, or transport of oil and gas.