

LEGISLATIVE PROGRAM COMMITTEE
Advocacy Position on SB 1096 (Jackson):
*Marine Protection in the California Coastal
Sanctuary Act and State Lands Commission*

County of Santa Barbara
Board of Supervisors Hearing
August 19, 2014



Overview of Senate Bill 1096

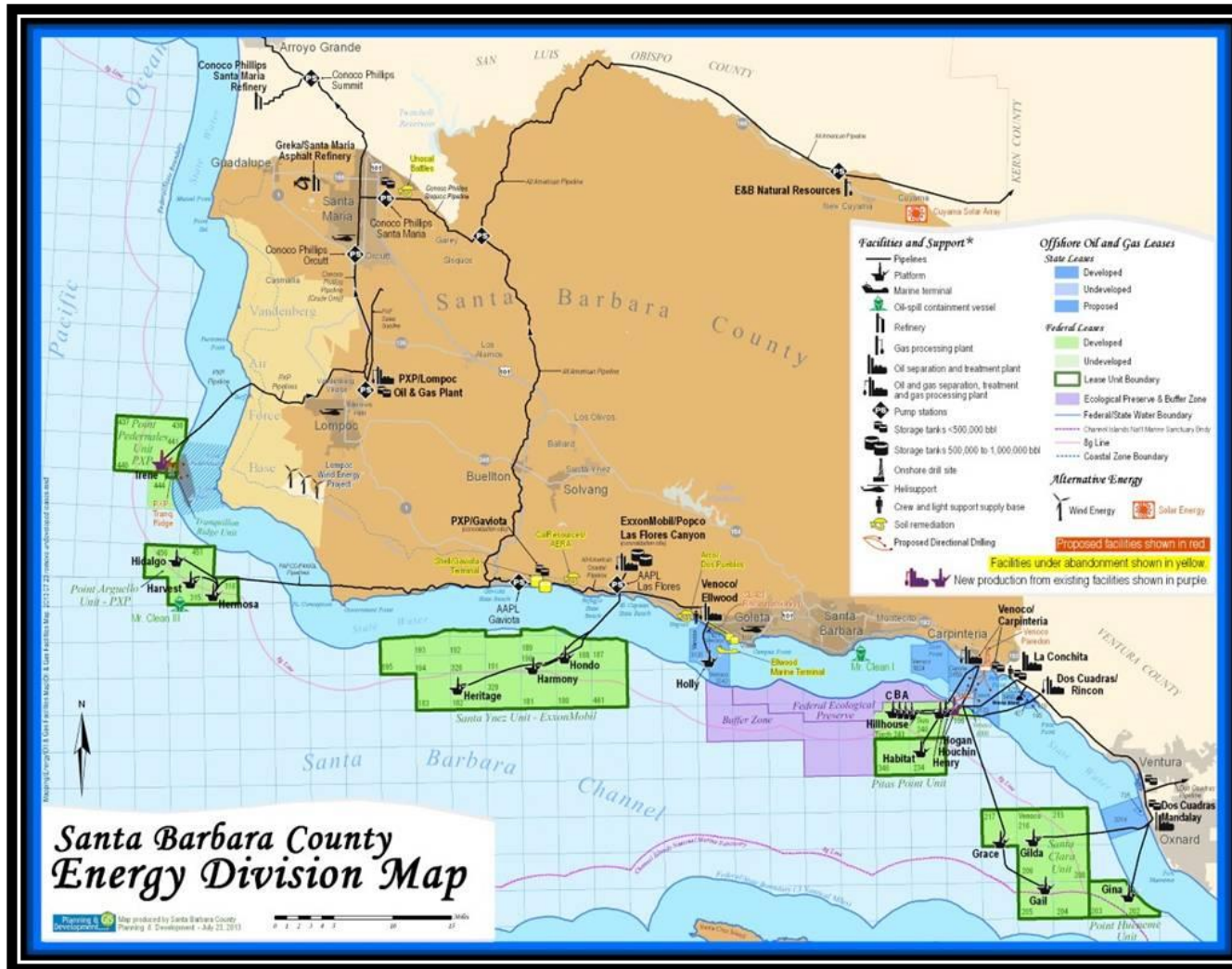
- This item is on the agenda for the Board of Supervisors to consider taking action on SB 1096 (Jackson).
- On August 4, 2014, the Legislative Program Committee (LPC) directed staff to bring SB 1096 (Jackson) to the Board of Supervisors for consideration.
- The LPC is not recommending a position on this legislation and has requested that the Board of Supervisors consider taking an advocacy position or taking no position and communicating that position to the bill's author, members of the legislature including, but not limited to, the County legislative delegation, appropriate committee chairs and the Governor.



Key Points

- SB 1096 introduced by Senator Hannah-Beth Jackson deletes the provision allowing the State Lands Commission to enter into leases for the extraction of oil or gas from State owned tide and submerged lands in the California Coastal Sanctuary.
- There are 11 total fields with an estimated 600 million barrels of oil that cross the state-federal boundary.
- Of those 11, 5 have existing federal infrastructure.
- Of those 5 one has confirmed drainage (Tranquillon Ridge from Platform Irene) and two with potential drainage (Rocky Point and Jalama).
- Under the existing law only Tranquillon Ridge could be leased.
- This bill repeals that ability to be leased.

Map



Key Points

- 2009 - SLC considered a proposal by Plains Exploration and Production
- The County of Santa Barbara approved the project in 2008 on appeal to the Board of Supervisors.
- Project proposal called for up to 17 wells from Platform Irene (approximately four and a half miles off the coast in federal waters) to be drilled into two new state leases, with all the drilling and production to cease on or before December 31, 2022.
- Production from this project would have been in the range of 40 to 90 million barrels of oil.
- SLC considered this proposal because an independent study showed that an existing well drilled from Platform Irene drains low amount of natural gas from the state side of the Tranquillon Ridge field.
- SLC rejected the lease proposal concluding that it was not in the best interest of the state.
- After SLC rejected the Platform Irene-Tranquillon Ridge lease proposal, there were several failed legislative attempts.
- AB 1536 (Blakeslee, 2009), ABX4 23 (DeVore, 2009), AB 2719 (DeVore, 2010), and Governor Schwarzenegger's 2010-11 Proposed Budget.
- 2013 - Freeport McMoRan acquired PXP and that same year chose not to renew the County issued Tranquillon Ridge development permit which has now expired.



Key Points

- Sunset Exploration, submitted an offshore lease application that proposed to drill into Tranquillon Ridge from the Vandenberg Air Force Base lands. SLC did not consider this proposal viable due to the lack of the surface owner's (U.S. Air Force) approval for a surface location for the project.
- U.S. Air Force may be considering allowing the base to be used for the drilling project.
- *Support and Opposition*
 - Supported by a broad coalition of environmental and coastal protection organizations who argue this bill closes the final loophole allowing new offshore drilling leases.
 - Opposed by business and taxpayer organizations, and oil companies including Sunset Exploration and associations who argue that if state resources are being impacted by federally approved leases then the state should be compensated. Opponents also express concern regarding the potential loss of revenue from approximately \$95 million to \$345 million per year for 30 to 35 years
 - The variability of cost depends on the royalty life and the per barrel rate.
 - Should a lease occur, Santa Barbara County per existing legislation could receive 1% of the actual revenue derived or approximately \$950,000 to \$3,450,000 annually.



Support & Opposition *(Revised 08/18/2014)*

SUPPORT: Environmental Defense Center (sponsor)

Asian Pacific Environmental Network	Environmental Working Group
AZUL	Food and Water Watch
California Coastkeeper Alliance	Get Oil Out!
California Coastal Protection Network	Heal the Ocean
California League of Conservation Voters	Cathy Murillo, Mayor Pro-Tem, City of Santa Barbara
California State Grange	Natural Resources Defense Council
Salud Carbajal, First District Supervisor, County of Santa Barbara	Ocean Conservancy
Carpinteria Valley Association	San Diego 350.Org
Center for Biological Diversity	Santa Barbara Audubon Society
Center for Race, Poverty and the Environment	Sierra Club California
Community Environmental Council	Surfrider Foundation
Citizens for Responsible Oil & Gas	WILDCOAST
Clean Water Action	350 Santa Barbara
Earthworks	One Individual
Environment California	

OPPOSITION:

California Chamber of Commerce	Santa Barbara County Taxpayers Association
California Independent Petroleum Association	Santa Barbara County Technology and Industry Association
California Manufacturers & Technology Association	Sunset Exploration
Coalition of Labor, Agriculture and Business	Western States Petroleum Association
Concerned Taxpayers, I.N.C.	



Recommended Actions

That the Board of Supervisors:

Option 1

- Take no position on Senate Bill 1096 (Jackson) Marine Protection in the California Coastal Sanctuary Act and State Lands Commission;
- Find that the proposed actions do not constitute a “Project” within the meaning of California Environmental Quality Act, pursuant to 14 CCR 15378(b)(2), as it consists of general policy and procedure making.

Option 2

- Take an advocacy position (support, watch or oppose) on Senate Bill 1096 (Jackson) Marine Protection in the California Coastal Sanctuary Act and State Lands Commission;
- Direct staff to forward, and authorize the Chair to sign, a letter stating the Board’s decision to the legislative author, members of the legislature including, but not limited to, the county legislative delegation, appropriate committee chairs and the Governor; and,
- Find that the proposed actions do not constitute a “Project” within the meaning of California Environmental Quality Act, pursuant to 14 CCR 15378(b)(2), as it consists of general policy and procedure making.



Thank you.

