



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Planning & Development
Department No.: 053
For Agenda Of: Administrative:
Set hearing on 2/15/22 for 3/8/22
Placement: Departmental
Estimated Time: 2 hours on 3/8/22
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Lisa Plowman, Director, Planning and Development (805) 568-2086
Contact Info: John Zorovich, Deputy Director of the Energy, Minerals & Compliance Division, (805) 568-2519
SUBJECT: Set Hearing to Consider the Planning Commission Recommendation for Denial of the ExxonMobil Interim Trucking for Santa Ynez Unit Phased Restart Project (17RVP-00000-00081): Third and Fourth Supervisorial Districts

County Counsel Concurrence

As to form: Yes

Other Concurrence:

As to form: N/A

Auditor-Controller Concurrence

As to form: N/A

On February 15, 2022, set a hearing for March 8, 2022 to consider the recommendations of the Planning Commission to deny the ExxonMobil Interim Trucking for Santa Ynez Unit Phased Restart Project (Case No. 17RVP-00000-00081).

On March 8, 2022, your Board's actions should include the following:

- a. Make the required findings for denial of the Modified Project, Case No. 17RVP-00000-00081 included herein as Attachment A;
- b. Determine that denial of the Modified Project is exempt from CEQA pursuant to CEQA Guidelines Section 15270(a). The CEQA Exemption is included herein as Attachment B; and
- c. Deny the Modified Project, Case No. 17RVP-00000-00081.

Summary Text:

The Exxon Mobil Interim Trucking project for Santa Ynez Unit Phased Restart is a request to allow a phased approach to restarting oil production at its existing Santa Ynez Unit (SYU) facilities, consisting of offshore platforms Hondo, Harmony, and Heritage, and an onshore processing facility at the Las Flores Canyon (LFC), by:

- 1) Constructing a tanker truck loading rack and ancillary equipment within the LFC; and
- 2) Initiating interim trucking of limited crude oil production (approximately 11,200 barrels/day) from the LFC to two receiving terminals until pipeline transport becomes available.

Staff recommended approval to the Planning Commission of a Modified Project which includes interim trucking of crude oil to the Santa Maria Pump Station (SMPS) only, while it's available, and then to the Pentland Terminal after the Phillips 66's planned shutdown of the SMPS, until a pipeline becomes available to transport SYU crude oil to refinery destinations, or after seven years, whichever is shorter. Up to 78 trucks per day could travel from the LFC facility to the SMPS as long as the facility is in operation (estimated shutdown to be sometime in 2023 based on conversations with Phillips 66). Following the permanent shutdown of the SMPS, all Modified Project trucks would be allowed to transport crude oil to the Pentland Terminal with a maximum of 78 trucks per day within the annual maximum limit of 24,820 trucks per year (average of 68 trucks per day). The Modified Project is a combination of the originally proposed project and two Alternatives analyzed in the Supplemental EIR for the project; (1) Trucking to the SMPS Only Alternative (while available); and (2) No Trucking During Rainy Periods Alternative. The applicant is supportive of the Modified Project and for the purposes of discussion in this Board Letter it is now considered the currently Proposed Project. The lifetime of the interim trucking project is expected to be four to seven years, and would not exceed seven years unless extended by County decision-makers. Staff's original analysis of the Modified project and recommendation are detailed in the Planning Commission Staff Report dated September 8, 2021 included as Attachment D of this Board Letter and the Final SEIR Revision Letter No. 1 dated September 8, 2021 included as Attachment G of this Board Letter.

Exxon's existing permit for its Las Flores Canyon facility specifically states that transportation of oil will only be done by pipeline unless the entitlement is revised. That is why a permit revision is necessary. Specifically, existing Condition of Approval VI-1 entitled "Oil Transportation" states:

All oil processed by ExxonMobil's oil treatment facility shall be transported from the facility and the County by pipeline, in a manner consistent with Santa Barbara County Local Coastal Plan Policy 6-8. Transportation by a mode other than pipeline may be permitted only in accordance with Coastal Zoning Ordinance Section 35-154.5(i), applicable Local Coastal Plan policies and Control Measure R-12 of the Air Quality Attainment Plan, to the extent it is applicable.

Article II Section 35-154.5(i) also specifically requires that transportation of oil processed at such a facility by a mode other than pipeline may only be permitted when certain findings can be made. In this

circumstance, the potentially applicable findings to the Exxon project require a permit granted by the Board of Supervisors. (Id.)

Background:

Exxon Mobil and Plains Pipeline Spill History

Since late 1993, production from Exxon's three offshore platforms Hondo, Harmony, and Heritage has been processed at the Las Flores Canyon site and transported to market for sale via the Lines 901 and 903 pipeline system, owned and operated by Plains All American Pipeline, LLC. From 1993 to 2015, the Plains pipeline system has been the only means of transporting crude oil from Las Flores Canyon to various refinery destinations.

On May 19, 2015, Plains All American Line 901 ruptured and released oil near Refugio State Beach, which resulted in a shutdown of both Lines 901 and 903. The pipeline system has remained out of service since the release, thereby eliminating ExxonMobil's only permitted transportation option for bringing their oil to market. At the time of the shutdown of Line 901, oil production from the Santa Ynez Unit was about 27,500 barrels per day (bpd). Within one month of the pipeline release and shutdown, Exxon Mobil had stopped all oil production, leaving their onshore storage facilities full with approximately 400,000 barrels of crude oil in storage.

In February 2016, ExxonMobil was granted an emergency permit application to de-inventory the approximately 400,000 barrels of crude oil via tanker truck to the SMPS and the Pentland Terminal over a three-to six-month period. De-inventory trucking operations were successfully completed in September 2016, and consisted of approximately 2,500 tanker truckloads to the Santa Maria Pump Station without incident. Following the de-inventory, the onsite storage tanks were purged, and the LFC facilities were determined to be hydrocarbon-free in February 2017.

In August 2017, Plains All American, LLC submitted an application to the County for the replacement of the Lines 901 and 903 pipeline system. The application is currently being processed by P&D and is subject to environmental review under both CEQA and NEPA. P&D staff and their consultant are currently preparing a joint Draft EIR/EIS in consultation with the County of San Luis Obispo, Kern County and the federal Bureau of Land Management. If approved, it is estimated that the Plains Replacement Pipeline Project would be constructed and operational in four to seven years from the date of this board letter, which parallels the timeframe for the proposed Project.

Planning Commission Action

The initial Planning Commission hearing for the project was held on September 29, 2021 where the Commission received presentations from staff and the applicant and then took approximately 73 public comments. The Commission deliberated, continued the item to November 3, 2021 and directed staff to return with findings for a recommendation of denial. A second Planning Commission hearing was held on November 3, 2021 (staff memo included as Attachment E of this Board Letter) where the Planning

Commission voted 3-2 to recommend that the Board of Supervisors deny the project. The Commission was concerned about the Project's traffic safety impacts along the trucking route, particularly along the stretch of Highway 166 from Santa Maria to Maricopa which has existing accident rates above the State average. Also, they determined they could not make a recommendation that the necessary statement of overriding considerations could be made because they did not believe there was sufficient evidence to support a determination that the benefits of the project would outweigh the Project's significant and unavoidable impacts on the environment. The Planning Commission's action including the recommended findings for denial is detailed in Attachment C of this Board Letter.

Environmental Review

A Supplemental EIR (SEIR) was prepared for the project which tiered off the original EIR for the Santa Ynez Unit, 83-EIR-22. The Draft SEIR was released on April 12, 2019, and the public comment period ran through June 4, 2019. A public comment hearing was held on May 6, 2019. The Final SEIR identifies one Class I (Significant and Unavoidable) impact related to the risk of an oil spill. Potential oil spills associated with the trucking of oil could impact sensitive resources including biological, water, and cultural resources along the trucking routes. Under the Modified Interim Trucking Project, which restricts trucking during rainy periods, the likelihood for a spill impacting waterways would be reduced since it would be less likely that the spilled oil could be transported via rainwater into nearby creeks and drainages. In addition, and for only a limited time while the SMPS is available, the Modified Project would substantially reduce the likelihood of an oil spill along State Route 166 when compared to the proposed project. The SEIR also identifies four Class II (Significant and Mitigable) impacts, and 15 Class III (Adverse but Not Significant) impacts that could result from the Modified Interim Trucking Project.

Fiscal and Facilities Impacts:

Budgeted: Yes

The costs for processing projects in the Energy, Minerals & Compliance Division are borne completely by the applicant. Funding for processing this appeal is budgeted in the Planning and Development Permitting Budget Program, as shown on page D-301 of the County of Santa Barbara Fiscal Year 2021-2022 adopted budget.

Special Instructions:

Planning and Development shall publish a legal notice in the *Santa Barbara News Press* at least 10 days prior to the hearing on March 8, 2022. The Clerk of the Board shall fulfill mailed noticing requirements (mailing labels included herein). The Clerk of the Board shall forward the minute order of the hearing as well as a copy of the notice and proof of publication to the Planning and Development Department, Attention: David Villalobos

Attachments:

- A. Findings for Denial
- B. CEQA Exemption

- C. Planning Commission Action Letter dated November 3, 2021
- D. Planning Commission Staff Report dated September 8, 2021, available at <https://cosantabarbara.app.box.com/s/q97rv82305oyfnbdjhcyrddhu3dgkqy/folder/145243361245>
- E. Planning Commission Memo dated November 3, 2011, available at <https://cosantabarbara.app.box.com/s/q97rv82305oyfnbdjhcyrddhu3dgkqy/folder/148910719579>
- F. Supplemental Environmental Impact Report 19EIR-00000-00001, and the original SYU Project EIR 83-EIR-22 (1984 EIR and 1986 SEIR)
<https://www.countyofsb.org/plndev/projects/energy/ExxonMobil-InterimTrucking.sbc>

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Energy, Minerals & Compliance Division, Planning and Development Department