

March 5, 2021

Chairman Bob Nelson Santa Barbara County Board of Supervisors 105 E. Anapamu Street Santa Barbara, CA 93101

Submitted electronically via sbcob@countyofsb.org

Re: <u>EDC Recommendations Regarding the Long Range Planning Division Fiscal</u> <u>Years (FY) 2021-2024 Work Program</u>

Dear Chair Nelson and Supervisors,

The following comments are submitted by the Environmental Defense Center ("EDC") regarding the Long Range Planning Division Fiscal Years (FY) 2021-2024 Work Program ("Work Program"). We urge the County of Santa Barbara ("County") Board of Supervisors ("Board") to direct staff to include additional work identified herein in the Work Program in order to strengthen protections for our environment and community from oil and gas development. EDC is a non-profit, public interest law firm that protects and enhances the environment in Santa Barbara, Ventura, and San Luis Obispo Counties through education, advocacy, and legal action.

EDC recognizes and applauds the actions that the Board has already taken to transition to a clean renewable energy future, including the County's commitment to developing a solar ordinance. In addition to these efforts, over the past several years, EDC has urged the Board to adopt critical ordinances and policies as part of the Long-Range Planning Division's Work Program in order to safeguard County residents from the health and financial burdens imposed by local oil and gas operations. Our recommendations have grown out of our legal and technical experience researching and commenting on environmental impact reports and statements for onshore and offshore oil and gas projects. Through our work, we have identified omissions and deficiencies within County policies governing oil and gas production that may open the door for serious financial risks to the County unless provisions are added or updated. Some of our recommendations are straightforward and will require minimal effort. Other updates may necessitate additional analysis. However, the below recommendations can be prioritized, and

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certain policy changes may be appropriate for County Counsel to handle as opposed to the Planning and Development Department. Spreading this work across different County divisions may help alleviate any staff or resource constraints while avoiding further delay in implementing these measures.

To ensure that our communities are healthy, and our environment is protected, we propose the following recommendations:

- The County's existing Change of Owner or Operator Ordinance under Chapter 25B of the County's Code of Ordinances must be expanded to apply to onshore oil and gas development. At present, the ordinance only applies to certain oil and gas facilities primarily related to offshore oil development. Transfers of onshore facilities also generate major issues pertaining to financial obligations, safety of operations, ability to comply with all applicable permits and regulations, and liabilities. Clear guidelines for applicants, the County, and the public are critical to ensure complete and timely review of proposals to change the owner or operator of oil and gas facilities.
- The County must adopt an ordinance mandating that onshore oil and gas operators retain liability upon a transfer of assets.¹ This ordinance would be similar to state and federal regulations for offshore oil development. As we continue to see more oil operators shield themselves from cleanup costs through bankruptcy proceedings, the County must put protections in place to ensure that these often outrageous costs do not fall onto taxpayers.
- Oil Drilling and Production Plans must have a termination date. Chapter 35.53 of the County's Land Use & Development Code governs the filing requirements and procedures for the discretionary review of Oil Drilling and Production Plans.² The intent of the requirements in Chapter 35.53 "is to ensure that impacts on natural resources from oil and gas drilling and production activities shall be minimized to the maximum extent feasible."³ Consistent with the purpose and intent of the Chapter, the County must include a provision for a termination date in Oil Drilling and Production Plans. Particularly due to the cyclical nature of the oil and gas industry, more and more operators are sitting on permit approvals. As time passes, the environmental review becomes stale and inaccurate while protections under County policies may be strengthened. To protect the County's natural resources as well as public health, the County must include termination dates for Oil Drilling and Production Plans.
- The definition for "high risk operation" under Section 25-4 of the Petroleum Code must be strengthened given the serious threats that these operations pose to the environment and public safety.⁴ As written, the definition narrowly applies to a very specific set of

¹ The County's ordinance would apply to facilities under the County's jurisdiction, and would exclude facilities under the jurisdiction of another agency, such as CalGEM.

² Santa Barbara County Code, Chapter 25, Land Use & Development Code, Sections 35.53.010, *et seq.* ³ *Id.*

⁴ Code of the County of Santa Barbara, Chapter 25, Section 25-4.

limited circumstances, thereby failing to identify <u>any</u> high risk operations in the County. This conclusion, however, is not based in fact. For example, one operator in Santa Barbara County has years of documented compliance violations, oil spills, state-imposed fines, and filed for bankruptcy in 2019, but has nevertheless evaded the label of "high risk operations." Without this designation, the petroleum administrator does not have the authority to "remediate the high risk operation and bring the facility and the operator within normal, safe operating standards and protect the public safety, health and environment" pursuant to the procedures and protocols under Section 25-43.⁵

We urge the Board to direct staff to include these actions in the Work Program and encourage staff to consider additional activities undertaken in other jurisdictions, like the counties of Ventura and Los Angeles. Recently, the Ventura County Board of Supervisors voted to adopt new policies in its 2040 General Plan that may be a template for Santa Barbara County. For example, the County now requires new oil drilling to be located at least 1,500-feet from residences and 2,500-feet from schools. Even though a statewide rulemaking to protect public health from oil development is currently underway, the County of Ventura did not wait to see what the state will propose but instead acted with urgency to mandate these much-needed setbacks now. The County of Ventura also imposed a ban on flaring or venting, unless due to an emergency or for testing, and a requirement that oil and produced water from new oil wells be moved via pipeline instead of trucks.

In Los Angeles ("LA") County, the Board of Supervisors unanimously passed a Just Transition motion, which directs County staff to work collaboratively with a taskforce comprised of environmental, labor, and business stakeholders "to develop a strategy to promote a Just Transition to Clean Energy, with the objective of preparing an able workforce to clean up old fossil fuel infrastructure, utilizing a highly skilled and trained workforce, in a manner that promotes public health and safety and combats climate change."⁶ The motion expressly acknowledges that CalGEM "has not aggressively monitored drilling operations to ensure that all idle wells […] are property abandoned. To compound concerns, according to CalGEM, 800 oil companies have dissolved over the years without scheduling wells for proper plugging and abandonment, or paying sufficient State fees to cover the costs. These circumstances can lead to unfettered oil and gas pollution, with significant public health and safety consequences."⁷ In response, the LA County Board agreed that "the County should align policy efforts with the training and readiness of a workforce that is prepared to support the proper abandonment of wells."⁸

These examples demonstrate the need for Santa Barbara County to likewise take actions to protect the environment and public health from the significant impacts from oil and gas. At the

- ⁷ Id.
- ⁸ Id.

⁵ Code of the County of Santa Barbara, Chapter 25, Section 25-43.

⁶ County of Los Angeles, Board of Supervisors, *Facilitating the Development of a "Just Transition" to Clean Energy;* Revised Motion by Supervisors Mark Ridley-Thomas and Janice Hahn (September 29, 2020).

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very least, we urge the Board to direct staff to include the changes identified herein in the Work Program.

Thank you very much for your consideration.

Sincerely,

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Linda Krop Chief Counsel