

Appendix P

Proposed Amendments to City Coastal Land Use Plan

Proposed Amendment to the City of Hermosa Beach Coastal Land Use Plan

Amend the *Coastal Land Use Plan* by adding a new section titled “Coastal Industrial (Oil and Gas) Development” as follows:

COASTAL INDUSTRIAL (OIL AND GAS) DEVELOPMENT

A. Statement of Philosophy

The City of Hermosa Beach recognizes that while emphasizing protection, enhancement, and restoration of coastal resources is critical to the achievement of community goals, certain types of industrial and energy developments, such as oil and gas, may be appropriate in the coastal zone when consistent with the Coastal Act and policies established by this plan, as well as relevant initiatives passed by the voters of the City of Hermosa Beach.

In November 1995, the Hermosa Beach electorate passed Proposition E, an initiative that re-established a citywide ban on any oil or gas well or wells for the purpose of procuring oil, gas or other hydrocarbon substances. On _____, Measure ___ adopting Ordinance _____ was passed by the electorate allowing an Oil and Gas Development Project proposed by E&B Natural Resources Management Corporation on a 1.3 acre City-owned property at 555 6th Street in Hermosa Beach. The ban on oil and gas development otherwise remains in effect within the City.

Until the City has a certified Local Coastal Program, the legal standard of review for consideration of a coastal development permit by the Coastal Commission is whether a proposed project is consistent with the Chapter 3 policies of the Coastal Act, will not prejudice the City’s ability to prepare a Local Coastal Program, and is consistent with the requirements of the California Environmental Quality Act.

B. Coastal Act Policies

Coastal-Dependent and Coastal-Related Development Criteria

The Coastal Act policies which guide industrial development distinguish between coastal-dependent development, coastal-related development, and other types of industrial developments. According to Section 30101 and 30101.3 of the Act:

30101. “Coastal-dependent development or use” means any development or use which requires a site on, or adjacent to, the sea to be able to function at all.

30101.3 “Coastal-related development” means any use that is dependent on a coastal-dependent development or use.

The exploration, development and production of oil and gas reserves located offshore may qualify as a coastal-dependent development. However, not all activities or facilities associated with such developments are necessarily coastal-dependent uses. Processing and storage facilities that support development of offshore oil and gas reserves may not require a site on or adjacent to the sea or within the coastal zone within the meaning of Section 30101. Such facilities may therefore be considered coastal-related developments. Whether or not exploration, development and production of offshore or onshore oil and gas and its associated facilities is appropriate in the coastal zone is a determination to be made on a case-by-case basis.

Under Section 30255 of the Act, coastal-dependent developments or uses, whether industrial or not, are given priority over other development on or near the shoreline:

Coastal-dependent developments shall have priority over other developments on or near the shoreline. Except as provided elsewhere in this division, coastal-dependent developments shall not be sited in a wetland. When appropriate, coastal-related developments should be accommodated within reasonable proximity to the coastal-dependent uses they support.

In addition, Section 30260 of the Act establishes special criteria for allowing coastal-dependent industrial facilities:

Coastal-dependent industrial facilities shall be encouraged to locate or expand within existing sites and shall be permitted reasonable long-term growth where consistent with this division. However, where new or expanded coastal-dependent industrial facilities cannot feasibly be accommodated consistent with other policies of this division, they may nonetheless be permitted in accordance with this section and Sections 30261 and 30262 if (1) alternative locations are infeasible or more environmentally damaging; (2) to do otherwise would adversely affect the public welfare; and (3) adverse environmental effects are mitigated to the maximum extent feasible.

This section anticipates that coastal-dependent industrial and energy development may not be consistent with the Chapter 3 policies of the Coastal Act, yet it may be necessary for the public welfare. Accordingly, Section 30260 allows the permitting of coastal-dependent oil and gas development that is not consistent with the Chapter 3 policies, provided that the proposed development complies with provisions of the Coastal Act in Sections 30261 and 30262.

Specific sections of the Coastal Act that address energy (oil and gas) development are:

Coastal Act, Section 30250(a) and (b) state in part:

(a) New residential, commercial, or industrial development, except as otherwise provided in this division, shall be located within, contiguous with, or in close proximity to, existing developed areas able to accommodate it or, where such areas are not able to accommodate it, in other areas with adequate public services and where it will not have significant adverse effects, either individually or cumulatively, on coastal resources. In addition, land divisions, other than leases for agricultural uses, outside existing developed areas shall be permitted only where 50 percent of the usable parcels in the area have been developed and the created parcels would be no smaller than the average size of surrounding parcels.

(b) Where feasible, new hazardous industrial development shall be located away from existing developed areas.

Section 30108 (definitions) defines feasible:

"Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

Section 30262 excluding parts (a)(3) and (a)(4) provides guidance for oil and gas development:

(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.

(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 such subsidence.

(6) With respect to new facilities, all oilfield brines are reinjected into oil-producing zones unless the Division of Oil and Gas, 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.

Section 30232 requires protection against oil and hazardous substance spills:

Protection against the spillage of crude oil, gas, petroleum products, or hazardous substances shall be provided in relation to any development or transportation of such materials. Effective containment and cleanup facilities and procedures shall be provided for accidental spills that do occur.

In Section 30265(a) the California legislature finds with regard to offshore oil transportation:

(a) Transportation studies have concluded that pipeline transport of oil is generally both economically feasible and environmentally preferable to other forms of crude oil transport.

Oil and gas exploration, development and production must also be consistent with the public access, recreation, environmentally sensitive habitat, visual, cultural, air quality, water quality, and marine resource protection policies, among others, of the Coastal Act stated in other sections of this Plan.

C. Goals and Objectives

1. To ensure that oil and gas exploration, development and production is conducted in a manner that is consistent with the City's beach culture, high quality of life, and environmental values.
2. To ensure that oil and gas exploration, development and production is consistent with Measure ___ passed by the electorate on _____ allowing an Oil and Gas Development Project at 555 6th Street.

D. Policies and Programs

Policy 1. Oil and gas development is permitted in the coastal zone if found to be consistent with the policies in Chapter 3 of the Coastal Act and this Plan, and as authorized by Measure ___ passed by the electorate on _____ .

Policy 2. Offshore oil and gas wells, platforms, processing and storage facilities are prohibited.

Policy 3. Oil and gas drilling sites, including wells, processing, storage and accessory facilities are permitted only within the Industrial designation on the Land Use Map.

Program 3.1. Pursuant to Measure _____, oil, gas and reinjection wells and related processing, storage and accessory facilities, excluding pipelines, shall be confined to the 1.3 acre site at 555 6th Street, and shall not be relocated or expanded unless and until an amendment to this Plan is approved by the voters of the City of Hermosa Beach and certified by the Coastal Commission.

Policy 4. Pipelines are permitted within the Industrial designation on the Land Use Map and public rights-of-way regardless of land use designation.

Program 4.1. Pipelines to convey produced oil and gas within the City of Hermosa Beach shall be confined to the corridor defined by Measure _____ located within the Valley Drive right-of-way from 555 6th Street to Herondo Street to the City of Redondo Beach. Upon completion of pipeline construction, the corridor shall be recontoured, reseeded, landscaped or surfaced, to conform with the surrounding topography and vegetation or surfacing. Any new or replacement pipelines shall be located within the designated pipeline corridor.

Program 4.2 All oil and gas products shall be transported by pipeline to processing and refining facilities. Produced resources may be transported by vehicles designed for this purpose only during exploration and construction phases of minimum duration necessary to confirm the petroleum resource, construct facilities on the project site, and construct pipelines. Oil and gas produced from production wells shall be conveyed by pipeline.

Policy 5. Processing of oil and gas resources is limited to facilities and activities required for compliant and safe well stream separation of crude oil, gas and formation water, conveyance of unrefined products offsite to a purchaser or refinery, and disposal of waste byproducts.

Policy 6. Monitoring and oversight of oil and gas exploration, development and production projects in compliance with this Plan and Coastal Commission requirements may be undertaken by the California State Lands Commission, a trustee agency, or other qualified agency pursuant to agreement of the Coastal Commission, City of Hermosa Beach and the subject agency.

Policy 7. Oil and gas exploration, development and production shall use the best achievable control technology to ensure maximum protection of public health and safety and of the integrity and productivity of terrestrial and marine ecosystems.

Policy 8. Oil and gas exploration, development and production shall be designed and operated in a manner that reduces the potential for subsidence hazards and impacts to groundwater aquifers.

Policy 9. Oil and gas exploration, development and production shall protect water quality and coastal resources and prevent runoff or discharges.

Policy 10. Oil and gas exploration, development and production shall minimize air emissions and their impacts on the enjoyment of coastal resources, human health and land uses in the surrounding community.

Policy 11. Greenhouse gas emissions generated by oil and gas exploration, development and production should be reduced or offset to achieve net zero carbon emissions.

Policy 12. Oil and gas exploration, development and production shall be designed, constructed, operated and the site restored in a manner that does not adversely affect coastal access and the enjoyment of recreational resources and activities.

Policy 13. Oil and gas exploration, development and production shall be designed, constructed, operated and the site restored in a manner that protects the enjoyment of coastal resources, views and scenic areas and corridors, and maximizes compatibility with the character of surrounding areas.

Policy 14. No well stimulation or well stimulation treatment of any type, including but not limited to acid well stimulation, hydraulic fracturing or gravel packing, pursuant to the Public Resources Code commencing with Section 3150, shall be permitted unless and until an amendment to this Plan is approved by the City of Hermosa Beach voters and certified by the Coastal Commission, after consideration of short- and long-term environmental impacts, and a coastal development permit or amendment as applicable is approved.

Policy 15. If onsite and in-kind mitigation are infeasible, offsite mitigation and/or in-lieu fees or programs approved by the City and applicable agencies may be used to mitigate for adverse impacts.

Policy 16. Upon completion of exploration, development and production, oil and gas facilities shall be dismantled and removed, and the site cleaned of contamination and reclaimed to natural conditions, or conditions to accommodate reasonably foreseeable development, in an orderly and timely manner that avoids impacts to the health, safety, and welfare of the public and environment.

Program 16.1. Upon the completion of exploration, development and production or intentional abandonment of operations, permittee shall obtain all applicable permits to remove, alter or retain facilities, structures,

and other improvements, and reclaim the site to natural conditions, or other conditions as may be approved by the City in compliance with applicable laws and permits. In the event the permittee desires to temporarily idle or defer abandonment of operations, the permittee shall obtain City approval pursuant to a discretionary land use process including consideration of short- and long-term environmental impacts and comply with all laws and regulations. In the event that conditions exist evidencing that the use has been abandoned, the City may pursue remedies allowed by law and compel proper site closure.

Program 16.2. The City shall conduct a discretionary land use review process to permit the removal, retention, or abandonment in-place of facilities, structures, and improvements associated with oil and gas facilities determined to be abandoned, and to reclaim the sites to natural conditions, or other conditions as may be approved by the City in compliance with applicable laws and permits. This process shall be independent of any development permits associated with future use of the land, but may be processed concurrently with development permits.