



OIL SPILL PREVENTION AND RESPONSE
TECHNICAL ADVISORY COMMITTEE (TAC)

Meeting Minutes

Thursday, June 4, 2020, 10:00 a.m. – 3:00 p.m.
Microsoft TEAMS Meeting

The following individuals were in attendance:

TAC members:

Matt Rezvani (Chairman), John Berge (Vice Chair), James Farner, Lynn Korwatch, Tracy Van Houten, Janell Myhre, Sejal Choksi-Chugh, Joseph Cobb, John Ambert, Katherine Cole, Peter Santillan

TAC Agency Representatives:

Jonathan Bishop-California Coastal Commission(CCC), Jordan Stout- National Oceanic and Atmospheric Administration(NOAA), Linda Scourtis-San Francisco Bay Conservation and Development Commission(BCDC), Doug Allen-CALFIRE, James Hosler-CALFIRE, Chris Beckwith-California State Lands Commission(SLC), Jennifer Lucchesi-California State Lands Commission(SLC), Uduak-Joe Ntuk-California Geologic Energy Management(CalGEM)

OSPR Participants:

Thomas M. Cullen, OSPR Administrator, Dr. Julie Yamamoto, Deputy Administrator, Dr. Steve Hampton, Deputy Administrator, Eric Milstein, Assistant Chief Counsel, Christine Kluge, Regulations Analyst, Ryan Todd, Attorney

Guests:

Yvonne Addassi, David Reinhard, David Bell, Jim Bradley, Alex Cheung, Christian Corbo, Nicole Gleason, Kathleen Jennings, Ted Mar, Greg McGowan, Janna Rinderneck, Renee Rose, Damon Williams, Martice Vasquez

1. INTRODUCTIONS

Captain Thomas Cullen, Jr, OSPR Administrator

2. APPROVAL OF MINUTES

Mr. Matt Rezvani, TAC Chairman

Quorum Present

October 24, 2019 Minutes – Matt Rezvani made a motion to accept. Tracy Van Houten seconded that motion.

Roll Call was taken: Matt Rezvani-AYE, John Berg-AYE, Peter Santillan-ABSTAIN(Absent), Tracy Van Houten-Aye, John Ambert-ABSTAIN(Absent), James Farner-AYE, Joseph Cobb-AYE, Sejal Chocksi-Chugh-AYE, Janell Myhre-AYE, Lynn

Korwatch-AYE, Katherine Cole-ABSTAIN(Absent).
Minutes Approved.

March 4, 2020 Minutes. Matt Rezvani made a motion to approve and Tracy Van Houten seconded.

Roll Call was taken: Matt Rezvani-AYE, John Berge-AYE, Sejal Choksi-Chugh-AYE, Joseph Cobb-AYE, Peter Santillan-AYE, Tracy Van Houten-AYE, John Ambert-AYE, Lynn Korwatch-AYE, Katherine Cole-ABSTAIN(Absent)
Minutes Approved.

3. OSPR UPDATE

Captain Thomas Cullen, Jr., OSPR Administrator

Administrator Thomas Cullen, Jr. offered a brief update of each branch of the Office of Spill Prevention and Response, touching on a few highlights. Further updates can be found in the report provided.

- With the Covid pandemic OSPR went into a full telework posture the week of March 16, 2020.
- A week later OSPR had to respond to a significant spill event that happened in Santa Maria when a tanker truck carrying 6,000 gallons of crude oil went off the road and into a river, fifteen miles upstream of a reservoir. The response went very well even though a minimal number of OSPR staff were deployed due to personnel safety concerns. No oil got further than two miles from the spill site with minimal wildlife impact.
- The pandemic has caused OSPR to re-evaluate its response in terms of identifying what essential activities need to be done on scene and what of those things can be done virtually.
- The pandemic caused the Governor to revise his original budget announced at the beginning of the year.
- The State Attorney General's office and the U.S. Department of Justice reached a settlement with Plains and negotiated the terms of a Consent Decree to resolve claims arising from the May 19, 2015 discharge of approximately 2,934 barrels of crude oil from Plains' Line 901, located near Refugio State Beach in Santa Barbara, California. The settlement requires Plains to pay \$22 million in natural resource damages, and \$24 million in penalties. Plains also paid all outstanding response and natural resource damage assessment costs. A total of one million and fifty thousand dollars (\$1,050,000) in penalties will be paid to CDFW-OSPR for Lempert-Keene penalties, plus another \$25,000 will be paid for violating Fish and Game Code 5650.
- As the OSPR Administrator, I issued our first ever Cease and Desist Order against Greka, HVI Cat Canyon, down in Santa Barbara. All five of their facilities were ordered to stop production until they could comply with our regulations, contingency plans and financial assurance. They are now in compliance and have been released from that order.
- There was a call for 10,000 state employees to become trained contact

tracers. OSPR offered up 14 names, and they are going through training for 6 to 9 month deployments.

- At the last TAC meeting, we talked about our budget crisis and going into a structural deficit within the next two years, and our need to look at increasing the per barrel fee. The decrease in the demand for oil has made that impossible. The state is working to help us sustain our program until such time that industry can recover, and then look at a more permanent fix.

4. OSPR and SLC Budget Updates and Discussion

Dr. Steve Hampton, Deputy Administrator

OSPR has two main funds; Fund 320 and Fund 321. Fund 320 is the OSPAF, the Oil Spill Prevention and Administration Fund, that is used to run our day to day operations. Fund 320 is funded by the six and a half cent per barrel fee on oil collected at the refinery door, and the non- tank vessel fee. Fund 320 also funds a significant part of State Lands Commission and a significant part of the Oiled Wildlife Care Network. Fund 321 is the Response Trust Fund, which currently has a balance of about \$52 million. It basically lives off its interest and we use it for emergency spill response.

OSPR is anticipating Fund 320 to go negative next spring, due to the drop in oil demand. With the extent that the gasoline demand recovers, the hit to revenue may not be as severe. However, OSPR does not think it will be solvent for the next fiscal year. A proposal of a loan of up to \$6 ½ million from Fund 321 to Fund 320 has been proposed as a contingency by the Department of Finance.

The Response Trust Fund, Fund 321, has a balance of \$52 million. The administration is borrowing \$30 million for the general fund and possibly \$ 6½ million on top of that for the OSPAF, Fund 320. This will leave about \$12 million in the Response Trust Fund.

5. AGENCY BRIEFINGS

California Coastal Commission

Jonathan Bishop

Commission staff attended the following meetings:

- Six Harbor Safety Committee (HSC) meetings.
- One Area Committee (AC) meeting.
- Staff participated in the online open house for the Refugio Oil Spill Restoration

Coastal Development Permits

- San Diego Airport fuel storage tank expansion
- Laguna Beach Diesel Spill Emergency Permit for the May 7th, 2020 incident of 2,100 gallons of red dye diesel fuel that was released from a holding tank

at Mission Hospital. The emergency permit authorizes emergency development consisting of removal of diesel fuel from the underlying groundwater table and excavation and removal of contaminated beach sand from Totuava Beach.

The California Coastal Commission was awarded an interagency grant from OSPR that has been extended for an additional 3-year term.

San Francisco Bay Conservation and Development Commission

Linda Scourtis

- Staff attended San Francisco Harbor Safety Committee meetings from March through May.
- Two out of service cruise ships remain docked at the Port of Oakland, which in March also served as the disembarkation location for passengers of the quarantined Grand Princess.
- Draft EIR for the proposed ballpark at Howard Terminal continues to be under review by the Air Resources Board.
- The EIR/EIS for deepening the Baldwin Ship Channel in the Carquinez Strait was completed.
- BCDC staff has begun to update the Harbor Safety Plan to reflect 2019-2020 activities.
- BCDC staff attended Area Committee meetings in Oakland in February, May and one scheduled in August.
- BCDC permitting staff was approached to permit the construction of a bird habitat on the Berkley Pier, a project funded through the Cosco Busan settlement.

State Lands Commission

Jennifer Lucchesi

- Since March, State Lands Commission has been continually adapting to the Covid situation.
- 74% of our staff are teleworking.
- We have instituted modified inspection practices and procedures for our inspectors and engineers who are still inspecting marine oil terminals and oil and gas production facilities, monitoring transfers, and boarding vessels as part of the Commission's oil spill prevention and marine invasive species programs.
- Here is a brief update on our two major plugging and abandonment projects. There are over seventy wells associated with the Rincon Island operation. We continue to plug and abandon those deteriorating wells and made significant progress on that over the last couple of months. We continue to operate under our estimated budget on that. We have completed the plugging and abandonment on the island 35 out of the 50 wells and onshore we have completed 24 of the 25 wells.

- Platform Holly is a little bit of a different story. Exxon is primarily the company that is doing a lot of the plugging and abandonment work in coordination with our onsite contractors. Because of the size of Platform Holly and the travel limitations for Exxon Mobile, we had to stop plugging and abandonment activities when the covid pandemic hit and Exxon instituted their pandemic response plan. The Commission continues to work with all the parties involved to figure out how to move forward and restart that plugging and abandonment work.

State Budget/Commission Budget/OSPAF

- Oil and gas production are down. The Oil Spill Prevention and Administration Fund (OSPAF) depends on fees that directly correlate to oil prices, meaning the fund will see significant cuts to revenue for the duration of this economic slowdown.
- The Marine Invasive Species Control Fund is also likely to see declining fee revenues with normal shipping disrupted. Staff estimate a six percent reduction to fees due to reduced vessel visits to California ports.
- The Commission is working closely with OSPR in reviewing the condition of the OSPAFA to identify and implement solutions moving forward to ensure fund viability.
- The Commission is developing a “zero-based” budget for the OSPAFA portion of the Commission’s larger budget in order to ensure they have “right-sized” their OSPAFA operational budget to its leanest and most efficient form.

2021-2025 Strategic Plan

The Commission has begun the process of developing its new five-year Strategic Plan. Public access, climate change and sea-level rise, environmental justice, tribal relations, sustainable economic development, and environmental protection are among the key issues the plan will cover.

State Lands Commission

Chris Beckwith

Staffing

The Marine Environmental Protection Division is in the process of recruiting to fill five field staff positions and one Marine Safety Supervisor position.

Oil Transfer Monitoring Statistics

- Months of January, February and March of 2020, staff monitored an average of 27 percent of oil transfers (390 of 1,461 transfers) at marine oil terminals. Spills directly resulting from oil transfers during this time was zero.
- Staff conducted fourteen spot and annual inspections.

Regulations Update

- Staff are starting the process of updating several sets of regulations including Article 5 (operations) and Article 5.5. (pipelines).
- Want to add a section about Safety Management System Program, that we are going to be initiating soon. Very similar to marine terminal safety assessment, we are going to try to adopt that model. That would be an audit that would be done by the operator and then submitted to State Lands.

MOTEMS

- Engineering staff reviewed multiple MOTEMS audit reports, designs, drawings, and inspections related submittals from all 34 MOTs in California. Overall, MOTs in California continue to make substantial progress towards full MOTEMS.
- Commission engineers are working with the Port of Los Angeles and several MOT operators on major rebuild and rehabilitation projects in the port. There are seven projects in various stages of permitting and design.

Prevention First Symposium

Prevention First will be rescheduled due to the Covid-19 pandemic, and we are looking to a future date in the fall of 2021.

Safety and Oil Spill Prevention Audit Activities

- The Commission's Safety and Oil Spill Prevention Audit program is used to verify regulatory compliance and conformance with design, maintenance, spill prevention, and other safety management practices that are key safety elements in preventing accidents and spills for offshore oil and gas production facilities.
- Safety audit results continue to show a high level of commitment on the part of operators to comply with applicable regulations, codes, and standards, as well as vigilance for safety and spill prevention.

Pipeline Inspection Program

During the first quarter of 2020, Commission engineers witnessed hydrotesting of four Fiberspar mudlines from Platform Emmy; reviewed Platform Esther to shore pipeline corrosion coupon reports; reviewed Exxon Mobil's pipeline preservation reports for Platform Hermosa and Harmony.

Structural/Facility Engineering Projects

Commission engineers continue to review:

- Offshore platform structural inspection reports for Platforms Holly, Eva and Esther
- Rincon causeway pile thickness inspection reports
- Eva Amine unit removal project
- Ellwood Pier Gangway landing project

CALFIRE

Doug Allen

Regulations

- Assembly Bill 864 – stemmed from the Santa Barbara spill and is going through regulation process now. It requires pipeline operators to identify pipelines near geologically and environmentally sensitive sites, submit a risk analysis assessment evaluating spill volumes and dispersion that could impact those sites and propose the use of best available technology to reduce spill volumes that are subject to review and approval by the Office of the State Fire Marshal (OSFM). Operators will be required to retrofit existing pipelines with best available technology in a specified time frame. The draft regulation will be going to a fourth 15-day comment period with non-technical revisions required by the Office of Administrative Law (AOL).
- OSFM is continuing to prepare for the new regulation and anticipated workload associated the Best Available Technology (BAT) Program.
- OSFM completed the Annual Pipeline Operator Report (APOR) project on May 1, 2020. The APOR allows the operator to submit required reports to the OSFM through a secure web-based application. The APOR was designed to replace two annual pipeline reports and a manual update process by OSFM.

CALFIRE

Assistant Deputy Director James Hosler

COVID-19 Impacts

- OSFM cancelled the 2020 Hazardous Liquid Pipeline Safety Seminar that was scheduled for April 21, 2020.
- Staff have been assigned to either a partial or full telework schedule. Those on a partial telework schedule are asked to stagger their office days.
- Pipeline Safety Engineers are conducting some inspections remotely. We are continuing to monitor pipeline construction and anomaly repairs in person using mitigations to limit exposure.
- OSFM has reached out to hazardous liquid pipeline operators to identify the need for cloth face masks as part of the FEMA distribution to the transportation sector. As a result, approximately 1,000 cloth masks have been ordered for pipeline operator employees.

NOAA Emergency Response Division (ERD) Report

Jordan Stout

Current Operational Status:

- Like many other agencies, all travel has been cancelled. Emergency and mission critical travel may be approved on a case-by-case basis at the Deputy NOAA Administrator's level.
- Currently evaluating NOAA remote sensing assets to leverage on-scene support while minimizing on-scene staff.
- Focusing on aerial observations of oil in the open water to support trajectory modeling and assessing oiled shorelines to drive cleanup decisions.

Current Training Status

- In-person trainings, meetings, and gatherings have been cancelled or postponed for the remainder of the Federal fiscal year.
- Weekly "You Don't Know What You Don't Know" webinar lecture series featured for the spill response/spill community across the US. Held every Thursday from 1200-1300 hours (Pacific), 250-300 people typically log on.
- Evaluating ERD training content to host on-line now and in the future, including Shoreline Cleanup Assessment Technique, Science of Oil Spills, and Science of Chemical Releases.

Remote Sensing

NOAA ERD was recently funded to advance the use of Un-manned Aerial Systems during oil spills and disaster responses. Expected products include an operational guide for flights and data processing for efficient creation of ERMA-friendly products available for both response and NRDA personnel.

Sunken Oil Mats Response Guide

NOAA ERD completed a new response guide outlining the formation, behavior, detection, and recovery methods of Sunken Oil Mats.

Incorporating AI into disaster response

Data management lessons learned from recent hurricane responses to oil and hazmat releases have prompted NOAA ERD to begin using artificial intelligence to automate ESF- 109 target identification from high resolution, post disaster aerial imagery.

6. Inland Oil Production Issues and Risks during COVID-19

Uduak-Joe Ntuk, State Oil and Gas Supervisor, CalGEM

California Geologic Energy Management (CalGEM)

- California Geologic Energy Management's (CalGEM), formerly known as the Division of Oil, Gas, and Geothermal Resources (DOGGR), mission is to protect public health and safety and environmental quality, including reduction and mitigation of greenhouse gas emissions associated with the development of hydrocarbon and geothermal resources in a manner that meets the energy needs of the state.
- It requires the State Oil and Gas Supervisor to coordinate with other state agencies and certain entities in furtherance of the goals of the California Global Warming Solutions Act of 2006.
- Made up of four Districts: Northern, Southern, Inland and Coastal.
- Consists of eleven programs: UIC, Well Stimulation, Idle Wells, Enforcement, PSU, Monitoring and Compliance, Pipeline and Facilities, Data Management, CEQA, GIS, and Underground Gas Storage.

Division utilizes permitting procedures, field surveillance and injection project reviews for:

- Overseeing drilling of oil, natural gas, and geothermal wells.
- Maintaining active well sites.
- Verifying plugging and abandonment procedures.
- Protecting the environment, groundwater, preventing pollution, and ensuring public safety.

Economic Outlook

- Global GDP expected to decrease
- Oil demand destruction
- Very low oil prices expected in 2020, and high prices expected in 2022
- Global investments expected to fall \$100 billion for 2020
- Oil price collapse, negative crude oil prices for the first time
- Industry layoffs, up to 200,000 jobs
- Hundreds of U.S. oil companies could go bankrupt

CalGEM issued a Covid-19 Pandemic Notice to Operators on May 1, 2020.

- Case by case basis
- A 60-day delay of fee payments and idle well management plans until July 1, 2020.
- CalGEM held virtual online meetings for public health rules and electronic reporting through WellSTAR.

CalGEM has successfully implemented telework with existing technology and constant support from the Enterprise Technology Service Division (ETSD). Engineers continue to perform inspections and witness testing in the field. The Operations segment continues to process Notices of Intent to operate on wells, Underground Injection Control applications are being evaluated and Aquifer Exemption proposals are being reviewed. The Natural Resources Agency Mandate to go

paperless is accelerating.

- CalGEM's operations continue with Districts operating near normal capacity, processing applications and facility inspections.
- Legislative mandated inspections are prioritized by the higher risk sites.
- Engineers are in the field daily and when deployed to witness a job, they are required to file a report on the operation.
- Permits issued have decreased between April and May.

7. Offshore Oil Storage in Tankers-

Lynn Korwatch, Executive Director of Marine Exchange of the San Francisco Bay Region
Ted Mar, Prevention Branch Chief, OSPR

In San Francisco, we are seeing tankers come in, wait for a berth, then discharge and leave. Tankers remaining at anchorage has not been a problem in northern California.

OSPR has been monitoring the number of tank vessels in California and in the last few months there have been over 40 tankers per day. This last week we have seen that number drop into the 30's. In Southern CA, tankers move between anchorages. I think the actual numbers of tankers that are being used for storage is decreasing.

Matt Rezvani, TAC Chair:

When the demand for oil goes down, pipelines are also used as storage. The cost of leasing tankers as storage facilities is cost prohibitive.

James Hosler, Assistant Deputy Director, CALFIRE

Currently in CA there are no pipelines being used for storage. CALFIRE's regulatory authority has not allowed that.

8. Legislative Update and Refugio Update

Christine Kluge, Regulations Analyst

REGULATIONS

Spill Management Team Certification

- Regulatory language complete
- Pending agency (CNRA) review
- No additional informal scoping meetings are anticipated
- Regulatory Timeline: Commencement of formal rulemaking process anticipated within next couple months. Submit final regulations to OAL by fall of 2020.

Non-tank Vessel Fee

OSPR intends to promulgate revisions to the regulations governing non-tank

vessel fees. The proposal is to increase fees collected by non-tank vessel owners/operators by 15% to address the increased costs to administer a comprehensive non-tank vessel program and ensure best practices. This increase takes into consideration inflation that has occurred since the last fee increase in 2012.

- Non-tank vessel fees are collected at time of application for certificate of financial responsibility and every two years thereafter with the certificate renewal.

Non-Floating Oil

- A.B. 936 - Introduced by Assembly Member Rivas on 2/20/2019; approved by the Governor 10/12/2019
- Regulatory Timeline: Scoping sessions with interested stakeholders anticipated in fall of 2020.

Articulated Tug Barge

Revisions necessary to include specificity to the combinations of tanker and tank barge based on the mechanical connection system. OSPR hopes to commence rulemaking activity in 2021.

LEGISLATION

A.B. 3124 -Oil Spill Criminal Penalties & Financial Responsibility, Introduced by Assembly Member Limón on 2/21/2020, this bill would:

- Double criminal penalties for a spill and other violations to \$1 million
- Create an additional \$10,000 per gallon criminal penalty for each violation
- Double financial responsibility amounts for tank vessels from \$1 billion to \$2 billion
- Double financial responsibility for non-tank vessels from \$300 million to \$600 million

A.B. 2028- Bagley-Keene Open Meeting Act, Introduced by Assembly Member Aguiar-Curry on 1/30/2020, this bill would:

- Require all materials provided to a member of a state body by the staff of a state agency intended to be shared/discussed at an open and public meeting of a state body be included with the notice of the meeting.

9. Next TAC meeting

Matt Rezvani, TAC Chair

Next meeting – Thursday, November 5, 2020; 10 a.m. to 3:00 p.m.

Matt Rezvani: A motion to adjourn the meeting,

Lynn Korwatch: I so move

Tracy Van Houten: I second

Roll Call Taken: Matt Rezvani-Aye, John Berge-Aye, Tracy Van Houten-Aye, Lynn Korwatch-Aye, Joseph Cobb, Aye, Peter Santillan-Aye, James Farner-Aye, John Ambert-Aye, Katherine Cole-Aye, Janell Myhre-Aye, Sejal Choksi-Chugh-Aye
Unanimous Agreement

Meeting Adjourned: 1:56 p.m.