

**RESOLUTION OF THE BOARD OF SUPERVISORS
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA**

RESOLUTION NO. 04-302

Case No. 04GPA-00000-00014

IN THE MATTER OF ADOPTING
AMENDMENTS TO SECTION 3.6.4 OF
THE COASTAL PLAN, REVISING OIL
TRANSPORTATION POLICIES AND
REPEALING MARINE TERMINAL
POLICIES, TO ENSURE THAT OIL
PRODUCED OFFSHORE OF THE COUNTY
WILL BE TRANSPORTED BY PIPELINE.

WITH REFERENCE TO THE FOLLOWING:

- A. Santa Barbara County seeks to ensure that oil produced offshore is transported to onshore facilities and thence to refinery by pipeline, and that construction or expansion of marine oil terminals shall not occur, in order to minimize adverse impacts of oil transportation on marine and coastal resources.
- B. The Santa Barbara County Planning Commission has recommended policy amendments to assure that oil produced offshore is transported by pipeline, with certain exceptions, consistent with State law.
- C. The Board has held a duly notice public hearing, as required by Section 65355 of the Government Code, at which the amendments to the Coastal Plan were explained and comments invited from the persons in attendance.
- D. It is now deemed in the interest of the orderly development of the County of Santa Barbara and important to the preservation of the health and safety of the residents of said County to amend the Coastal Plan of the Local Coastal Program by adopting the following amendments to Section 3.6.4, "Land Use Plan Proposals:"

Repeal Portions of the preamble to Oil and Gas Processing Facilities policies (pp. 62-63):

~~“ Oil transportation is one of the key issues associated with oil development in Santa Barbara County. Pipelines have been found to be environmentally superior to tankers. Tanker transportation presents greater impacts to marine, visual, recreation and air resources than do pipelines. General pipeline "feasibility" will be determined through the market based on producer choice of refining center, refining capacity in that center, and economic feasibility being tested through ability to obtain financing and the choice to build and operate the pipeline. Once constructed and operational to the refining center of a producer's choice (e.g. Houston, San Francisco, Los Angeles), pipelines shall be the required mode of transportation because they are less environmentally damaging than other modes of transportation. This requirement is based on the assumption that, when operational, pipelines serving various refining centers will have adequate capacity and that the tariffs and costs of transporting the oil to its ultimate refining destination will be reasonable. This "reasonableness" will be based on the balancing of public and~~

~~private interests in economic and environmental factors. (Adopted by B/S 6/18/84, Resol. #84 284).~~

~~The County should assure that producers have access to competitive markets, however, the County need not provide unlimited flexibility to all producers. Since pipelines are not yet in place and may not be constructed to all refining centers, other methods of oil transportation are needed for production that precedes pipeline construction and operation and for refining centers not served by pipeline. (Adopted by B/S 6/18/84, Resol. #84 284).~~

~~The County recognizes the potential for transportation demand to exceed system capacity and should take affirmative measures to ensure equitable, pro rata access to the transportation system by all shippers consistent with the County's goals of consolidation. (Adopted by B/S 6/18/84, Resol. #84 284).~~

~~Because of uncertainty regarding crude oil production volumes, industry economics, and permits, there is a need for periodic review of the County's oil transportation policies. (Adopted by B/S 6/18/84, Resol. #84 284). "~~

Renumber Policy 6-6A (as 6-10F) and delete reference in the text preceding it (p. 63):

~~" Policy 6-6A applies to oil and gas processing facilities and sites that serve offshore producers. "~~

~~" Policy 6-6A If upper throughput limits exist in any new oil transportation system, the County shall, to the maximum extent feasible and legally permissible, assure equitable, pro rata access for all shippers. Permits for oil transportation systems shall require the permittee to achieve County's goals for consolidation. County shall retain continuing permit jurisdiction to assure that these goals are met. For the purposes of this plan, "shipper" shall refer to the entity in legal ownership of the oil to be transported. (Added 7/88). "~~

Revise Policy 6-6B (p. 64):

~~" Policy 6-6B: Except for facilities not directly related to oil and gas processing as referenced in Policy 6-11B (Marine Terminals), t This policy applies to areas of the coastal zone that are outside the South Coast Consolidation Planning Area (SCCPA). The SCCPA is the unincorporated area from Point Arguello to the western boundary of the City of Santa Barbara, and from the ridge of the Santa Ynez Mountains to the three mile offshore limit. (Added 12/14/87, B/S Resol. #87 616)~~

If new sites for processing facilities to serve offshore oil and gas development are needed, expansion of facilities on existing sites or on land adjacent to existing sites shall take precedence over opening up additional areas, unless it can be shown that the environmental impacts of opening up a new site are less than the impacts of expansion on or adjacent to existing sites. Consideration shall also be given to economic feasibility. "

Revise Policy 6-8 (p. 66):

~~" Policy 6-8: If an onshore pipeline for transporting crude oil to refineries is determined to be technically and economically feasible, proposals Any permit approval for expansion, modification, or construction of new oil and gas processing facilities shall be conditioned to require~~

transportation of oil by pipeline, in accordance with policies on Oil Transportation (Policies 6-10A through 6-10F), through the pipeline when constructed, unless such condition would not be feasible for a particular shipper. (Revised 6/18/84, B/S Resol #84-284; 11/19/91, B/S Resol #91-670) ”

Repeal Policies 6-8a through 6-8e (pp. 66-67):

- a) ~~Pipeline transportation of crude oil to a refining center served by a pipeline is presumed to be technically and economically feasible and the required method of transportation to that center. (Revised 6/18/84, B/S Resol #84 284).~~
- b) ~~Pipeline transportation of crude oil is presumed feasible for a particular shipper if a pipeline is in operation to the refining center of the shipper's choice. (Revised 6/18/84, B/S Resol #84 284).~~
- e) ~~Crude oil processing facilities shall be conditioned to require that each shipper's oil leaving those facilities be transported by pipeline when a pipeline is in operation to the refining center of the shipper's choice. (Revised 6/18/84, B/S Resol #84 284).~~
- d) ~~Until pipelines become available, and for refining centers not served by pipeline, other modes of oil transportation are allowed consistent with County policies. Rail is not preferred for large volume shipments of oil. (Revised 6/18/84, B/S Resol #84 284).~~
- e) ~~For refining centers served by pipeline, other modes of transportation up to the limits of permitted capacity for those modes, and with assurances that the shipper or transportation facility operator can and will mitigate the environmental impacts caused by the alternate transportation mode, are allowed only under the following circumstances:
 - 1) Pipeline unavailability or inadequate capacity; or
 - 2) A refinery upset lasting no longer than two (2) months and only where the alternate refining center is not served by pipeline; or
 - 3) An emergency which may include a national state of emergency. (Revised 6/18/84, B/S Resol #84 284).~~

Repeal the preamble to *Marine Terminals* policies (pp. 67-68):

“ Marine Terminals

~~The County has permit jurisdiction over those portions of a marine terminal that are on land (i.e., pipelines, storage tanks) except where the County has been granted jurisdiction over State Tidelands.² Those portions of a marine terminal which are seaward of the mean high tide line are regulated by the Coast Guard and the State Lands Commission. Further, the County's "Statement of Policy Relative to the Location of On-Shore Oil Facilities" favors no more than one additional marine terminal along the South Coast.~~

~~While the existing policies and regulations appear consistent with the policies of the Coastal Act, policies addressing the location of new marine terminals need to be clarified in two aspects: (1) the status of marine terminals if an onshore pipeline proves to be feasible, and (2) the impact of lease sale #53 on the need for marine terminals between Point Conception and the Santa Maria River.~~

~~The County recognizes the potential for transportation demand to exceed system capacity and should take affirmative measures to ensure equitable access to the transportation system by all~~

shippers entitled to use it consistent with the County's goals of consolidation. Equitable access is intended to prevent non-owners of a facility from being forced out of, or not allowed into, transportation facilities. (Added 6/18/84, B/S Resol #84 284).

The County does not wish to encourage the long term use of marine transportation facilities which are incompatible with surrounding land uses or which possess technological limitations significantly affecting or potentially affecting public health and safety and the environment. (Added 6/18/84, B/S Resol #84 284).

~~—2—~~ The County's only granted Tidelands are in Carpinteria. The existing Chevron marine terminal in Carpinteria is under the jurisdiction of the City.

Where

~~—~~ Landward support facilities for the Gaviota Interim Marine Terminal are designated as Coastal Dependent Industry on the land use plan maps.

~~—~~ Oil storage sites (tank farms) for transportation facilities should be consolidated and serve the entire oil transportation system (pipeline, marine, rail, other). A siting study was conducted in 1984 which identified the preferred environmental characteristics for an oil storage site on the Gaviota coast. These characteristics are based on those of Canada de la Pila for all attributes except geology and soils, which must meet standard County requirements through engineering and design review. Present County policy precludes the use of Canada de la Pila as a tank farm site. Proposed oil storage sites should meet these standards through project design and on and off site mitigation, though the County recognizes that environmental trade-offs may be required to ensure than an environmentally preferable site is used. ”

Repeal Policies 6-10 through 6-12 (p. 68-69):

“ Policy 6-10: All relevant sections of Ordinance No. 661, the Petroleum Ordinance, and "Statement of Policy Relative to the Location of On Shore Oil Facilities" are hereby incorporated by reference. ”

“ Policy 6-11: If an onshore pipeline is determined to be technically and economically feasible existing marine terminals shall become, after a specified period, non-conforming uses. Crude oil shall be transported by pipeline, unless the County makes the finding that transportation of oil by pipeline is not feasible for a particular shipper according to the provisions of Policies 6-8 and 6-8A. (Revised 6/18/84, B/S Resol #84 284). ”

“ Policy 6-11B: Policies 6-6 and 6-6A regarding consolidation of oil and gas processing facilities shall be applied to all oil and gas facilities. Consolidated storage facilities shall be designed to support a complete oil transportation system including one or more transportation modes. Facilities approved by the County shall be sited to provide for reasonable expansion. (Added 6/18/84, B/S Resol #84 284). ”

“ Policy 6-12: Due to scenic and natural resources in areas between Point Conception and the Santa Maria River, marine terminals are not considered at present as appropriate development in that area. If activity under lease sale #53 results in a need for marine terminal(s) in the North County, detailed

~~studies shall be undertaken to determine appropriate location(s). No onshore facilities, except pipelines, shall be located on any environmentally sensitive habitat areas.”~~

Add a new preamble entitled *Oil Transportation (to replace repealed preamble to Marine Terminals)*:

Oil Transportation

The following policies apply to the transportation of oil produced from any offshore reservoir and landed in Santa Barbara County. Pipelines are environmentally less damaging than other modes of crude oil transport, including highway, rail, and marine tank vessel. In particular, while tanker or barge accidents occur less frequently than pipeline spills, the adverse environmental impacts of tanker or barge spills can be far greater due to the large volumes of oil released, the extreme difficulty in containing and cleaning up offshore spills, and the overall sensitivities of marine and coastal resources.

Whereas:

The County seeks to minimize adverse environmental impacts of oil transportation, both onshore and offshore, by requiring crude oil produced from offshore reserves to be transported by pipeline to the maximum extent feasible.”

Add New Policies 6-10A through 6-10E:

Policy 6-10A: Phase-out of Marine Terminals.

No new marine oil terminals, or expansion of existing marine terminals, shall be permitted in the County. As used here, “expansion of existing facilities” means any activity beyond what an owner has a vested right to do under existing permits. Existing marine terminals shall remain classified as a legal, non-conforming uses, with the expressed intent that they be phased out of existence once the owner’s current vested right to operate under existing permits is exhausted.

Policy 6-10B: Transport of Crude Oil from Offshore to Onshore.

- 1) Crude oil produced from offshore production facilities shall be transported to onshore facilities exclusively by pipelines that conform to all applicable regulations and standards.
- 2) Any new pipeline shall be routed to maximize protection of coastal and marine resources. Factors to be balanced in selecting the route include, but are not limited to, minimizing the length of the offshore segment (to reduce the risk of oil spills in coastal waters), location of sensitive species and habitats both onshore and offshore, and anticipated hazards to pipeline integrity.

Policy 6-10C: Transport of Crude Oil to Refineries.

- 1) Production from new offshore facilities.
Crude oil received onshore from new or expanded offshore production facilities, or from onshore operations to extract oil from offshore reserves, shall be transported to processing facilities and final refining destination by overland pipeline, except as provided for in Policy 6-10D and E. The pipelines shall conform to all applicable regulations and standards.

- 2) Production from existing offshore facilities.

Crude oil received onshore from existing offshore production facilities shall be transported to processing facilities and final refining destination by overland pipeline, except where an owner has a vested right to transport oil by marine vessel or as provided in Policy 6-10D and E.

- 3) "Final Refining Destination" shall mean a refinery in California where final refining of the subject oil into products is accomplished. Exceptions: Oil shall be considered to reach its final refining destination if (a) the oil has been transported out of the State of California, and does not reenter before final refining; or (b) the oil has been transferred to truck or train after leaving the County by pipeline, and does not reenter the County by truck or train, and is not transferred to a marine vessel for further shipment to a port in California prior to final refining.

Policy 6-10D: Exception to Policy 6-10C Requirement for Transport via Pipeline.

Crude oil received onshore from offshore production facilities may be transported by highway or rail if the Director determines that the oil is so highly viscous that pipeline transport is infeasible, taking into account available options such as modifications to existing pipelines, blending of NGLs, etc.

Any shipment of oil by highway or rail under this policy shall be limited to that fraction of the oil that is technically infeasible to transport by pipeline. The shipper or carrier shall mitigate to the maximum extent feasible any significant environmental impacts caused by use of the alternate transportation mode.

Policy 6-10E: Emergency Provision.

Notwithstanding the provisions of Policies 6-10A to 6-10D, temporary transport of oil by waterborne vessel may be authorized under an emergency permit if the Governor of the State of California declares a state of emergency pursuant to Public Resources Code Sec. 30262(a)(8) for an emergency that disrupts the pipeline transportation of oil produced offshore Santa Barbara County. In such a case, the oil transported by alternate mode shall be limited to that fraction which cannot feasibly be transported by pipeline. Transport by the alternate mode shall cease immediately when it becomes technically feasible to resume pipeline transport.

Add Policy 6-10F (renumbered from previous Policy 6-6A):

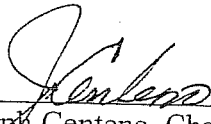
Policy 6-10F: If upper throughput limits exist in any new oil transportation system, the County shall, to the maximum extent feasible and legally permissible, assure equitable, pro rata access for all shippers. Permits for oil transportation systems shall require the permittee to achieve County's goals for consolidation. County shall retain continuing permit jurisdiction to assure that these goals are met. For the purposes of this plan, "shipper" shall refer to the entity in legal ownership of the oil to be transported. (Added 7/88).

NOW, THEREFORE, IT IS HEREBY RESOLVED as follows:

1. Pursuant to the provisions of Section 65356 of the Government Code, this Board adopts the foregoing amendments to Section 3.6.4 of the Coastal Plan.
2. A copy of this Resolution shall be made available pursuant to Section 65357 of the Government Code.

PASSED, APPROVED, AND ADOPTED this 26th day of October, 2004, by the following vote:

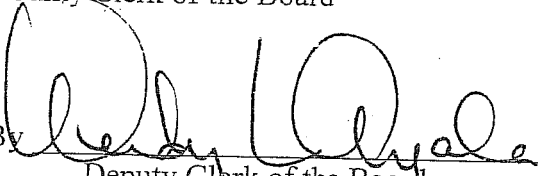
AYES:	Supervisor's Schwartz, Rose, Marshall, Gray and Centeno
NOES:	None
ABSENT:	None
ABSTENTIONS:	None



Joseph Centeno, Chair
Board of Supervisors
County of Santa Barbara

ATTEST:

MICHAEL F. BROWN
County Clerk of the Board

By 

Deputy Clerk of the Board

APPROVED AS TO FORM:

STEPHEN SHANE STARK
County Counsel

By 