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SB-704 Coastal resources: California Coastal Act of 1976: industrial developments: oil and gas developments: refineries: petrochemical facilities: offshore wind. (2023-2024)

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Senate Bill No. 704

CHAPTER 292

An act to amend Sections 30006.5, 30260, 30262, 30263, and 30701 of the Public Resources Code, relating to coastal resources.

[Approved by Governor September 30, 2023. Filed with Secretary of State September 30, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

SB 704, Min. Coastal resources: California Coastal Act of 1976: industrial developments: oil and gas developments: refineries: petrochemical facilities: offshore wind.

(1) The California Coastal Act of 1976 regulates development along the state's coast. The act requires that coastal-dependent industrial facilities be encouraged to locate or expand within existing sites and be permitted reasonable long-term growth where consistent with the act, and, where new or expanded coastal-dependent industrial facilities cannot feasibly be accommodated consistent with other policies of the act, they may nevertheless be permitted if (A) alternative locations are infeasible or more environmentally damaging, (B) to do otherwise would adversely affect the public welfare, and (C) adverse environmental effects are mitigated to the maximum extent feasible.

The act requires that oil and gas development be permitted in accordance with the requirements for coastal-dependent industrial facilities, if specified conditions relating to safety and environmental mitigation are met.

This bill would prohibit new or expanded oil and gas development from being considered a coastal-dependent industrial facility, as provided, and would permit those developments only if they are found to be consistent with all applicable provisions of the Act and certain conditions are met. The bill would authorize the repair and maintenance of existing oil and gas facilities to be permitted in accordance with the requirements for coastal-dependent industrial facilities, but would authorize that permitting only if the repair or maintenance does not result in expansion of capacity of the facility and the same conditions are met.

(2) The act requires the permitting of new or expanded refineries or petrochemical facilities not otherwise consistent with the act if, among other conditions, it is found that not permitting the development would adversely affect the public welfare.

This bill would prohibit new or expanded refineries or petrochemical facilities from being permitted as coastal-dependent industrial facilities, as provided, and would authorize the permitting of those facilities only if they are found to be consistent with all applicable provisions of the act. The bill would authorize the repair and maintenance of existing refineries or petrochemical facilities as coastal-dependent industrial facilities only if specified conditions are met, including that there would be no expansion of capacity. The bill would authorize the development of facilities for the purpose of producing low-carbon fuels at an existing refinery or petrochemical facility in accordance with the requirements for permitting coastal-dependent industrial facilities, subject to these same conditions.

(3) By creating additional duties for local governments, the bill would impose a state-mandated local program.

(4) The act makes legislative findings and declarations relating to the California Coastal Commission and legislative findings and declarations relating to the ports of California, as provided.

This bill would revise these legislative findings and declarations to include provisions relating to offshore wind development and offshore wind energy generation facilities.

(5) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 30006.5 of the Public Resources Code is amended to read:

30006.5. The Legislature further finds and declares that sound and timely scientific recommendations are necessary for many coastal planning, conservation, and development decisions and that the commission should, in addition to developing its own expertise in significant applicable fields of science, interact with members of the scientific and academic communities in the social, physical, and natural sciences so that the commission may receive technical advice and recommendations with regard to its decisionmaking, especially with regard to issues such as coastal erosion and geology, agriculture, marine biodiversity, wetland restoration, sea level rise, offshore wind development, desalination plants, and the cumulative impact of coastal zone developments.

SEC. 2. Section 30260 of the Public Resources Code is amended to read:

30260. (a) 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.

(b) Notwithstanding subdivision (a), 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 all of the following conditions are met:

- (1) Alternative locations are infeasible or more environmentally damaging.
- (2) Permitting the development would not adversely affect the public welfare.
- (3) Adverse environmental effects are mitigated to the maximum extent feasible.
- (4) The new or expanded coastal-dependent industrial facility is not an oil and gas development, refinery, or petrochemical facility.

SEC. 3. Section 30262 of the Public Resources Code is amended to read:

30262. (a) New or expanded oil and gas development shall not be considered a coastal-dependent industrial facility for the purposes of Section 30260, and may be permitted only if found to be consistent with all applicable provisions of this division and if all of the following conditions are met:

- (1) The development is performed safely and consistent with the geologic conditions of the well site.
- (2) Activities 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.
- (3) The development will not cause or contribute to subsidence hazards unless it is determined that adequate measures will be undertaken to prevent damage from that subsidence.
- (4) All oilfield brines are reinjected into oil-producing zones unless the Geologic Energy Management Division 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 California

Ocean Plan of the State Water Resources Control Board and where adequate provision is made for the elimination of petroleum odors and water quality problems.

(5) (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 islands, 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.

(6) 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.

(7) 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) Repair and maintenance of an existing oil and gas facility may be permitted in accordance with Section 30260 only if it does not result in expansion of capacity of the oil and gas facility, and if all applicable conditions of subdivision (a) are met.

(c) 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.

(d) 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.

SEC. 4. Section 30263 of the Public Resources Code is amended to read:

30263. (a) New or expanded refineries or petrochemical facilities shall not be considered a coastal-dependent industrial facility for the purposes of Section 30260, and may be permitted only if found to be consistent with all applicable provisions of this division.

(b) New or expanded refineries or petrochemical facilities shall minimize the need for once-through cooling by using air cooling to the maximum extent feasible and by using treated waste waters from inplant processes where feasible.

(c) Repair and maintenance of existing refineries or petrochemical facilities may be permitted in accordance with Section 30260 only if the following conditions are met:

(1) The development does not result in expansion of capacity of existing refineries or petrochemical facilities.

(2) Alternative locations are not feasible or are more environmentally damaging.

(3) Adverse environmental effects are mitigated to the maximum extent feasible.

(4) Permitting the development would not adversely affect the public welfare.

(5) The development is not located in a highly scenic or seismically hazardous area, on any of the Channel Islands, or within or contiguous to environmentally sensitive areas.

(6) The development is sited so as to provide a sufficient buffer area to minimize adverse impacts on surrounding property.

(d) Notwithstanding subdivision (a) of this section and paragraph (4) of subdivision (b) of Section 30260, development of facilities for the purposes of producing low-carbon fuels at an existing refinery or petrochemical facility may be permitted in accordance with Section 30260 if all requirements of that section and subdivision (c) of this section are met.

SEC. 5. Section 30701 of the Public Resources Code is amended to read:

30701. The Legislature finds and declares that:

(a) The ports of the State of California, including the Humboldt Bay Harbor, Recreation, and Conservation District, constitute one of the state's primary economic and coastal resources and are an essential element of the national maritime industry.

(b) The location of the commercial port districts within the State of California, including the Humboldt Bay Harbor, Recreation, and Conservation District, are well established, and for many years such areas have been devoted to transportation and commercial, industrial, and manufacturing uses consistent with federal, state, and local regulations. Coastal planning requires no change in the number or location of the established commercial port districts. Existing ports, including the Humboldt Bay Harbor, Recreation, and Conservation District, should be encouraged to modernize and construct necessary facilities within their boundaries in order to minimize or eliminate the necessity for future dredging and filling to create new ports in new areas of the state.

(c) Existing ports, including the Humboldt Bay Harbor, Recreation, and Conservation District, should be encouraged to pursue development that contributes to the construction and deployment of offshore wind energy generation facilities, consistent with the policies of this division.

SEC. 6. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.