

NOTICE OF PREPARATION

TO: State Clearinghouse
Governor's Office of Planning and Research
1400 Tenth Street
Sacramento, CA 95812

FROM: Kathryn Lehr, Planner
Santa Barbara County
Planning & Development
123 East Anapamu Street
Santa Barbara, CA 93101

SUBJECT: Notice of Preparation of a Draft Supplement to an Environmental Impact Report (83-EIR-22)

PROJECT NAME: ExxonMobil Interim Trucking for SYU Phased Restart Project

PROJECT LOCATION: 12000 Calle Real Road, Santa Barbara, CA 93117

PROJECT CASE #: 17RVP-00000-00081

PROJECT APPLICANT: ExxonMobil Production Company

The County of Santa Barbara will be the Lead Agency and will prepare a Supplement to the Environmental Impact Report (SEIR) for the project identified above. We need to know the views of your agency as to the scope and content of the environmental information which is germane to your agency's statutory responsibilities in connection with the proposed project.

The project description, location and the potential environmental effects are contained in the attached materials.

A Scoping Meeting has been scheduled for **July 11th at 6:00 pm**. For the convenience of property owners and residents in the project area, the scoping meeting will be held in the **Planning Commission Hearing Room, Engineering Building, 123 E. Anapamu Street, Santa Barbara, CA 93101**. The Scoping Meeting discussion will be limited to understanding the proposed project and associated environmental concerns, including potential mitigation measures and possible alternatives to the project. The attached project overview and scope of analysis identified by P&D staff will be used as a starting point for discussion during the scoping meeting, but other environmental concerns may be raised by the public at this meeting.

For current project information, the following page has been established on the County's website: <http://sbcountyplanning.org/energy/projects/exxon.asp>.

Due to the time limits mandated by State law, your response must be received at the earliest possible date, but not later than 30 days after receipt of this notice.

Please send your response to Kathryn Lehr, case planner, at the address shown above.

Date: June 15, 2018

Planner: Kathryn Lehr

Division: Planning and Development

Telephone: (805) 568-3560

cc: Clerk of the Board (please post for 30 days)

Encl: Project Overview and Scope of Analysis

PROJECT OVERVIEW AND SCOPE OF ANALYSIS

A. APPLICANT

Mr. Dan Steurer
ExxonMobil Production Company
12000 Calle Real
Goleta, CA 93117

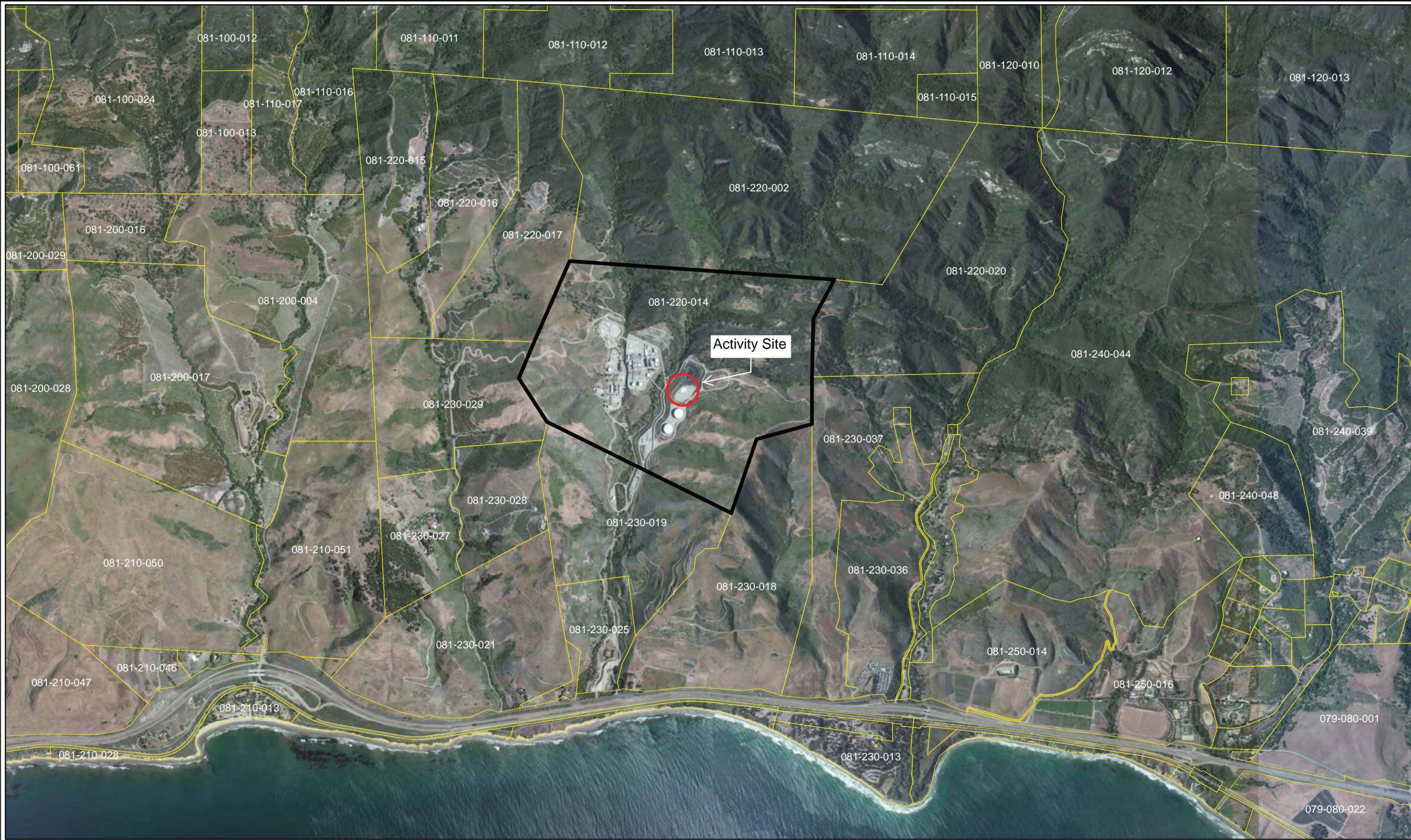
B. LOCATION

The site for the Interim Trucking for Santa Ynez Unit (SYU) Phase Restart Project (Project) is located at ExxonMobil's existing, onshore Las Flores Canyon (LFC) Facility, approximately twelve (12) miles west of the City of Goleta and one (1) mile north of Highway 101. The LFC Facility was constructed in 1993 with the purpose of providing onshore processing facilities to support three offshore platforms, Heritage, Harmony and Hondo. These three platforms produce oil and gas from the (SYU located in the Pacific Outer Continental Shelf within federally regulated waters. The oil and gas are treated at the LFC. The Project proposes minor modifications to the existing LFC facilities to facilitate the transportation of produced crude oil via tanker truck. The application involves a 550-acre parcel, APN 081-220-014, at 12000 Calle Real in the Goleta Area.

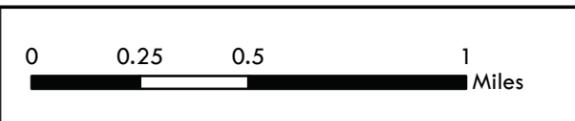
Figure 1 shows where the Project site is located within Santa Barbara County. Figure 2 shows the location of the proposed truck loading facility within ExxonMobil's LFC Facility, as well as the location of the existing major facilities. The Project is located within the M-CR (Coastal Related Industry) zone district, the purpose of which is to "to provide areas that are appropriate for coastal-related industrial uses within the Inland area." No change in existing land use designation and/or zone district is proposed as part of the Project. Surrounding properties are zoned AG-II-100, AG-II-320 and REC and land uses include agriculture, commercial agriculture and recreation/open space, respectively. The Project site currently supports a variety of oil and gas processing facilities including, but not limited to, oil and gas treating, a gas plant, cogeneration facilities, crude storage tanks, a transportation terminal which connects to the Plains All American Pipeline Line 901 system (currently shut down), an electric substation and power cables connecting to the offshore platforms, office buildings (including operations and control rooms), and the onshore portions of oil and gas pipelines that link to three platforms: Hondo, Harmony and Heritage.

C. REQUEST/DESCRIPTION

Overview of the Project: ExxonMobil is proposing this Project to resume offshore oil and gas production at the SYU, conduct a phased restart of the LFC) Facility and initiate the interim trucking of limited crude oil production as an interim solution until a pipeline alternative becomes available to transport crude oil to a refinery destination. The project request is a revision to Development Plan 87-DP-32cz and will be evaluated under a SEIR. Trucking will occur seven days per week, 24-hours per day, with no more than 70 trucks leaving the facility within a 24-hours period to one or both of the two identified receiver sites located in Santa Maria and Maricopa. Figure 3 shows the location of the two proposed truck routes and receiver sites. The project will include minor modifications to the LFC facilities including the installation of four Lease Automatic Custody Transfer (LACT) Units, associated piping, electrical and communication connections, pipe and equipment supports, truck loading racks, operator shelter, paving of selected areas, and minor containment and drainage grading.



Activity Site



Source: GCS, NAD 83
Santa Barbara County,
California

Legend
 LFC Parcel
 Assessors Parcels

Figure 1 -Vicinity Map

Parcel Map
Las Flores Canyon Facility
Exxon Mobil



ExxonMobil



0 250 500 1,000
Feet

Site Plan
Las Flores Canyon Facility

Prepared by:
InterAct



Background and Historic Operations:

In 1976, one platform (Hondo) was constructed along with an offshore storage and treatment (OS&T) vessel, where produced crude oil was loaded on to marine tankers. Hondo and the OS&T began operations in 1981. In April 1983 Exxon submitted an application to the Minerals Management Service (MMS) and the County of Santa Barbara for the construction and operation of up to three additional offshore platforms and either an offshore OS&T or an onshore processing facility in Las Flores Canyon and an associated marine terminal. Both of these options were evaluated in a combined Environmental Impact Statement/Report (EIS/EIR). In June 1984 a joint Final EIS/EIR (83-EIR-22) was released that analyzed the anticipated environmental impacts associated with the development of oil and gas resources within the project area for the offshore option, with the onshore option being addressed as an alternative. A variation of the proposed onshore project was approved by the Santa Barbara County Board of Supervisors in August 1984 but included a denial of the marine terminal portion of the Project.

In February 1986, Exxon submitted to the County a revised project description and impact analysis for the SYU Development Project that eliminated one of the offshore platforms, relocated another of the platforms, and had a number of changes to the onshore facilities proposed for Las Flores Canyon. The proposed project changes were considered substantial enough to warrant an SEIR pursuant to CEQA. The final SEIR was released in August 1986. In September 1986, the County Board of Supervisors approved the onshore project.

Construction of the onshore Las Flores Canyon components began in April 1988 and finished in May 1993, with production from platforms Harmony and Heritage starting later that year. Once the onshore facilities started up, the OS&T vessel was decommissioned and removed. Shortly thereafter, in 1991 and 1994 the Line 901 and 903 pipeline system, now owned by Plains, also became operational and transported produced crude from LFC Facility to refineries.

On May 19, 2015, Plains Line 901 pipeline ruptured and resulted in a shutdown of the pipeline system. Following the initial spill incident, ExxonMobil continued to produce oil until the two onsite storage tanks were filled, unaware of the duration of time it would take for physical repairs to be made to the Plains pipeline. The LFC Facility relies on Line 901 to transport its oil, therefore, the non-operation of Line 901 effectively resulted in a facility-wide shut-in. The pipeline has not returned to active service due to the need for Plains to undertake physical repairs to the damaged pipeline and respond to Federal regulatory requirements. In January of 2017, the County approved an Emergency Permit which allowed ExxonMobil to de-inventory approximately 425,000 barrels of product that had been stored in existing onsite storage tanks since May 2015. The de-inventory operations involved trucking the oil from the LFC facility. ExxonMobil's de-inventory program was completed in September of 2017 and all three platforms, as well as the LFC facilities, remain in a hydrocarbon-free preservation state.

On August 15, 2017, Plains submitted an application to Santa Barbara County for the replacement of their existing, and currently shut down, Lines 901 and 903. It is currently unknown how long it will take for the Plains application to be processed, undergo environmental review, and complete construction. ExxonMobil's request is for an interim trucking program that will be discontinued once a pipeline alternative becomes available.

Facility Modifications: All loading activities and truck loading improvements will be located within the confines of the LFC facility. Modifications to the LFC facilities will require new piping to extend from one of the existing crude oil storage tanks located within the Transportation Terminal (TT), to the Truck

Loading Area (TLA) that will house the truck loading rack. The new piping will be routed along pipe supports through an existing containment area. The truck loading rack will be constructed over the truck loading lanes within the TLA, similar to a bridge. Trucks will pull in underneath the loading rack into one of the four lanes and connect to the rack to be filled with oil. Truck loading operations will continue at all hours, and lighting will be required during nighttime loading. Lights will be attached to the rack and will be powered from LFC's electrical system. A small, temporary operator shelter will be installed at the site as well. The TLA is approximately 2.91-acres and the loading rack and associated lanes are anticipated to occupy 0.12-acre of that area.

To manage vapors displaced by loading operations, vapor recovery piping will also be installed and routed through the existing containment area to the crude storage tanks and connect into the existing LFC vapor recover system at the TT Vapor Recovery Compressors. If the recovery system increases vapor recovery efficiency, pressure controllers may be installed to maintain a 1-3" water column vacuum on the trucks during loading. Vapors from the TT Vapor Recovery Compressors will be routed to the Oil Treatment Plant (OTP) Vapor Recovery Compressors for processing before being subsequently utilized as fuel gas within the facility. No new processing facilities will be required for this project.

The project will not require removal of existing habitat or vegetation and no significant grading or topographic alternation will be needed. Site grading will consist of only the minimum amount of soil work needed to construct pipe supports and possibly containment berms, if needed. Once a pipeline alternative is available to transport product to market, interim trucking will cease and the installed piping and truck loading facilities at LFC will be removed from service, and isolated from the crude and vapor transport lines.

Construction and Operational Personnel: During normal operations ExxonMobil employed approximately 200 employees at the LFC to run the facility, including offshore and contract staff. In its current preserved state, approximately 60 employees remain onsite. The phased restart of facility will require 45-60 additional employees onsite, for a total of 105-120 onsite employees. Overall staffing, when accounting for rotations and offshore personnel, would be approximately 150 employees. Restart of the facility would not require more employees than prior normal operations.

Truck Transportation: Regional access to LFC is provided by El Capitan State Beach Road and Refugio Road which both have direct connections to Highway 101. Local access to LFC is provided by an existing frontage road (Calle Real) which runs parallel to Highway 101 and extends between El Capitan State Beach Road and Refugio Road. Access to the TLA is provided by existing interior facility roads. No new public or private roads are required. The interior road behind the crude oil storage tanks leading to the TLA may be improved or repaved prior to the start of trucking. The Applicant has committed to using only the Refugio Road ramps at Highway 101 for the oil trucks.

Each truck can transport approximately 120 to 160 barrels of product (equivalent to 5,040 to 6,720 gallons). Truck transportation will occur seven days per week, 24-hours per day, with no more than 70 trucks leaving the facility within a 24-hours period. The crude oil will be trucked from the LFC to one or both of the identified receiver sites; the Phillips 66 Santa Maria Pump Station located at 1580 East Battles Road, east of Santa Maria, or the Plains All American Pentland Pump Station located at 2311 Basic School Road in Maricopa.

Trucking from the LFC to the receiver site located in Santa Maria will include the use of the existing arterial roads and Highway 101. Trucking from the LFC to the receiver site located in Maricopa will

include the use of the existing arterial roads, Highway 101 and State Route 166. All trucks entering and leaving the LFC facility would use the Refugio Road on and off-ramps at US 101. Trucks traveling to the Phillips 66 Terminal would exit US 101 at the Betteravia Road Interchange (I/C) and use Betteravia Road, Rosemary Road, and Battles Road to access the Phillips 66 Santa Maria Pump Station. Trucks traveling to the Plains Pentland Terminal would exit US 101 at the SR 166 IIC and use SR 166 to Basic School Road to access the Plains Pentland Terminal. After unloading at one of the two designated facilities, the trucks will return directly back to LFC to reload.

Construction and Facility Restart Schedule: Upon receipt of required permits, implementation of the Project would take approximately 6 to 9 months. Construction of the truck loading rack, facility modifications and facility restart could occur simultaneously such that operations would begin immediately upon completion of construction. Trucking operations would continue until an alternative pipeline option becomes available.

Spill Contingency Plan, Safety and Security: To continue compliance with existing regulations, appropriate safety programs would be updated and/or developed and implemented. The safety programs would include, but are not necessarily limited to, the modification of a Spill Prevention, Control, & Countermeasures Plan; a worker's safety program; an Emergency Response Plan; a plant safety program; facility standard operating procedures, and others. Additionally, the Project would require grading and building permits, Bureau of Safety and Environmental Enforcement (BSEE) oversight, and compliance with applicable regulations including Assembly Bill 1960 (spill prevention).

D. ISSUE AREAS

Each specified impact area warrants an objective and systematic discussion that identifies the baseline environmental setting; thresholds of significance; impacts and their severity; and, where the impact is potentially significant, the mitigation measures to avoid, reduce or eliminate the impact.

Existing Conditions

The Project site is within an existing oil and gas processing facility. As previously described, Exxon's LFC relies on the Plains Line 901 pipeline system for transportation of produced crude. The rupture and subsequent shut down of the pipeline system required ExxonMobil to curtail and eventually cease LFC operations. The Plains pipeline system has been prevented from returning to active service due to the need to complete physical repairs to the damaged pipeline and respond to Federal regulatory requirements. Although the LFC is currently in a state of preservation, the restart of the facility and platform operations remains under BSEE and County oversight and does not require any new permits from the County. The facility was permitted in 1986 and has been in continuous operation since its construction in the early 1990's, notwithstanding the pipeline incident. For purposes of CEQA review, the baseline conditions shall be considered the LFC at pre-shutdown production levels and related operations prior to the Line 901 incident and subsequent facility shut down. The SEIR's resource/issue area-specific baseline discussions will include descriptions of the Project area's transportation network, land use patterns and practices, as well as biological and cultural resources, and hydrology along the proposed trucking route.

Air Quality/Greenhouse Gases

The air quality/greenhouse gas (GHG) analyses will include criteria air pollutants, GHG emissions, odors, and consistency of the Project with the regional air quality management plan. The Applicant has prepared

an Air Quality Analysis and associated materials for the proposed project. The Analysis includes information for both stationary and mobile emissions. The results of the Analysis indicate that the proposed project is expected to exceed the County of Santa Barbara's significance threshold for ROCs. The Applicant has proposed to purchase applicable SB County Emission Reduction Credits (ERCs) for the ROC emission increases.

According to the submitted calculations, the trucking portion of this project is anticipated to generate over 10,000 metric tonnes of CO₂ equivalent per year (MT CO₂e/year) under a worst-case scenario (trucking from LFC to the Pentland receiver site). The emissions would exceed the GHG thresholds established by the County Board of Supervisors approved Environmental Thresholds and Guidelines Manual (revised July 2015). The thresholds will include criteria pollutant quantitative thresholds and a bright-line GHG threshold of 1,000 metric tons of carbon dioxide equivalent per year. The potential for odor impacts will also be assessed. Potential mitigation may include the Applicant working with the County to develop and approve a traffic control plan to mitigate potential impacts.

Hazardous Materials/Risk of Upset

The main objectives of the Risk of Upset analysis are to disclose the following to the public and decision-makers: the potential for serious accidents, exposure to the public, the safety and environmental risks of spill events, and the mitigation measures that could reduce these risks. This analysis will consider the potential for risks using existing available information and Risk of Upset studies provided by the Applicant, including a Quantitative Risk Assessment (QRA) and Industrial Risk Analysis (IRA). The QRA was prepared in accordance with the requirements of Section 15 of the Santa Barbara County Planning and Development Department Environmental Thresholds and Guidelines Manual, which specifies thresholds for significant impacts to public safety. These thresholds focus on involuntary public exposure to acute risks (i.e., serious injury and fatality) that stem from certain types of activities with significant quantities of hazardous materials. The QRA estimates the potential public safety risks associated with the proposed crude oil (product) trucking activities. The IRA evaluates scenarios associated with the truck loading process within the LFC facility that could potentially lead to a loss of containment or a spill. The LFC facility is not accessible to the public; therefore, the potential for public exposure to any hazards that occur within the LFC facility boundaries associated with the truck loading activities is unlikely. The risk of upset analysis will also address potential impacts to biological and cultural resources along the transportation routes due to an oil spill.

Traffic/Transportation

The Traffic and Transportation analysis will focus on the contribution of new traffic volumes associated with the trucking activities. The Project would introduce a maximum of 70 trucks per 24-hour period from the LFC to one of the two identified receiver sites. To address the potential for traffic congestion, the assessment will rely on the traffic study prepared for the project, the truck routes, and will consider road conditions before and after the Project on study area roadways and intersections (i.e., conditions with and without proposed Project). If deemed necessary during this review process, an evaluation of the potential increase in damage to study area roadway segments will be conducted, along with the potential need for mitigation. As described in the Applicant's traffic study, the traffic analysis indicates that the Project would not generate any significant project-specific impacts at the study area roadways and most intersections. The Project would create significant impacts to the US 101 South Bound/Betteravia intersection, which currently operates at a Level of Service (LOS) of F during peak PM hours. Potential mitigation may include the Applicant working with the County to develop and approve a traffic control plan to mitigate potential impacts.

Land Use

The Project will be subject to the County's Inland and Coastal Zoning Ordinance standards as well as policies from the County's Comprehensive Plan, including the Coastal Land Use Plan. The Project is proposing the transportation of produced crude oil via tanker truck until a pipeline alternative is available. Policy consistency will be analyzed in detail in the Project staff report to be prepared for the decision makers. However, the SEIR will contain a preliminary list and analysis of applicable County ordinance standards and policies.

Project Alternatives

Alternatives will be designed to avoid and/or substantially reduce any impacts that cannot otherwise be mitigated to a level below significance. At this time, Air Quality/GHG, Hazardous Materials/Risk of Upset and Traffic/Transportation are considered the primary issue areas that may need to be addressed. This analysis will consider the No Project Alternative, Reduced Alternative(s), and other alternatives found to be appropriate through the CEQA process. The alternatives discussion will include an analysis of environmental impacts of each alternative considered, along with a comparative analysis (matrix) to distinguish the relative effects of each alternative and its relationship to Project objectives. The alternatives analysis will also identify the "environmentally superior alternative" from among the alternatives.