

**CALENDAR ITEM
C67**

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**CONSIDERATION OF APPROVAL OF THE FIRST ANNUAL REPORT OF THE
CALIFORNIA OIL TRANSFER AND TRANSPORTATION AND RISK REDUCTION
PROGRAM FOR THE YEAR 2004**

PROPOSAL:

The Commission Staff is proposing the approval of the first annual report of the California Oil Transfer and Transportation and Risk Reduction program for the year 2004.

BACKGROUND

The Oil Transfer and Transportation Emission and Risk Reduction Act of 2002, Public Resources Code Sections 8780 through 8789, (Act) established the California Oil Transfer and Transportation Emission and Risk Reduction (OTTER) program under the direction of the California State Lands Commission (CSLC). The Act requires the CSLC to file a report with the Legislature summarizing the information collected under the program.

The OTTER program collects data related to the intra-state or internal shipments of oil by vessels between the San Francisco Bay area and the Los Angeles/Long Beach area. The Legislature found that current, accessible and accurate data regarding oil transportation is critical to having adequate information of the potential environmental quality, public health, and environmental justice consequences that must be analyzed by state and local agencies for environmental impact reports and statements, emergency response planning, permit issuance, and air quality mitigation efforts. It also declared that tracking trends in internal shipments of oil is necessary to promote public safety, health, and welfare, and to protect public and private property, wildlife, marine fisheries, and other ocean resources, and the natural environment in order to protect and to preserve the ecological balance of California's coastal zone, coastal waters, and coastal economy.

To gather the necessary data as defined in the Act the CSLC was directed to develop the "Oil Transfer and Transportation Emission and Risk Reduction Form" to be

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completed by the owner of the oil involved in the internal shipment of oil. The form was developed and has been used by the responsible parties.

Specifically, the OTTER form is required to contain the following:

- (1) The name, address, point of contact, and telephone number of the responsible party.
- (2) The name of the vessel transporting the oil.
- (3) The type and amount of oil being transported.
- (4) The source of crude oil.
- (5) The name and location of any terminal that loaded the vessel.
- (6) The name and location of any terminal that discharged the tanker or barge.
- (7) The dates of travel and the route.
- (8) The type of engine and fuel used to power the tanker or barge-towing vessel.
- (9) The estimated amount and type of air emissions. To the extent practicable, the emissions factors developed by the United States Environmental Protection Agency shall be used to estimate the amount of air emissions. The form shall be designed to ensure that charter vessel air emissions are not counted more than once.
- (10) An indication of whether the reason for the internal shipping of oil was due to a temporary shutdown or partial shutdown of a key refinery facility.

Additionally, the Bill requires the "owners of oil" or the "responsible party" engaged in internal shipments of oil to use the form to report the above-mentioned information to the Commission. Reports are to be filed on a quarterly basis.

The CSLC is required to aggregate the information reported to the legislature in the form of annual reports for the years 2004 through 2009. The report is to discuss trends,

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provide specific information on air emissions and vessel types used as well as the number of transfers related to the shutdown of refineries.

The reports are required, at a minimum, to provide the following information to the legislature:

- (1) A description of any trends in the total number of trips by oil type, amount of shipment, and source of oil.
- (2) The number of transfers due to refinery shutdowns.
- (3) The location of air emissions and ballast discharge, and the type of vessel used during those events.
- (4) A discussion of any other pertinent issues that the Commission determines should be included.

Statistics for Calendar Year 2004 are provided below. It is interesting to note that the number of vessel movements and the amount of cargo moved was far in excess of what was predicted during legislative development of the Act and follow-on meetings with the industry.

Total number of internal voyages:	365
Number of voyages from San Francisco Bay area to Los Angeles/Long Beach:	241
Number of voyages from Los Angeles/Long Beach to San Francisco Bay area:	101
Number of voyages from Ellwood to Long Beach:	16
Number of voyages from Ellwood to San Francisco Bay area:	3
Number of voyages from El Segundo Marine Terminal to Long Beach:	4
Total quantity of crude oil shipped as internal shipments:	971,049 barrels
Total quantity of refined oil shipped as internal shipments:	33,101,909 barrels

Total air emissions resulting from internal shipments of oil:

NO _x emission:	1,184.845 short tons
HC emissions:	54.523 short tons
PM emissions:	80.801 short tons
CO emissions:	159.259 short tons

During the year 2004, there were no internal shipments of oil due to refinery breakdowns.

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Additional information can be found in the report.

The report finds that The Oil Transfer and Transportation Emission and Risk Reduction Act has been successfully implemented and the owners of oil and designated responsible parties are properly reporting the required information. Independent verification of vessel arrivals was accomplished by double checking against the Marine Exchange lists of vessel arrivals and departures from California ports as well as other sources of information. It appears that the information is complete.

The information collected by the OTTER Program did not previously exist. The number of voyages moving oil between California's ports, the amount of oil transferred and the estimated air emissions are important factors in determining the environmental impacts of oil transportation. Now, planning organizations, State and Federal Agencies and organizations developing information for environmental documentation will have a much more complete picture of the movement of oil along the California coast. The information in this first report stands alone. But, continued collection of OTTER information will allow future reports to look at trends and changes in oil transportation, provide estimates of vessel air emissions along our central coast and will allow planners to more precisely examine the impacts of moving oil by marine vessels.

Staff requests that the Commission approve the report for submission to the Legislature.

STATUTORY AND OTHER REGULATIONS:

- A. Public Resources Code Sections 8780 through 8789.

PERMIT STREAMLINING ACT DEADLINE:

N/A

OTHER PERTINENT INFORMATION:

- 1. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. §10561), the Commission Staff has determined that this activity is exempt from the requirements of the CEQA because the activity is not a "project" as defined by the CEQA and the State CEQA Guidelines.

Authority: Public Resources Code Section 21084 and 14 Cal. Code Regs. Section 15300.

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IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378
2. APPROVE THE REPORT SUBSTANTIALLY IN THE FORM ON FILE IN THE OFFICES OF THE COMMISSION.
3. DIRECT STAFF TO SUBMIT THE REPORT TO THE LEGISLATURE AS REQUIRED BY SECTION 8784 OF THE PUBLIC RESOURCES CODE.