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March 7, 2018

Ms. Kelly Hammerle
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Leasing Division
Office of Strategic Resources
Bureau of Ocean Energy Management (BOEM) (VAM-LD)
45600 Woodland Road
Sterling, Virginia 20166-9216

RE: Comments on the 2019-2024 Draft Proposed National Oil and Gas Leasing Program
(Docket ID: BOEM-2017-0074)

Dear Ms. Hammerle:

The Chair of the California Coastal Commission (“Commission”), Dayna Bochco, has submitted a comment letter dated February 7, 2018, to this docket, urging BOEM to remove California from the 2019-2024 Draft Proposed National Oil and Gas Leasing Program (“Draft Proposed Program”). The purpose of this letter is to elaborate on why California is not a suitable location for any additional offshore oil and gas development.

The Commission has long opposed efforts to expand oil and gas leasing, exploration and production off the California coast. We have maintained since the early 1980s that new offshore leasing would conflict with the California Coastal Management Program (“CCMP”) and compromise California’s productive coastal ecosystems and vital coastal economy. Today, with the clear evidence and alarming effects of climate change all around us, we are more committed than ever to these principles. Californians across the political spectrum have recognized this danger and joined together to address it by, among other things, enacting strong coastal protection laws and more recently, adopting ambitious mandates for renewable energy use and greenhouse gas reductions. Adding California to the national leasing program would be a step backwards in our efforts to protect our coast and our natural environment and combat climate change. As Chair Bochco stated in her letter, the Coastal Commission is steadfast in its commitment to protect our fragile and precious coastal resources.

The purpose of this supplemental letter is to demonstrate that her concerns are not only supported by sound science and Coastal Act considerations, but by BOEM’s own regulatory framework. As BOEM is aware, the Commission implements California’s federally approved coastal management program and serves as the only California agency with federal Coastal Zone Management Act authority over oil and gas leasing, exploration, development and production activities on the Outer Continental Shelf (OCS). Consequently, the Commission will conduct a federal consistency review to determine the consistency of any proposed lease sales, exploration, and production plans, and associated activities in federal waters with the enforceable policies of the California Coastal Act. However, even looking solely at the guiding principles set forth in

the OCS Lands Act that provide the foundation for BOEM's analysis of future leasing, it becomes clear that California is not an appropriate location for additional offshore oil and gas leasing and development.

The OCS Lands Act requires that the Secretary of the Interior consider eight factors when determining the size, timing, and location of oil and gas activities among the different OCS areas to be included in the five-year leasing program. These factors include: (A) Geographical, Geological and Ecological Characteristics, (B) Equitable Sharing of Developmental Benefits and Environmental Risks, (C) Location with Respect to Regional and National Energy Markets and Needs, (D) Location with Respect to Other Uses of the Sea and Seabed, (E) Laws, Goals and Policies of Affected States Identified by Governors, (F) Interest of Potential Oil and Gas Producers, (G) Relative Environmental Sensitivity and Marine Productivity, and (H) Environmental and Predictive Information. Although we will not be addressing Factor F (Interest of Potential Oil and Gas Producers) in this letter, application of each of the remaining factors to the California OCS supports our Chair's conclusion that California is not suitable for further offshore oil and gas leasing development.

Geographical, Geological, and Ecological Characteristics

Section 18(a) of the OCS Lands Act requires BOEM to include information about a Planning Area's geographical, geological and ecological characteristics in its analysis of the net social value of the Area's oil and gas resources. However, as discussed below, several crucial elements were not adequately analyzed in BOEM's initial evaluation of the Pacific Region, including the three California Planning Areas.

First, BOEM's assessment did not properly consider and appropriately weigh the uncertainty in the estimates of available oil and gas resources. BOEM's Draft Proposed Program includes an estimate and ranking by Planning Area of undiscovered economically recoverable resources ("UERR"). As noted in the 2016 Assessment of Oil and Gas Resources,¹ the vast majority of the Pacific Region's UERR resources are undiscovered resources that are described as "risky" in the Draft Proposed Program. Although uncertainty in oil and gas resource estimates is described generally, it is unclear how uncertainty is quantified and included in the rankings of UERR and Net Social Value by Planning Area. In California, exploration associated with previous lease sales in 1963 in Northern and Central California did not lead to the discovery of oil and gas resources. These failures led to expended capital and environmental impacts that did not result in any economic or energy benefits. This and other types of risk and uncertainty should be quantified and incorporated into every step of the valuation process. It is critical that uncertainty is addressed and reported in a transparent manner to ensure that adequate information is available to fully evaluate the risk associated with leasing in new areas in the Pacific Region.

¹ U.S. Department of the Interior, Bureau of Ocean Energy Management, Pacific Outer Continental Shelf Region, "2016 Assessment of Oil and Gas Resources: Assessment of the Pacific Outer Continental Shelf Region," OCS Report, BOEM 2017-053.

Second, BOEM's analysis significantly undervalued the unique and irreplaceable value of California's marine ecosystem. California is known for its vibrant and highly productive marine ecosystem that supports a vast array of sensitive marine species and habitats. California's marine environment can be divided into three biogeographic zones: the Oregon border to San Francisco Bay, from San Francisco Bay to Point Conception and from Point Conception to the Mexican border. These zones represent an important gradient transitioning from sub-tropical species in the Southern California Bight to more temperate species in the Pacific Northwest. The Central Coast is an area of particular interest and marine biodiversity because it serves as a transition zone between the two areas. California's coastal areas support several critical habitats for sensitive marine species, including kelp forests, eelgrass beds, and rocky intertidal habitat. California's marine environment supports thousands of valuable marine and coastal species. Many of these species are considered threatened or endangered under both state and federal laws. One example is the Southern Sea Otter, a keystone species that is endemic and unique to California and critical to the maintenance of our kelp forests. The United States Fish and Wildlife Service estimates that there are only 3000 individuals inhabiting coastal waters between Half Moon Bay and Point Conception, which constitutes 13% of their historic range.² The USFWS considers continued expansion of the Southern Sea Otter's range critical to recovery of the species.

Indeed, in recognition of the importance of supporting these vulnerable species, the federal and state governments have worked in tandem to protect the habitats of many of these species through the designation of National Marine Sanctuaries and Marine Protected Areas. The State of California supports four National Marine Sanctuaries (out of 14 total), covering more than 12,000 square miles. The purpose of the Sanctuary system, according to the National Oceanic and Atmospheric Administration (NOAA), is to "protect America's most iconic natural and cultural marine resources."³ In fact, the National Marine Sanctuary Program started in California with the creation of the Channel Islands National Marine Sanctuary in response to the devastation caused by the 1969 Santa Barbara Oil Spill. Over the past 20 years, California has expanded on our treasured National Marine Sanctuary system by establishing a network of Marine Protected Areas (MPAs), as required under the Marine Life Protection Act enacted by the California Legislature in 1999. The California Department of Fish and Wildlife was charged with developing and maintaining the MPA system to "protect the diversity and abundance of marine life, the habitats they depend on, and the integrity of marine ecosystems."⁴ The Coastal Commission worked closely with CDFW and other state, federal and local agencies, tribal governments and numerous other stakeholder groups to designate the MPAs in California. The goals and objectives of the MPA program are in line with requirements of the Coastal Act to maintain, enhance and restore the biological productivity of coastal waters and marine organisms. Thus, the Commission has worked to maintain and protect these areas in its role regulating development in California's coastal areas. Exposing these valuable areas to

² U.S. Fish and Wildlife Service: <https://www.fws.gov/ventura/endangered/species/info/sso.html>

³ NOAA: <https://sanctuaries.noaa.gov/about/>

⁴ CDFW: <https://www.wildlife.ca.gov/Conservation/Marine/MPAs>

degradation and damage is not consistent with the CCMP, and the ecological importance of these areas must be factored into BOEM's analysis of the sensitivity and environmental value of OCS resources.

BOEM's initial analysis included in the Draft Proposed Program undervalued the ecological value of California's MPAs and the sensitivity of our coastal species and habitats. We are confident that when California's coastal resources are appropriately assessed, the economic and environmental value of maintaining and protecting these resources will outweigh any potential benefits California may receive from additional oil and gas development.

Third, BOEM's evaluation failed to adequately account for impacts associated with increased seismic activity on the reliability of existing and new infrastructure and the risk of an oil spill. California, Oregon, Washington and parts of Alaska are located in the "Pacific Ring of Fire," considered the most seismically active region in the world. According to the USGS, many of California's faults have a high likelihood of a medium to major seismic event in the next 30 years. In fact, many of the larger faults are statistically "due" for a moderate to large event. A seismic event would significantly increase the risk of temporary or permanent damage to offshore and onshore facilities and increase the likelihood of an oil spill. Furthermore, much of California's existing oil and gas infrastructure that any new development would likely rely on was built before current building standards associated with seismic activity were promulgated and are now nearing the end of their useful life. This aging infrastructure would be even more vulnerable to damage or collapse in a seismic event, with the potential for creating significant hazards to the people and natural environment of California. This information must be factored into both the economic and environmental assessments of the value of future drilling off of California's coast.

Equitable Sharing of Developmental Benefits and Environmental Risks.

Section 18(a) of the OCS Lands Act also requires BOEM to balance the benefits and risks of offshore oil and gas development in any given region. Comparing the benefits and risks of additional offshore oil and gas drilling underscores why California is an inappropriate site for this type of development. California has a long history of oil and gas development both on and offshore. Our state has been a major contributor to the nation's oil supplies for over a century. After reaching peak production in the 1970s and 1980s, California's crude oil production has steadily declined over the past 30 years. Despite this decline, California remains the third-largest oil producing state in the U.S. and ranked third in refining capacity.⁵

However, the economic and energy-related benefits of this production have been accompanied by the devastating environmental and economic consequences of oil spills and general habitat degradation caused by oil exploration and production. California has experienced 3 significant spills in our coastal areas. Unfortunately, a thorough analysis of the economic and environmental impacts of older oil spills in California is difficult to find, and we are forced to

⁵ U.S. Energy Information Administration, California State Profile and Energy Estimates (<https://www.eia.gov/state/analysis.php?sid=CA>)

rely on dollar amounts reached through legal settlements as a proxy for a comprehensive impact analysis. For example, in 1969, 80,000-100,000 barrels of crude oil were released into the Santa Barbara channel after a blowout at Union Oil Platform A. The oil spread through the Pacific Ocean for hundreds of square miles, fouling approximately 40 miles of Southern California's coastline and killing approximately 3,600 birds.⁶ Although the full economic and environmental impact was difficult to estimate, various class-action law-suits resulted in awards to beachfront homeowners, boat owners and the State of California, Santa Barbara County, and the Cities of Santa Barbara and Carpinteria totaling over \$17 million.

In 1990, the American Trader, a tanker owned by Attranco and leased by British Petroleum Oil Shipping Company, spilled an estimated 13,225 barrels into the Pacific Ocean offshore of Huntington Beach, California. The spill eventually covered over 100 square miles and fouled several Orange County beaches. Settlement of the case was divided into two parts, recreational impacts and biological impacts. The biological impacts portion of the case settled out of court for \$3.45 million plus \$360,000 for water monitoring projects to mitigate the impacts to fish and birds (including 3,400 birds that were killed as a result of the spill). The recreational portion of the case went to trial and a jury awarded state and local governments \$18.1 million to mitigate for lost recreational opportunities during the cleanup and damage to small marine life.

In 1997, an undersea pipeline operated by Torch Operating Company serving platform Irene offshore of Northern Santa Barbara County ruptured, releasing 163 barrels of crude oil into the Pacific Ocean. This spill fouled approximately 17 miles of coastline at Surf Beach in Vandenberg Air Force Base and killed well over 700 birds. The resource trustees settled the Natural Resource Damages Assessment for \$3 million plus over \$500,000 in penalties to satisfy violations of various state and federal laws.

In 2016, the Plains All American Pipeline ("PXP"), which runs parallel to Highway 101, ruptured near Refugio State Beach, spilling approximately 3400 barrels of crude oil into a ravine. Approximately 500 barrels of crude reached the ocean and spread into the marine environment.⁷ Plains estimated the cleanup cost at \$100 million, but overall costs, including anticipated legal claims were estimated at \$257 million. The Natural Resource Damage Assessment is still ongoing, and will be considering impacts to birds, marine mammals, fish, coastal and subtidal habitats and human uses. The spill also resulted in a significant economic impact to the state and county for lost tax revenue, federal royalties, worker's wages and tourism dollars while the pipeline and the offshore platforms it serves remain shut-in. Commercial and recreational fishing were also severely affected through the six week closure of 138 square miles of fisheries as a direct result of the spill.⁶

⁶ County of Santa Barbara Planning and Development, Energy Division:
<http://www.sbcountyplanning.org/energy/information/1969blowout.asp>

⁷ CDFW: <https://www.wildlife.ca.gov/OSPR/Science/Laboratories/Chemistry/Special-Projects/Fishery-Closure>

These spills illustrate the enormous environmental and economic risks to coastal and marine populations and resources from spills associated with onshore and offshore oil and gas infrastructure. Although BOEM did not classify the 1969 oil spill as “catastrophic” in the Draft Proposed Program, millions of Californians who lived through the spill and endured its aftermath would disagree. It is important to point out that although BOEM describes a catastrophic spill as “not expected” and “well outside the normal range of probability,” and thus does not include the risk and impact of this type of spill in its calculation of social cost of new oil development, the U.S. has experienced two catastrophic spills in the last 30 years, and three catastrophic spills in the last 50 years if the 1969 Santa Barbara spill is counted. Given this occurrence rate, it is not realistic to treat these types of spills as “not expected.” BOEM appears to discount the likelihood of catastrophic spills in part because of newer safety regulations, but the PXP spill occurred just two years ago, and much of California’s oil and gas production infrastructure is aging, increasing the likelihood of a catastrophic spill. To fully assess the social cost of new oil and gas development, BOEM must include a thorough analysis of the risk and impacts from the worst-case spill, in addition to the higher-frequency, low volume spill. Oil spills pose a serious threat to California’s coastal resources. The Commission’s experience with the consequences of an oil spill will factor heavily in its analysis of the consistency of new offshore leases with the enforceable policies of the CCMP.

In addition to the risk of a catastrophic oil spill, impacts from day to day oil and gas operations pose a significant environmental risk to coastal resources. Construction and operation of oil and gas platforms are likely to result in adverse impacts to sensitive marine habitats and species, water quality, commercial and recreational fishing, visual resources, tribal and cultural resources, and public access and enjoyment of California’s coastal zone, all resources protected under the Coastal Act. Furthermore, due to the uncertain nature of California’s offshore oil reserves, any new development is likely to necessitate seismic surveys to conclusively map the ocean floor and better define the location of oil and gas reserves. Seismic surveys have the potential to result in a multitude of impacts to marine mammals, fish and other marine organisms. Degradation of water quality from direct discharge of produced water and drilling muds is also a significant environmental risk.

Finally, as BOEM assesses the costs and benefits of new oil and gas development in the OCS, it is critical that the full cost of decommissioning offshore platforms be included in the assessment. Many of California’s existing offshore platforms are nearing the end of their useful production life (estimated to occur between now and 2030). However, as noted in a 2010 study published by the Ocean Science Trust, significant data gaps exist that prevent the full quantification of impacts and costs.⁸ In 2017, in the aftermath of the Refugio oil spill, Venoco, Inc. filed for bankruptcy, quitclaiming its offshore leases and abandoning its obligation to decommission Platform Holly and its associated onshore facilities. As the landowner, the responsibility to decommission Platform Holly fell to the State Lands Commission. Decommissioning costs, the majority of which will be borne by California’s taxpayers, are estimated to be a minimum of 125

⁸ California Ocean Science Trust, “Evaluating Alternatives for Decommissioning California’s Offshore Oil and Gas Platforms: A Technical Analysis to Inform State Policy. June 2010.

million dollars⁹. In the past, costs and impacts of decommissioning have not been adequately quantified when a new facility is developed, leading to insufficient performance bonds and inadequate protection for the landowner. To avoid this scenario and to accurately assess the benefits and environmental risks associated with new offshore drilling, BOEM should thoroughly analyze and quantify all costs associated with decommissioning and factor these costs into the overall feasibility analysis to inform future leasing decisions.

Location with Respect to Regional and National Energy Markets and Needs

A third factor that BOEM is required to consider is the location of offshore oil and gas development in relation to a region's energy markets and needs. However, there is no reasonable basis to conclude that either California or the U.S. needs more offshore drilling. To the contrary, recent energy analysis, scientific research and state policy point away from any expansion of offshore oil and gas activities in California. California's energy markets and needs have dramatically changed since its 23 federal offshore platforms were first approved. As BOEM is aware, the State of California is committed to moving away from reliance on fossil fuels and towards renewable sources to meet the State's energy needs. First established in 2002 under Senate Bill 1078, California's Renewables Portfolio Standard ("RPS") establishes ambitious goals to reduce the State's emissions of greenhouse gases in an effort to combat climate change. These goals include reducing greenhouse gas emission to 40% below 1990 levels by 2030 and 80% below 1990 levels by 2050. These reductions are to be achieved through requirements that renewable source of energy account for 33% of all electricity generation by 2020 and 50% by 2030. To meet these goals, California is aggressively pursuing development of renewable sources of energy including solar thermal, solar photovoltaic, wind, geothermal, biomass and small hydroelectric to replace oil and gas.¹⁰ In 2015 Governor Brown established a goal to reduce current petroleum use in cars by up to 50% in 2030. A direct result of these policies is that California's current and projected needs for fossil fuels are rapidly declining. As California's demand for petroleum products declines, the most likely scenario is that additional oil and gas produced from new federal leases is likely to be exported outside the state.

Furthermore, as noted in the Draft Proposed Program, California's refineries are already operating at or near maximum capacity due to the high demand for the types of petroleum products they produce. Additional OCS production would create the need for additional refinery capacity in California that may be difficult to achieve given political and regulatory constraints. The likely result is that new offshore oil and gas production in California would be exported, thus increasing costs of getting the product to market, as well as increasing the risks of environmental damage associated with transportation of oil and gas.

⁹ State Lands Commission staff report, "Consider Acknowledgement of the Commission's Ongoing Actions to Ensure the Safety of Offshore Oil and Gas Lease Nos. PRC 421.1, PRC 3120.1, PRC 3242.1, and Provide a Status Update Relating to Venoco, LLC's Chapter 11 Bankruptcy, Offshore Santa Barbara County, June 22, 2017.

¹⁰ California Energy Commission – Tracking Progress: <http://www.energy.ca.gov/renewables/>

Finally, as a consequence of the Refugio oil spill, the PXP pipeline that transports oil from offshore platforms inland for processing is currently shut-in. As a result, several offshore platforms that rely on this pipeline, including Platforms Heritage, Harmony and Hondo and Platforms Hidalgo, Hermosa and Harvest have been forced to shut down production until the pipeline is either repaired or rebuilt. There is no current timeline for this endeavor, although it is worthwhile to note that either repairing or replacing the PXP pipeline is a major undertaking that will face numerous regulatory hurdles. It is also likely that the pipeline will be subject to new monitoring and maintenance requirements that could increase the cost of operating the pipeline. These facts should inform an analysis of the feasibility of transporting additional oil products onshore in areas served by the PXP pipeline.

Each of the issues raised above supports a conclusion that new offshore production in California is not likely to be used to meet the State's energy needs. Instead, oil and gas produced offshore of California is likely to be transported some distance out of state or out of the country to reach its intended market. This scenario both decreases the benefits California would receive from any new oil and gas production and increases the environmental risks associated with transportation of oil and gas. This is in direct conflict with BOEM's charge to balance the benefits and risks of offshore oil and gas development (Section 18(a)(B) of the OCS Lands Act), and thus further supports the conclusion that California is not a suitable location for additional offshore oil and gas drilling.

Location with Respect to Other Uses of the Sea and Seabed

A fourth factor BOEM is required to consider under Section 18(a) of the OCS Lands Act is other potentially conflicting uses of the sea and seabed in the OCS. While there are too many such uses to fully document in this letter, it is evident that the preliminary assessment did not adequately consider the complexity and importance of the existing uses of California's OCS. California's offshore environment is extremely active, with many different uses competing for space and resources. Aside from the above-mentioned protection of the offshore environment for marine species and habitats, other significant uses of the OCS that could conflict with additional offshore oil and gas development include commercial and recreational fishing, aquaculture, offshore renewable energy, tourism and recreation, military operations including training and testing, marine transportation, and telecommunications. It is critical that BOEM fully evaluate the economic, social and environmental costs and potential impacts to these sectors from additional oil and gas development in California's OCS.

Commercial and Recreational Fishing

California supports more than 20 distinct fisheries and numerous fishing communities. Although fishing has been a constant presence in California, "the mix of fisheries and level of activity in each port and regionally varies as a function of changes in species distribution and availability, market demand, regulations, physical infrastructure, buyers and other factors (California Sea Grant)."¹¹ For example, as noted in the Draft Proposed Program, Southern California Fisheries

¹¹ Sea Grant California, Discover California Commercial Fisheries: <https://caseagrant.ucsd.edu/project/discover-california-commercial-fisheries>

generally contribute a larger share of California's total fish landings by pound. However, in recent years, the North Coast and North Central California fisheries have contributed a larger share of California's fish landings when measured in dollars. This phenomenon is largely due to the focus on species with a higher price per pound, such as Dungeness crab and Chinook salmon, in the northern portions of the State.¹⁰ BOEM's initial conclusion that commercial fisheries are an important use in Southern but not Northern or Central California, conflicts with these data. In addition, because this preliminary analysis relied on data from 2009, it also did not capture changes in commercial fishing that have occurred since 2009. As one example, a 2015 report by Lisa Wise Consulting Group cited steady growth in the Morro Bay fisheries since a low in 2007.¹² According to the report, "Morro Bay has successfully transitioned from a larger fleet reliant on trawl and large volumes of landings to a smaller fleet profile with a wide diversity of species and gear types. This is evidenced by the seventh year of growth in earnings from a 25-year low in 2007. 2015 is the strongest year in the last 20." This information supports a conclusion that commercial fishing is a significant and important use in all California Planning Areas and should be included in future analyses of competing uses in the OCS. Furthermore, fishing is protected under the Coastal Act and will certainly be included as a factor in any future analysis of the consistency of new offshore leasing and development with the CCMP.

Aquaculture

Aquaculture is becoming an increasingly important priority use in California's state and OCS waters. California currently supports three existing open ocean operations comprising over 125 acres, and an additional four projects covering roughly 2,300 acres, almost entirely within federal waters, are currently undergoing regulatory review. There are a variety of efforts and policies at both the state and federal level directed at protecting and expanding marine aquaculture within state and federal waters offshore of California. For example, California's Aquaculture Development Act (Public Resources Code, Sections 826-828) encourages the practice of aquaculture to augment food supplies, expand employment and promote economic activity within the marine sector and protect and better use the land and water resources of the state. NOAA's National Shellfish Initiative (2013) and the National Marine Aquaculture Policy (2011) seek to increase populations of bivalves in coastal waters through commercial aquaculture production. These two federal policies explicitly acknowledge the multiple benefits of shellfish aquaculture, including its ability to provide new jobs and business opportunities and help meet the growing demand for seafood. Additionally, both the NOAA Sea Grant Program and the U.S. Department of Energy's Advanced Research Projects Agency (ARPA-E) are actively funding efforts to develop and expand commercial and industrial scale aquaculture operations offshore of California to produce shellfish and marine algae for use as food and source material for the production of bio-fuels.

Many of the locations that currently support existing marine aquaculture facilities and/or areas targeted for expansion of marine aquaculture, including areas offshore of Point Loma (San Diego) and portions of the Santa Barbara Channel and San Pedro Shelf (offshore of Long

¹² Lisa Wise Consulting, "Morro Bay Commercial Fisheries: 2015 Economic Impact Report, Working Waterfront Edition," July 2015.

Beach), could be adversely affected by additional offshore leasing, surveying and development. Several specific projects have invested several years into planning and permitting and involved substantial federal funding and research support. These projects include the proposed doubling in size of the Catalina Sea Ranch facility located on the San Pedro Shelf portion of the OCS, the proposed tripling in size of the Santa Barbara Mariculture facility located within the Santa Barbara Channel, the 2,000 acre Ventura Shellfish Enterprise within the Santa Barbara Channel and the more than 100 acre Rose Canyon Fisheries project in federal waters off San Diego.

Renewable Energy

In an effort to meet the ambitious RPS standards set by the Governor and legislature and described in more detail above, California has been actively pursuing the development of renewable energy sources statewide. An important component of the state's plan to supply 50% of the state's electricity from renewable resources by 2030 is the development of offshore wind resources. After BOEM received an unsolicited lease request from a developer interested in constructing an offshore wind farm off of California's Central Coast, California's governor and the U.S. Secretary of the Interior signed an MOU forming the BOEM California Intergovernmental Renewable Energy Task Force (Taskforce). This taskforce, of which the Commission is a member, is described in the BOEM Interim Outreach Summary Report as a "partnership of members of state, local and federally-recognized tribal governments and federal agencies to provide critical information to the decision-making process for planning future offshore renewable energy development opportunities in federal waters offshore California." Since the Taskforce was established in May of 2016, both state and federal agencies have devoted significant resources into outreach and engagement efforts as well as gathering data to inform analysis of the siting and design of potential offshore wind installations in California. Since the initial unsolicited request for a lease off of the Central Coast, additional offshore wind developers have come forward with interest in leasing OCS waters off of the North Coast.

Part of the impetus behind the interest in offshore wind stemmed from a study published in December 2016 by the National Renewable Energy Laboratory entitled "Potential Offshore Wind Energy Areas in California: An Assessment of Locations, Technology and Cost." The study identified 112 Gigawatts ("GW") of technical offshore wind resource potential over the entire California coastline, or approximately 1.5 times the total electricity consumption of the state in 2014. The study also identified an emerging market in floating wind turbines worldwide with expected commercial development in 2025. This is significant because it is expected that any offshore wind installations in California will deploy floating wind technology. The results of the 2016 NREL study when coupled with developer interest and California's ambitious renewable energy goals indicate that offshore renewable energy is a significant and credible potential future use of the California OCS that should be factored in to BOEM's analysis of additional offshore oil and gas development in California. In addition, offshore wave energy, although not as well developed as offshore wind energy, should also be considered as a competing use of OCS waters in California.

Tourism and Recreation

California's beaches and ocean-based recreation are a major draw for both in and out-of-state visitors. Visitors come to surf, swim, walk on the beach, sight-see, kayak, fish or enjoy a multitude of other activities along California's beautiful coastline. One of the principal policies of the Coastal Act preserves the public's right to access and enjoy the beach and surrounding marine areas. In 2016, NOAA released a report called "The National Significance of California's Ocean Economy" that sought to quantify the importance of California's marine transportation and ocean tourism sectors. According to the report, tourism and recreation in California's coastal areas accounted for 39 percent of the California ocean economy's GDP (\$17.6 billion), 75 percent of its employment (368,000), and 46 percent of its wages paid (\$8.7 billion) in 2012, making it the largest of California's six ocean dependent sectors. To compare California's ocean-based tourism and recreation sector to the rest of the country, in 2012, it included more than 18,000 business establishments (15 percent of U.S. total), employed almost 368,000 persons (18 percent of the U.S. total) and generated \$8.7 billion in wages (19 percent of the U.S. total) and more than \$17.6 billion in GDP (18 percent of the U.S. total)." These data demonstrate the economic importance of California's ocean-based tourism and recreation to our state and to the nation. Putting these valuable resources at risk with additional offshore oil and gas development is counter to the Coastal Commission's charge to protect public access and recreation in California's coastal zone, and is not in the interest of Californians, or any other American or foreign visitors to California's coast.

Military

As the Draft Proposed Program notes, the Department of Defense (DoD) uses the OCS airspace, sea surface, subsurface and seafloor for military training, testing and operations. In an initial assessment of military conflicts with potential offshore wind development siting areas, DoD indicated that the entire Central and Southern California OCS should be excluded from future wind development because of the high level of military activity currently in these areas. Given recent increases in the DoD budget, it is likely that military operations in the OCS will increase. Although offshore wind development and oil and gas development are not identical in scale or use of OCS waters, the same conflicts DoD raised related to offshore wind development are likely to apply to offshore oil and gas development. Close coordination with DoD will be critical in quantifying the potential conflicts with current and future military use of the OCS.

Marine Transportation and Telecommunications

Finally, marine transportation and telecommunications are important uses of the OCS that could pose a conflict with additional OCS oil and gas development. According to the 2016 NOAA report, marine transportation is the second largest of California's six ocean-dependent economic sectors, accounting for 31 percent of the ocean-dependent GDP in 2012 (\$14.1 billion). California's ports are also a critical component of the U.S. economy, accounting for about a quarter of the U.S. marine transportation sector for wages and GDP, approximately 17% for number of establishments and 22% for employment in 2012. Our ports serve as a gateway for the entire U.S., with California leading the nation in the monetary value of both imports and

exports. Any additional oil and gas development could impact the marine transportation industry through direct space conflicts offshore and in the Ports, additional boat traffic, and the risks associated with an offshore oil spill.

Since the early 1990's California has authorized the installation and operation of 12 fiber optic cable systems in state and federal waters in the OCS. These cables connect the United States to various locations along the western rim of the Pacific Ocean to facilitate data networking and telecommunications. According to industry representatives, there is high demand for additional cables to ensure a diverse and reliable network.¹³ In addition to the cable systems already authorized, several more are in the planning stages. These cable systems could pose a conflict with additional offshore oil and gas development through direct space conflicts as well as conflicts associated with additional boat traffic, and should be thoroughly addressed in BOEM's analysis.

Laws, Goals and Policies of Affected States identified by the Governors

The fifth factor includes consideration of the laws, goals and policies of affected States. California has enacted several laws, goals and policies that oppose additional oil and gas development in California's offshore environment, several of which are discussed in this letter. In addition to state laws and policies, several local governments have passed ordinances opposing onshore facilities that support offshore oil and gas infrastructure. However, in this section we will focus on the California Coastal Act, which will serve as the standard of review for any future federal consistency analysis for activities on the OCS. Chapter 3 of the Coastal Act contains the principal enforceable policies that the Coastal Commission relies upon to evaluate development in the Coastal Zone, or outside the Coastal Zone in certain circumstances. Although Chapter 3 includes a multitude of policies, the main sections that the Commission will use to assess offshore oil and gas drilling are (1) 30210 Access; recreational opportunities; posting, (2) 30220 Protection of certain water-oriented activities, (3) 30222.5 – Aquaculture facilities, priority use, (4) 30230 - Marine resources and fishing, (5) 30231 – Biological productivity; water quality, (6) 30232 – Oil and hazardous substance spills, (7) 30234.5 – Economic, commercial and recreational importance of fishing, (8) 30244 Archeological or paleontological resources, (9) 30250 – Cumulative impacts, concentration of development, (10) 30251 – Scenic and visual qualities, (11) 30253 – Minimization of geologic hazards, protection of air quality, minimizing energy consumption, and protection of visitor destinations, (12) 30260 – Coastal dependent industrial development, consideration of the public welfare, (13) 30261 – Multicompany use of tanker facilities, (14) 30262 – Oil and gas development, and (15) 30265 Legislative findings and declarations; offshore oil transportation. The overall theme running through these Coastal Act policies is the protection of coastal resources. Additional offshore oil and gas development would conflict with many of these policies, thus supporting the conclusion that California is not a suitable location for additional offshore leasing.

¹³ California Coastal Commission staff report for A-5-DRL-17-0071/9-17-0389/CC-0004-17(Tyco Electronics Subsea Communications), February 5, 2018

Relative Environmental Sensitivity and Marine Productivity

The OCS Lands Act also requires BOEM to consider the relative environmental sensitivity and marine productivity of the OCS regions. Once again, application of this factor to California's offshore environment undermines rather than supports the case for additional offshore drilling off California. As described above, California's offshore environment is highly productive and supports a wide variety of unique and sensitive species and habitats. The sensitivity of California's marine and coastal ecosystems to climate change and the effects of climate change (i.e., sea level rise, ocean acidification, rising temperatures, changing weather patterns, saltwater intrusion, etc.) is well documented and a continued source of study. Thus, California's low relative environmental sensitivity score as reported in the Draft Proposed Program was surprising. However, the lack of a full explanation of the methodologies and data sources used to calculate the relative environmental sensitivity score makes it difficult to provide substantive comments. From the information that was provided, it appears that BOEM's assessment of California's environmental sensitivity was based on an extremely small set of species and habitats. Selection of those species and habitats was based on application of a very limited set of criteria to large scale datasets and very little California-specific information. The resultant scores are highly dependent on the species and habitats selected and are not intended to be representative across the state. As a result, the final environmental sensitivity score does not accurately capture the complexity and vulnerability of California's coastal and marine ecosystems. More generally, regardless of the relative environmental sensitivity score BOEM assigns to California, additional offshore oil and gas development would pose an unacceptable risk of harm to the already stressed species and habitats of California's coastal and marine environment.

Environmental and Predictive Information

Finally, we want to address the last factor in BOEM's analysis: environmental and predictive information. Most of the environmental factors that we believe BOEM should consider in its analysis of future leasing areas have been discussed above. However, impacts associated with new offshore drilling also have the potential degrade or destroy tribal and cultural resources. In California, as in other coastal states, coastal areas, both on and offshore, have a high potential to contain valuable tribal, cultural, or historical resources that may not be known or mapped. To ensure these resources are adequately protected, BOEM has an obligation to conduct government-to-government consultations with all federally-recognized tribes, as well as to strongly consider consultations with non-federally recognized tribes. If new leasing areas are proposed off California, as part of the Commission's federal consistency process, Commission staff will reach out to both federally- and state-recognized tribes to gain a better understanding of potential conflicts with known and unknown tribal resources in a given area.

Oil and gas development in the United States is not just about economic and ecological tradeoffs; there are also significant environmental justice implications for the communities most affected by development activities. We urge BOEM to consider issues of environmental justice in its analysis and decision-making regarding new leasing areas and the eventual development these lease areas will support. The Commission is dedicated to incorporating environmental justice

into its evaluation of development under the Coastal Act, and will include analysis of impacts to low-income communities and communities of color in any future federal consistency determinations for new offshore oil and gas leases.

Conclusion

In sum, we fully support the request of our Governor, our Chair and the united voice of California's resource agencies to remove California from further consideration for new offshore oil and gas leasing. We were extremely disappointed to see BOEM held only a single cursory briefing in Sacramento for a matter of such strong significance to all Californians. If BOEM intends to persist in efforts to lease the California OCS, we could not more strongly urge BOEM to hold a series of public meetings, at least one in each region of our state, to allow the citizens of California an opportunity to express their views on expanded offshore oil and gas drilling off California's coast.

Sincerely,



JOHN AINSWORTH
Executive Director