

CALIFORNIA COASTAL COMMISSION

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W 17a

April 30, 1997

TO: Coastal Commissioners and Interested Members of the Public

FROM: Peter M. Douglas, Executive Director
Susan Hansch, Deputy Director
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SUBJECT: Briefing on the U.S. Environmental Protection Agency (EPA) Region 9 proposal to issue a new National Pollutant Discharge Elimination System (NPDES) General Permit for discharges from oil and gas exploration, development, and production facilities on the California Outer Continental Shelf (OCS).¹

NOTE - *This is an informational item only; no formal action is needed. It is recommended that interested public be afforded an opportunity to comment.*

1.0 Summary

In or after October 1997, the EPA Region 9 is proposing to issue a new NPDES General Permit (No. CAG280000) for discharges from oil and gas facilities to federal waters offshore Southern California. Chapter 11 of the California Coastal Management Program (CCMP) lists NPDES permits issued by the EPA as an activity requiring a consistency concurrence from the State [see also 14 CCR § 13660.1(a)]. Following publication of the proposed new NPDES General Permit, the Commission's Energy Division staff will prepare a staff report on a consistency certification for the Coastal Commission to review. The proposed new NPDES General Permit will become effective if and when the Coastal Commission concurs with the EPA's consistency certification.

2.0 Development of proposed new NPDES General Permit No. CAG280000

The existing NPDES General Permit (No. CA0110516) expired in June 1984. In February 1986, the Commission objected to EPA Region 9's consistency certifications for two new General Permits (see Exhibit 1). Notwithstanding the fact that the existing General Permit had an expiration date of June 1984, the discharge limitations of that Permit have continued in effect to the present date pursuant to federal law [see 40 CFR § 122.6 and 5 USC § 558(c)]. In 1993, EPA Headquarters promulgated new, more stringent discharge standards [see, *Effluent Limitations Guidelines for the Oil and Gas Extraction Point Source Category, Offshore Subcategory* (58 Federal Register 12454, March 4, 1993)]. However, these new discharge standards were not applied retroactively to the existing NPDES General Permit.

¹ Acronyms used in this Report include:

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| ➤ CCMP = California Coastal Management Program | ➤ EPA = U.S. Environmental Protection Agency |
| ➤ CCR = California Code of Regulations | ➤ NPDES = National Pollutant Discharge Elimination System |
| ➤ CFR = Code of Federal Regulations | ➤ OCS = Outer Continental Shelf |
| ➤ CWA = Clean Water Act (33 USC §§ 1251 et seq.) | ➤ USC = United States Code |

As presently drafted, the proposed new NPDES General Permit would (1) cover discharges from 22 existing platforms plus exploration vessels, and (2) incorporate the more stringent standards promulgated in the 1993 *Effluent Limitations Guidelines*. Currently, discharges from 8 of the 22 platforms are covered by individual NPDES permits, while discharges from the other 14 platforms are covered by the existing NPDES General Permit No. CA0110516 (see Exhibit 2).

In recent years, the Commission has concurred with consistency certifications for individual NPDES permits for (1) Exxon Platforms Harmony and Heritage, (2) Chevron Platform Gail, (3) Chevron Platform Grace, and (4) Torch Platform Irene.

As summarized in Exhibit 1, criteria that the Commission considered in finding these individual NPDES permits consistent with the CCMP included whether or not the NPDES permits:

- provide sufficient protection of site-specific, sensitive marine resources;
- incorporated all applicable standards promulgated in the 1993 *Effluent Limitations Guidelines*;
- comply with state water quality standards or fully explain reasons for excluding feasible standards;
- provide adequate monitoring procedures to control discharges and provide effective testing methods to detect levels of discharge toxicity;
- provide adequate enforcement measures to ensure permit compliance;
- address the feasibility of alternative less environmentally sensitive sites; and
- mitigate potential adverse impacts to coastal zone resources to the maximum extent feasible.

3.0 Future Steps

The following is a summary of the status and timelines for the issuance of a new General Permit.

- The Commission staff is participating in meetings held by EPA Region 9 to prepare a draft new NPDES General Permit. Other participants in these meetings have included Santa Barbara County Department of Planning and Building staff, U.S. Minerals Management Service (MMS) staff, and platform operators and their representatives.
- In September 1997, EPA Region 9 expects to publish the draft General Permit in the Federal Register. After a 30-day public comment period, the EPA will respond to comments, make any changes, and finalize the permit (pers. comm. with Astrid Larsen, EPA, April 22, 1997).
- Concurrent with the Federal Register notice, EPA Region 9 will submit to the Coastal Commission a certification that activities permitted under the proposed new NPDES General Permit are consistent with the CCMP.
- Following publication of the Final NPDES General Permit, the Commission will review the General Permit for consistency with the CCMP. The General Permit becomes effective if and when the Coastal Commission concurs with the EPA's consistency certification.

The Energy, Ocean Resources, and Technical Services Division staff will continue to update the Commission on the status of the proposed Region 9 NPDES General Permit on a regular basis.

Exhibit 1
NPDES Permit Consistency Review History

The existing NPDES General Permit (No. **CA0110516**) issued by the EPA Region 9 expired in June 1984. In 1986, the Coastal Commission objected to consistency certifications for proposed new NPDES General Permit Nos. **CAG280622** (development and production operations) and **CAG280605** (exploratory operations). [**CC-38-85/CC-39-85**, February 1986]. The Commission based its objection on findings that these proposed NPDES General Permits:

1. provided insufficient protection of site-specific, sensitive marine resources;
2. did not comply with all state water quality standards or fully explain reasons for excluding feasible standards;
3. provided inadequate monitoring procedures to control discharges and ineffective testing methods to detect levels of discharge toxicity;
4. provided inadequate enforcement measures to ensure permit compliance;
5. did not address the feasibility of alternative less environmentally sensitive sites; and
6. did not mitigate potential adverse impacts to coastal zone resources to the maximum extent feasible.

Notwithstanding the fact that existing General Permit No. **CA0110516** had an expiration date of June 1984, the discharge limitations of that Permit have continued in effect to the present date pursuant to federal law [see 40 CFR § 122.6 and 5 USC § 558(c)].

Since objection to the proposed NPDES General Permits in 1986, the Commission has reviewed for consistency with the CCMP and concurred with individual NPDES permits or permit renewals for discharges from the following platforms:

- Exxon Platforms Harmony and Heritage [**CC-68-92** (August 1992)/**CC-85-92** (December 1992)];
- Chevron Platform Gail [**CC-68-93** (February 1994)];
- Chevron Platform Grace [**CC-65-94** (November 1994)]; and
- Torch Platform Irene [**CC-45-94** (November 1994)].

The Coastal Commission's concurrence with these consistency certifications was based on findings that proposed activities under the NPDES permits addressed the concerns identified below.

EXHIBIT NO.	1
APPLICATION NO.	W-17a
EPA General NPDES	
Permit status report	

1) Provide adequate enforcement measures to ensure permit compliance

- Pursuant to their NPDES permits, the permittees submitted and are implementing a detailed compliance plan that allows for more comprehensive government surveillance in order to reduce the potential for NPDES permit violations, particularly knowing violations. In addition, the permittees committed to train platform personnel regarding NPDES permit requirements and regulatory compliance, and to provide personnel with avenues of communication, other than line management, to report suspected or potential non-compliance events.
- To address Coastal Commission concerns with compliance and self-monitoring by permittees, the applicants committed to the implementation of a "Third Party Compliance Monitoring Workplan" developed by Commission and U.S. Minerals Management Service (MMS) staffs that provides for random third-party monitoring of produced water discharges. The Workplan provides for at least four unannounced inspections by MMS personnel plus any additional monitoring and inspections that the MMS may perform on behalf of the EPA.

2) Are consistent with State standards (or explain why, any feasible standards are excluded)

- The individual NPDES permits incorporate all applicable standards promulgated by the EPA in its 1993 *Effluent Limitations Guidelines for the Oil and Gas Extraction Point Source Category, Offshore Subcategory* (58 Federal Register 12454, March 4, 1993).
- The permittees addressed the feasibility of incorporating standards and monitoring requirements equivalent to those in the California Ocean Plan (*Water Quality Control Plan for Ocean Waters of California*) where standards are set (e.g., daily maximum limits for concentrations of metals and toxic organics in produced water effluent).

3) Provide adequate monitoring procedures and testing methods to detect toxicity levels

- The NPDES permits require the permittees to: (1) conduct an American Petroleum Institute (API) Retort Test and static sheen test to determine if muds and cuttings contain oil (mud toxicity is highly correlated with the mud's oil content); and (2) conduct a muds and a cuttings bioassay for each mud system discharged to determine compliance with the permits' muds and cuttings acute toxicity limit of 30,000 parts per million (ppm) in the suspended particulate phase.
- In order to address Commission concerns that bioassay tests do not detect chronic effects of long-term exposure to waste discharges on biologic communities or ecosystems, one applicant, Torch, committed to collect after use and preserve duplicate samples of mud and cuttings for each required bioassay. If the bioassay yielded a 96 hour LC50 value that complied with the 30,000 ppm limit but was also less than 100,000 ppm, Torch would (1) send the duplicate to an EPA-approved laboratory for a "constituent analysis," and (2) submit the analysis results to the Executive Director to aid in identifying constituents of muds, cuttings, additives or well formations that may contribute to chronic toxicity.

4) Mitigate to the maximum extent feasible any potential adverse impacts to land or water uses or natural resources of the coastal zone

- Discharge limits. The NPDES permits set maximum discharge limits for drill muds, drill cuttings, and produced water (i.e., maximum volumes based on an estimate of the volumes of muds and cuttings and produced water that would be generated during a full year of drilling).
- Submittal of updated information on (1) barging muds and cuttings to shore, (2) reinjection of produced water, and (3) use of continuous oil-in-water monitors. In the 1993 *Effluent Limitations Guidelines*, the EPA did not authorize operators of platforms sited 3+ nautical miles offshore (1) to barge non-oiled muds and cuttings due to adverse transportation-related impacts and a lack of permitted land disposal sites that can accept the volumes produced on OCS platforms, and (2) to reinject wastes due to adverse production impacts and cost. In addition, in 1992, the EPA, Region 9 and Exxon reviewed technologies for continuous oil-in-water monitoring and found that existing technologies (e.g., methods based on ultraviolet light absorption and solvent extraction) did not produce accurate and reliable data.

In previous consistency certifications, the Coastal Commission has made similar findings based on the information available at the time of the consistency certification hearings. However, the Commission has also found that updated information on the barging-to-shore alternative, the feasibility of partial and complete waste reinjection, and the use and installation of continuous oil-in-water monitoring systems must be submitted in future consistency reviews.

Exhibit 2

NPDES Permits: California OCS Oil & Gas Platforms


22 total in OCS ¹	NPDES Permit No.	OCS Platform (& Install Date/County)	Platform Operator [& previous permittee(s)]	Date of Permit Issue/Renewal	Date of Permit Expiration	CC Submittal by Operator or EPA? (if yes, CC#/date)
1.	CA0110020	Hogan (1967) (S.B.)	Pacific Operators / [Phillips]	3/18/77	12/31/81 ²	NO
2.	CA0110028	Houchin (1968) (S.B.)	Pacific Operators / [Phillips]	3/18/77	12/31/81 ²	NO
3.	CA0110397	Grace (1979) (Ventura)	Chevron	9/30/93	7/31/98	CC-65-94 (11/15/94)
4.	CA0110419	Ellen Elly (1980) (Orange)	CalResources LLC / [SWEPI]	9/9/93	7/31/98 ³	NO ³
5.	CA0110516 <i>(General Permit)</i>	A (1968) (S.B.)	Torch / [Unocal]	12/8/83	6/30/84 ²	CC-26-83 (1/11/84) [CCC approved extension of General Permit expiration date until 6/30/84.] CC-38-85/CC-39-85 (2/4/86) [CCC objected to both CCs on 2/4/86. General NPDES Permit has been extended administratively by the EPA Region 9 since 1984.]
6.		B (1968) (S.B.)	Torch / [Unocal]			
7.		Hillhouse (1969) (S.B.)	Torch / [Unocal]			
8.		Hondo (1976) (S.B.)	Exxon			
9.		C (1977) (S.B.)	Torch / [Unocal]			
10.		Henry (1979) (S.B.)	Torch / [Unocal]			
11.		Gina (1980) (Ventura)	Torch / [Unocal]			
12.		Gilda (1981) (Ventura)	Torch / [Unocal]			
13.		Habitat (1981) (S.B.)	Texaco			
14.		Edith (1983) (Orange)	Torch / [Unocal/Chevron]			
15.		Eureka (1984) (Orange)	CalResources LLC / [SWEPI]			
16.		Harvest (1985) (S.B.)	Chevron / [Texaco]			
17.		Hermosa (1985) (S.B.)	Chevron			
18.		Hidalgo (1986) (S.B.)	Chevron			
19.	CA0110648	Irene (1985) (S.B.)	Torch / [Unocal]	10/13/93	6/30/98	CC-45-94 (11/15/94)
20.	CA0110737	Gail (1987) (Ventura)	Chevron	9/30/93	5/31/98	CC-68-93 (2/17/94)
21.	CA0110842	Harmony (1992) (S.B.)	Exxon	6/5/92	5/29/97	CC-68-92 (8/12/92) &
22.	CA0110851	Heritage (1992) (S.B.)	Exxon	6/5/92	5/29/97	CC-85-92 (4/14/93)

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¹ 4 producing platforms remain in State waters: **Holly** [Mobil, Santa Barbara County] & **Eva/Esther/Emmy** [Torch, Orange County].

² NPDES Permit administratively extended by the U.S. EPA.

³ NPDES Permit renewal is not effective as not concurred with by the CCC (operator has not submitted CC).

 = individual NPDES permit

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EXHIBIT NO. 2
APPLICATION NO. W-17a
 EPA General NPDES Permit status report