

CALIFORNIA COASTAL COMMISSION

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May 22, 1998

TO: Coastal Commissioners and Interested Members of the Public

FROM: Susan Hansch, Deputy Director
 Cy R. Oggins, Analyst, Energy, Ocean Resources, and Technical Services Division

SUBJECT: Summary of the proposed new U.S. Environmental Protection Agency Region 9 General NPDES Permit for discharges from oil and gas exploration, development, and production facilities on the California Outer Continental Shelf.

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

In late 1998, the U.S. Environmental Protection Agency (EPA) Region 9 is proposing to issue a new General National Pollutant Discharge Elimination System (NPDES) Permit (No. CAG280000) for discharges from oil and gas facilities to federal waters offshore California.¹ Currently, discharges from 14 of the 22 oil and gas platforms on the Outer Continental Shelf (OCS) offshore California are regulated by a General NPDES Permit (No. CA0110516) that EPA Region 9 issued in 1982; the remaining 8 platforms are covered by individual NPDES permits (see Tables 1-2 & Exhibits 1-2). The proposed new General Permit will regulate discharges from all 22 existing platforms plus exploration vessels, and incorporate more stringent discharge standards promulgated in the EPA's 1993 *Effluent Limitations Guidelines for the Oil and Gas Extraction Point Source Category, Offshore Subcategory* (58 Federal Register 12454, March 4, 1993)].

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)]. Concurrent with publication of the proposed new General NPDES Permit, the EPA will submit a consistency certification on the proposed new General Permit for the Coastal Commission to review. The proposed new General NPDES Permit will become effective if and when the Coastal Commission concurs with the EPA's consistency certification. The concurrence, if granted, will be a "general" concurrence as that term is defined and used in Section 930.53(c) of the Coastal Zone Management Act regulations [15 CFR § 930.53(c)].

A summary of the status and timelines for the issuance of a new General Permit is provided below.

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 <u>et seq.</u>) | ➤ USC = United States Code |

- The Commission staff is participating in meetings held by EPA Region 9 to prepare a draft new General NPDES Permit. Other participants in these meetings have included platform operators and their representatives and staff from the Central Coast Regional Water Quality Control Board (RWQCB), Santa Barbara County Department of Planning and Building, and U.S. Minerals Management Service (MMS).
- In late 1998, EPA Region 9 expects to publish the draft General Permit in the *Federal Register*.
- Concurrent with the *Federal Register* notice, EPA Region 9 will submit to the Coastal Commission a certification that activities permitted under the proposed new General NPDES Permit are consistent with the CCMP.
- Following publication of the draft General NPDES 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.
- After a 30-day public comment period and the Commission's consistency review, the EPA will respond to comments, make any changes, and finalize the permit.

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

Table 1. NPDES Permit Consistency Review History

January 1984	The Commission concurred with EPA's consistency certification for reissuing, for an additional six months until June 1984, the General NPDES Permit for discharges from offshore oil and gas operations to federal waters offshore California (CC-26-83). EPA Region 9 issued the original General NPDES permit in February 1982; the permit expired on December 31, 1983.
February 1986	The Commission objected to consistency certifications for proposed new General NPDES Permit Nos. CAG280622 (development/production operations) and CAG280605 (exploratory operations) [CC-38-85/CC-39-85]. Following the Commission's objection, EPA Region 9 did not submit new proposed NPDES General Permits for consistency review by the Commission, and has not proposed to do so until recently. Pursuant to federal law [see 40 CFR § 122.6 and 5 USC § 558(c)], discharge limitations for the 14 platforms covered by the existing General NPDES Permit No. CA0110516 have continued in effect to the present date.
March 1993	EPA Headquarters promulgated new, more stringent discharge standards [see, <i>Effluent Limitations Guidelines for the Oil and Gas Extraction Point Source Category, Offshore Subcategory</i> (58 Federal Register 12454, March 4, 1993)]. To date, EPA Region 9 has not retroactively applied the new discharge standards to the existing General NPDES Permit No. CA0110516 .
1993 to date	In recent years, the Commission has concurred with consistency certifications for <u>individual</u> NPDES permits for the following platforms: (1) Exxon Platforms Harmony and Heritage, (2) Chevron Platform Gail, (3) Chevron Platform Grace, and (4) Torch Platform Irene. These individual NPDES permits include the new, more stringent discharge standards promulgated in the EPA's 1993 <i>Effluent Limitations Guidelines</i> .

Table 2. Consistency Review Criteria

1986 General NPDES Permits	Recent Individual NPDES Permits
<p>In 1986, the Commission objected to EPA Region 9's consistency certifications for two new NPDES General Permits. The Commission based its objection on findings that the proposed General Permits:</p>	<p>Since 1986, the Commission has reviewed for consistency with the CCMP and concurred with <u>individual</u> NPDES permits or permit renewals for discharges from Exxon Platforms Harmony and Heritage, Chevron Platforms Gail and Grace, and Torch Platform Irene. The Commission's concurrence with these consistency certifications was based on findings that proposed activities under the NPDES permits addressed the concerns identified below.</p>
<p>1. Provided insufficient protection of site-specific, sensitive marine resources;</p>	<p>1. <u>Provided sufficient protection of site-specific, sensitive marine resources</u>. The Commission found that the activities under the permits, as certified by the applicants, provided sufficient protection of site-specific, sensitive marine resources</p>
<p>2. Did not comply with all state water quality standards or fully explain reasons for excluding feasible standards;</p>	<p>2. <u>Are consistent with State standards (or explain why, any feasible standards are excluded)</u>. All the individual NPDES permits incorporated applicable standards promulgated by the EPA in its 1993 <i>Effluent Limitations Guidelines</i> for offshore oil and gas extraction point sources. The Commission also reviewed the feasibility of incorporating standards and monitoring requirements equivalent to those in California's <i>Water Quality Control Plan for Ocean Waters of California</i> (Ocean Plan) where standards are set (e.g., daily maximum limits for concentrations of metals and toxic organics in produced water effluent).</p>
<p>3. Provided inadequate monitoring procedures to control discharges and ineffective testing methods to detect levels of discharge toxicity;</p>	<p>3. <u>Provide adequate monitoring procedures and testing methods to detect toxicity levels</u></p> <ul style="list-style-type: none"> • 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 <u>acute</u> 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 <u>chronic</u> 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.

Table 2. Consistency Review Criteria (continued)

1986 General NPDES Permits	Recent Individual NPDES Permits
<p>4. Provided inadequate enforcement measures to ensure permit compliance;</p>	<p>4. <u>Provided adequate enforcement measures to ensure permit compliance.</u> 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. The permittees also committed to train platform personnel on NPDES permit requirements/regulatory compliance, and to provide personnel with communication avenues to report suspected or potential non-compliance events. To address other 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 MMS staffs that provides for random third-party monitoring of produced water discharges. The Workplan provides for unannounced inspections by MMS personnel plus any additional monitoring and inspections that the MMS may perform on behalf of the EPA.</p>
<p>5. Did not address the feasibility of alternative less environmentally sensitive sites; and</p>	<p>5. <u>Submittal of updated information on (1) barging muds and cuttings to shore, and (2) reinjection of produced water.</u> The platforms covered by the individual permits were either existing or under construction; therefore alternative <u>platform</u> sites were not feasible. Based on information available at the time of the consistency reviews, alternative <u>discharge</u> locations--e.g., barging muds and cuttings and reinjecting produced water-- were shown to be infeasible. For example, in the 1993 <i>Effluent Limitations Guidelines</i>, 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. The Commission found, however, that updated information on the barging-to-shore alternative and the feasibility of partial and complete waste reinjection must be submitted in future consistency reviews.</p>
<p>6. Did not mitigate potential adverse impacts to coastal zone resources to the maximum extent feasible.</p>	<p>6. <u>Mitigate to the maximum extent feasible any potential adverse impacts to land or water uses or natural resources of the coastal zone.</u> Among other mitigations included in the individual NPDES permits, the 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).</p>

NPDES Permits: OCS Oil & Gas Platforms Offshore California

23 total in OCS ¹	NPDES Permit No.	OCS Platform (& Install Date/County)	Platform Operator [& previous permittees]	Date of Permit Issue/Renewal	Date of Permit Expiration	CC Submittal by Operator or EPA? (if yes, CC#/date)
(1)	CA0110516 <i>(General Permit)</i>	A (1968) (S.B.)	Nuevo [Torch/Unocal]	12/8/83	6/30/84²	<p style="text-align: center;">CC-26-83</p> <p>In 1/84, the CCC concurred in EPA's consistency certification that reissuance of the General NPDES Permit through 6/84 was consistent with the CCMP. (EPA originally issued the General Permit in 2/82 with an expiration date of 1/84.)</p> <p style="text-align: center;">CC-38-85/CC-39-85</p> <p>In 2/86, CCC objected to EPA consistency certifications for two new proposed NPDES General Permits. [The existing NPDES General Permit has been extended administratively by the EPA since 1984.]</p>
(2)		B (1968) (S.B.)	Nuevo [Torch/Unocal]			
(3)		Hillhouse (1969) (S.B.)	Nuevo [Torch/Unocal]			
(4)		Hondo (1976) (S.B.)	Exxon			
(5)		C (1977) (S.B.)	Nuevo [Torch/Unocal]			
(6)		Henry (1979) (S.B.)	Nuevo [Torch/Unocal]			
(7)		Gina (1980) (Ventura)	Nuevo [Torch/Unocal]			
(8)		Gilda (1981) (Ventura)	Nuevo [Torch/Unocal]			
(9)		Habitat (1981) (S.B.)	Texaco			
(10)		Edith (1983) (Orange)	Nuevo [Torch/Unocal/Chevron]			
(11)		Eureka (1984) (Orange)	AERA [CalRes. LLC/SWEPI]			
(12)		Harvest (1985) (S.B.)	Chevron / [Texaco]			
(13)		Hermosa (1985) (S.B.)	Chevron			
(14)		Hidalgo (1986) (S.B.)	Chevron			

(15)	CA0110020	Hogan (1967) (S.B.)	Pacific Operators / [Phillips]	3/18/77	12/31/81²	NO
(16)	CA0110028	Houchin (1968) (S.B.)	Pacific Operators / [Phillips]	3/18/77	12/31/81²	NO
(17)	CA0110397	Grace (1979) (Ventura)	Chevron	9/30/93	7/31/98	CC-65-94 (11/15/94)
(18)	CA0110419	Ellen (1980) (Orange)	AERA [CalResources LLC/SWEPI]	9/9/93	7/31/98³	NO³
(19)	CA0110419	Elly				
(20)	CA0110648	Irene (1985) (S.B.)	Torch / [Unocal]	10/13/93	6/30/98	CC-45-94 (11/15/94)
(21)	CA0110737	Gail (1987) (Ventura)	Chevron	9/30/93	5/31/98	CC-68-93 (2/17/94)
(22)	CA0110842	Harmony (1992) (S.B.)	Exxon	6/5/92	5/29/97	CC-68-92 (8/12/92) &
(23)	CA0110851	Heritage (1992) (S.B.)	Exxon	6/5/92	5/29/97	CC-85-92 (4/14/93)

¹ 22 platforms are located in Outer Continental Shelf (OCS) waters offshore California.

[Note: 4 producing platforms remain in State waters: **Holly** (Santa Barbara County) & **Eva/Esther/Emmy** (Orange County). These platforms are covered by NPDES permits issued by California's Regional Water Quality Control Boards].

² NPDES Permit has been administratively extended by the U.S. EPA Region 9.

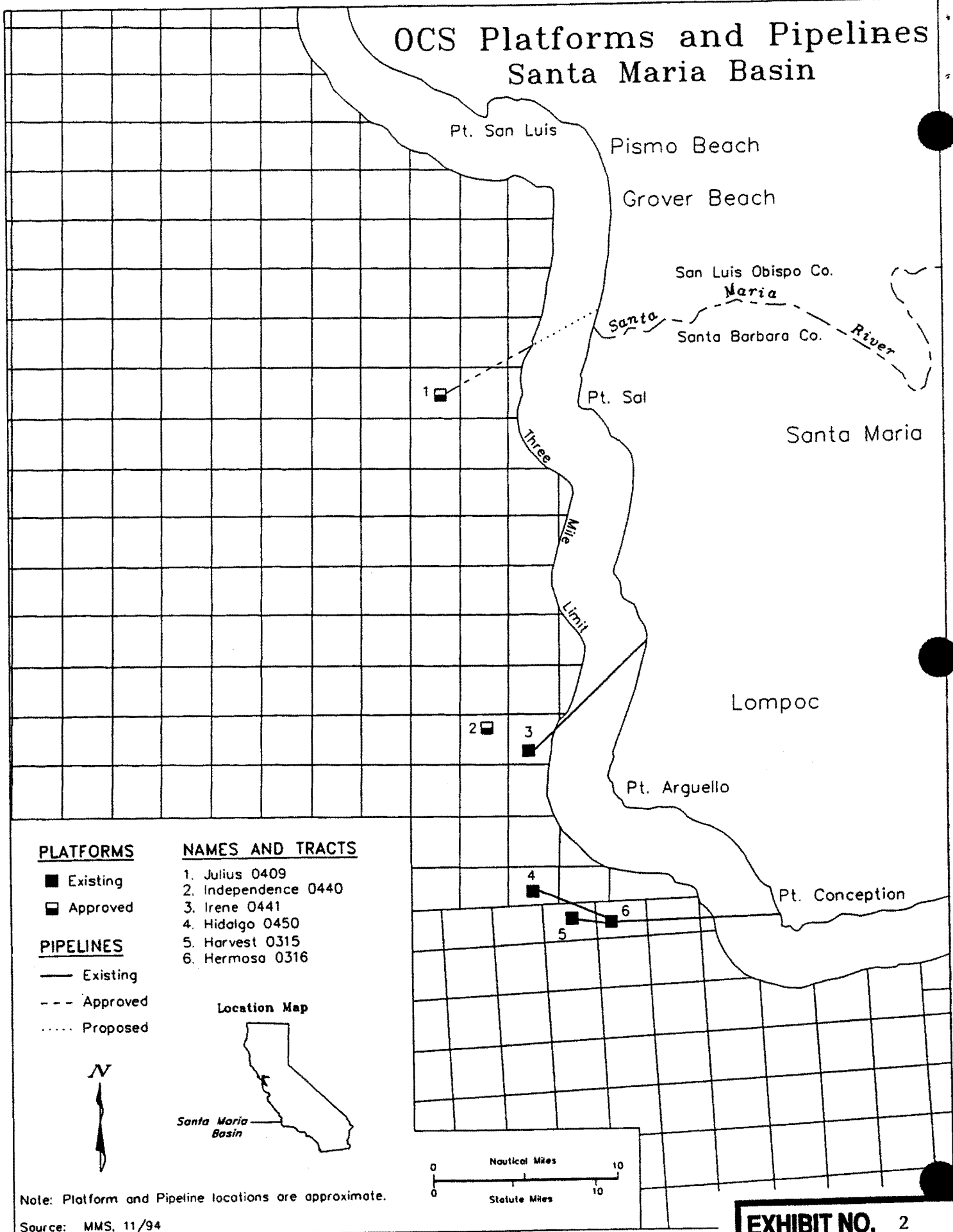
³ NPDES Permit renewal is not effective as not concurred with by the CCC (operator has not submitted CC).

EXHIBIT NO. 1

APPLICATION NO.

ITEM No. 7b

OCS Platforms and Pipelines Santa Maria Basin



PLATFORMS

- Existing
- ▣ Approved

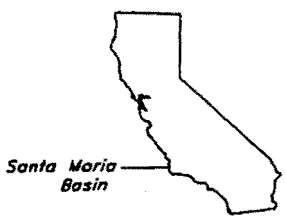
PIPELINES

- Existing
- - - Approved
- Proposed

NAMES AND TRACTS

1. Julius 0409
2. Independence 0440
3. Irene 0441
4. Hidalgo 0450
5. Harvest 0315
6. Hermosa 0316

Location Map



Note: Platform and Pipeline locations are approximate.

Source: MMS, 11/94

EXHIBIT NO. 2
APPLICATION NO.
ITM No. 7b

OCS Platforms and Pipelines Santa Barbara Channel

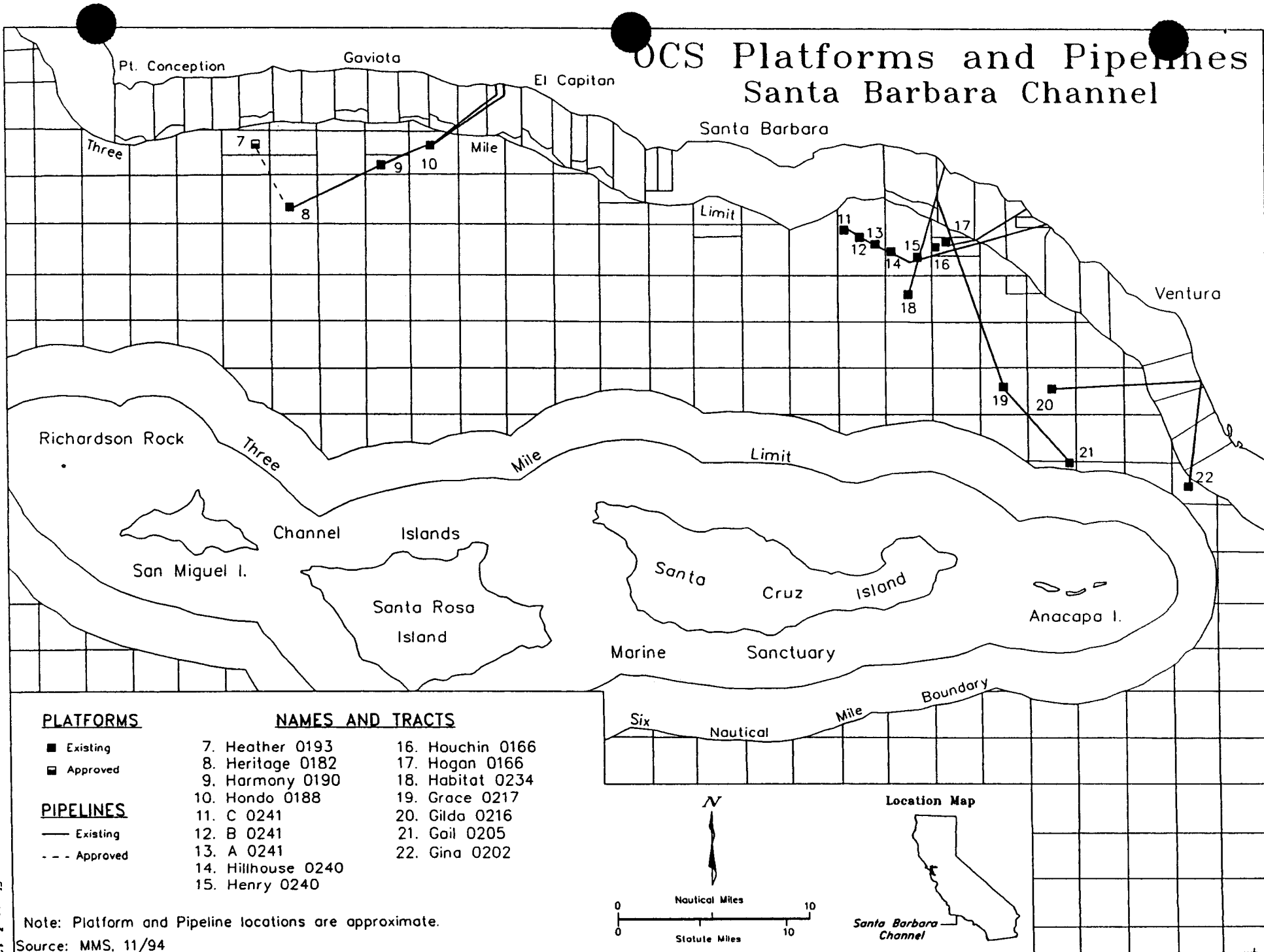


Figure 3-12

OCS Platforms and Pipelines Long Beach Area

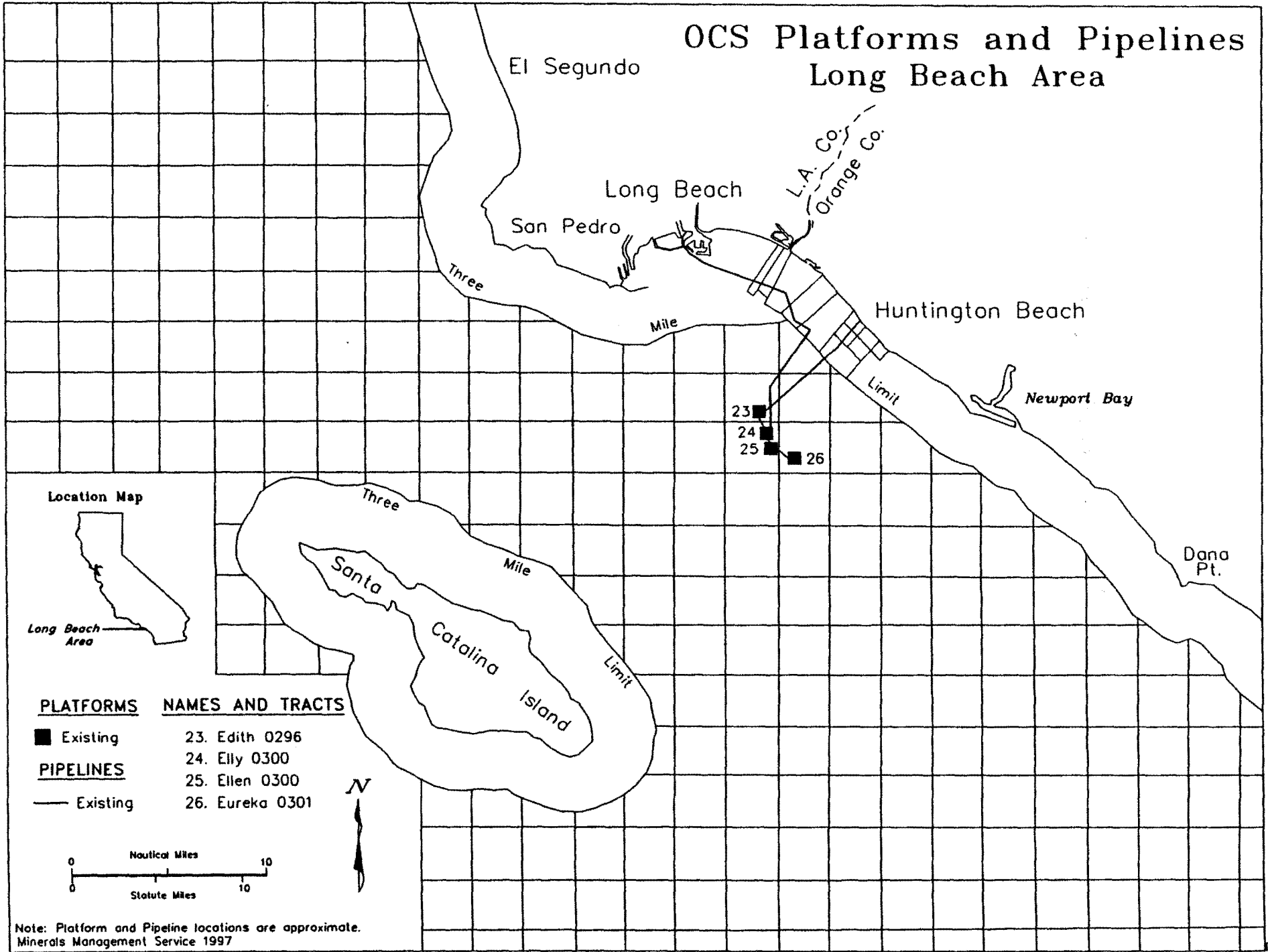


Figure 3-13