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F8a

February 28, 2013

TO: Coastal Commissioners and Interested Parties

FROM: Alison Dettmer, Deputy Director
Kate Huckelbridge, Analyst

SUBJECT: Addendum to Staff Report for Application No. E-13-001, Venoco Inc.

This addendum includes one revision to the February 22, 2013 staff report on Venoco's project to replace in-kind the existing 16.5kV sub-sea power cable between the Elwood Onshore Facility and Platform Holly. These revisions do not change staff's recommendation that the Commission approve the permit as conditioned.

REVISIONS TO FINDINGS: Staff recommends modifying the staff report as shown below in strikeout/underline:

Page 1, heading, make the following change:

Filed: 2/04/13
180th Day: 8/3/13
Staff: K.Huckelbridge-SF
Staff Report: ~~3/29/12~~2/22/13
Hearing Date: ~~4/11/12~~3/8/13

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Staff Report:	2/22/13
Hearing Date:	3/8/13

STAFF REPORT: REGULAR CALENDAR

Application No.:	**E-13-001**
Applicant:	**Venoco, Inc.**
Location:	Elwood Onshore Facility, 7979 Hollister Ave., extending into state waters offshore City of Goleta, Santa Barbara County.
Project Description:	Replace in-kind the existing 16.5kV sub-sea power cable between the Elwood Onshore Facility and Platform Holly.
Staff Recommendation:	Approval with conditions.

SUMMARY OF STAFF RECOMMENDATION

Venoco proposes to replace in-kind the existing 46 year old 16.5kV sub-sea power cable that delivers power from the Ellwood Onshore Facility (EOF) to Platform Holly, located in state waters offshore of the City of Goleta, Santa Barbara County (see Exhibit 1). The replacement power cable would support the same electrical power transmission capabilities as the existing cable, and include enhanced fiber optics technology to replace the existing wire telecommunications. The replacement cable would follow the same general route as the existing

cable through existing onshore easements and an offshore cable corridor (see Exhibits 2 and 3). To install the cable, Venoco proposes to bore underneath the beach and nearshore areas using Horizontal Directional Drilling (HDD) technology. From its exit point offshore, Venoco would lay the rest of the new cable on the seafloor (which is expected over time to bury under sandy bottom) out to Platform Holly. The existing cable would remain buried in place until Platform Holly is decommissioned.

The key Coastal Act issue raised by this project is the potential for adverse effects to marine resources including benthic species, fish, marine mammals and sensitive marine habitats. To address these concerns, the Commission staff recommends several conditions designed to protect marine habitats and species. These include Special Condition 1h that requires Venoco to submit an anchoring plan that avoids all sensitive habitats and Special Condition 1b that requires Venoco to provide two marine mammal monitors on each project-related vessel to monitor for the presence of marine mammals and requires cable-lay activities to proceed slowly to prevent collisions with marine mammals and sea turtles and allow any mobile species to avoid the cable as it is laid on the seafloor. To address concerns related to a frac-out, or unintentional release of drilling fluids, during HDD activities, Special Condition 2 requires Venoco to submit a site-specific geotechnical study, and Special Condition 1f requires Venoco to implement a detailed Spill Response and HDD Fluid Release Monitoring and Contingency Plan that incorporates the use of fluorescent dye to detect a frac-out in marine waters. If a frac-out occurs, Venoco must assess any impacts and submit a habitat restoration plan for approval by applicable regulatory agencies including the Coastal Commission (Special Condition 1g). With implementation of these conditions, the Commission staff believes the proposed project would be consistent with Sections 30230 and 30231 of the Coastal Act.

Also of concern are impacts to riparian/marsh ESHA located adjacent to the onshore project site (see Exhibit 4). To minimize the risk of adverse impacts to nearby ESHA, Venoco is required to conduct pre-construction biological surveys to detect the presence of special-status species (Special Condition 1c), monitor for protection of sensitive biological resources during project activities (Special Condition 1d), and install highly visible fencing to establish the work boundary (Special Condition 1e). The special conditions related to HDD activities (noted above) also apply to onshore activities, thus decreasing the potential of a frac-out that could harm sensitive terrestrial habitats and species. As conditioned, the Commission staff believes the project would be carried out in a manner that would prevent impacts to ESHA and therefore can be found consistent with Section 30240 of the Coastal Act.

Commission staff recommends **approval** of coastal development permit application E-13-001, as conditioned.

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APPENDICES

EXHIBITS

I. MOTION AND RESOLUTION

Motion:

> *I move that the Commission **approve** Coastal Development Permit E-13-001 subject to the conditions set forth in the staff recommendation.*

Staff recommends a **YES** vote on the foregoing motion. Passage of this motion will result in conditional approval of the permit and adoption of the following resolution and findings. The motion passes only by affirmative vote of a majority of the Commissioners present.

Resolution:

> *The Commission hereby approves Coastal Development Permit E-13-001 and adopts the findings set forth below on grounds that the development as conditioned will be in conformity with the policies of Chapter 3 of the Coastal Act. Approval of the permit complies with the California Environmental Quality Act because either 1) feasible mitigation measures and/or alternatives have been incorporated to substantially lessen any significant adverse effects of the development on the environment, or 2) there are no further feasible mitigation measures or alternatives that would substantially lessen any significant adverse impacts of the development on the environment.*

II. STANDARD CONDITIONS

This permit is granted subject to the following standard conditions:

1. **Notice of Receipt and Acknowledgment**. The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.

2. **Expiration.** If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.

3. **Interpretation.** Any questions of intent of interpretation of any condition will be resolved by the Executive Director or the Commission.

4. **Assignment.** The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.

5. **Terms and Conditions Run with the Land.** These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

III. SPECIAL CONDITIONS

This permit is granted subject to the following special conditions:

1. This condition incorporates the following mitigation measures required by the Mitigated Negative Declaration certified by the State Lands Commission on December 5, 2012, except as modified herein:

   a. **Construction Night Lighting Plan.** PRIOR TO ISSUANCE OF THIS PERMIT, Venoco shall submit to the Executive Director of the Coastal Commission (hereinafter, "Executive Director") for approval, a Construction Night Lighting Plan. The Plan shall include at least the following measures:

   (1) Onshore and offshore lighting shall be of low intensity, low glare design, and shall be hooded to direct light downward onto the subject area and prevent spill-over onto adjacent areas. Upward directed exterior lighting is prohibited.
   (2) Lighting fixtures shall be kept to the minimum number and intensity needed to ensure construction and worker safety.
   (3) Lighting shall be not directed towards any Environmentally Sensitive Habitat Area to the maximum extent feasible.

   b. **Marine Mammal Monitoring.** PRIOR TO ISSUANCE OF THIS PERMIT, Venoco shall submit to the Executive Director for approval a Marine Mammal Monitoring Plan. Venoco shall develop the plan in consultation with the staff of the State Lands Commission. This plan shall address HDD and cable-laying activities separately and shall include the following provisions:

   (1) A 500-foot (152-meter) Minimum Safety Zone shall be established along the proposed cable alignment.
   (2) Two marine mammal monitors, approved by the Executive Director, shall be on watch on each project vessel (cable-lay and support vessels) during offshore horizontal directional drilling (HDD) and cable-laying activities to monitor any marine mammals that enter the established Minimum Safety Zone. Venoco may request that the Executive Director reduce the number of marine mammal monitors required for particular portions of the project. Such a request may only be approved if the Executive Director determines that marine mammals will not be adversely impacted by a reduction in monitors.
   (3) If a marine mammal approaches within 200 feet during the HDD operation, the monitors shall notify the onsite construction foreman and initiate a cease-work order. The monitors will have the discretion to continue operations if they determine that the mammal is headed away from the HDD construction area. A report summarizing interactions with marine mammals during project activities shall be submitted to the Executive Director no later than 30 days after project completion.

(4) Cable-laying vessel speeds shall be limited to less than two nautical miles per hour (knots), with the speed of support vessels moderated to 3 to 5 knots, to minimize the likelihood of collisions with marine mammals and sea turtles.
(5) Propeller noise and other noises associated with cable laying activities shall be reduced or minimized (through reduction of vessel speed) to the extent possible.

c. **Onshore Pre-construction Surveys.**

(1) WITHIN 30 DAYS OF PROJECT COMMENCEMENT, a qualified biologist approved by the Executive Director shall conduct pre-construction surveys for special-status species and nesting birds protected under the Migratory Bird Treaty Act and California Fish and Wildlife Code section 3503. The biologist shall recommend any additional mitigation necessary to address changes since the original survey was done. Pre-construction surveys should target monarch butterflies, California red-legged frog, tidewater goby, and white-tailed kites as they have high potential to occur within or directly adjacent to the project area. Appropriate survey methods and timeframes acceptable to the Executive Director shall be established to ensure that chances of detecting the target species are maximized, i.e., October through February for monarch butterflies, March through June for nesting birds, or as determined by the consulting qualified biologist.
(2) If aggregations of monarch butterflies are observed within the adjacent areas, Venoco shall implement avoidance measures to ensure that aggregations of monarch butterflies are not disturbed. Venoco shall establish a minimum 100-foot buffer, as measured from the outer extent of the tree canopy, if monarch butterfly aggregations are detected. Construction activities within the designated buffer of the aggregation shall be halted until monarch butterflies have left the site and the consulting biologist has determined that the resumption of construction shall not adversely affect the monarch butterfly habitat.
(3) If nesting birds are observed, Venoco shall implement avoidance measures to ensure that nests are not disturbed until after young have fledged. Construction activities within the designated buffer of the nest shall be halted until the consulting biologist has determined that the resumption of construction shall not adversely affect the nest. If other listed species are encountered, Venoco shall consult with the U.S. Fish and Wildlife Service (USFWS) and/or the California Department of Fish and Wildlife (CDFW), City of Goleta (when work is within their jurisdiction) and Coastal Commission staff before continuing with work.
(4) The results of the preconstruction surveys, including graphics showing the locations of any nests detected, and any avoidance measures implemented for special-status species, shall be submitted to the Executive Director within 14 days of completion of the surveys.

d. Onshore Biological Monitoring

(1) A biological monitor approved by the Executive Director shall be present during all onshore construction. The biological monitor shall be authorized to halt all construction activities if conditions of this permit are violated or a special status

species is observed within or near the construction area. Prior to project commencement, the biological monitor shall clearly designate on project maps and plans, and at the construction site, sensitive resource areas identified during the pre-construction survey, including the required buffer zone. Staging and storage areas shall not be placed in or near sensitive resources areas. The biological monitor shall ensure that all project-related activities are prohibited within 50 feet from the top of the banks for all drainages and other areas known to support special-status species. The project shall be carried out during the dry season (April 15 to November 1) unless and until the Executive Director approves an erosion control plan, incorporating appropriate best management practices identified in the U.S. Environmental Protection Agency's guidelines for construction site runoff control.

(2) The Bell Canyon Creek corridor will be inspected during onshore HDD operations at a frequency acceptable to the biologist to detect a potential release of HDD drilling muds. If a listed species or nesting birds are encountered, Venoco shall follow the procedures outlined in Condition 1c.

(3) The results of the monitoring, including graphics showing the locations of any nests detected, and any avoidance measures implemented, shall be submitted to the Executive Director within 14 days of project completion.

e. Highly Visible Fencing. PRIOR TO PROJECT COMMENCEMENT, Venoco shall install highly visible construction fencing to prevent encroachment into ESHA. If the project is carried out during the winter months, fencing shall be raised to allow for the migration of California red-legged frogs through the project area.

f. Spill Response and Horizontal Directional Drilling (HDD) Fluid Release Monitoring and Contingency Plan. PRIOR TO ISSUANCE OF THIS PERMIT, Venoco shall submit to the Executive Director for approval a Spill Response and HDD Fluid Release Monitoring and Contingency Plan. The plan shall include, at a minimum:

(1) An evaluation of a worst-case spill volume;

(2) A commitment to use water as a drilling fluid for the last 60-100 feet of the HDD bore before the drill punches out into the exit pit.

(3) Measures for training, monitoring, equipment and materials, agency notification and prevention, containment, clean up, and disposal of released drilling muds;

(4) Methods for detecting the accidental release of drilling fluids that include: (1) monitoring by a minimum of one biological monitor onshore and two biological monitors offshore throughout drilling operations to ensure swift response if a release (i.e., frac-out) occurs; (2) continuous monitoring of drilling pressures to ensure they do not exceed those needed to penetrate the formation; (3) continuous monitoring of mud returns at the exit and entry pits to determine if mud circulation has been lost; (4) continuous monitoring by spotters to follow the progress of the drill bit during the pilot hole operation, and reaming and pull back operations; and (5) a protocol for using fluorescent dye to detect a frac-out on the sea floor during offshore HDD activities.

(5) Protocols Venoco will follow if there is a loss of circulation or other indicator of a release of fluids.

(6) Protocols Venoco will follow if there is a fluid release in upland, aquatic/creek or other onshore habitat (e.g., isolating the area through construction of temporary berms/dikes and use of silt fences, straw bales, absorbent pads, straw wattles, and plastic sheeting).
(7) Protocols Venoco will follow if there is a fluid release in marine waters (e.g., immediately erect an isolation/containment environment (underwater boom and curtain).

If a frac-out and fluid release occurs, Veneco shall immediately halt work and notify and consult with the staffs of the California State Lands Commission, Coastal Commission, CDFW's Office of Spill Prevention and Response, and National Oceanic and Atmospheric Administration Fisheries regarding appropriate incident-specific actions to be undertaken before HDD activities can begin again.

g. Habitat Restoration Plan. If a fluid release occurs that affects upland, aquatic/creek or other onshore habitat, within 60 days of discovery of the release, Venoco shall submit a site-specific Habitat Restoration Plan in the form of an amendment to this permit to restore the affected area.

h. Anchoring Plan. PRIOR TO ISSUANCE OF THIS PERMIT, Venoco shall submit a Final Anchoring Plan to the Executive Director for approval. The Anchoring Plan shall include, at a minimum, maps showing the anchoring sites identified during pre-construction surveys to identify anchor seclusion zones and ensure that all anchors shall avoid any rocky habitat, kelp beds, submerged cultural resources, and impacts to recreational and commercial boaters.

i. Post-Construction Seafloor Survey and Remediation. Venoco shall perform a post-construction remotely operated vehicle or diver video survey along the length of the completed facility, with voice overlay, to verify the as-laid condition of the cable. The survey shall also provide a graphic record of the work accomplished and confirm seafloor cleanup and site restoration including anchor locations. Results of the survey shall be submitted to the Executive Director within 90 days of project completion.

j. Cultural Resources. Onshore subsurface excavations shall be monitored by a qualified archaeologist and a Native American monitor from a culturally affiliated tribe recognized by the Native American Heritage Commission. If archaeological resources are encountered, Venoco shall immediately stop work and notify the Executive Director to determine further actions that may include recordation, evaluation and data recovery or avoidance through preservation in place. Within 30 days of project completion, the project archaeologist shall submit a construction monitoring report to the Executive Director.

k. Preparation of a Critical Operations and Curtailment Plan (COCP). PRIOR TO ISSUANCE OF THIS PERMIT, Venoco shall submit a Final COCP to the Executive Director for approval. The COCP shall define the limiting conditions of sea state, wind, or any other weather conditions that exceed the safe operation of offshore vessels, equipment, or divers in the water; that hinder potential spill cleanup; or in any way pose a threat to

personnel or the safety of the environment. The COCP shall provide for a minimum ongoing 5-day advance favorable weather forecast during offshore operations. The plan shall also identify the onsite person with authority to determine critical conditions and suspend work operations when needed.

l. Water Quality/Stormwater Pollution Prevention Plan. PRIOR TO ISSUANCE OF THIS PERMIT, Venoco shall submit a Water Quality Plan to the Executive Director for approval. The plan shall include, at a minimum, a description of Best Management Practices (BMPs), including erosion and sedimentation prevention measures, spill prevention measures, spill containment measures and monitoring requirements.

2. **Site Specific Geotechnical Study.** PRIOR TO ISSUANCE OF THIS PERMIT, Venoco shall submit to the Executive Director for approval a site-specific geotechnical study for the HDD bore that includes: (a) a minimum of two borings – one at the entry of the bore and one as near to the middle as practicable; (b) a geologic cross-section based on the data showing the proposed bore; (c) a discussion of special drilling conditions that may be encountered (e.g., cobbles, unconsolidated sands, etc.); and (d) a discussion of existing fractures and recommendations on how to minimize risk of inadvertent return of drilling fluids to the surface.

IV. FINDINGS AND DECLARATIONS

A. PROJECT DESCRIPTION

Venoco proposes to replace the existing 46-year old 16.5kV sub-sea power cable that delivers power from the Ellwood Onshore Facility (EOF) to Platform Holly (see Exhibit 1). The replacement power cable will support the same electrical power transmission capabilities as the existing cable, but will include enhanced conductors to reduce voltage drop, resulting in a 3% decrease in power use. The cable will also include newer fiber optics technology to replace the existing wire telecommunications. The proposed replacement cable follows the same general route as the existing cable through existing easements and a new Horizontal Directional Drilling (HDD) alignment and includes three phases of installation: (1) Onshore, including beach and surf zone HDD, (2) Offshore, and (3) Platform Holly.

For the onshore portion of the cable installation, the cable would connect to the existing onshore platform Holly supply transformer at the EOF through a new concrete termination vault (approximately 3 feet by 4 feet by 4 feet). From this vault, contractors would excavate a trench to route the cable to a new HDD entry site located on a gravel access road just west of the EOF fence (see Exhibit 2). Once the cable is installed, Venoco would backfill the trench and finish it to match the existing surface. Next, contractors would route the cable through a proposed underground HDD bore approximately 2200 feet long, beginning at the HDD entry site, continuing under a portion of the Sandpiper Golf Course, the beach and the surf zone, and exiting on the seafloor at a location 1400 feet offshore in approximately 30 feet of water (see Exhibit 3). To install this bore, workers would first excavate shallow entry and exit pits (approximately 10-20 feet in width and 10-50 feet in length). Next, the HDD rig, positioned at the entry pit, would be used to drill a 10 inch diameter pilot hole. During the drilling process,

returned drilling fluid and bore cuttings would collect in the entry pit, and drill fluid would be treated and recycled back into the drill stem. Once the pilot hole is completed, the contractor would widen the hole using a reamer.

The final step is to thread an HDPE conduit through the reamed hole. To accomplish this, the prefabricated HDPE conduit string is pulled by a tugboat from a staging area at the Ellwood Pier[1], through a temporary launch ramp constructed on the Elwood pier, to the offshore exit pit barge location. The conduit is then guided into the reamed hole at the exit pit, and pulled through the entire length of the bore. Equipment and material for the onshore portion of the project would be staged from the existing gravel access road and the Elwood Pier. All drilling muds and excavated material would be properly disposed of throughout and at the conclusion of HDD drilling activities. The entire HDD process is expected to take approximately 20 days, including up to 11 days of continuous 24 hour per day drilling.

The second phase of the project involves laying the cable on the seafloor from the HDD exit pit to Platform Holly, a total distance of approximately 13,500 feet. The cable would be staged on a conventional moored cable-lay barge that would initially be anchored near the HDD exit pit. First, the cable would be pulled through the HDPE conduit and anchored at the EOF. Next the barge would progress slowly toward Platform Holly, laying cable as it goes. Two anchoring tugs would be used to facilitate the estimated 100 to 120 anchor touchdowns necessary to complete the cable laying process. Venoco estimates that cable installation will take two weeks of round-the-clock-operations to complete. Once cable-laying operations begin, they must continue 24 hours a day to avoid damage to the cable.

During the third phase of the project, the cable would be transferred from the seafloor to the platform and connected to Holly's power system. The third phase of the project is expected to take one week. The existing cable would remain buried in place until Platform Holly is decommissioned.

B. OTHER AGENCY APPROVALS

California State Lands Commission

The California State Lands Commission (CSLC) is the lead agency under the California Environmental Quality Act (CEQA) for the proposed project. Replacement of the power cable on the seafloor requires authorization from the CSLC. On October 5, 2012, the CSLC published a Draft Mitigated Negative Declaration (MND) for the project. On December 5, 2012, the CSLC adopted and certified the final MND.

City of Goleta

On January 28, 2013, the City of Goleta approved a Development Plan and Conditional Use Permit for the portion of the project located within the City's boundaries.

[1] The Elwood Pier is located within the jurisdiction of the County of Santa Barbara's Local Coastal Program. The County reviewed proposed project activities at the Elwood Pier and determined the project did not require a CDP.

County of Santa Barbara
The County of Santa Barbara determined that all proposed project activities at the Elwood Pier fall under the existing permitted use under Santa Barbara County Article II Coastal Zoning Ordinance, Section 35-155.

C. MARINE RESOURCES

Section 30230 of the Coastal Act states:

> *Marine resources shall be maintained, enhanced, and where feasible, restored. Special protection shall be given to areas and species of special biological or economic significance. Uses of the marine environment shall be carried out in a manner that will sustain the biological productivity of coastal waters and that will maintain healthy populations of all species of marine organisms adequate for long-term commercial, recreational, scientific, and educational purposes.*

Section 30231 of the Coastal Act states:

> *The biological productivity and the quality of coastal waters, streams, wetlands, estuaries, and lakes appropriate to maintain optimum populations of marine organisms and for the protection of human health shall be maintained and, where feasible, restored through, among other means, minimizing adverse effects of waste water discharges and entrainment, controlling runoff, preventing depletion of ground water supplies and substantial interference with surface water flow, encouraging waste water reclamation, maintaining natural vegetation buffer areas that protect riparian habitats, and minimizing alteration of natural streams.*

The offshore portion of the project extends from the shoreline to Platform Holly, located approximately two miles off Coal Oil Point in the Santa Barbara Channel (see Exhibit 1). This area is known for its biological diversity and contains several valuable marine habitats including rocky intertidal, rocky subtidal, kelp forest and eelgrass beds, and supports several special-status species. Although not located within a State or federal Marine Protected Area, the project site is adjacent to the Channel Island National Marine Sanctuary, Campus Point State Marine Conservation Area (SMCA) and the Naples SMCA. The Santa Barbara Channel is also designated as Essential Fish Habitat (EFH) and serves as an important commercial fishery for a variety of fish and invertebrate species.

The marine portion of the proposed project includes three pieces: (1) Excavating an exit pit and transition trench for the HDD drilling operation, (2) HDD drilling beneath the seafloor, and (3) Laying the cable on the seafloor from the HDD exit pit to Platform Holly. Prior to the commencement of project activities, Venoco will conduct a marine survey to determine the location of any sensitive habitats and/or species, including rocky reef areas, eelgrass beds and kelp forests. Venoco will use the results of this survey to determine the precise location of the cable route, including the HDD drilling pathway and exit pit and anchoring locations used by the barges assisting in cable lay operations. All project activities will be designed to avoid sensitive marine habitats and species. Condition 1h requires Venoco to submit an Anchoring Plan prior to issuance of this permit. This plan will include a description of the equipment and procedures used in anchoring and a map of all anchor sites ensuring that all sensitive marine resources are

avoided. Even with this avoidance planning, there is a potential for adverse impacts to marine habitats and species as discussed below.

Benthic Species

Impacts to benthic species associated with project activities are expected to be minor and temporary. During construction of the exit pit, Venoco will use a clamshell crane staged on a barge to first excavate the pit, and then backfill the area, restoring the seafloor to its pre-project topography at the conclusion of the project (see Special Condition 1i). The total impact area, including the exit pit, transition trench and sidecast areas, is relatively small and will not exceed 110 feet by 200 feet (i.e., 0.5 acres). Some burrowing and sessile benthic species within this footprint will be lost due to direct removal and burial in sidecast areas. However, benthic organisms are expected to begin recolonizing the disturbed area immediately, reaching initial biomass and abundance levels within 1 to 3 years. Sidecast materials will not be placed over, on or near rocky reef areas, thus avoiding potential impacts to reef habitat, including the federally endangered black abalone and other sensitive species that can inhabit these areas. Some benthic species may also be buried under the cable as it is laid on the seafloor. However, because the width of the cable is only 8 inches, the number of species potentially directly impacted by the cable is insignificant in relation to the total population of benthic organisms. In a short time, the area is expected to recolonize, and the cable itself will serve as an attachment site for some benthic species.

A frac-out, or unintentional release of drilling fluids into the marine environment, could also affect benthic species. Venoco will use bentonite, a non-toxic drilling fluid, during HDD operations. Although it does not pose an acute toxicity threat, bentonite releases can smother benthic organisms and contribute to increases in turbidity. To minimize this risk, Venoco will take the following precautions:

> *The directional drill operator will be continuously monitoring mud returns to ascertain that mud circulation has not been lost. Spotters will follow the progress of the drill bit during the pilot hole operation and reaming and pull-back operations. In the event of loss of circulation without mud surfacing, the mud engineer will evaluate the weight and viscosity of the fluid and mix in additives to seal off the crossing hole and regain circulation. Similar analysis of the mud will be performed if surface frac-outs are observed. Vacuum trucks and cleanup crews will be directed to contain the mud and restore the affected areas onshore. Clean Seas will be notified and on call to perform any cleanup work that may potentially be required offshore.*

In addition, Special Condition 2 requires Venoco to submit a site-specific geotechnical study to the Executive Director for approval prior to issuance of this permit that includes a geologic cross-section of the proposed bore based on data from at least two borings, a discussion of special drilling conditions and a discussion of existing fractures and recommendations on how to minimize risk of an inadvertent release of drilling fluids. Further, Special Condition 1f requires Venoco to implement an Executive Director-approved Spill Response and HDD Fluid Release Monitoring and Spill Contingency Plan that includes an evaluation of a worst-case spill and

measures for training, monitoring, equipment and materials, agency notification and prevention, containment, clean up, and disposal of released drilling muds. Special Condition 1f also requires Venoco to use water as a drilling fluid for the last 60-100 feet of the HDD bore and to develop a monitoring procedure using fluorescent dye to detect a frac-out occurring on the seafloor where visibility is poor. These measures will help prevent a frac-out from occurring. If a frac-out does occur, conditions included in Special Condition 1f increase the chance that the frac-out will be detected and then addressed quickly.

Fish

In contrast to benthic species, fish species are not likely to experience direct impacts from project activities. Excavation activities will result in a temporary increase in turbidity that will likely cause mobile species such as fish and marine mammals to avoid the project area. However, the substrate is primarily sand which settles quickly, and the relatively small project footprint will not substantially limit available habitat. Thus, these impacts are not expected to be significant. Further, Venoco will minimize sediment dispersal and the potential for release of hazardous material by timing construction activities to avoid periods of storms or heavy seas. During the two weeks of cable-lay operations, the cable-lay barge will move slowly, allowing any mobile species to avoid the descending cable. There is a low probability that fish species could be harmed by a frac-out, largely due to increases in turbidity. However, it is likely that in the event of a frac-out, fish species will avoid the immediate area. Further, implementation of Special Conditions 1f and 2 (discussed in detail in the previous section) further reduce the potential for a frac-out.

The most significant potential concern for fish species are impacts associated with noise from construction activities. Criteria developed by several federal and state agencies, including the National Marine Fishery Service (NMFS), USFWS and the California Department of Fish and Wildlife (CDFW) set a threshold-type criteria for exposure to impulse sounds at 206 dB. Lower levels may cause fish to alter their behavior patterns by avoiding the affected area, but are not expected to cause injury. Project-related underwater noise is expected to originate from project vessels including barges and tugs and from HDD activities at the exit pit. For marine vessels, underwater noise is generally correlated with vessel speed. One study measured sound levels from a tug travelling at 11 knots at 160db at a distance of 2 meters. Due to underwater attenuation, noise levels would be reduced to less than 120 dB at a distance of 200 meters. Background levels of noise in the near-shore environment are often close to 120 dB due to both anthropogenic and natural sources of noise. Noise from HDD activities would originate from drilling activities near the exit pit. Fortunately, the exit pit will be located in soft-bottom habitat and noise associated with HDD will be significantly less than if the drill was required to break through hard rock. Based on this information, noise levels are not anticipated to reach levels that would cause injury in fish. As an additional precaution, Special Condition 1b requires Venoco to limit the speed of barges to two nautical miles per hour (knots) and tugs to 3-5 knots, further reducing noise levels associated with project vessels.

Marine Mammals

Project-related activities have the potential to impact marine mammals through increased boat traffic, night-lighting and noise-related impacts. The proposed cable route is located in an area that typically experiences a relatively high level of boat traffic, thus the addition of the project vessels to the area is not expected to impact the resident species. Although direct harm to marine mammals is unlikely, in order to reduce the possibility that such harm is caused by construction equipment or project-related vessels, Special Condition 1b requires Venoco to provide two marine mammal monitors, approved by the Executive Director, on each project-related vessel that will monitor for the presence of marine mammals within a 500-foot minimum safety zone. If a marine mammal approaches within 200 feet of project activities, the monitors have the authority to cease construction activities and to not allow resumption of activities until the mammal heads away from the project area. Special Condition 1b also acknowledges that there may be circumstances in which fewer marine mammal monitors may be necessary to protect marine mammals, especially when several small vessels are necessary to support project operations within a small area. For these situations, Venoco may request a reduction in the number of marine mammal monitors. The Executive Director may approve such a request only if the reduction will not adversely impact marine mammals. In addition, Special Condition 1b requires cable-lay activities to proceed slowly, with cable-lay vessels limited to two knots and support vessels limited to 3-5 knots to prevent collisions with marine mammals and sea turtles and allow any mobile species to avoid the cable as it is laid on the seafloor.

Project activities would temporarily increase light levels associated with marine vessels in the area. However, project-related night lighting is expected to be within normal operating limits for night-operating vessels and nearby oil platforms. Special Condition 1a also requires offshore night lighting to be low intensity, low glare and hooded, thus further minimizing nighttime lighting-related impacts to marine species.

Noise levels associated with construction, HDD, and project-related vessel traffic are also expected to increase during the project. NMFS has defined harassment to marine mammals as exposure to underwater sound pressure levels from impulse sounds at or above 160 decibels (dB) root mean squared (RMS). Harassment can also occur from exposure to continuous sounds at levels between 120 and 180 dB. Noise levels that can result in injury to marine mammals, i.e., greater than 180 dB, are generally only reached by activities emitting loud impulse sounds such as pile driving or breaking rock. Since excavation and HDD activities close to the surface will take place in soft-bottom substrate, it is not expected that activities will generate noise at levels that could injure marine mammals. As discussed above, noise from project vessels could reach levels between 120 and 160 dB, which could result in harassment of marine mammals. However, because of the generally low noise levels generated by this project and the existence of ample alternative habitat in the vicinity, this impact is considered minor. To further reduce the potential for this impact, however, Special Condition 1b requires Venoco to limit the speed of barges to 2 knots and tugs to 3-5 knots, thus reducing noise levels associated with project vessels. In addition, Special Condition 1b requires Venoco to provide two marine mammal monitors on each project-related vessel to monitor for the presence of marine mammals within a 500-foot minimum safety zone. If a marine mammal approaches within 200 feet of project activities, the monitors have the authority to cease construction activities and to not allow resumption of the activity until the mammal heads away from the project area.

Thus, with the incorporation of Special Conditions 1b, 1f, 1h, 1i and 2, the Commission finds Venoco's proposed project consistent with Sections 30230 and 30231 of the Coastal Act.

D. DREDGING AND PLACEMENT OF FILL IN COASTAL WATERS

Section 30233(a) of the Coastal Act states, in part:

> *The diking, filling, or dredging of open coastal waters, wetlands, estuaries, and lakes shall be permitted in accordance with other applicable provisions of this division where there is no feasible less environmentally damaging alternative, and where feasible mitigation measures have been provided to minimize adverse environmental effects, and shall be limited to the following:*
>
> *(1) New or expanded port, energy, and coastal-dependent industrial facilities, including commercial fishing facilities.*
>
> *(2) Maintaining existing, or restoring previously dredged depths on existing navigational channels, turning basins, vessel berthing and mooring areas, and boat launching ramps.*
>
> *(3) In open coastal waters, other than wetlands, including streams, estuaries, and lakes, new or expanded boating facilities and the placement of structural pilings for public recreational piers that provide public access and recreational opportunities.*
>
> *(4) Incidental public service purposes, including but not limited to, burying cables and pipes or inspection of piers and maintenance of existing intake and outfall lines.*
>
> *(5) Mineral extraction, including sand for restoring beaches, except in environmentally sensitive areas.*
>
> *(6) Restoration purposes.*
>
> *(7) Nature study, aquaculture, or similar resource dependent activities.*

The proposed project includes laying an 8-inch power cable along 13,500 feet of seafloor and under the beach and surf zone for approximately 1400 feet, constituting the placement of fill in open coastal waters (see Exhibits 1 and 3). In addition, HDD activities involve excavation of a bore hole 18 inches in diameter and approximately 1400 feet long underneath the beach and surf zone constituting dredging in open coastal waters. Coastal Act Section 30233(a) restricts the Coastal Commission from authorizing a project that includes fill or dredging of open coastal waters unless it meets three tests. The first test requires that the proposed activity must fit into one of seven categories of uses enumerated in Coastal Act Section 30233(a). The second test requires that there be no feasible less environmentally damaging alternative. The third and last test mandates that feasible mitigation measures be provided to minimize the project's adverse environmental effects.

Allowable Use Test

One of the seven allowable uses of fill and dredging under 30233(a) is "new or expanded port, energy, and coastal-dependent industrial facility." The proposed power cable will replace an existing 46-year old cable in danger of failure, ensuring operations on Platform Holly can continue into the future. Thus, the proposed project supports the temporal expansion of an energy facility and qualifies as an allowable use of fill and dredging. The Commission thus finds that the proposed project meets the allowable use test of Coastal Act section 30233(a).

Alternatives

The Commission must further find that there is no feasible less environmentally damaging alternative to the proposed placement of fill and dredging in open coastal waters. In addition to the proposed project, Venoco considered two alternatives. The first alternative included trenching, a more traditional method of laying cable, through the onshore portion of the cable route. This alternative involves digging a trench approximately 2-feet wide, 3 to 4-feet deep and 2,200 feet long from the EOF through a variety of habitats, including riparian ESHA associated with Bell Creek, a portion of the Sandpiper golf course, approximately 200 feet of beach, and the surf zone, to a location approximately 800 feet offshore where the cable could safely be laid directly on the sea floor for the remaining distance to Platform Holly. Under this alternative, several sensitive habitats, including riparian ESHA, sand dunes, beach and intertidal areas would experience significant long-term disturbance. In comparison, using HDD to lay the cable 35-50 feet below the surface avoids direct impacts to these sensitive habits. As discussed further in other sections (see Sections C and G), onshore and offshore impacts from the proposed project are expected to be minimal and temporary, and thus less environmentally damaging than the trenching alternative.

Venoco also considered the no project alternative. If this alternative were selected, Venoco would likely wait until the existing power cable failed to replace it with a new cable. The existing cable is 46-years old and was installed with a design life that was likely on the order of 20 years. Thus, failure of the existing cable is an imminent threat. If the cable were to fail, the resulting power failure could lead to a shutdown of operations at Platform Holly, although backup power systems (i.e., diesel generators) would allow the continued operation of critical environmental and safety systems. Under this alternative, Venoco would likely apply for an emergency coastal development permit to replace the cable, allowing it to resume normal operations as quickly as possible. In all likelihood, Venoco would propose a project identical to the proposed project, but under an emergency permit, Commission staff would need to review the project and recommend mitigation measures within a compressed time frame. It is always preferable to have adequate time to fully analyze the project and coordinate with other state and federal agencies to ensure the maximum protection of coastal and environmental resources. Thus, the no-project alternative would not be less environmentally damaging than the proposed project. Thus, the Commission finds that the proposed project meets the second test of Coastal Act Section 30233(a).

Mitigation

The final requirement of Coastal Act Section 30233(a) is that filling and dredging of coastal waters may be permitted if feasible mitigation measures have been provided to minimize any adverse environmental effects associated with these actions. In other sections of this report, the

Commission has identified feasible mitigation measures that will minimize the adverse environmental effects of the fill and dredging associated with the proposed project. For example, Venoco will conduct a marine survey to determine the location of any sensitive habitats and/or species, including rocky reef areas, eelgrass beds and kelp forests. Venoco will use the results of this survey to determine the precise location of the cable route, including the HDD drilling pathway and exit pit and anchoring locations used by the barges assisting in cable lay operations. All project activities will be designed to avoid sensitive marine habitats and species. In addition, Special Condition 1f requires Venoco to implement an Executive Director-approved Spill Response and HDD Fluid Release Monitoring and Spill Contingency Plan, including an evaluation of a worst-case spill and measures for training, monitoring, equipment and materials, agency notification and prevention, containment, clean up, and disposal of released drilling muds. These conditions, among others, minimize impacts from project-related dredging and filling. Thus, with the imposition of the conditions of this permit, the Commission finds that the third test of Coastal Act section 30233(a) has been met.

For the reasons described above, the Commission finds the project, as conditioned, consistent with Coastal Act Section 30233(a).

E. WATER QUALITY

Section 30232 of the Coastal Act states:

> *Protection against the spillage of crude oil, gas, petroleum products, or hazardous substances shall be provided in relation to any development or transportation of such materials. Effective containment and cleanup facilities and procedures shall be provided for accidental spills that do occur.*

The proposed project involves the use of construction equipment both on and offshore, raising the potential for leaks and spills that might adversely impact water quality. Onshore, to ensure that nearby resources (as described in detail in sections C and G) are adequately protected from water quality impacts, the Commission is requiring implementation of Special Conditions 1d, 1f, 1k and 1l . Special Condition 1d requires Venoco to take precautions to protect sensitive biological resources from water quality-related impacts, including monitoring the construction area and Bell Canyon Creek for releases of drilling mud and completing construction during the dry season or developing an erosion control plan. As discussed in previous sections, Special Condition 1f requires Venoco to implement an Executive Director-approved Spill Response and HDD Fluid Release Monitoring and Spill Contingency Plan including an evaluation of a worst-case spill and measures for training, monitoring, equipment and materials, agency notification and prevention, containment, clean up, and disposal of released drilling muds.

To avoid water quality impacts from the release of hazardous substances into the marine environment, Special Condition 1k requires Venoco to implement an Executive Director-approved Critical Operations and Curtailment Plan (COCP). The COCP defines the limiting conditions of sea state, wind, or any other weather conditions that would hinder safe operation of vessels and equipment or a potential spill cleanup. Finally, Special Condition 1l requires Venoco to submit a water quality plan for Executive Director approval that outlines Best Management

Practices (BMP) addressing erosion control, spill prevention and containment and monitoring requirements. With these mitigation measures included, the proposed project contains adequate water quality protections and is consistent with Section 30232 of the Coastal Act.

F. COMMERCIAL FISHING

Section 30234.5 of the Coastal Act states:

> *The economic, commercial, and recreational importance of fishing activities shall be recognized and protected.*

The project area between Platform Holly and the coastline supports a low level of commercial and recreational fishing activities. Although the Santa Barbara Channel as a whole is a very productive and economically valuable fishery, the commercial passenger fishing vessel (CPFV) catch in the project area closer to shore is limited. This nearshore catch focuses on crab, lobster, urchin shrimp and halibut using traps and trawls. In addition, commercial entities harvest kelp from the kelp beds near the project site.

Impacts to commercial and recreational fishing from project activities are expected to be minimal and temporary. Offshore construction activities will temporarily preclude fishing in the immediate vicinity of the exit pit. However, this is a relatively small area (1000 square feet) that would only be impacted for 20 days. There is ample fishing area, approximately 300 square miles of nearshore, shallow habitat, within the Santa Barbara basin to absorb any potential impact. During the two weeks of cable-lay operations, the cable-lay barge will move slowly, (See Special Condition 1b). Fishing activities will be able to continue on either side of the barge along the cable corridor. The permanent placement of the cable on the seafloor between the HDD exit pit and Platform Holly is not anticipated to cause any long-term impacts to the quality of the fishing habitat or fishing operations in general. The cable is only 8 inches in diameter and thus will not inhibit the behavioral patterns or movement of resident fish species. Further, it is likely that the cable will be fully or partially buried within the soft sandy substrate within a relatively short time. For these reasons, the Commission believes any interference with commercial or recreational fishing will be minor and short-term and therefore the project is consistent with Section 30234.5 of the Coastal Act.

G. ENVIRONMENTALLY SENSITIVE HABITAT

Section 30240(b) of the Coastal Act states:

> *(b) Development in areas adjacent to environmentally sensitive habitat areas and parks and recreation areas shall be sited and designed to prevent impacts which would significantly degrade those areas, and shall be compatible with the continuance of those habitat and recreation areas.*

Project activities have the potential to impact ESHA and special status species associated with ESHA adjacent to the project site. The onshore portion of the proposed project is located largely

within the Ellwood Onshore Facility (EOF), consisting of a gravel access road with a disturbed, mostly un-vegetated shoulder. Directly to the west and south of the access road is riparian habitat associated with Bell Canyon Creek and designated as riparian/marsh ESHA in the City of Goleta's General Plan (see Exhibit 4). Farther south and to the east of the EOF is Sage Scrub/Dune/Bluff Scrub ESHA also identified as ESHA in Goleta's General Plan. The proposed HDD bore alignment starts at the entry pit, located on the gravel access road, and proceeds south, under several habitats including the riparian/marsh ESHA, a portion of the Sandpiper golf course, a small segment of the Sage Scub/Dune/Bluff Scrub ESHA and finally the beach and nearshore areas before surfacing approximately 1400 feet offshore. In addition to the ESHAs mentioned above, the HDD cable alignment is also in close proximity to several other ESHAs, including a monarch butterfly/raptor roosting ESHA on the west side of Bell Canyon Creek, two Sage Scrub/Dune/Bluff Scrub ESHAs located to the west of the butterfly/raptor roosting ESHA and to the northeast of the project area, an open water ESHA located at the mouth of Bell Canyon Creek, and a beach and shoreline ESHA located to the south and west of the project site (see Exhibit 4).

In 2012, Venoco conducted an onshore biological study to identify special-status species and critical habitat areas in the project vicinity. This study identified several listed species, including the monarch butterfly (*Danaus plexippus*), the red-legged frog (*Rana draytonii*) and the white-tailed kite (*Elanus leucurus*) as special-status species with a high potential to occur within the project area. In addition, tidewater goby (*Eucyclogobius newberryi*), a species listed by the US Fish and Wildlife Service as federally endangered and as a California Department of Fish and Wildlife Species of Special Concern, is known to reside in Bell Canyon Creek, immediately adjacent to the project site.

Impacts to these special-status species and their habitats are expected to be minor and temporary. Onshore construction activities are expected to take approximately 5 weeks. Ground disturbance would be limited to a small area surrounding the HDD entry pit. In addition, there is very little habitat suitable for these species within the EOF, and no habitat would be removed or altered within the project site. Most of the species listed above are mobile and would be likely to avoid the construction site. Thus, direct impacts resulting in mortality or injury are improbable. Indirect impacts due to noise or vibration or fugitive dust are likely to be minor due to the temporary nature of project activities and in some cases, the distance between the project site and desirable habitat.

To further reduce the potential for impacts to sensitive species, the Commission is requiring Special Conditions 1c, 1d and 1e. Special Condition 1c requires Venoco to hire a biologist to conduct on-shore pre-construction surveys to detect the presence of special status species and nesting birds. If special status species, such as the monarch butterfly, or nesting birds are discovered, avoidance measures from the City of Goleta's Coastal Land Use Plan will be implemented and the biologist will be responsible for recommending any additional mitigation measures. Special Condition 1d requires Venoco to employ a qualified biological monitor to mark all sensitive resource zones and enforce environmental protection measures during all onshore construction activities. If special-status species are observed during construction, the biologist shall have the authority to halt construction, apply appropriate mitigation or avoidance measures and confer with US Fish and Wildlife Service (USFWS), CDFG and the City of Goleta

to determine when to resume work. Finally, Special Condition 1e requires Venoco to establish the boundaries of the work area with highly visible fencing to avoid encroachment into sensitive habitats adjacent to the project site.

The greatest potential for impacts to ESHA and special-status species is from an inadvertent release of drilling fluids into the environment during HDD activities. As stated above, Bell Canyon Creek, a designated ESHA known to support tidewater gobies is located immediately to the west of the project site. There may be a groundwater connection between the proposed HDD alignment and the Bell Canyon Creek watershed, increasing the likelihood that a frac-out could impact Bell Canyon Creek. In fact, in 2011, a frac-out in the same general vicinity associated with HDD drilling during the Line 96 Modification Project caused a release of drilling muds into Bell Canyon Creek. Although the frac-out itself did not cause adverse impacts to tidewater gobies and other species, associated clean-up activities inadvertently resulted in the loss of several individuals.

To minimize the potential for a frac-out, this permit contains several conditions to ensure that Venoco proceeds with HDD in a responsible and protective manner. As discussed in Section C, Venoco has committed to the following measures:

> *The directional drill operator will be continuously monitoring mud returns to ascertain that mud circulation has not been lost. Spotters will follow the progress of the drill bit durin the pilot hole operation and reaming and pull-back operations. In the event of loss of circulation without mud surfacing, the mud engineer will evaluate the weight and viscosity of the fluid and mix in additives to seal off the crossing hole and regain circulation. Similar analysis of the mud will be performed if surface frac-outs are observed. Vacuum trucks and cleanup crews will be directed to contain the mud and restore the affected areas onshore. Clean Seas will be notified and on call to perform any cleanup work that may potentially be required offshore.*

In addition, Special Condition 2 requires Venoco to implement an Executive Director-approved site-specific geotechnical study that includes recommendations on how to minimize risk of an inadvertent release of drilling fluids. The results of this report will better inform the HDD operator of site-specific conditions and allow for the anticipation of potential challenges, thus decreasing the likelihood of a frac-out. Further, Special Condition 1f requires Venoco to implement a Spill Response and HDD Fluid Release Monitoring and Spill Contingency Plan including an evaluation of a worst-case spill and measures for training, monitoring, equipment and materials, agency notification and prevention, containment, clean up, and disposal of released drilling muds. As discussed above, Condition 1d requires Venoco to provide for a Commission-approved biological monitor to observe all onshore construction activities and enforce environmental protection measures. This includes monitoring of Bell Canyon Creek for releases of drilling muds. In the event of an unintentional release onshore, Special Condition 1g, requires Venoco to submit a Habitat Restoration Plan in the form of an amendment to this permit. With these measures in place, the Commission believes the project will be carried out in a manner consistent with Section 30240(b) of the Coastal Act.

H. CULTURAL RESOURCES

Section 30244 of the Coastal Act states:

> *Where development would adversely impact archeological or paleontological resources as identified by the State Historic Preservation Officer, reasonable mitigation measure shall be required.*

Both onshore and offshore construction areas have the potential to hold cultural resources. Onshore, the project site is located within territory that was historically occupied by the Barbareño Chumash, one of the largest and most complex Native American groups in California. The prehistoric settlement of Santa Barbara County began over 9500 years ago, and thousands of prehistoric sites have been recorded in this area. Offshore, archeological sites that were once coastal settlements have been inundated due to sea level rise and may contain a variety of valuable artifacts. Unfortunately, no systematic survey of submerged archeological sites off California's coast has ever been completed. In addition to submerged coastal settlements, historic shipwrecks may also be considered an offshore cultural resource.

Venoco conducted a site-specific cultural resource study to determine if any known cultural resources exist at the project site. A Sacred Land file search identified no cultural resources within 0.5 miles of the project site. A cultural resource records search indicated two prehistoric sites within 0.125 miles of the project site. These sites are significantly far from the HDD alignment, and thus, project activities are not expected to impact these sites. Finally, a search of the CSLC California Shipwreck Database concluded that no known shipwreck sites exist in the project vicinity. Based on these results, project activities will not impact any known onshore or offshore cultural resources.

Based on the historical use of the area, there is a potential that project activities will encounter previously unknown cultural artifacts. To address this possibility for the onshore portion of the project, the Commission is requiring Special Condition 1j. Special Condition 1j requires Venoco to hire a qualified archeologist and Native American monitor from a culturally affiliated tribe recognized by the Native American Heritage Commission to monitor all project-related ground disturbance activities. If any archeological resources are discovered, work will be stopped immediately and Venoco will notify the Executive Director to determine further actions that may include recordation, evaluation and data recovery or avoidance through preservation in place. Offshore, the pre-construction surveys described in Section C will identify any unknown submerged cultural resources. Impacts to these resources will be avoided by re-routing the cable a minimum of 300 feet away. No anchoring will occur within 500 feet of the resource. With these measures in place, the Commission finds Venoco's proposed project consistent with Section 30244 of the Coastal Act.

I. PUBLIC ACCESS AND RECREATION

Section 30210 of the Coastal Act states:

> *In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.*

Section 30211 of the Coastal Act states:

> *Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.*

Section 30220 of the Coastal Act states:

> *Coastal areas suited for water-oriented recreational activities that cannot readily be provided at inland water areas shall be protected for such uses.*

People commonly jog and walk along the section of Ellwood Beach south of the Project site and directly above the HDD cable alignment. Users who frequent the beach come from nearby communities as well the Bacara Resort, which lies to the west of the project site. Project activities are not expected to affect public access or recreation in the vicinity of the proposed project. The HDD cable alignment is located over 60 feet below the surface of the public beach. In addition, all staging areas are located away from areas used by the public. Onshore activities will be staged from the EOF, which does not currently allow public access. Offshore activities will be staged from a barge that will be located, at a minimum, 1400 feet offshore, well beyond the typical beach recreation zone. Thus, the project will not result in direct impacts to public access.

There is a potential for indirect impacts to the public from noise associated with project activities, especially during 24-hour HDD operations. The project's MND included a noise analysis that modeled the expected increase in sound levels at sensitive receptors due to project activities. Two of the sensitive receptor sites modeled were the tennis courts at the Bacara Resort and the Sandpiper Golf Course. The study found that the change in noise levels associated with project activities as compared to background levels did not meet the CEQA threshold for significance. In addition, as compared to the public beach area closest to the project site, both of these sites are closer to the staging area where project noise will originate and farther from the masking effects of the background noise associated with the beach and surf zone. Thus, project-related noise levels experienced by beachgoers would likely be lower than at the two sites modeled in the study. Given the distance between the staging areas and the beach combined with the sound of the surf, it is unlikely that project activities will result in significant noise impacts to public beach users. Thus, the proposed project is not expected to adversely impact public access and recreation and is therefore consistent with Sections 30210, 30211 and 30220 of the Coastal Act.

J. CALIFORNIA ENVIRONMENTAL QUALITY ACT

Section 13096 of the Commission's Code of Regulations requires Commission approval of Coastal Development Permits to be supported by a finding showing the permit amendment, as conditioned, to be consistent with any applicable requirements of the California Environmental Quality Act (CEQA). Section 21080.5(d)(2)(A) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effect which the activity may have on the environment.

The California State Lands Commission, acting as lead CEQA agency, certified a Mitigated Negative Declaration for the proposed project on December 5, 2012.

The proposed development has been conditioned in order to be found consistent with the Chapter 3 policies of the Coastal Act. Mitigation measures, including conditions addressing marine resources, dredge and fill of coastal waters, water quality, ESHA, and cultural resources will minimize all adverse environmental impacts. As conditioned, there are no feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse impact which the activity may have on the environment. Therefore, the Commission finds that the proposed project is the least environmentally-damaging feasible alternative and is consistent with the requirements of the Coastal Act to conform to CEQA.

APPENDIX A: SUBSTANTIVE FILE DOCUMENTS

California State Lands Commission, Final Mitigated Negative Declaration for the Venoco Platform Holly Power Cable Replacement Project (State Clearinghouse No. 2012101024), December 5, 2012.

Venoco, Inc., Coastal Development Permit Application and accompanying documents. Originally submitted December 21, 2012.

Figure ES-1. Project Location

Exhibit 1

1

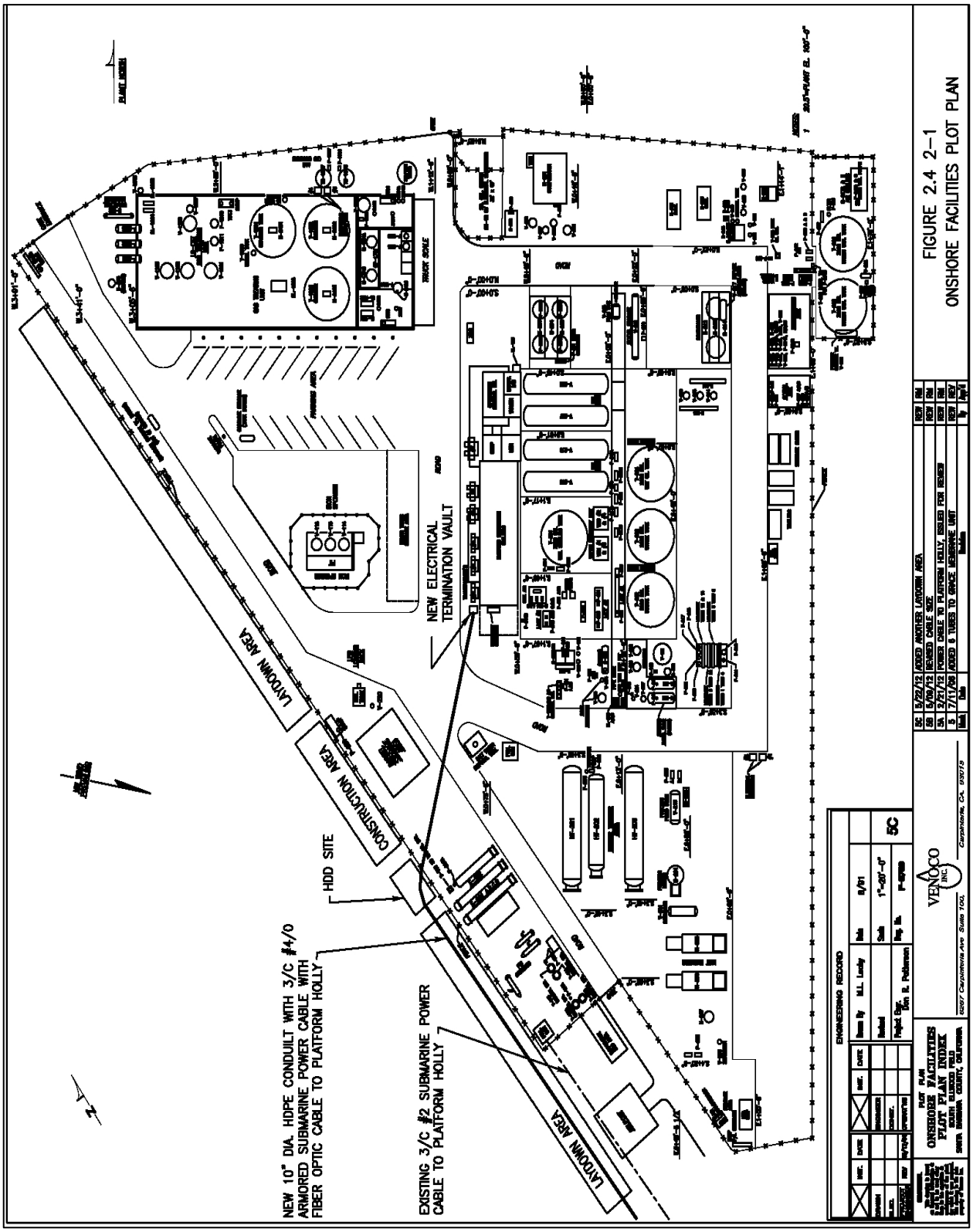
FIGURE 2.4 2-1
ONSHORE FACILITIES PLOT PLAN
NEW ELECTRICAL TERMINATION VAULT
LAYDOWN AREA
CONSTRUCTION AREA
HDD SITE
NEW 10" DIA. HDPE CONDUIT WITH 3/C #4/0 ARMORED SUBMARINE POWER CABLE WITH FIBER OPTIC CABLE TO PLATFORM HOLLY
EXISTING 3/C #2 SUBMARINE POWER CABLE TO PLATFORM HOLLY
ONSHORE FACILITIES
PLOT PLAN INDEX
VENOCO INC.

Exhibit 2

1

Seg #1	Drill Segment Description	Value	Unit			Start STA.	Stop STA.	Start EL.	Stop EL.
1	Entry Angle	80	deg.			0	98.48	10	-7.36
	Entry Tangent Length	100	ft.						
2	Vertical Curve #1 Radius	3794	ft.			98.48	757.25	10	-65
	Vertical Curve #1 Angle Turned	10	deg.						
	Vertical Curve #1 Length	662.1	ft.						
3	Bottom Tangent Angle	90	deg.			757.25	1096.13	-65	-65
	Bottom Tangent Length	1110.8	ft.						
4	Horizontal Curve #1 Radius	2777	ft.			1096.13	1868.01	-65	-65
	Horizontal Curve #1 Angle Turned	16.16	deg.						
	Horizontal Curve #1 Length	782.1	ft.						
5	Vertical Curve #2 Radius	1774	ft.	Compound Radius	1515 ft.	1868.01	2176.14	-65	-38.04
	Vertical Curve #2 Angle Turned	10	deg.						
	Vertical Curve #2 Length	309.7	ft.						
	Horizontal Curve #2 Radius	2777	ft.			1868.01	2176.14	-65	-38.04
	Horizontal Curve #2 Angle Turned	6.84	deg.						
	Horizontal Curve #2 Length	332.41	ft.						
6	Exit Angle	100	deg.			2176.14	2250	-38.04	-25.02
	Exit Tangent Length	100	ft.						
	Total Horizontal Distance	2250	ft.						
	Total Measured Distance (through pipe)	2286	ft.						

FIGURE 2.4-1 **PLATFORM HOLLY POWER CABLE REPLACEMENT**
HORIZONTAL DIRECTIONAL DRILLING PLAN & PROFILE

Exhibit 3

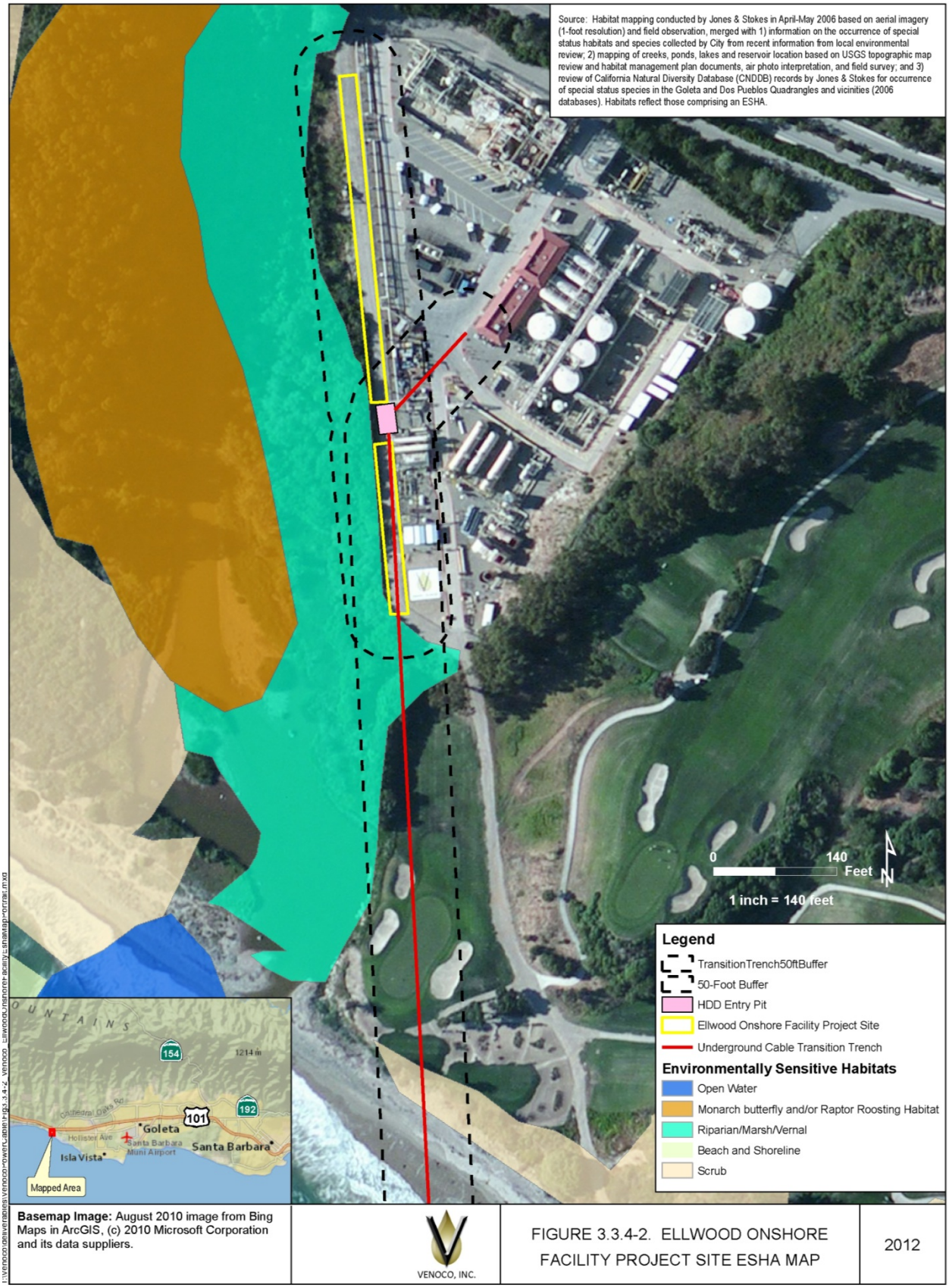
Source: Habitat mapping conducted by Jones & Stokes in April-May 2006 based on aerial imagery (1-foot resolution) and field observation, merged with 1) information on the occurrence of special status habitats and species collected by City from recent information from local environmental review; 2) mapping of creeks, ponds, lakes and reservoir location based on USGS topographic map review and habitat management plan documents, air photo interpretation, and field survey; and 3) review of California Natural Diversity Database (CNDDB) records by Jones & Stokes for occurrence of special status species in the Goleta and Dos Pueblos Quadrangles and vicinities (2006 databases). Habitats reflect those comprising an ESHA.
0
140
Feet
1 inch = 140 feet
N
Legend
TransitionTrench50ftBuffer
50-Foot Buffer
HDD Entry Pit
Ellwood Onshore Facility Project Site
Underground Cable Transition Trench
Environmentally Sensitive Habitats
Open Water
Monarch butterfly and/or Raptor Roosting Habitat
Riparian/Marsh/Vernal
Beach and Shoreline
Scrub
Goleta
Santa Barbara
Isla Vista
Santa Barbara Muni Airport
Hollister Ave
Cathedral Oaks
154
101
192
Mapped Area
Basemap Image: August 2010 image from Bing Maps in ArcGIS, (c) 2010 Microsoft Corporation and its data suppliers.
VENOCO, INC.
FIGURE 3.3.4-2. ELLWOOD ONSHORE FACILITY PROJECT SITE ESHA MAP
2012

Exhibit 4