

**CALENDAR ITEM
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**CONSIDERATION OF APPROVAL OF THE FOURTH ANNUAL REPORT OF THE
CALIFORNIA OIL TRANSFER AND TRANSPORTATION AND RISK REDUCTION
PROGRAM FOR THE YEAR 2007**

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PROPOSAL:

The Commission Staff is proposing the approval of the fourth annual report of the California Oil Transfer and Transportation and Risk Reduction program for the year 2007.

BACKGROUND:

Assembly Bill 2083 of the Statutes of 2002 (Public Resources Code Sections 8780 through 8789), established the California Oil Transfer and Transportation Emission and Risk Reduction (OTTER) program. The OTTER program collects data concerning specified air pollutants caused by the significant numbers of coastal shipments of oil by vessels between the San Francisco Bay Area and the Los Angeles/Long Beach area and ports in between. The legislature has declared that tracking trends in internal coastal shipments of oil is necessary to promote public safety, health and welfare and to protect public and private property, wildlife, marine fisheries, other ocean resources, and the natural environment in order to protect and to preserve the ecological balance of California's coastal zone, coastal waters, and coastal economy. The legislative declarations also indicate that current accessible and accurate data regarding oil transportation is critical to having adequate information of the potential environmental quality, public health, and environmental justice consequences that must be analyzed by state and local agencies for environmental impact reports and statements, emergency response planning, permit issuance, and air quality mitigation efforts.

The California OTTER program essentially required the California State Lands Commission (CSLC), in consultation with the industry, to develop an Oil Transfer and Transportation Emission and Risk Reduction Form for owners of oil to report information regarding the quantities and types of oil, the routes and duration of voyages and the estimated amounts of air emissions and certain other information associated with the internal shipments of oil. The CSLC is also required to get quarterly OTTER reports from the responsible parties and file annual reports for the years 2004 to 2009 to the legislature.

The OTTER form is specifically required to contain the following:

1. The name, address, point of contact, and telephone number of the responsible party.
2. The name of the vessel transporting the oil.
3. The type and amount of oil being transported.
4. The source of crude oil.

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5. The name and location of any terminal that loaded the vessel.
6. The name and location of any terminal that discharged the tanker or barge.
7. The dates of travel and the route.
8. The type of engine and fuel used to power the tanker or barge-towing vessel.
9. The estimated amount and type of air emissions. To the extent practicable, the emissions factors developed by the United States Environmental Protection Agency shall be used to estimate the amount of air emissions. The form is designed to ensure that charter vessel air emissions are not counted more than once.
10. An indication of whether the reason for the internal shipping of oil was due to a temporary shutdown or partial shutdown of a key refinery facility.
11. On and after January 1, 2004, if Division 36 (commencing with Section 71200) is repealed pursuant to Section 71271, the amount of any ballast discharge and the location of the discharge.

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

Consequent to the receipt of the above information, the statute requires the CSLC to file annual reports with the legislature on or before April 1, each year for the years 2004 to 2009.

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

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

SUMMARY OF REPORTED DATA FOR 2007:

Total number of internal voyages: 345

Number of voyages from San Francisco Bay Area to Los Angeles/Long Beach: 252

Number of voyages from Los Angeles/Long Beach to San Francisco Bay Area: 68

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Number of voyages from Ellwood to Long Beach: 8
Number of voyages from Ellwood to San Francisco Bay Area: 16

Total volume of crude oil shipped as internal shipments: 1,254,925 barrels
Total volume of refined products shipped as internal shipments: 28,475,930 barrels

All internal shipments of crude oil in 2007 were from the Ellwood marine terminal, off the Coast of Santa Barbara County. There were 16 shipments to San Francisco Bay Area and 8 shipments to Los Angeles / Long Beach Area.

Total air emissions resulting from internal shipments of oil:

NOx emission: 1,235.55 short tons
HC emissions: 59.70 short tons
PM emissions: 40.72 short tons
CO emissions: 199.94 short tons

Although there was 9.45% reduction in the number of internal voyages in 2007, the percentage decrease of Nitrous Oxides (NOx) emissions was 7.89%, Hydrocarbon (HC) 12.92% and Carbon Monoxide (CO) increased 0.10 %. Particulate Matter (PM) continued to decline: it was 26.56% less than the PM emissions in 2006.

There were 38 voyages by tank ships and integrated tug- barges sailing 25 or more miles from the coast. These voyages are referred to as ocean voyages in the OTTER program. There were 307 voyages by barges about 12 to 15 miles from the coast, offshore of the Santa Barbara County using the Traffic Separation Scheme for the maritime traffic. These voyages are referred to as coastal voyages. On comparison with 2006, there were 6.97 percent more coastal voyages in 2007 and 59.57 percent fewer ocean voyages.

During the year 2007, there were no internal shipments of oil due to refinery shutdowns.

CONCLUSION

This is the fourth in a series of annual reports to the California State Legislature.

The first report included statistics of the number of internal shipments, the quantities of crude oil and refined products, the numbers of coastal and offshore

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voyages and the quantities of Nox, HC, PM and CO emissions into the coastal and offshore regions off California for the year 2004. Before the first report, the relevant information collected by the OTTER Program did not exist. The second report was submitted in April 2006. Starting with the third report, planning organizations, State and Federal Agencies and organizations developing information, particularly for environmental documentation, have a much more complete picture of the movement of oil along the California coast and its annual trends. Continued collection of OTTER information will allow future reports to look at trends and changes in oil transportation and estimates of vessel air emissions along our central coast and will allow planners to more exactly examine the impacts of moving oil by marine vessels.

Deleted: quarterly-and

STATUTORY AND OTHER REGULATIONS:

- A. P.R.C. Sections 8750 through 8760.

PERMIT STREAMLINING ACT DEADLINE

Not Applicable

OTHER PERTINENT INFORMATION:

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

Authority: P.R.C. §21084 and 14 Cal. Code Regs. §15300.

Exhibit:

- A. The California Oil Transfer and Transportation Emission and Risk Reduction (OTTER) fourth Annual Report for the year 2007.

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IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF CEQA PURSUANT TO TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15061 BECAUSE THE ACTIVITY IS NOT A PROJECT AS DEFINED BY PUBLIC RESOURCES CODE SECTION 21065 AND TITLE 14, CALIFORNIA CODE OF REGULATIONS, SECTION 15378
2. APPROVE THE REPORT SUBSTANTIALLY IN THE FORM AS SET FORTH IN EXHIBIT "A".

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