

## **EXHIBIT G-1**

### **Tranquillon Ridge Oil and Gas Development Project**

(06RVP-00000-00001)

Adopted by the County Board of Supervisors on October 7, 2008

### **CEQA FINDINGS**

(Pursuant to PRC §21081 and the CEQA Guidelines §§15090 and 15091)

**CONSIDERATION OF THE EIR:** The Santa Barbara County Board of Supervisors (Board) has considered the Environmental Impact Report (06-EIR-00005; SCH #2006021055) together with comments received and considered during the public review process. The Environmental Impact Report reflects the independent judgment of the Board, has been completed in compliance with CEQA, and is adequate for the Tranquillon Ridge project.

**FULL DISCLOSURE:** Pursuant to Public Resources Code §21081, the Board finds that, through implementation of feasible conditions placed on the Tranquillon Ridge project, the significant impacts on the environment will be avoided or substantially lessened, and mitigated to the maximum extent feasible.

**LOCATION OF RECORD OF PROCEEDINGS:** The documents and other materials that constitute the record of proceedings upon which this decision is based are in the custody of the Clerk of the Board of Supervisors and the Secretary to the Santa Barbara County Planning Commission, County Planning and Development Department located at 123 E. Anapamu Street, Santa Barbara, CA 93101.

**UNAVOIDABLE IMPACTS ARE MITIGATED TO THE MAXIMUM EXTENT FEASIBLE:** The Final EIR for the Tranquillon Ridge project identified 13 significant project-related impacts that cannot be fully mitigated and which are therefore considered unavoidable (Class I) impacts for the originally proposed Tranquillon Ridge project. Eleven of these significant impacts would occur for the reduced-life project. These impacts result from the increased volumes of oil and gas over current production levels and are primarily related to marine oil spills or trucking of hazardous materials on local roadways. These impacts were identified as significant, unavoidable impacts when the original Point Pedernales project was approved by the County in 1986. Each of these Class I impacts is listed in Table 3 of the April 15, 2008 Planning Commission staff report and is provided in Attachment A below. Several mitigation measures have been adopted to address these impacts, as referenced in Table 3 of the April 15, 2008 Planning Commission staff report, as adopted by the Board at the October 7, 2008 public hearing, and through other mitigation measures in the purview of other responsible agencies. The Board finds that these are feasible mitigation measures that will reduce these adverse impacts but not to levels of insignificance and that there are no other feasible mitigation measures that could be required that would further reduce these impacts. Thus, the Board finds that the unavoidable impacts associated with the Tranquillon Ridge project are mitigated to the maximum extent feasible. The discussion under Coastal Act §30260 (part 3) in Attachment D (*Policy Consistency Analysis*) to the April 15, 2008 staff report to the Planning Commission which enumerates the specific mitigation measures adopted as permit conditions of approval is incorporated herein by reference as further support for this finding.

**FEASIBLE MITIGATION MEASURES ADOPTED AS CONDITIONS OF APPROVAL:** In addition to the 13 significant and unavoidable environmental impacts discussed above, the EIR identified 24 significant but mitigable (Class II) impacts that would result from the originally proposed Tranquillon Ridge project. These Class II impacts are identified in Table 4 and discussed in Section 6.1.1 of the April 15, 2008 Planning Commission

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staff report (see Attachment A below), along with the adopted mitigation measures that will reduce these potentially significant impacts to less than significant levels. Therefore, the Board finds that feasible mitigation measures have been adopted as conditions of the approval for the Tranquillon Ridge project.

**NO FEASIBLE ALTERNATIVE IDENTIFIED:** The Final EIR considers several alternatives to the Tranquillon Ridge project in the impact analyses of Section 5.0. Section 6.0 of the EIR compares the various alternatives to the Tranquillon Ridge project and Table 6 in Section 6.1.1.5, *Alternatives*, of the April 15, 2008 Planning Commission staff report provides a summary comparison of the project to each alternative addressed in the EIR. Major alternatives evaluated are an onshore drilling and production site instead of using the existing offshore platform, a new oil and gas processing site located farther north within Santa Barbara County, and replacement of the oil emulsion pipeline from the platform to the LOGP. The Board has declined to adopt any of the alternatives, as discussed below.

**VAFB Onshore Drilling and Production Site:** The EIR analyses describe several significant impacts that could be avoided and several others that would occur with implementation of an alternative drilling and production site located onshore, within Vandenberg Air Force Base. The EIR did not reach a conclusion as to how this conceptual alternative compares overall to the Tranquillon Ridge project because the projects cannot be examined to the same level of detail and their associated impacts are not strictly comparable for every measure (see EIR Section 6.0). The staff report discusses the likely impacts of this alternative relative to the Tranquillon Ridge project (see Planning Commission Staff Report Table 6). The onshore alternative would result in increased risks to VAFB personnel and significant impacts to onshore biological and cultural resources from both construction and operations.

Potential impacts of an oil spill on the marine environment would be substantially less for this onshore alternative than for the Tranquillon Ridge project, particularly once the Point Pedernales project ceases operations. The potential consequences of a marine oil spill are a significant issue for the County and we have favored certain kinds of onshore development (oil transportation via overland pipeline) over offshore options to address these concerns. In this case, however, the Board finds that, on balance, a new onshore drilling and production site on VAFB is not preferable to use of the existing PXP facilities, with the marine oil spill safeguards adopted herein as conditions of approval, to develop the Tranquillon Ridge reserves.

The Tranquillon Ridge project will cease operations by December 31, 2022. This will avoid significant adverse impacts that would have resulted from extending the life of the existing facilities, as originally proposed and evaluated in the EIR. A new onshore drilling and production project would be expected to operate for approximately twice as long as the Tranquillon Ridge project (30 vs. 14 years). Most of the significant impacts related to extending the life of the Point Pedernales project would be incurred, to some degree, with implementation of an onshore alternative. Thus, the reduced-life Tranquillon Ridge project will result in fewer significant and unavoidable impacts than a new long-term onshore drilling and production project and is preferred to the VAFB Onshore Alternative.

**Casmalia East Processing Site:** The EIR analyses concluded that the alternative processing plant location would shift, rather than eliminate, most of the significant impacts associated with use of the LOGP and would result in construction-related impacts that would not occur with the project as proposed by PXP. The current potential for significant new oil and gas production that would benefit from locating a new oil and

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gas processing plant in the North County does not appear to warrant the construction and operation of a new plant now or in the near future. However, the advantages and disadvantages of locating a new oil and gas processing plant in northern Santa Barbara County to provide for maximum consolidated use of such facilities in the future should be assessed if demand significantly increases. The Tranquillon Ridge project will cease operating by December 31, 2022, avoiding significant impacts associated with extending the life of the Point Pedernales facilities. Therefore, given that a new processing plant in northern Santa Barbara County would entail potentially significant impacts similar to those incurred with operation of the LOGP, though in a different location, and the potential for significant construction-related impacts to occur, the Board finds that continued use of the LOGP for the Tranquillon Ridge project until the project end-date of December 31, 2022, and as conditionally approved herein, is preferable to constructing and operating a new oil and gas processing plant and associated pipelines for this project.

Emulsion Pipeline Replacement: The Board finds that replacing the entire existing oil emulsion pipeline with a new one would not significantly reduce the potential for a pipeline-related oil spill and could result in several significant construction-related impacts, as discussed in the EIR. The existing pipeline is subject to specific inspection and maintenance requirements for which the County will provide oversight throughout the life of the project. Segments of the existing pipeline may need to be replaced during operation of the project, as is currently the case for the Point Pedernales project. However, the Tranquillon Ridge project will not extend operation of the pipeline beyond its currently expected lifetime, and operation of the pipeline will cease by the end of 2022. The Board finds that it is preferable to operate the existing pipeline, in accordance with the enhanced safeguards required by this approval, rather than incurring the construction and operational impacts of installing a completely new pipeline. This alternative would not substantially reduce significant impacts associated with either the originally proposed or the reduced-life Tranquillon Ridge project. Therefore, the Board finds that the emulsion pipeline replacement alternative is not preferable to the Tranquillon Ridge project as conditionally approved herein.

Power Line Undergrounding: Other alternatives discussed in the EIR and summarized in Table 6 of the April 15, 2008 Planning Commission staff report include power line options and drill muds and cuttings disposal methods. The Board has declined to adopt any of the power line alternatives. As discussed in Section 6.1.1.5 of the Planning Commission staff report, power line Option 2a would not reduce significant impacts; Option 2b would result in greater significant impacts; and the Terra Road undergrounding alternative would shift potentially significant (Class II) impacts from visual resources to cultural resources, air quality, and biological resources.

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## ATTACHMENT A

### April 15, 2008 Planning Commission Staff Report

#### 6.1.1.1 Significant and Unavoidable Project Impacts (Class I)

The reduced-life Tranquillon Ridge project would result in 11 significant and unavoidable environmental impacts. Of these, 10 are related to oil or produced water spills and spill clean-up activities and one public safety impact would result from increased truck transport of gas liquids from the LOGP (Risk.3). The Class I impacts due to oil spills would occur for onshore and offshore biological resources and water quality, fishing, recreation and cultural resources. Potential oil spill volumes associated with the Tranquillon Ridge project would be larger than for existing operations due to the increased amount of oil that would be produced and transported to the LOGP in the oil emulsion pipeline.

Two Class I visual impacts (Visual.1 and Visual.4) resulting from the presence and visibility of the platform and electrical substation in the coastal zone, and the presence of the LOGP, would still occur during the life of the Tranquillon Ridge project, but would not be increased or extended beyond existing levels. These visual impacts exist for the Point Pedernales project and would continue until the project facilities are removed, whether or not the Tranquillon Ridge project is approved.

All of the Class I impacts identified for the Tranquillon Ridge project were previously identified in earlier environmental documents related to the original Point Pedernales project or subsequent modifications. Although feasible mitigation measures have been identified for these Class I impacts, these measures will not fully mitigate the impacts which will remain significant and unavoidable throughout the project lifetime. If the Tranquillon Ridge project is not approved, these Class I impacts will continue at their current levels until the Point Pedernales project is decommissioned, its facilities properly abandoned, and the project facility sites restored.

The Class I impacts and recommended mitigation measures identified in the EIR are summarized in Table 3 and the paragraphs that follow the table. Please refer to Table ES.3a of the EIR Executive Summary and the issue area discussions in the EIR for additional details regarding potential impacts and mitigation measures. Table 3 also includes references to relevant existing Final Development Plan conditions that incorporate the recommended mitigation measures, either as currently written or with the recommended modifications shown in Attachment B (Conditions of Approval) to this staff report.

**Table 3: Class I Impacts** (from EIR Table ES.3a)

Issue Area	Impacts (EIR number)	Mitigation Measures	FDP
<b>Risk</b>	<u>Risk.3</u> : Increase in <b>truck transport</b> of liquid petroleum gas and natural gas liquids.	Risk-3 (TRMPP update)	P-2 P-23
<b>Marine Biological Resources</b>	<u>MB.1</u> : Increase in <b>oil spill</b> impacts to marine biota.	MB-1a (contingency planning) MB-1b (coastal baseline) MB-1c (fund)	P-13 G-4 (new) G-5 (new)

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**Table 3: Class I Impacts** (from EIR Table ES.3a)

Issue Area	Impacts (EIR number)	Mitigation Measures	FDP
<b>Onshore Biological Resources</b>	<u>TB.6, TB.7</u> and <u>TB.8</u> : Increase in potential for impacts to terrestrial biota and habitats, including individuals and habitats of protected or sensitive species, as a result of an <b>oil spill and spill clean-up</b> .	TB-5 (sedimentation) TB-6 (restoration) TB-7 (restoration) TB-11 (spill containment) TB-12 (restoration) TB-13 (clean-up techniques) TB-14 (clean-up training) OWR-2 (berm) OWR-3 (OSRP update) OWR-4 (catch basins) OWR-5 (scour protection)	H-1 H-9 H-15 P-13
<b>Marine Water Quality</b>	<u>MWQ.1</u> : Increase in <b>oil spill</b> impacts to marine water quality.	MWQ-1 (pipeline inspection)	P-2
<b>Onshore Water Resources</b>	<u>OWR.2</u> : Increase in potential for impacts to surface and groundwater quality as a result of an <b>oil or produced water spill and spill clean-up</b> .	Risk-1 (leak detection) OWR-2 (berm) OWR-3 (OSRP update) OWR-4 (catch basins) OWR-5 (scour protection)	P-2 P-13 P-16 F-5 H-0 H-9 H-15
<b>Fishing</b>	<u>CRF/KH.2</u> : Increase in <b>oil spill</b> impacts to commercial and recreational fishing.	MB-1a (contingency planning) MB-1b (tar baseline)	P-13
<b>Traffic</b>	<u>T.4</u> : Increase in potential for disruption of onshore and offshore traffic due to an <b>oil spill and spill clean-up</b> .	MB-1a (contingency planning) MWQ-1 (pipeline inspections) MWQ-2* (equip. inspections) MWQ-3* (waste disposal)	P-2 P-13
<b>Cultural Resources</b>	<u>CR.3</u> : Increase in potential for impacts to cultural resources as a result of ground disturbance due to an <b>oil spill and spill clean-up</b> .	CR-5 (OSRP update)	P-13
<b>Recreation</b>	<u>Rec.1</u> : Increase in potential for impacts to public access to recreational resources as a result of an <b>oil spill and spill clean-up</b> .	MB-1a (contingency planning) MWQ-1 (pipeline inspections)	P-2 P-13
<b>Visual Resources*</b>	<u>Visual.1*</u> : Visual impacts due to <b>presence of Platform Irene and substation</b> . <u>Visual.4*</u> : Visual impacts due to <b>presence of LOGP</b> .	Visual-1 (substation screening) Visual-4 (lighting/glare plan)	H-1 H-5 L-2 L-3 L-8

*\*These Class I impacts apply to the existing Point Pedernales project and would not be affected by the reduced-life Tranquillon Ridge proposal.*

**RISK** (Impact Risk.3). The Tranquillon Ridge project poses a number of potential safety impacts (injuries and deaths) due to a variety of potential upset conditions. These upset conditions include leaks or ruptures of the crude oil emulsion pipeline, onshore or offshore; leaks or rupture of the offshore-to-onshore sour gas pipeline; and, transportation of natural gas liquids from the LOGP. These impacts are currently associated with the Point Pedernales project but the severity of the impacts would increase due to the increase in oil and gas production levels with the reduced-life Tranquillon Ridge proposal. Of these potential impacts, only the transportation of gas liquids (natural gas liquids [NGLs] or liquid petroleum gas [LPG]) represents a significant,

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unavoidable impact to public safety. The remaining impacts are classified as adverse but less than significant with PXP's continued implementation of existing permit requirements.

To minimize potential safety impacts, EIR Mitigation Measure Risk-3 requires that PXP implement the measures identified in County policies regarding gas liquid transport for the Tranquillon Ridge project. These measures include blending natural gas liquids to the extent feasible into the processed crude oil stream and transporting remaining gas liquids in accordance with the requirements of Board of Supervisors Resolution 93-480. These measures are currently implemented for the Point Pedernales project through Final Development Plan Conditions P-2 and P-23 and would apply to the Tranquillon Ridge project if it is approved. The Transportation Risk Management and Prevention Program (Condition P-23) for the LOGP will be updated as necessary and is required to be fully implemented during operation of the Tranquillon Ridge project. All other system safety measures that apply to the Point Pedernales project also would apply to use of the Point Pedernales facilities for the Tranquillon Ridge project. No other feasible mitigation measures have been identified to further reduce this significant, unavoidable impact.

**MARINE BIOLOGICAL RESOURCES (Impact MB.1).** Oil spills from the Tranquillon Ridge project would adversely affect sensitive marine species, including benthic and intertidal organisms, fish, marine mammals, marine birds, and marine turtles. These impacts are potentially significant, depending on the size and location of an offshore oil spill. The potential worst-case oil spill size would increase with the Tranquillon Ridge project. The potential spill volume for an offshore spill would increase by 5,016 barrels, from 2,913 barrels to 7,929 barrels (EIR Table 5.1.29). The probability of a rupture would increase from 0.6 percent to 9.7 percent. The combined lifetime probability of oil leaks, ruptures, blowouts, and spills from Platform Irene and the offshore portion of the emulsion pipeline would increase from 5.4 percent to 22.1 percent for the 30-year Tranquillon Ridge project (EIR Table 5.1.28). The reduced-life Tranquillon Ridge project would increase the lifetime probability of spills from 5.4 percent to about 11 percent because it would operate for roughly half as long as the project analyzed in the EIR.

Mitigation Measures MB-1a, MB-1b, and MB-1c would reduce, but not eliminate, potentially significant oil spill impacts to marine resources. These measures include updating the PXP's Oil Spill Response Plan (FDP Condition P-13) to specifically address the increased volumes of oil that could be spilled to the ocean due to the increased amount of oil being produced and transported to shore and annual funding of programs to document existing coastline conditions and facilitate real-time spill tracking in the event of a spill (FDP Condition G-4). As recommended in EIR Mitigation Measure MB-4, PXP should implement measures to further reduce impacts on marine biology, particularly to marine mammals and seabirds. This is within the purview of the California Coastal Commission. Those measures identified are as follows:

- A. An assessment of the feasibility of injecting drill muds and cuttings into a reservoir from Platform Irene. This assessment shall include MMS input and shall conform to MMS requirements for such assessment. If the assessment concludes that injection is feasible, PXP shall inject muds and cuttings used for drilling new or extended existing wells from Platform Irene, pursuant to MMS approval. If injection is not feasible, PXP shall ensure that muds and cuttings are properly disposed of at Platform Irene in accordance with the requirements of the National Pollutant Discharge Elimination System (NPDES) permit for the platform and shall provide copies of all discharge

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monitoring reports prepared pursuant to the NPDES permit to Planning and Development, once Tranquillon Ridge production has begun.

- B. Provisions for a dedicated marine mammal observer on each vessel servicing Platform Irene during drilling and production of Tranquillon Ridge reserves, including:
1. placement of a dedicated marine mammal observer on all support vessels during the spring and fall gray whale migration periods and during periods or seasons of high concentrations of marine mammals in the area.
  2. requirements that restrict the duties and responsibilities of the observer to only marine mammal observations during periods when the vessel is in transit.
  3. training for observers focusing on identification of marine mammal species, specific behavior of species common to the project area, and awareness of seasonal concentrations of marine mammals.
  4. unobstructed views onboard each vessel.
  5. a contingency plan that focuses on avoidance procedures when marine mammals are encountered at sea. At a minimum, this plan shall include the following components:
    - a. Vessel operators will make every effort to maintain a distance of 1,000 feet from sighted whales and other threatened or endangered marine mammals or marine turtles.
    - b. Support vessels shall not cross directly in front of migrating whales or any other threatened or endangered marine mammals or marine turtles.
    - c. When paralleling whales, support vessels shall operate at a constant speed that is not faster than the whales.
    - d. Support vessels shall not separate female whales from their calves.
    - e. Vessel operators shall not herd or drive whales.
    - f. If a whale engages in evasive or defensive action, support vessels shall drop back until the animal moves out of the area.
  6. Prompt reporting of any collisions with marine wildlife to the California Coastal Commission, California Fish & Game Department, and the U.S. Fish & Wildlife Service pursuant to each agency's reporting requirements and procedures.
- C. A contribution toward establishing a marine mammal and seabird impact mitigation fund to be use for either facilities construction or operating costs associated with the rescue and rehabilitation of injured marine mammals and seabirds.

In addition, FDP Condition G-1 (*Oil Spill Clean-up and Restoration*) requires that PXP clean up any oil spills associated with its onshore or offshore facilities and restore affected coastal and onshore resources and areas to pre-spill conditions. This FDP condition would continue to apply to operation of these facilities for the Tranquillon Ridge project. However, even with implementation of these mitigation measures, the potential impacts of an offshore oil spill to marine biological resources would remain significant. No other feasible mitigation measures have been identified to further reduce these significant, unavoidable impacts.

**ONSHORE BIOLOGICAL RESOURCES** (Impacts TB.6, TB.7, and TB.8). A pipeline leak or rupture could result in an oil spill and subsequent significant and unavoidable impacts to upland, riparian, and aquatic habitats and injury to plants and terrestrial and aquatic wildlife through direct toxicity, smothering, and entrapment, as well as from spill clean-up efforts. Under the

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worst case, onshore oil spill volumes would increase by 688 barrels (about 11%, from 6,318 to 7,006 barrels; EIR Table 5.1.25), with an increase in the probability of a rupture from 0.9 percent to 11.2 percent and an increase in the probability of a leak from 3.6 percent to 100 percent (EIR Table 5.1.24) due primarily to the addition of pumping capabilities at Valve Site #2.

An oil spill and subsequent clean-up efforts could directly or indirectly cause the loss of habitat and individuals or colonies of State- or federally listed plant species, including seaside bird's beak, Surf thistle, beach spectacle pod, La Graciosa thistle, Gaviota tarplant, and possibly Pismo clarkia and Lompoc yerba santa. Spills and spill clean-up could also directly or indirectly cause the loss of individuals or habitat for listed wildlife species, including steelhead, western snowy plover, California tiger salamander, California red-legged frog, and El Segundo blue butterfly.

Mitigation Measures TB-5, TB-6, TB-7, TB-11, TB-12, TB-13, TB-14, OWR-2, OWR-3, OWR-4, and OWR-5 would reduce, but not eliminate, potentially significant impacts of oil spills to onshore biological resources. These measures require site-specific spill containment and clean-up techniques and training, maintenance of catch basins along the pipeline route, control of sedimentation into aquatic habitats, restoration of disturbed habitat, and an update to PXP's Oil Spill Response Plan to ensure that containment and clean-up equipment is readily available close to areas with the greatest vulnerability in the event of a spill, such as the mouth of the Santa Ynez River. These mitigation measures have been incorporated into FDP Conditions H-1 (*Northern Mitigated Pipeline Route and Catch Basins*), H-9 (*Restoration and Revegetation Section of OSRP*), H-15 (*Installation of Block Valves and Check Valves*), and P-13 (*Oil Spill Response Plan*). No other feasible mitigation measures have been identified to further reduce these significant, unavoidable impacts.

**MARINE WATER QUALITY** (Impact MWQ.1). Accidental discharge of hydrocarbons into marine waters would significantly affect marine water quality. The Tranquillon Ridge project would cause an increased risk of oil spill due to the larger volume of crude oil in the pipeline and an increase in the potential for a well blow out if the new wells encounter a pressurized reservoir. The combined probability of oil leaks, ruptures, blowouts, and spills from Platform Irene and the offshore portion of the emulsion pipeline would increase from 5.4 percent to about 11 percent with implementation of the reduced-life Tranquillon Ridge project.

Mitigation Measure MWQ-1 requires that PXP conduct regular inspections of the offshore oil emulsion pipeline to identify unsupported spans or structural anomalies that compromise the integrity of the pipeline and promptly effect repairs. This measure also requires that if the leak detection system causes a shutdown of the pipeline, the oil emulsion flow through the pipeline shall not be resumed until the entire length of the pipeline has been inspected and cleared or repaired as necessary. This measure has been explicitly incorporated into FDP Condition P-2 (*Safety, Inspection, Maintenance, and Quality Assurance Program [SIMQAP]*). No other feasible mitigation measures have been identified to further reduce this significant, unavoidable impact.

Staff recommends that PXP investigate the potential for injecting the waste muds and cuttings at the platform and implement that option if it is feasible (see discussion in Section 6.1.1.5, below). This alternative would eliminate Class III adverse impacts associated with disposing of the muds



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and cuttings in the ocean, as proposed, and would not create other Class III impacts, as would the onshore disposal option. Staff does not recommend the onshore disposal option as it would only result in different Class III impacts, rather than elimination of impacts. However, if the Planning Commission chooses to adopt the onshore disposal alternative for drilling muds and cuttings, EIR Mitigation Measures MWQ-2 and MWQ-3 should also be adopted as new conditions of the FDP. These measures would require inspections of the equipment used to transfer the muds and cuttings to the vessels and boat cleaning procedures to reduce the potential for spills to the marine environment of the muds and cuttings during transport operations.

**ONSHORE WATER RESOURCES** (Impact OWR.2). A rupture or leak from the oil emulsion or produced water pipelines could substantially degrade surface and ground water quality and spill clean-up activities could cause erosion or siltation resulting in degradation of surface water quality. The Tranquillon Ridge project would increase the amount of oil that could be spilled from the pipeline over the life of the project.

Mitigation Measures Risk-1, OWR-2, OWR-3, OWR-4, and OWR-5 would reduce the likelihood or severity of these potential impacts, but not to less than significant levels. These measures are incorporated into the PXP FDP, as follows:

- Risk-1, upgraded leak detection system – FDP Condition P-16;
- OWR-2, berm at Valve Site #2 – FDP Condition H-0;
- OWR-4, catch basins – FDP Condition H-0;
- OWR-3, Oil Spill Response Plan update – FDP Condition P-13; and,
- OWR-5, scour protection – FDP Conditions D-2 and F-5.

**COMMERCIAL AND RECREATIONAL FISHING** (Impact CRF/KH.2). Oil spills potentially could affect commercial and recreational fishing in the project area by damaging fish populations (e.g., sea urchins and lobster). This impact could be significant and unavoidable, particularly with respect to species harvested in the intertidal zone where they are vulnerable to marine oil spills. Access to fishing areas also could be restricted by a spill and by boat traffic related to spill clean-up.

Mitigation Measures MB-1a and MB-1b would help reduce potential impacts to commercial and recreational fishing, but because there are limitations to thorough containment and clean-up of an offshore oil spill, and because commercial fishing areas would be at least temporarily lost to fishing while clean-up operations are underway, this remains a significant and unavoidable impact for fisheries in the intertidal zone. These mitigation measures are included in FDP Conditions G-4 (*Oil Spill Damage Assessment Funding*), M-3 (*Local Fishermen's Contingency Fund*), and P-13 (*OSRP*). No other mitigation measures have been identified to further reduce this significant impact.

**TRAFFIC** (Impact T.4). An oil spill and related clean-up activities could result in the disruption of commercial shipping, fishing, and recreational marine traffic and onshore transportation infrastructure. An offshore oil spill could result in closure of the Coast Guard's marine traffic corridors and restricted boating along 70 miles of coastline. Offshore traffic could be disrupted for days, depending on the size and extent of the spill, due to clean-up activities. An oil spill

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could also preclude fishing from areas around the spill until clean-up activities are complete. If a spill reaches the shoreline, onshore traffic could be affected by response-related activities and traffic. Although mitigation measures are required to reduce the likelihood of a spill (inspection, monitoring, and maintenance requirements; FDP Condition P-2) and to enhance spill response (contingency planning; FDP Condition P-13), the risk cannot be reduced to zero. The consequences of an oil spill, including traffic-related impacts, remain significant and unavoidable. No other mitigation measures have been identified to further reduce this significant impact.

**CULTURAL RESOURCES** (Impact CR.3). Containment and clean-up activities associated with an accidental oil spill could result in ground disturbance and potential impacts to cultural resources. A pipeline leak or rupture could result in an oil spill anywhere along the pipeline corridor. Several archaeological sites are known to occur within and near the pipelines. Spill containment activities that could disturb cultural resources include use of heavy earth-moving equipment and manual excavations to remove oil-contaminated material. Soil removal by manual or mechanized means can cause significant impacts on any cultural resource in the area. Other clean-up techniques and staging containment and clean-up equipment can also result in disturbance. New Condition I-9 (*Oil Spill Clean-up*) incorporates EIR mitigation measure CR-5 into PXP's Final Development Plan and requires PXP to update its Oil Spill Response Plan to specify spill containment and clean-up measures that would minimize impacts to cultural resources in the event of an oil spill. No other mitigation measures were identified that would further reduce this potential significant impact.

**RECREATION** (Impact Rec.1). The increased oil throughput between Platform Irene and the LOGP for the Tranquillon Ridge project would increase the probability and volume of an oil spill. An offshore oil spill caused by an accident or failure at Platform Irene or in the offshore pipeline could lead to beach closures and boating restrictions during spill response and clean-up, as well as a lingering perception that recreational resources are polluted, even after clean-up is completed. These effects could result in impacts to local and regional tourism, particularly as they relate to coastal resources and attractions. Facility safety (FDP Condition P-2), spill contingency planning and response (FDP Condition P-13), and restoration requirements (FDP Condition H-9) adopted for the project will serve to reduce the likelihood of a spill and the magnitude of the resulting impacts if one does occur, but this risk cannot be reduced to zero. Therefore, this remains a significant and unavoidable impact of the Tranquillon Ridge project. No additional mitigation measures have been identified to further reduce this impact.

**VISUAL RESOURCES** (Impacts Visual.1 and Visual.4). These significant visual resource impacts are associated with the presence of Platform Irene and the electrical substation at Surf (Visual.1) in the coastal zone, and nighttime glare from the LOGP (Visual.4) in a rural area. These impacts were identified in previous environmental reviews as Class I impacts for the existing Point Pedernales project. The Tranquillon Ridge EIR identified these impacts as significant and unavoidable for the 30-year Tranquillon Ridge project because they would have been extended into the future until the end of the Tranquillon Ridge project operations. These extension of significant impacts would not occur with the reduced-life Tranquillon Ridge project as it is proposed to end December 2022, the same time as the outer estimates of remaining Point Pedernales project life. Although the facilities would continue to create these significant

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impacts, they would not be intensified or extended beyond baseline levels by the Tranquillon Ridge project. Nevertheless, FDP Conditions L-2 (*Lighting Plan*) and L-8 (*Facility Screening*) require renewed efforts to reduce lighting at the LOGP and screen the Surf substation to the extent feasible. This will ensure PXP's continued efforts to reduce these significant impacts and provide consistency with certain County policies.

### 6.1.1.2 Significant and Mitigable Project Impacts (Class II)

Fifteen Class II impacts would result from the proposed Tranquillon Ridge project. These impacts are associated with oil or produced water spills and spill clean-up, or with the modifications at Valve Site #2. These significant impacts would be mitigated to less than significant levels (per County thresholds) with implementation of specific mitigation measures. Nine Class II impacts identified in the EIR would have resulted from extending the life of the existing facilities and are associated primarily with routine operations of both onshore and offshore facilities. These impacts would not increase in severity or be extended as a result of the reduced-life Tranquillon Ridge proposal.

Class II impacts and associated mitigation measures are summarized in Table 4 below. This table also includes references to relevant FDP conditions that address these impacts. Additional details regarding potential impacts and mitigation measures are provided in the issue area discussions in the EIR and Table ES.3b of the EIR Executive Summary.

**Table 4: Class II Impacts** (from EIR Table ES.3b)

Issue Area	EIR Impact	Mitigation Measures	FDP
<b>Onshore Biological Resources</b>	<p><b>TB.1: Ground disturbance</b> for modifications at <b>Valve Site #2</b> and power pole installation could cause loss of native vegetation, wildlife habitat.</p> <p><b>TB.2: Ground disturbance</b> for modifications at <b>Valve Site #2</b> and power pole installation could cause impacts to aquatic habitats due to erosion and sedimentation.</p> <p><b>TB.3*: Pipeline maintenance and repair</b> would result in disturbance and removal of native vegetation and habitat.</p> <p><b>TB.4*: Pipeline maintenance and repair</b> could harm listed plant species.</p> <p><b>TB.5*: Pipeline maintenance and repair</b> could harm listed wildlife/fish species.</p>	<p>TB-1 (survey)</p> <p>TB-2 (use bridge, pole design)</p> <p>TB-3 (pre-constr. wildlife relocation)</p> <p>TB-4 (dry season construction)</p> <p>TB-5 (sedimentation)</p> <p>TB-6 (construction restrictions)</p> <p>TB-7 (site-specific measures)</p> <p>TB-8 (pre-construction plant survey)</p> <p>TB-9 (site-specific restoration)</p> <p>TB-10 (avoid breeding season)</p> <p>TB-11 (update OSRP)</p> <p>OWR-1 (SWPPP)</p> <p>GR-1 (BMPs)</p>	<p>F-1</p> <p>H-1</p> <p>H-9</p> <p>H-19</p> <p>H-24</p> <p>P-13</p>

## EXHIBIT G-1

**Table 4: Class II Impacts** (from EIR Table ES.3b)

Issue Area	EIR Impact	Mitigation Measures	FDP
<b>Geological Resources</b>	<u>GR.1</u> , <u>GR.2</u> , <u>GR.4*</u> : <b>Ground disturbance</b> for construction, maintenance, or remediation activities associated with a pipeline spill could cause slope failure, gulying, erosion, sedimentation. <u>GR.3</u> : Continued or accelerated <b>ground settlement at LOGP</b> due to modifications and upgrades. <u>GR.5*</u> : <b>Scouring</b> along drainage areas could result in impacts to the pipeline and increase the chances of a pipeline failure.	GR-1 (BMPs) GR-2 (grouting) GR-3 (scour mitigation plan)	D-1 D-2 D-3 D-5 H-1 H-9 P-1 P-13
<b>Onshore Water Quality</b>	<u>OWR.1</u> , <u>OWR.3*</u> , and <u>OWR.4</u> : <b>Ground disturbance</b> associated with construction, maintenance, or spill remediation activities associated with a pipeline spill could cause erosion and siltation which could result in degraded surface water quality.	OWR-1 (SWPPP) OWR-6 (streambed restoration) GR-1 (BMPs)	D-5 F-5 H-1
<b>Marine Biological Resources</b>	<u>MB.5</u> : <b>Increased vessel traffic</b> may impact marine mammals and marine turtles.	MB-1c (fund) MB-4 (observers)	**
<b>Marine Water Quality</b>	<u>MWQ.2</u> , <u>MWQ.3</u> , and <u>MWQ.4</u> : Reduced marine water quality would result from discharges of drilling fluids, produced water, and additional <b>discharges at Platform Irene</b> .	MB-3 (shunt depth) NPDES (US EPA permit)	G-2 G-3
<b>Air Quality</b>	<u>Air.2</u> : <b>Increased emissions</b> from drilling.	Air-2 (emission reductions)	E-6 E-9 E-10
<b>Cultural Resources</b>	<u>CR.1*</u> , <u>CR.2</u> and <u>CR.4*</u> : <b>Ground disturbance</b> for pipeline maintenance, modifications at Valve Site #2 and power pole installation, or produced water spill could cause impacts to cultural resources.	CR-1 (200-ft monitoring zone) CR-2 (mitigation plan) CR-3 (archaeological survey)	I-2
<b>Visual Resources</b>	<u>Visual.3</u> : Visual impacts could result from presence of <b>new transformer station and power poles</b> for Valve Site #2.	Visual-3 (bridge feasibility)	L-10 L-11
<b>Agricultural Resources</b>	<u>AG.3</u> and <u>AG.4*</u> : <b>Pipeline repair and maintenance or spill-related activities</b> could result in degradation and reduced productivity of agricultural land.	AG-1 (update OSRP) AG-2 (replanting)	P-13

\*The reduced-life Tranquillon Ridge project would not extend impact or increase severity of impact over baseline levels.

\*\*Within the perview of the California Coastal Commission. See Marine Biological Resources discussion in staff report section 6.1.1.1 for additional information.