

1 **1.0 PROJECT AND AGENCY INFORMATION**

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2 **1.1 PROJECT TITLE**

3 Santa Ynez Unit (SYU) Offshore Power System Reliability-B Phase 2 Project  
4 (OPSR-B or Project).

5 **1.2 LEAD AGENCY AND PROJECT SPONSOR**

6 **Lead agency:**

7 California State Lands Commission (CSLC)  
8 100 Howe Avenue, Suite 100-South  
9 Sacramento, CA 95825

10 **Contact person:**

11 Cynthia Herzog  
12 Division of Environmental Planning and Management  
13 [Cynthia.Herzog@slc.ca.gov](mailto:Cynthia.Herzog@slc.ca.gov)  
14 (916) 574-1310

15 **Project sponsor (Applicant):**

16 ExxonMobil Production Company  
17 CORP-WGR-936, 222 Benmar  
18 Houston, TX 77060

19 **Contact person:**

20 Blake Hebert  
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22 (832) 624-4400

23 **1.3 PROJECT LOCATION**

24 The existing Las Flores Canyon onshore oil and gas processing facility (LFCPF) is  
25 located along the Gaviota Coast, approximately 20 miles (32 kilometers [km]) west of  
26 the city of Santa Barbara (Figure 1-1). Existing offshore facilities consist of the three  
27 platforms (Harmony, Heritage, and Hondo) and associated subsea pipelines and cables  
28 located in Federal waters, between 5 and 8 miles (8 to 13 km) offshore and in State  
29 waters to the coast line (Figure 1-2). Onshore, the pipelines and power cable conduits  
30 are buried beneath the surf zone and are therefore not visible from the beach area.  
31 Project activities, which include replacement of power cables and aging high voltage  
32 switchgear and electrical components on the platforms and installation of new electrical  
33 equipment for the replacement power cables, would occur both onshore and offshore as  
34 shown in Figure 1-3. (Refer to Section 2, Project Description, for further details on the  
35 Project location.)

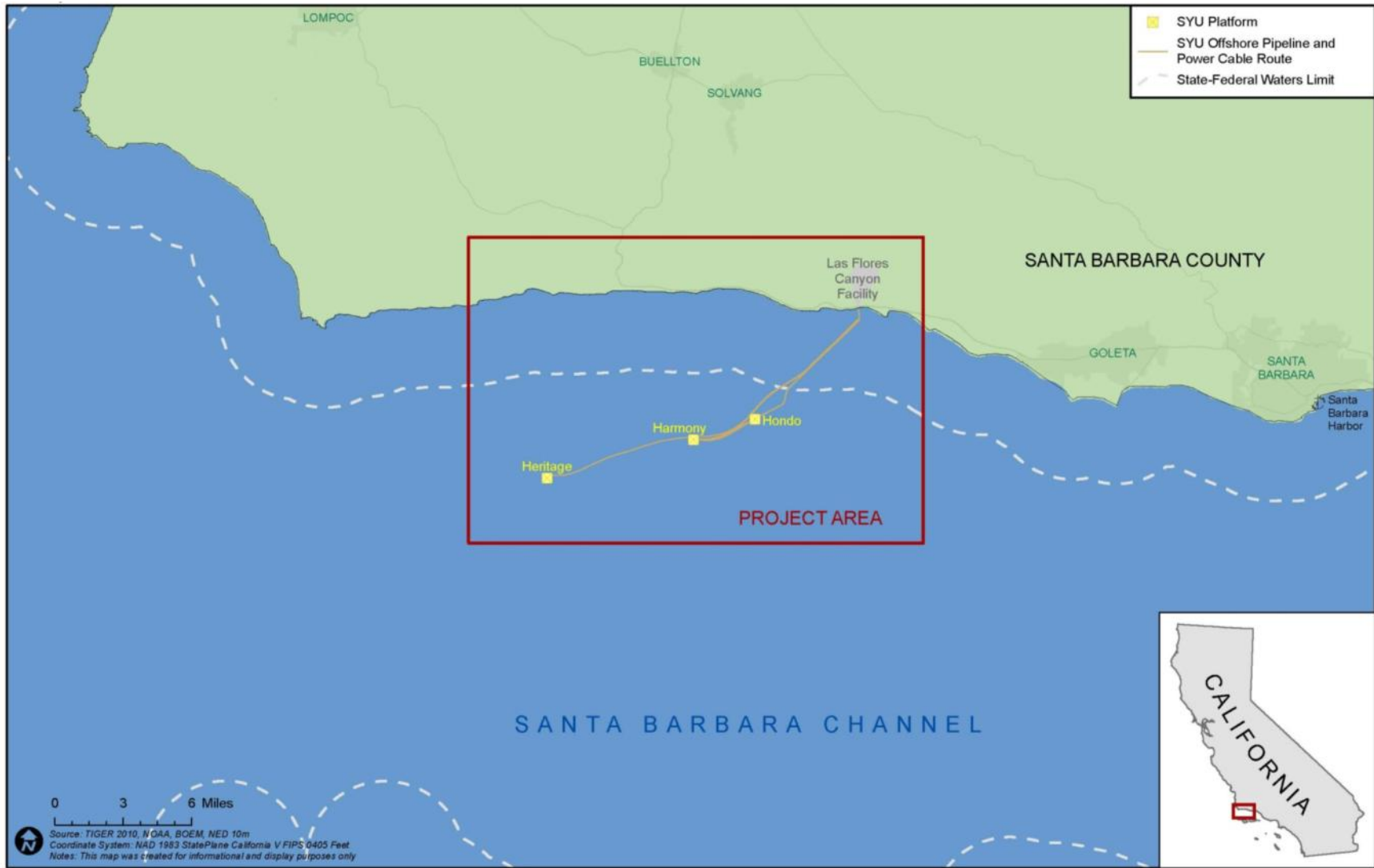


Figure 1-1. Project Site Location

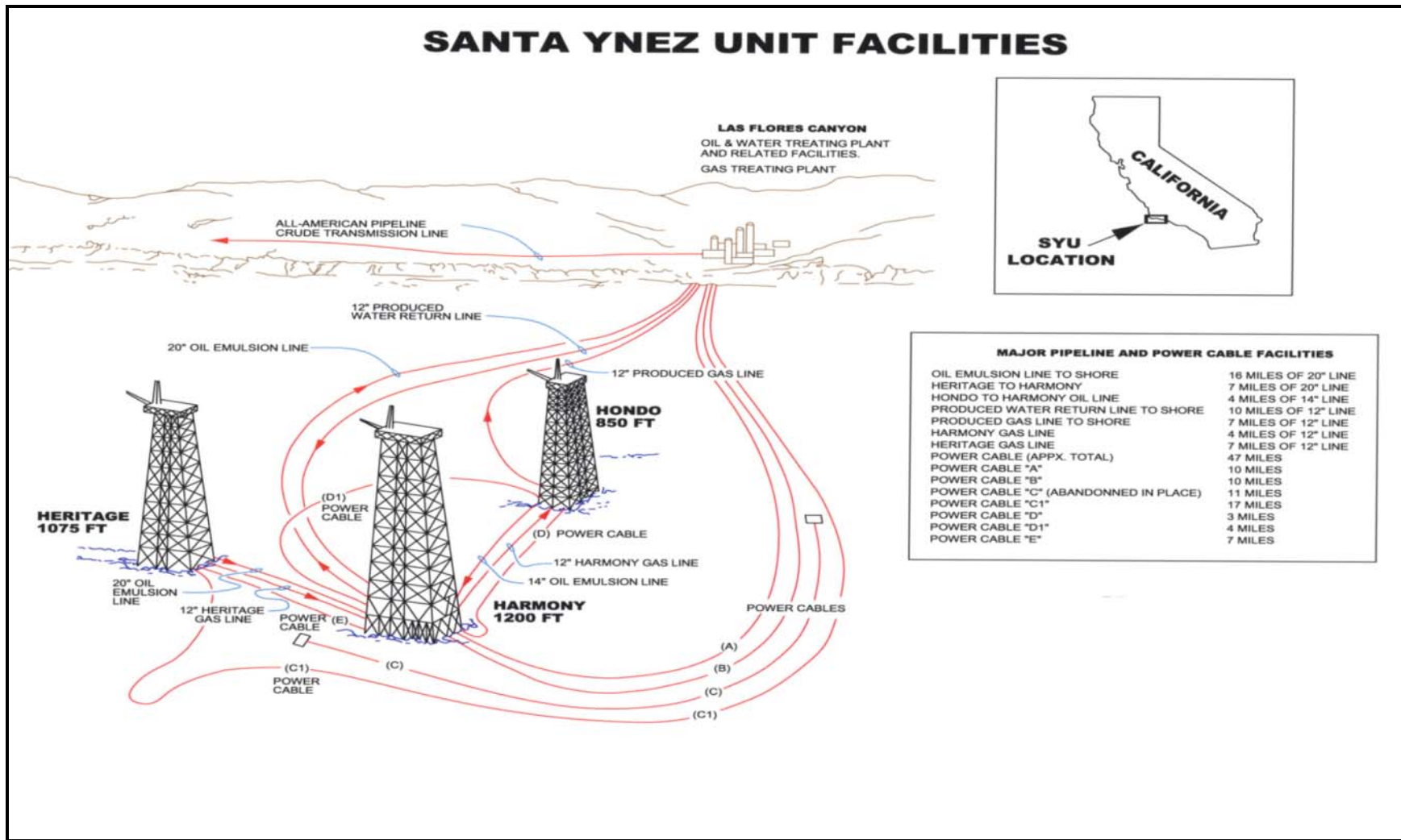
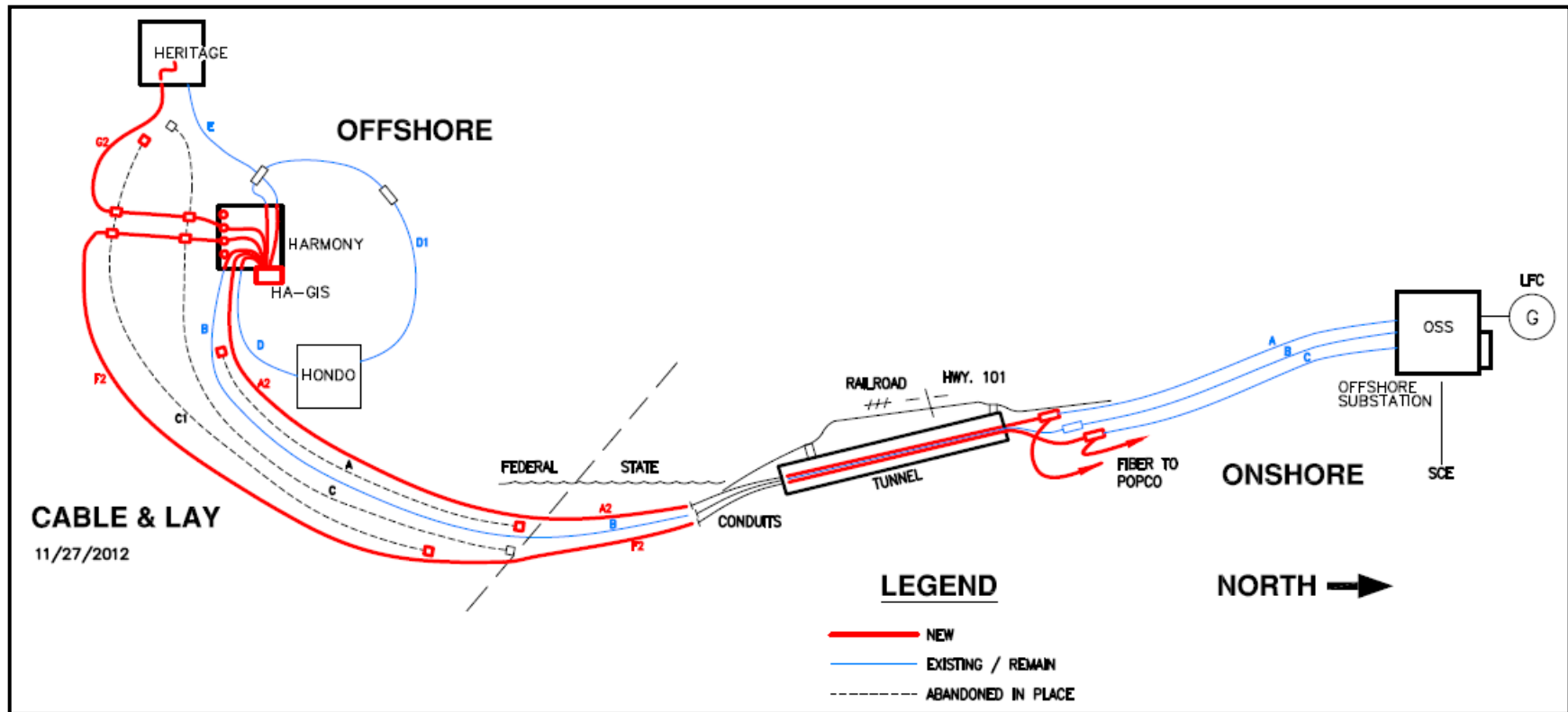


Figure 1-2. Existing Facilities



Red Cables A2 (or B2), F2 & G2 will be installed replacement cables. Blue Cables B (or A), D, D1, & E are existing cables that will remain in operation. Black dashed Cables A (or B), C1 & C will be abandoned in place. Cables A (or B) & C1 will be retrieved in tunnel, conduits, State waters and adjacent to platforms.

**Figure 1-3. Proposed Project Components**

1 **1.4 ORGANIZATION OF MITIGATED NEGATIVE DECLARATION**

2 This Mitigated Negative Declaration (MND) is intended to provide the CSLC, as lead  
3 agency under the California Environmental Quality Act (CEQA) (Pub. Resources Code,  
4 § 21000 et seq.), and other responsible agencies with the information required to  
5 exercise their discretionary responsibilities with respect to the proposed Project. The  
6 document is organized as follows.

- 7 • Section 1 provides the Project background, Agency and Applicant information,  
8 Project Objective, anticipated agency approvals, and a summary of the public  
9 review and comment process.
- 10 • Section 2 describes the proposed Project including its location, layout,  
11 equipment, facilities, operations, and schedule.
- 12 • Section 3 provides the Initial Study (IS), including the environmental setting,  
13 identification and analysis of potential impacts, and discussion of various Project  
14 changes and other measures that, if incorporated into the Project, would mitigate  
15 or avoid those impacts, such that no significant effect on the environment would  
16 occur. The IS was conducted by the CSLC pursuant to section 15063 of the  
17 State CEQA Guidelines.<sup>1</sup>
- 18 • Section 4 includes a commercial fishing and an environmental justice analysis  
19 and discussion consistent with CSLC policy.
- 20 • Section 5 presents the Mitigation Monitoring Program (MMP).
- 21 • Section 6 presents information on report preparation and references.
- 22 • Appendices. The appendices include specifications, technical data, and other  
23 information supporting the analysis presented in this MND.
  - 24 ○ Appendix A: Project Execution Plan
  - 25 ○ Appendix B: Cable Route Maps
  - 26 ○ Appendix C: Nearshore Anchoring Plan
  - 27 ○ Appendix D: 2011 Fugro Survey
  - 28 ○ Appendix E: Marine Archaeology
  - 29 ○ Appendix F: Air Quality Spreadsheets

30 **1.5 PROJECT BACKGROUND AND OBJECTIVES**

31 As part of the SYU Expansion Project in the early 1990s, Platforms Harmony, Heritage,  
32 and Hondo were required to use shore-based electric power, and electrical power  
33 distribution systems for the platforms were subsequently installed. The systems  
34 consisted of: an Offshore Substation (OSS) located at the LFCPF; three power cables  
35 from the substation going offshore (two to Platform Harmony [Cables A and B] and one

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<sup>1</sup> The State CEQA Guidelines are found in California Code of Regulations, Title 14, section 15000 et seq.

1 to Platform Heritage [Cable C]); and power cables from Platform Harmony to Platform  
 2 Hondo (Cable D) and to Platform Heritage (Cable E) (Table 1-1). The installation also  
 3 included the associated electrical equipment at each facility. Once the electrical  
 4 distribution system was energized, the SYU offshore operations became completely  
 5 reliant on these systems for all normal operations.

**Table 1-1. Project Components**

Cable	Cable Route	Status
ORIGINAL/EXISTING		
A	Between LFCPF and Platform Harmony*	Original
B	Between LFCPF and Platform Harmony	Original; repaired in 2013
C	Between LFCPF and Platform Heritage*	Original; replaced in 2003 with Cable C1
C1	Between LFCPF and Platform Heritage	Replaced Cable C in 2003; subsequently repaired twice
D	Between Platforms Harmony and Hondo	Original
D1	Between Platforms Harmony and Hondo	Installed in 2003 to improve reliability
E	Between Platforms Harmony and Heritage	Original
PROPOSED		
A2 or B2	Between LFCPF and Platform Harmony	
F2	Between LFCPF and Platform Harmony	
G2	Between Platforms Harmony and Heritage (Federal waters only)	

\* Water depths at Platforms Harmony and Heritage are 1,198 feet and 1,075 feet, respectively.

6 In 1999, Cable C experienced an unrepairable failure in State waters. The SYU  
 7 Offshore Power System Repair-A Project (OPSR-A) replaced Cable C with Cable C1 in  
 8 2003 and installed Cable D1 between Platforms Harmony and Hondo to improve  
 9 reliability (see MND/EA, State Clearinghouse [SCH] No. 2003011020; Santa Barbara  
 10 County and Minerals Management Service [SBC and MMS] 2003). Since Cable C1 was  
 11 installed, the cable has failed, and was repaired and returned to service, twice. In May  
 12 2013, Cable B failed at a splice in the onshore section of that cable near the southern  
 13 end of the LFCPF. After approvals were received from the SBC in June 2013, the failed  
 14 section of Cable B was removed and a section of spare cable was spliced into the  
 15 existing cable. The repaired Cable B was tested and returned to service in July 2013.

16 The reliability of the current offshore power distribution system requires improvement  
 17 due to the aging of individual circuits, the history of submarine cable faults in the  
 18 distribution system, and the obsolescence of offshore switchgear and electrical  
 19 components. The Project objective is to improve the reliability of electricity distribution  
 20 from shore to, and between, the platforms.

1 **1.6 PUBLIC REVIEW AND COMMENT**

2 Pursuant to State CEQA Guidelines sections 15072 and 15073, a lead agency must  
3 issue an MND in draft form for a minimum 30-day public review period. Agencies and  
4 the public will have the opportunity to review and comment on the draft document.  
5 Responses to written comments received by the CSLC during the public review period  
6 will be incorporated into the Final MND. In accordance with State CEQA Guidelines  
7 section 15074, subdivision (b), the CSLC will review and consider the proposed Final  
8 MND, together with any comments received during the public review process, prior to  
9 taking action on the MND and Project.

10 **1.7 APPROVALS AND REGULATORY REQUIREMENTS**

11 **1.7.1 Regulatory Background and History**

12 The SYU is composed of 16 Outer Continental Shelf (OCS) leases that are located in  
13 northwestern Santa Barbara Channel. In 1968, Exxon Corporation (now ExxonMobil  
14 Production Company [ExxonMobil or Applicant]) and its partners acquired the majority  
15 of leases during OCS Lease Sale P-4. The first oil and gas discovery occurred in this  
16 area in 1968. In 1971, Exxon submitted a Development and Production Plan (DPP) for  
17 developing the leases to the U.S. Geological Survey (USGS) (predecessor to the  
18 Minerals Management Service [MMS], now Bureau of Ocean Energy Management  
19 [BOEM] and Bureau of Safety and Environmental Enforcement [BSEE]). The DPP  
20 included alternative plans for processing the oil onshore and offshore. In 1974, the  
21 USGS approved the DPP.

22 SBC permits were issued in 1974 for development of onshore oil and gas processing  
23 facilities in Las Flores Canyon to process the oil and gas produced at Platform Hondo,  
24 which was installed in 1976. In 1975, SBC approved the onshore component of the  
25 Project. In 1976, the California Coastal Zone Conservation Commission (predecessor to  
26 the California Coastal Commission [CCC]) approved Coastal Development Permit  
27 (CDP) No. 216-75 for developing onshore facilities associated with the SYU Project.

28 Exxon, however, objected to certain permit requirements, and subsequently installed an  
29 Offshore Storage and Treatment Vessel (OS&T) near Platform Hondo.<sup>2</sup> In 1981, oil  
30 production at Platform Hondo began and for the next 14 years, the OS&T processed the  
31 oil and loaded it onto a marine tanker for shipment to refineries. Beginning in 1984,  
32 produced gas was transported via the Pacific Offshore Pipeline Company (POPCO)  
33 pipeline to an onshore gas processing plant in Las Flores Canyon. In 1982, Exxon  
34 submitted a revised DPP to the MMS for expanded development of the SYU, with three  
35 additional platforms: Harmony, Heritage, and Heather. In addition to the new platforms,

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<sup>2</sup> The OS&T was a converted oil tanker that operated from 1981 to 1994 and was moored to a Single Anchor Leg Mooring in Federal waters approximately 3.5 miles from shore.

1 the revised DPP proposed a consolidated onshore processing and storage facility at  
2 Las Flores Canyon (the LFCPF), a consolidated marine terminal at Las Flores Canyon,  
3 and subsea and onshore pipelines and power cables to connect these components.  
4 (Neither the marine terminal nor Platform Heather was installed.)

5 In September 1987, SBC approved a Final Development Plan (FDP) for expanded  
6 development of SYU. The FDP permit conditions required Exxon to discontinue use of  
7 the OS&T within 30 days after the time that the onshore oil processing facilities were  
8 fully operational and debugged, remove the OS&T and its mooring from the OCS within  
9 one year after initial production from Harmony and Heritage, and install power cables to  
10 provide electricity to the platforms from onshore generation facilities.

11 The jackets and topsides of Platforms Heritage and Harmony were installed in 1990 and  
12 1992, respectively. The subsea and onshore pipelines and power cables were installed  
13 in 1991 and 1992. The LFCPF was dedicated in October 1993, and brought on line in  
14 December 1993 when the first oil was delivered by pipeline from Platform Harmony. The  
15 OS&T and its Single Anchor Leg Mooring were removed in 1994. The oil, water, and  
16 fuel gas lines and power cable from Platform Hondo to the OS&T were approved to be  
17 decommissioned in place until the end of the SYU's life.

#### 18 **1.7.2 Regulatory Jurisdiction and Authorizations Required**

19 The CSLC's authority is set forth in Division 6 of the California Public Resources Code  
20 and it is regulated by California Code of Regulations, Title 2, sections 1900-2970. The  
21 CSLC has authority to issue leases or permits for the use of sovereign lands held in the  
22 public trust, including all ungranted tidelands, submerged lands, and the beds of  
23 navigable lakes and waterways, as well as certain residual and review authority for  
24 tidelands and submerged lands legislatively granted in trust to local jurisdictions (Pub.  
25 Resources Code, §§ 6301, 6306). All tidelands and submerged lands, granted or  
26 ungranted, as well as navigable lakes and waterways, are subject to the protections of  
27 the Common Law Public Trust. As general background, the State of California acquired  
28 sovereign ownership of all tidelands and submerged lands and beds of navigable lakes  
29 and waterways upon its admission to the U.S. in 1850. The State holds these lands for  
30 the benefit of all people of the State for statewide Public Trust purposes, which include  
31 but are not limited to waterborne commerce, navigation, fisheries, water-related  
32 recreation, habitat preservation and open space. On tidal waterways, the State's  
33 sovereign fee ownership extends landward to the mean high tide line, except for areas  
34 of fill or artificial accretion.

35 On August 30, 2013, ExxonMobil submitted an application to the CSLC requesting an  
36 amendment to their existing General Lease – Right-of-Way Use No. PRC 7163.1 to  
37 allow for Project implementation. CSLC actions that relate to Lease No. PRC 7163.1  
38 and the Project are as follows.



- 1 • On January 21, 1988, the CSLC Commission authorized the issuance of a
- 2 General Lease - Right-of-Way Use to Exxon Corporation for a crude oil/water
- 3 emulsion pipeline, a treated water outfall line and three power cables (A, B and
- 4 C) associated with the SYU in the Santa Barbara Channel.
- 5 • On February 21, 2003, the CSLC authorized an amendment to the lease for the
- 6 removal of the failed Cable C and installation of Cable C1 within State waters.

7 The CSLC must comply with CEQA when it undertakes an activity defined by CEQA as  
 8 a "project" that must receive some discretionary approval (i.e., the CSLC has the  
 9 authority to deny the requested lease, permit, or other approval) which may cause either  
 10 a direct physical change in the environment or a reasonably foreseeable indirect change  
 11 in the environment. CEQA requires the CSLC to identify the significant environmental  
 12 impacts of its actions and to avoid or mitigate those impacts, if feasible.

13 Other entities with statutory and/or regulatory jurisdiction over various aspects of the  
 14 Project are listed in Table 1-2.

**Table 1-2. Other Agencies with Review/Approval over Project Activities**

Permitting Agency		Anticipated Approvals/Regulatory Requirements
<b>Federal</b>	Bureau of Ocean Energy Management/Bureau of Safety and Environmental Enforcement	NEPA Compliance and Consultation with other Federal agencies (e.g., USFWS, NMFS, SHPO)
	U.S. Army Corps of Engineers	Clean Water Act (CWA) Section 404 (under Nationwide Permit No. 12)
	U.S. Fish and Wildlife Service (USFWS)	Section 7 Consultation under Federal Endangered Species Act (if necessary)
	National Marine Fisheries Service (NMFS)	
<b>State</b>	California Coastal Commission (CCC)	Coastal Development Permit Federal Consistency Certification
	California Department of Fish and Wildlife (CDFW)	Consultation for special-status species(if necessary)
	Department of Parks and Recreation	Permit for Construction Equipment Access
	State Historic Preservation Office (SHPO)	Concurrence Request - Opinion on Potential Effect to Cultural/Historic Resources
	Regional Water Quality Control Board	CWA Section 401 Water Quality Certification
<b>Local</b>	Santa Barbara County Planning and Development	Coastal Development Permit
	Santa Barbara County Air Pollution Control District	Determination of Conformance with Facilities' Existing Permit to Operate

15 Table 1-3 identifies coastal-related U.S. and California laws and programs that are  
 16 relevant to the Project; specific policies are listed in Section 3, Environmental Analysis  
 17 and Checklist, of this MND for each environmental issue area.

**Table 1-3. Major Coastal Laws, Regulations, and Policies**

U.S.	Coastal Zone Management Act (CZMA) (42 United States Code [USC] 4321 et seq.)	The CZMA recognizes a national interest in coastal zone resources and in the importance of balancing competing uses of those resources, giving full consideration to aesthetic, cultural and historic, ecological, recreational, and other values as well as the needs for compatible economic development. Pursuant to the CZMA, coastal states develop and implement comprehensive coastal management programs (CMPs) that describe uses subject to the CMP, authorities and enforceable policies, and coastal zone boundaries, among other elements. The CZMA also gives state coastal management agencies regulatory control (“federal consistency” review authority) over federal activities and federally licensed, permitted or assisted activities, if the activity affects coastal resources; such activities include military projects at coastal locations and outer continental shelf oil and gas leasing, exploration and development. The CCC coordinates federal consistency review within the Project area.
CA	California Coastal Act (Coastal Act) of 1976 (Pub. Resources Code, §§ 30000 et seq.)  CCC Federal Consistency Program/ California Coastal Management Program (CCMP)	Pursuant to the Coastal Act, the CCC, in partnership with coastal cities and counties, plans and regulates the use of land and water in the coastal zone. The Coastal Act includes specific policies (see Chapter 3) that address issues such as shoreline public access and recreation, lower cost visitor accommodations, terrestrial and marine habitat protection, visual resources, landform alteration, agricultural lands, commercial fisheries, industrial uses, water quality, offshore oil and gas development, transportation, development design, power plants, ports, and public works. Development activities in the coastal zone generally require a coastal permit from either the CCC or the local government: (1) the CCC retains jurisdiction over the immediate shoreline areas below the mean high tide line and offshore areas to the 3 nautical mile State water limit; and (2) following certification of county- and municipality-developed Local Coastal Programs, the CCC has delegated permit authority to many local governments for the portions of their jurisdictions within the coastal zone. The CCC also implements the CZMA as it applies to federal activities (e.g., development projects, permits, and licenses) in the coastal zone by reviewing specified federal actions for consistency with the enforceable policies of Chapter 3 of the Coastal Act.