Date: March 15, 2022

To: Mayor and Members of the City Council

From: Thomas B. Modica, City Manager

Subject: Recommendation from the Sustainable City Commission

On December 3, 2021, the Sustainable City Commission (Commission) received a presentation from the Long Beach Energy Resources Department (Energy Resources) on Oil Field Abandonment (Attachment A) based on their October 25, 2021, memorandum (memo) to the Mayor and City Council regarding reducing reliance on City of Long Beach (City) revenue from oil production. Energy Resources presented their plan to cover financial liabilities associated with oil field abandonment by 2035. Both commissioner and public comments expressed concerns that the climate crisis was not considered in Energy Resource’s plan, and that swift action is needed to halt oil drilling in Long Beach.

On January 27, 2022, the Commission reviewed a draft memo produced by City staff where they requested the inclusion of the meetings' public comment (email and live summary – Attachments B and C, respectively) and the following recommendations:

1) Declare a climate emergency to halt the issuance of new drilling permits.
2) Facilitate a net zero economy by directing Energy Resources to create and expand rebate programs to rapidly decarbonize buildings and transportation options in Long Beach.
3) Direct the City Manager to identify City staff to explore opportunities to work with Los Angeles County’s third-party amortization study to accelerate the phase-out of all oil operations, increase the State’s contribution to abandonment liabilities and identify alternative sources of revenue and options for a just transition for oil field workers.

This memo officially transmits their recommendations and the comments received per the request of the Sustainable City Commission.

Additional Analysis from City Staff

Reducing the City’s reliance on oil production and working towards oil field abandonment is a layered and complex issue which requires compliance with both local and State policies and regulations. Oil extraction has been a part of Long Beach’s history and development for over 100 years, and during that time a complex system of legal agreements, permits, property rights, and thousands of mineral rights owners has been established. Local drilling permits are reviewed and approved by the California Geologic Energy Management Division (CalGEM) who is solely responsible for reviewing the drilling proposal’s technical merits and determining if all regulatory and environmental requirements are in full compliance. Long Beach has the responsibility as Unit Operator for the entire Unit, including the State, local and private interests of the unitized field, in addition to subsidence management. There are existing leases and
legal agreements with operators that would require consideration and legal review as the City builds toward a future where no drilling permits are issued. There are substantial costs to properly and safely end oil operations through abandonment of the field, which for the publicly held trust currently exceed $133.3 million for the City and $967 million for the State. Additionally, where other cities do not know the economic life of their existing oil operations and are engaging in amortization studies, in Long Beach, where the City is the operator, that number is known for the public trust oil fields. It currently exceeds $1 billion for just the future value of the oil to be produced which is in addition to the unfunded abandonment liability of $1.2 billion and further increases from the recovery of any capital investments already made.

Long Beach is on the path to change its reliance on oil, planning for a future where oil is no longer a major component of City finances or our economy. Just last year, the City released aggressive projections to fully fund all abandonment liability for the City by 2035, a full 10 years ahead of the State’s 2045 goal for ending oil extraction. City staff recommend that we not increase any operational reliance on oil revenues, and instead direct supplemental revenues to both pay down the abandonment liability and pay for important one-time capital projects.

Additionally, other efforts to invest in our climate initiatives continue. The City Council has adopted a Proposed Climate Action and Adaptation Plan (CAAP), which has a goal of reducing greenhouse gas emissions (GHGs) by 40 percent by 2030 and targeting net zero by 2045. As a natural gas supplier, Energy Resources participates in the California Air Resources Board (CARB) Cap-and-Trade (AB 32) program. Because Energy Resources emissions are below the existing cap on GHGs for the State’s natural gas suppliers, it is able to sell its credits through auction for revenues benefitting GHG reducing projects, and sustainable and climate action educational programs. Program revenue varies by year, but average at $5 million annually. Projects such as City fleet and public EV chargers, conversion from fuel to Zero Emission Vehicle fleet, solar, urban forestry, Climate Action Youth Ambassador program, facility retrofits, citywide streetlight LED conversion, natural gas rebate program to replace less efficient natural gas appliances, and direct install of energy efficient appliances in multi-family units.

City staff will continue to evaluate opportunities to operate in future years without revenues generated from oil operations, and how it may fund the City and State’s share of abandonment liabilities, and cover any costs associated with the proposed amortization. These opportunities include current and future State bills such as Assembly Bill 353 proposed by Assembly member O’Donnell to increase the funding for the State’s current abandonment liability in the Wilmington Oil Field, which the City currently supports.

**Next Steps**

Should the City Council wish to explore further the recommendations from the Sustainable City Commission, it is strongly recommended that the City, including the City Attorney’s Office, determines it options with the State Lands Commission (SLC) and other applicable State entities, and fully understand the legal options available to the City as well as fully analyze the
financial impact of the recommendations, including the cost of an amortization study and the proposed rebate programs.

ATTACHMENTS
A. PRESENTATION ON OIL FIELD ABANDONMENT
B. EMAILED PUBLIC COMMENT
C. SUMMARY OF LIVE PUBLIC COMMENT

CC: CHARLES PARKIN, CITY ATTORNEY
    DOUGLAS P. HAUBERT, CITY PROSECUTOR
    LAURA L. DOUD, CITY AUDITOR
    LINDA F. TATUM, ASSISTANT CITY MANAGER
    TERESA CHANDLER, DEPUTY CITY MANAGER
    APRIL WALKER, ADMINISTRATIVE DEPUTY CITY MANAGER
    MONIQUE DE LA GARZA, CITY CLERK
    DEPARTMENT HEADS
Funding Oil Field Abandonment

Sustainable City Commission Meeting
December 3, 2021
City’s Role In Oil Operations

• The City, through its Long Beach Energy Resources Department (LBER), is the Unit Operator of oil and gas assets located within the Wilmington Oil Field.
• Trustee for the State of California’s oil assets in the Long Beach Tidelands.
• Review other oil operations where the City of Long Beach (City) has a financial interest.
• Oversee oil production of approximately 10 million barrels of oil per year and management of over 2,400 active and idle production and injection wells.
• Subsidence management and post-production planning.
• Ensure the environment is protected and no adverse conditions are caused by oil operations.
Oil Operating Areas

- SHWU
- SHEU
- Rec Park
- City Wasem

Fault Blocks

LBU
History

- 1911 – Long Beach Tidelands conveyed to the City of Long Beach
- 1936 – Wilmington Oil Field discovered
- 1950’s – Rate of Subsidence 2.4 feet/year
- 1956 – Chapter 29 established the Subsidence Fund
- 1958 – Subsidence Control Act provided the City tools to combat elevation loss
- 1960’s – Unitization of West Wilmington to control subsidence
- 1962 – City election to lift drilling ban
- 1964 – Chapter 138 and the establishment of the LBU
- 1991 – LBU OWPA
- 1994 – Port of Long Beach purchases UPRC
- 2001 – Oxy buys THUMS
- 2006 – Oxy buys Tidelands Oil Production Company
- 2012 – West Wilmington OWPA
- 2014 – Oxy spins off its California operations to become California Resources Corporation (CRC)
• Long Beach understands and supports the position that oil production is not in our long-term future. Our City has been planning for the end of life of the field, which currently is estimated to be in advance of the Governor’s 2045 target date.
• Total oil field abandonment liability is approximately $1.1 billion.
• Each well and facility is unitized, which means the ownership and abandonment liability is shared amongst many owners.
• The agreements that govern the oil field place the abandonment liability on the owners, which is mostly the State and City.
• The City would need to use the General Fund or Tidelands Operating Fund (TOF) if it were unable to reserve the appropriate abandonment liability amount when oil operations cease.
• The City plans to take advantage of higher oil prices by reserving additional funds for the environmentally responsible close out of the oil operations.
City’s Share of Abandonment Liability

- City’s abandonment liability is split between the TOF and Uplands Oil Fund. Liability is directly tied to our ownership in the oil field.
- City began reserving for the oil field abandonment over 20 years ago. Estimated current unfunded liability for the City is $74.3 million.
- TOF has an abandonment reserve of $46.8 million and an estimated liability of $110.3 million.
- Uplands has an abandonment reserve of $12.2 million and an estimated liability of $23 million.
- For FY 22, LBER plans to reserve $7.125 million and $1.625 million in TOF and Uplands respectively. This amount is about 25% higher than previous years to take advantage of higher oil prices.
- Removal of the THUMS oil islands are not part of the abandonment estimate. The oil islands will be repurposed when they are no longer needed for oil operations or subsidence management.
- City regularly abandons wells that are no longer useful on an annual basis. LBER plans to increase that number of wells abandoned each year.
Fully Funded Abandonment Liability by 2035

Reduction of City Unfunded Abandonment Liability

- Profit
- Contribution
- Unfunded Liability
State's Share of Abandonment Liability

- State has the majority of the abandonment liability because they own the majority of the oil field.
- The State currently has reserved $300 million for their share of the abandonment.
- The overall abandonment liability for the State is $967 million, which leaves an unfunded liability of $667 million.
- The State requires legislative approval to increase their abandonment reserve above the current $300 million amount. The City has supported efforts toward this approval.
- The State is studying a proposal to end all oil production in California by 2045. It is unknown how this study will fit with the City’s timing for closing the oil field.
CRC's Share of Abandonment Liability

- Based on the operating agreements, CRC has a minimal abandonment liability.
- CRC has an abandonment liability of approximately $56 million.
- State legislation now requires operators to bond for their abandonment liability, which CRC has complied with.
- The operating contract with CRC has no end date but continues for the economic life of the oil field.
There are over 6,000 individual mineral interest owners (Townlot Owners) in the Wilmington Oil Field.

Most of the Townlot Owners are homeowners who obtained their ownership through the mineral rights associated with their property.

The total abandonment liability for the Townlot Owners is approximately $65 million.

The average Townlot Owner would owe about $10,000 for their share of the oil field’s abandonment liability.

City is working with the Townlot Owners to help them prepare for this expense.

Townlot Owners have the option to quitclaim their ownership in the oil field to avoid the abandonment liability.
Abandonment Planning Risk

• Oil price collapse - Oil prices need to support funding the abandonment reserve while also providing net revenue to the City to support services.
• Cost to abandon the oil field increase faster than anticipated. LBER assumes a cost savings when the entire focus of the operation will be on abandoning the oil field.
• Regulation changes that could increase the cost of abandonment or shorten the economic life of the oil field before the targeted date of 2035.
• A financial situation that requires the City to use the abandonment reserve for another purpose.
Post-Production Subsidence Management

- Unknown what impact surface elevations will have once the oil field is no longer operational.
- Injection support will be required for a period of time after the production wells have been shut-in.
- Post-production injection support may last 5 to 15 years.
- Post-production injection support will require wells, facilities, and a source of water.
- State legislation established a subsidence fund to pay for the management of surface elevations post-production. The fund has $180 million available.
- Once the post-production injection support is no longer needed, the remaining wells and facilities will be abandoned.
Financial Impact of Oil Operations

• Total annual net revenue to the City is estimated at $45 million for FY 22.
  • $28 million to the General and Tidelands Funds from City oil ownership.
  • An additional $17 million in tax revenue from Property Tax, Sales Tax, and Utilities Users Tax.
  • Measure US implemented in FY 22 to fund initiatives addressing climate change, community health and youth services.

• Over 1,000 local jobs supported by oil operations in the City.

• The oil revenue funds public safety, community services, and capital projects within the Tidelands.

• State of California’s net revenue in FY 21 from the Wilmington Oil Field was approximately $70 million.

• Oil operations have generated more than $5 billion for the City, State and County since 2003

• Thousands of individual mineral interest owners (6,000+) are also stakeholders in the Wilmington Oil Field.
Safety and the Environment

• LBER is fully committed to continuing to protect the City's environmental landscape and ensuring no adverse conditions arise as a result of its oil operations.

• No major spills to the ocean in the history of the City’s oil operations. Over the last ten years, a total of 10 gallons of oil have spilled into the ocean.

• Well drilling is limited to areas defined in the Long Beach Municipal Code.

• No fresh water is used in the oil operations.

• No hydraulic fracture well stimulation treatments conducted since 2013.

• City staff conduct quarterly safety inspections and assist with inspections by State regulators.

• Working on a project to provide one megawatt of solar power for the oil operations.

• Decrease in oil production represents 11 percent of the City’s 2030 CAAP goal for CO₂ reduction.
Summary

• Long Beach knows and supports the position that oil production is not in our long-term future.
• Subsidence management will continue beyond the life of the oil field and funding is already secured.
• The City will continue to reserve funds for its abandonment obligations and support the State's efforts to properly save for their share of the abandonment liability.
• Continue to work with the local, State and Federal agencies that regulate the oil operations.
• Maintain the best-in-class safety and environmental record at THUMS.
• Explore ideas to offset the carbon footprint of the oil operations through efforts like solar power and carbon sequestration.
• Continue to generate oil revenue for City while ensuring the environment is protected and no adverse conditions are caused by oil operations.
Thank you
Questions?
Hello, my name is Cassidy Hart and I am a Long Beach resident. I am writing in today as a member of Sunrise Long Beach. I support Commissioner Coffee's motion as it targets both production and demand for fossil fuels. California has been taking action to reduce fossil fuel use, but we need to act faster. Long Beach has an opportunity to lead the way.

I am submitting public comment today to request that this commission vote to pass the motion to request City Staff to draft a memo to the Mayor and City Council to recommend action to declare a climate emergency and immediately halt new drilling permits.

I also think we need to STOP putting in any new fossil fuel infrastructure including (but not limited to): new pipelines, gas hookups, gas stations and all fossil fuel related economic development subsidies.

I would like to see a plan to begin removal of wells as quickly as possible. City staff should establish and publicize a goal of the number of wells to abandon every month and immediately begin work to fully rehabilitate environmental sites impacted by drilling operations. This would help provide a just transition for workers in the existing industry, restore natural environments, and greatly reduce the public's future climate and financial liability.
Hello my name is Jimmy Ecklund and I am a Long Beach resident. I am calling in today as a member of Sunrise Long Beach and DSA Long Beach. I support Commissioner Coffee’s motion as it targets both production and demand for fossil fuels. California has been taking action to reduce fossil fuel use, but we need to act faster. Long Beach has an opportunity to lead the way.

I am submitting public comment today to request that this commission vote to pass the motion to request City Staff to draft a memo to the Mayor and City Council to recommend action to declare a climate emergency and immediately halt new drilling permits.

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I would like to see a plan to begin removal of wells as quickly as possible. City staff should establish and publicize a goal of the number of wells to abandon every month and immediately begin work to fully rehabilitate environmental sites impacted by drilling operations. This would help provide a just transition for workers in the existing industry, restore natural environments, and greatly reduce the public’s future climate and financial liability.
January 27, 2022
Sustainable City Commission
City of Long Beach

Subject: Agenda item #22-004SC “Declare a Climate Emergency”

I applaud many of your efforts to address issues of environmental reform. However, due to the structure of this body, you like many other well meaning Commissions of the City have your hands tied and are routinely renegaded to the afterthought of our City’s leaders.

Nevertheless, today, you have made another small step forward in addressing a global emergency. While tomorrow morning children in Germany will wake up to a nation that relies on over 40% of its energy from clean renewable sources, children in Long Beach especially in western Long Beach will wake up to what is considered one of the most polluted areas of our Nation. In this great USA less than 20% of our energy is derived from renewable sources, way bellow most industrialized nations including many developing countries. Even those leading nations still have much more to go making our need to immediately speed up our efforts to address climate change.

I wholeheartedly support the Sustainable City Commission’s request to declare a Climate Change emergency. However, we must demand that the City Council to go beyond adopting your three suggested recommendations, and to develop a major framework that will take all necessary steps to address, not only a halt on the reliance on Oil extraction but infuse the required energy and investment to restore of our natural habitat, expand access to park land and recognize the immediate obligation to remedy the environmental injustice inflicted on western communities of Long Beach.

Moreover, to change the City Charter and provide this body the independence and enforcement power required to transition our City to a leader and catalyst for the rest of LA County and our nation to follow. This includes meeting all state and global environmental goals for a sustainable and clean future. We must re-imagine our future today before its too late and our sea shore is under water or we can no longer continue to enjoy or afford to live in our beach side community.

Thank you,

Juan E. Ovalle
Riverpark Coalition Board Member

https://www.riverparkcoalition.org/
Hello city commissioners,

My name is Julia Murphy and I am writing as a 2nd district resident and member of Sunrise Long Beach.

I write today to urge you to vote to **pass the motion to request City Staff to draft a memo to the Mayor and City Council to recommend action to declare a climate emergency and immediately halt new drilling permits**. Climate change is here, and it’s an emergency. Our city has the opportunity to lead the way, but that opportunity won’t be here for long. The Mayor and City Council have professed their values around climate change and environmental racism, and now your commission has the chance to ask them to walk the walk.

Declaring a climate emergency and halting new drilling permits and infrastructure would be an important first step toward stopping the bleeding -- then we can shift focus to removing oil wells and investing in sustainable energy for our city, leading the way for California and the rest of the country.

I sincerely hope you all pass this motion. Thank you for your time and consideration.

Best,
Julia Murphy
Good afternoon! My name is Kenny Allen and I live and work in the 2nd District of Long Beach. I am writing to express my support for agenda item #4, and to urge the members of the Sustainable City Commission to approve a draft memo to the Mayor and City Council recommending a climate emergency declaration and an immediate moratorium on new drilling permits.

I’d also like to thank our commissioners for their initiative in making this motion and for their courage in recommending bold and immediate climate action to the Mayor and City Council.

I hope this body will consider making additional recommendations to City Council in the near future, because we have so much more we need to do. Other California cities have already been leading by banning gas in new buildings, banning offshore drilling, creating CCAs providing 100% renewable energy, passing Green New Deal resolutions, enacting zero-waste policies, and adopting a large number of other creative ordinances that go beyond the bare minimum requirements for municipal climate action set by the state of California.

Thank you for your time and consideration on this matter. I look forward to seeing you “yea” votes tonight.

Best,

Kenny Allen  he | him | his
Creative Director
springwavestudios.com

235 E Broadway | Ste 800
Long Beach, CA 90802
Hello, my name is Louis Rosen and I am a Long Beach resident and a member of Sunrise Long Beach. I am writing today to urge the Sustainable City Commission to pass Agenda Item #4 for today's meeting and direct the Mayor and City Council to declare a climate emergency in the city of Long Beach and to put an immediate halt to the issuance of new oil and gas drilling permits.

As temperatures rise and fires in our state become more abundant, it is evident that the climate crisis is already here in California. As one of the largest cities in the state, declaring a climate emergency will signal to California and to the world that Long Beach is serious about working to end climate change. This declaration must always be backed up with action, however, and I hope to see this Commission make additional recommendations to City Council in the near future, including banning offshore drilling, coming up with a plan to close oil wells as quickly as possible, and fully rehabilitating environmental sites impacted by drilling operations.

Thanks,
Louis Rosen
Re: Recommendation to review a draft memorandum to the Mayor and City Council (File #22-004SC)

Machiko Yasuda  
Thu 1/27/2022 11:03 AM  
To: LB Sustainability <Sustainability@longbeach.gov>; CityClerk <CityClerk@longbeach.gov>

To the Long Beach Sustainable Commission:

I am writing in support of the memorandum to the Mayor and Long Beach City Council to declare a climate emergency and halt the issuance of new drilling permits, facilitate a net zero economy and direct the City Manager to identify Staff to explore opportunities to work with LA County’s third-party amortization study to accelerate the phase out of all oil operations, increase the State’s contribution to abandonment liabilities and to identify alternative sources of revenue and options for a just transition for oil field workers.

Following the City of LA, City of Culver City and LA County’s motions over the last few months, I hope City of Long Beach follows in leading the way to a fossil fuel-free future.

Thank you,
Machiko Yasuda
The Riverpark Coalition and I also support the Sustainable City Commission in its request to declare a Climate Change emergency. However, we urge City Council to take all necessary steps to address, not only a halt on the reliance on Oil extraction, but also City efforts and action for the protection and restoration of our natural habitats, expand access to park land and recognize the immediate obligation to remedy the environmental injustice inflicted on residents of Long Beach. Our limited open spaces & waterways are priceless to the people, wildlife and our future. To protect & restore, not because of the almighty dollar, but it’s a must for the environment, our communities and our current and future lives. If we & the City of Long Beach in 2022 do not put this as a vital importance...there will not be any chance of Long Beach thriving as a city anyone can or wants to live in or visit.

Marilyn Mathews
2782 San Francisco Avenue
Long Beach CA 90806-2550
Public Comment on Agenda Item No. 4 (22-003SC) for 1/27/22 meeting

Nancy Woo <nancylyneewoo.com>
Thu 1/27/2022 12:59 PM
To: LB Sustainability <Sustainability@longbeach.gov>
Cc: CityClerk <CityClerk@longbeach.gov>

-EXTERNAL-

Dear Commissioners,

My name is Nancy Woo, and I’m a Long Beach resident and member of Sunrise Long Beach. I strongly believe that the Long Beach City Council should immediately recognize the climate emergency we are in to help build public awareness and direct time-sensitive actions, such as ending all oil drilling.

I think we need an immediate moratorium on all new drilling permits. Let’s end the unsustainable and crisis-inducing production of fossil fuels now! I want to see Long Beach as a leader in transitioning to affordable, renewable energy before it’s too late.

As a coastal city, we need to be prepared for continued sea level rise, so I think these two actions will be a great step towards protecting the most vulnerable among us, like the lower-income communities who will be the most affected by the climate crisis.

In conclusion, I urge you to please pass this motion directing City Staff to draft a memo to the Mayor and City Council recommending a declaration of climate emergency and immediate halt of new drilling permits.

Thank you very much for your time and efforts!

Nancy Lynée Woo
Poet, Writer & Community Organizer
nancylyneewoo.com

“Don’t ask what the world needs. Ask what makes you come alive, and go do it—because what the world needs is people who have come alive.”
—Howard Thurman
January 26, 2022

Long Beach Sustainable City Commission
411 West Ocean Blvd.
Long Beach CA, 90802

RE: Letter in Support of Recommendation to review a draft memorandum to the Mayor and City Council (File #22-004SC)

Dear Honorable Members of the Sustainable City Commission,

I am writing on behalf of our Sierra Club members and supporters in Long Beach. Sierra Club applauds the commission for considering a memorandum that would ban new oil drilling, look into working with the County to phase out existing oil drilling, and explore funding and opportunities for displaced workers.

Culver City, Los Angeles County, and now the city of Los Angeles have voted to enact a similar policy, showing that Southern California can lead when it comes to protecting the health and safety of our most vulnerable communities.

We know that oil drilling is a public health and safety risk. Numerous studies link proximity to oil and gas wells to a host of health problems, including increased risk of preterm births and low birthweight infants, asthma and other respiratory illnesses, depression and other adverse mental health outcomes, and some types of cancer. One recent study estimated that approximately 34,000 Californians died prematurely due to fossil fuel pollution in 2018\(^1\) and another attributed 15% of U.S. COVID-19 mortalities to fossil fuel pollution.\(^2\)

Due to decades of redlining, environmental racism, and indifference from elected officials, the majority of these oil wells in California are situated in low-income, Black, Latinx and Asian American communities.

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Oil drilling drives the climate crisis, accelerating the catastrophic impact of the fossil fuel economy as recently highlighted in the IPCC report in preparation for the COP in Glasgow, through heat-trapping emissions of methane, production of carbon-intense and dirty fuel, and by committing current financial investments to future fossil fuel production. The vast majority of U.S. fossil fuels must stay in the ground in order to limit global warming to 1.5 degrees Celsius and avoid the most catastrophic effects of climate change.\(^3\) We are in a climate emergency and we strongly support the recommendation to declare one and ban new oil drilling and look into phasing out existing wells.

We also support the recommendation to study a just transition for workers and communities impacted by a phase out of oil drilling. We believe that the clean up of oil drilling and transition to a healthier, clean energy economy has the opportunity to create good, high quality jobs.

Thank you for considering our comments and for your leadership to protect our communities, environment and climate.

Sincerely,

Nicole Levin, Campaigner, Beyond Dirty Fuels Campaign, Sierra Club

\(^3\) The IPCC estimates that global fossil fuel reserves exceed the remaining carbon budget for staying below 2°C by 4 to 7 times, while fossil fuel resources exceed the carbon budget for 2°C by 31 to 50 times. See Bruckner, Thomas et al., Ch 7: Energy Systems, in: Climate Change 2014 Mitigation of Climate Change. Contribution of Working Group III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (2014) ("Bruckner et al. 2014"), at Table 7.2, https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_7.pdf.
Hello,

I'd like to ask you to consider all the aspects that the Sierra Club Los Cerritos Wetlands Task Force Co-Chair, Ms. Ann Cantrell sent to you today. I fully agree with her assessment and concerns laid out so well. A copy of that email is available at:


Thank you,

Roger Martin Holman
Hello, my name is Ryan Park and I am an associate of Sunrise Movement Long Beach. I am calling in today as a member of Sunrise Long Beach. I support Commissioner Coffee's motion as it targets both production and demand for fossil fuels. California has been taking action to reduce fossil fuel use, but we need to act faster. Long Beach has an opportunity to lead the way.

I am submitting public comment today to request that this commission vote to pass the motion to request City Staff to draft a memo to the Mayor and City Council to recommend action to declare a climate emergency and immediately halt new drilling permits.

I also think we need to STOP putting in any new fossil fuel infrastructure including (but not limited to): new pipelines, gas hookups, gas stations and all fossil fuel related economic development subsidies.

I would like to see a plan to begin removal of wells as quickly as possible. City staff should establish and publicize a goal of the number of wells to abandon every month and immediately begin work to fully rehabilitate environmental sites impacted by drilling operations. This would help provide a just transition for workers in the existing industry, restore natural environments, and greatly reduce the public's future climate and financial liability.

- Ryan Park
Good afternoon,

I live on 14th and Pacific here in LB and I'm tired of the smell of heavy industrial processing in the air. I'm tired of my city having the worst air quality in the region. I'm tired of not knowing if the coastal water is safe to swim in because of shipping exhaust and oil spills.

Only ending drilling in the city when it's no longer economically profitable is morally bankrupt and a pathetic standard of "progress".

It needs to be halted. Now. Because the planet dear representatives, is on fire.

Sincerely,
Sage Magee
Bryan Quigley

District 3
FW: Sustainable City Commission Comments

CityClerk <CityClerk@longbeach.gov>
Thu 1/27/2022 1:23 PM
To: LB Sustainability <Sustainability@longbeach.gov>

From: [Redacted]
Sent: Thursday, January 27, 2022 1:11 PM
To: CityClerk <CityClerk@longbeach.gov>
Cc: [Redacted]
serenasteers.ccv@gmail.com
Subject: Sustainable City Commission Comments

-EXTERNAL-

Please distribute the following letter to the commissioners and staff.
Thank you, Ann Cantrell

To: Sustainable City Commissioners and Staff,
Re: Jan. 27, 2022 Agenda Item 4 Recommendation to review a draft memorandum to the Mayor and City Council. 4

Thank you so much for addressing the Climate Crisis and especially the part that oil drilling plays in this. We believe that Long Beach must be weaned off its dependence on both off-shore and on-shore oil. It vital that Long Beach follow Culver City and Los Angeles in banning new oil drilling, before the drilling permit is issued for the Los Cerritos Wetlands Oil Expansion Project.

As you are no doubt aware, Beach Oil Minerals is currently in the process of fulfilling CA Coastal Commission special conditions which will allow them to drill 120 new wells and run a pipeline across the Los Cerritos Wetlands and the Newport/Inglewood fault line.

- 200 million barrels of oil are to be extracted using “enhanced” drilling methods involving the injection of massive amounts of water and toxic chemicals

- The current extraction of 300 barrels of oil per day is projected to increase to 24,000 barrels per day
• 70,000 tons of Greenhouse Gas emissions will be released into the immediate area from new drilling and refining operations. Extracted oil will be refined in the South Bay, contributing to the massive pollution already endangering those frontline communities.

• Because risks and impacts of oil spills to wetlands, water and public safety cannot be predicted, calculated or mitigated, the project was found to be in violation of sections of the CA Coastal Act protecting health and safety.

• However, an “override” was used by the Coastal Commission to approve the project. The claim that denying project approval would “adversely affect the public welfare” was used to justify violating the Coastal Act’s oil spill policy.

Since the approval of BOM’s oil drilling project by the City of Long Beach and the CCC, many things have changed. The earth is getting hotter, sea levels are rising faster and there is much more awareness of the role that fossil fuels play in this process.

We urge you to pass today’s brave resolution and our Task Force will work to help convince the council to pass it.

Leave it in the ground!

Ann Cantrell, Co-chair, Sierra Club Los Cerritos Wetlands Task Force
Hi!

I support Commissioner Coffee’s motion as it targets both production and demand for fossil fuels. California has been taking action to reduce fossil fuel use, but we need to act faster. Long Beach has an opportunity to lead the way.

We applaud recognizing that we are in a climate emergency and immediately need to stop putting in any new fossil fuel infrastructure including (but not limited too):

* no new drilling permits
* no new pipelines
* no new gas hookups
* no new gas stations
* stop all fossil fuel related economic development subsidies

If for whatever reason we can not fully ban new ones, we should place requirements like requiring administrative use approvals to limit them as much as possible.

I strongly support rebates to rapidly decarbonize buildings and transportation options. Some examples that we should encourage:

* Restaurants who switch from gas to induction/electric cooking equipment which also helps create a cooler environment to work in.
* Full electrification including heat pumps, solar, and more. We should be providing a rebate for any one who disconnects gas service.

Our understanding is that the LA County amortization study may not be needed as the majority of oil wells in Long Beach are owned by the City of Long Beach and the State of California. This puts the requirement to lead squarely on the city and state.

I would like to see a plan to begin removal of wells as quickly as possible. The City staff should establish an increasing goal of the number of wells to abandon every month. This would help provide a just transition for workers in the existing industry, restore natural environments, and greatly reduce the public’s future climate and financial liability.

Thank you!
LONG BEACH ALLIANCE
FOR CLEAN ENERGY

December 21, 2021

VIA ELECTRONIC MAIL

Uduak-Joe Ntuk
State Oil and Gas Supervisor
Department of Conservation
ATTN: Public Health & Safety Regulations
715 P Street, MS 1907
Sacramento, CA, 95814
E-mail: CalGEMRegulations@conservation.ca.gov

Re: Draft Rule for Protections of Communities and Workers from Health and Safety Impacts from Oil and Gas Production Operations - Pre-Rulemaking Release for Public Review and Consultation of 10/21/21 (Draft Rule)

Supervisor Ntuk of the Geologic Energy Management Division (CalGEM) of the California Department of Conservation:

Thank you for the opportunity for written public comment on your draft rule-making on the public health and safety impacts from oil and gas production operations in California.

Long Beach Alliance for Clean Energy (LB ACE) is a climate science education and action nonprofit serving the Greater Long Beach Area – a geographical extent roughly from Western to Warner Avenues, south of the 91 Freeway. We are a BIPOC-led group of university professors, educators, workers, businesses, and advocates that formed in late 2017 after Lead was found in the drinking water at the California State University Long Beach\(^1\). We incorporated in 2018 with the mission to “educate, activate, and transform Long Beach along science based and equity focused climate stabilization pathways to ensure a third century for everyone in our fair town”. In addition to our work specific to the City of Long Beach and its climate action and environmental justice planning, we also provide analysis and assessment of public policies and agency decisions.

CalGEM is charged in this instance of the Draft Rule with considering what is *invariant* statewide in the causal relationship between close geographic proximity to oil and gas operations and adverse public health, safety, and environmental outcomes.

Any consideration of the ‘impacts’ of this rulemaking must proceed from public review and testimony on these sets of causal outcomes, logically as well as in terms of order of Department of Conservation agency priority, before any consideration of economic, social, and political effects. Note that the numbers of oil/gas workers affected by the Draft Rule are dwarfed by those working in public health in the 3200 foot setback boundary area in Los Angeles County alone.\(^2\) These effects have occupied considerable time, space, and attention in the public review and public comment period since the release of the Draft Rule on October 20th 2021.

It is the position of LB ACE, as stated in verbal public comments on December 2nd and 9th of 2021, that the Draft Rule needs to be strengthened in light of health incomes, particularly the *perinatal health outcomes*: Especially given that two of the primary birthing centers in our town are Long Beach Memorial and St. Mary’s Hospitals, both of which are located within the proposed 3200 foot boundary from oil and gas drilling operations. In the Greater Long Beach Area that we serve, there are thousands of active, capped, and orphaned oil and gas wells and infrastructure interconnection points – some of the oldest and dirtiest, in terms of cumulative impacts to sensitive receptors in California – as extensively documented in public correspondence from public health professionals and scientists on this Draft Rule\(^3\).

Thereby, we support the three principal demands of the VISION coalition:

1. Minimum of 3200-foot (1 kilometer) setback for new wells;
2. Setback rule must apply to existing wells, not just new wells;
3. Governor Newsom and CalGEM take emergency action to ban all new permits within the 1km boundary until the final rule is in practical, i.e. enforceable, effect.

Being from Long Beach, we also have some demands of our own:

4. CalGEM not consider any economic, social, or political effects from patent sources of climate and environmental misinformation directed at youth and racial/ethnic minorities;
5. CalGEM should consider the overwhelming evidence on emissions reduction, job creation and standards, and economic benefit of the actually existing, and accelerating, transition to a 100% renewable energy powered economy in California.\(^4\)


\(^{4}\) For one of many instances, see: [https://www.mcecleanenergy.org/key-documents/](https://www.mcecleanenergy.org/key-documents/), for CA impacts of CCA’s, see:
Please accept our comments on the Draft Rule - these comments focus on areas where the Draft Rule can and should be strengthened in line with (1) - (3), before presenting a number of facts on (4)-(5) for your consideration.

Definition of Sensitive Receptors

The definition of “sensitive receptors” should be brought into concordance with measures of social vulnerability, such as (but not limited to) the LA County Climate Vulnerability Assessment and CalEnviroScreen 4.0⁵, which include the land use- and place- types where populations of children, senior citizens, and the disabled are typically located for extended, regular periods of time. Including, but not limited to: City and County facilities, schools, parks, nursing homes, senior centers, cooling-centers, churches and temples and other places of congregate worship, parks and recreation facilities⁶.

Section 1765. Setback Exclusion Area

Section 1765(b)(4) allows new drilling or reworking of existing drilling sites and/or new methods of extraction at an existing drilling site, including more intensive extraction/recovery methods.

LB ACE strongly urges CalGEM to expand the Draft Rule to prohibit rework permits on existing drill sites. Particularly as such rework permits allow non-productive or idling wells to be redrilled, deepened, and/or physically unclogged - thus replicating many of the adverse health impacts of creating a new well with each subsequent rework permitting and operational adjustment.

This is of particular concern in Long Beach, where 18 existing wells on the THUMS islands alone are regularly redrilled/experimented with at an average rate of 33,500 barrels of oil per day⁷. In Long Beach there are just over 6000 individual owners with mineral rights claims, primarily in the Wilmington Unit, Long Beach Unit, Signal Hill Unit, and Seal Beach Unit. These owners - ranging from institutional and industrial to “townlot” and legacy - collect revenue from these claims of

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⁷ Kevin Tougas, report to the Sustainable City Commission, City of Long Beach, 12/03/21
about $65M/year or $10K/claim/year in Long Beach alone. These are not insurmountable personnel or dollar figure numbers from the perspective of pooling quitclaims or Just Transition Stabilization Fund or other possible California statewide action on long-term costs of the health/safety/environmental impacts - liabilities already in the Billions\(^8\), as well as the continued added loss and damage to populations from those impacts.

In terms of the costs to oil and gas Operations and the Entities a party therein, it must be said that the costs of oil well abandonment and subsidence control from operations in these Units are increasing faster than anticipated - and will only expand now that these are declining fields in terms of productivity and quality.\(^9\) The majority of monetary wealth from these Units, since 2003 to the tune of $5B in revenues just in Long Beach, has already been extracted\(^10\).

The mounting costs of oil well liabilities and remediation of pollutive infrastructure 40 - 100 years old are already in the Billions of dollars statewide, cannot be walked away from by the State of California or the City of Long Beach (amongst others) and absolutely should not be shifted onto the public already being polluted by these activities, and the lack of adequate accounting of their health/safety/environmental costs over their (hitherto unregulated) life-cycle history and resultant cumulative impacts.

Particularly in adjacent environmental justice communities we know, through CalEnviroScreen, the CDC Social Vulnerability Index, and a host of more recent data on differential burdens from the COVID-19 pandemic, never had much of a say in oil and gas operation siting to begin with.\(^11\)

**Section 1766.2 – Baseline Water Sampling and Testing**

These are important public protections that require clear emphasis, and resources, for enforcement. We urge CalGEM to include specific language on the power to impose fines and stop work notices if the rules are violated. Particularly at marine/coastal interconnection points where oil and gas drilling operations have their electrical needs met by load-balancing Natural Gas powered peaker plants, and along all waterways that have pipeline infrastructure within the 3200 foot boundary area. Notifications of rule violations must be provided to local water agencies and jurisdictions as well.

**Section 1766.3 – Leak Detection and Response Plan**

All data on leaks of oil and gas from production/distribution operations in the State of California should be public, and made available upon public request, by site.

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\(^8\) Op cit.

\(^9\) Op cit.

\(^10\) Op cit.

This section should add clearer and more specific language on methane monitoring throughout the production and distribution chain - including at interconnection points where regular venting occurs during maintenance as well as normal operations.\textsuperscript{12}

\textbf{Section 1766.7 – Produced Water Sampling and Analysis}

Chemical analysis of waste and produced water is critical - especially in well re-injection and subsidence control sites, which often have the most concentrated cocktails of dangerous chemicals used (and even reused) in drilling, excavation, and recovery. Requisite chemical analysis reports should be monthly, and include sourcing information of the draw of water - whether from freshwater, reclaimed, or seawater sources.\textsuperscript{13}

\textbf{Section 1774.1 – Pipeline Inspection and Testing}

All pipeline inspection and testing reports within setback boundaries and mitigation areas should be publicly available, by site, upon request.

Inspections of drill sites, pipelines, and production facilities need to be more frequent than once per year. At minimum, bi-yearly for all sites. Quarterly, if there has been a leak reported in the past year, by site. “By site” includes aboveground and belowground facilities, inclusive of long- or recently-capped wells, orphaned sites, and those in production or slated to be in production.

This is of particular importance for marine-sited infrastructure, now 40+ years old and at the end of its useful life cycle and frequently subject to advanced corrosion, as well as all undergrounding of infrastructure subject to water intrusion or flooding, existing or proposed.\textsuperscript{14}

\textbf{Necessity of a Statewide Policy on Setbacks}

It is clear from the municipal dependency on direct oil sales for revenue in places like Los Angeles, Inglewood, Long Beach, Huntington Beach, Bakersfield, Los Angeles County, Ventura County, Kern County, and similar, that there are strong countervailing pressures on data collection, information sharing, and public accountability on basic questions of science-based regulation of the public

\textsuperscript{12} Methane venting happens unmonitored or measured far too often, see: Long Beach Development Services, workshop on Construction Near Oil/Gas Wells and Methane Gas Mitigation, 10/27/21
\textsuperscript{13} Workshop, op. cit.
\textsuperscript{14} Cf. https://www.newsweek.com/environmental-group-sue-feds-over-aging-infrastructure-after-california-oil-leak-1645104
health, safety and environmental consequences of industrial and commercial activity in oil and gas at the local level.¹⁵

These pressures include the institutional convolution between local governments and entities directly involved in oil and gas activities that have been problematic to CalGEM.¹⁶ In the particular case of Long Beach, no less than five such so-called “customers” regularly figure into the Top 10 of Southern California Edison’s accounts annually by throughput (MW/h) - City of Long Beach, Long Beach Water, Long Beach Gas and Oil, THUMS, and the California Resources Corporation.¹⁷ It is an open secret that the lower rates paid by these and other TOU (time of use) tariffed entities are subsidized by the higher rates paid by residential, commercial, and governmental accounts.

These populations are subject to a double injustice: not only do they have the health/safety/ and environmental costs of unregulated oil and gas operations up to a century old in places, but since the privatization of electricity generation and distribution in the 1990s they are also hostage ratepayers to Investor-Owned Utilities, such as Southern California Edison, that have long deferred maintenance and investment in their own operations and procurement in patterns akin to that in the oil and gas sector that CalGEM is called upon to regulate in this Draft Rule.¹⁸

This double injustice is of particular concern in the Greater Long Beach Area in two specific regards to this CalGEM rulemaking period:

First, over the past two years alone, we have seen an uptick in wildfires specifically caused by the long-distance high-powered transmission lines owned and operated by Investor-Owned Utilities

¹⁵ cf. https://ww2.arb.ca.gov/ghg-inventory-data and Request for GHG Inventories for California Local Governments, Letter from the Local Government Commission on behalf of 42 cities and towns, 10 counties, 3 councils of government, and 62 stakeholder groups [incl. LB ACE], to the California Air Resources Board, October 25, 2021 (available upon request).

https://www.propublica.org/article/are-california-oil-companies-complying-with-the-law-even-regulators-often-dont-know, as well as:


in California\textsuperscript{19}. These include not only infamously deadly Pacific Gas and Electric examples, but the specific example last October 2020 of the Silverado Fire, caused by Southern California Edison transmission lines. That fire displaced 100,000 people in the Irvine region, and directly led to the decision by cities like Irvine to spearhead the creation of the Orange County Power Authority, the first such Community Choice Aggregation program in that County. This past week, on 12/14/21, the City of Irvine voted unanimously to move to 100\% renewable electricity procurement by 2025, thus accelerating the work of OCPA\textsuperscript{20}.

LB ACE has advocated for a Community Choice Aggregation program in Long Beach to meet the requirements of our forthcoming Climate Action and Adaptation Plan (CAAP), and thus have closely monitored the development of OCPA along with Clean Power Alliance and the other 20+ such programs operating statewide that have forever altered the energy market landscape in California\textsuperscript{21}. These programs provide realistic and science-based pathways for the City of Long Beach to rapidly meet not only our CAAP, but any version of the CalGEM Draft Rules along the lines that the VISION coalition, the Climate Center, LB ACE, and other stakeholders propose strengthening.\textsuperscript{22}

Second, and somewhat more technical given time and space limitations - Cal OSHA and LA County EDD simply do not have reliable employer-supplied data on long-term exposure and cumulative impacts on existing populations working in oil and gas operations.\textsuperscript{23}

LB ACE strongly urges CalGEM to adopt statewide policies in line with what we know.

Statewide Policy and the Social Cost of Carbon

CalGEM is aware that efforts to incorporate the public health, safety, and environmental impacts of oil and gas production and products - heavily externalized onto populations over the past

\textsuperscript{19} This author was in the Urban Planning program at UCLA in 2016-17 when Dr. Stephanie Pincetl was soliciting graduate student researchers for an IOU-funded study on the potential for wildfire risk from these long-distance high powered transmission lines. Having grown up across the street from the Alamitos Generating Station, reminted and repowered by the California Energy Commission on May 3rd 2017 as the AES Alamitos Energy Center, I specifically did not apply to that project because it was obvious at the time the grant could not be filled, as climate change-induced and -accelerated wildfires were already occurring in California. Factoring in the uptick in construction of commercial/residential building from 2015 on in areas SCE had notable explosive blowouts and failures in its undergrounding, in Long Beach and Regionally, it was clearly only a matter of time (Fall 2017 in point of fact) when aging IOU overgrounding would also become a problem, statewide.


\textsuperscript{22} Cf. https://theclimatecenter.org/climatesafeca/#reality and https://actionnetwork.org/letters/no-drilling  

\textsuperscript{23} https://blogs.cdc.gov/niosh-science-blog/2018/11/26/cra/
century of unregulated quick and easy outgrowth of the industry in California - increasingly figure into Federal and California calculations of the price of carbon, and thus into closing the loop on the incredible market distortions and market inefficiencies of extant portions of the energy sector in California. The Social Cost of Carbon, soon to be updated, varies across methodologies from $50 -100 per ton of carbon pollution\textsuperscript{24}.

CalGEM must consider long standing California and Federal efforts to establish and utilize this basic measure of full-cost accounting.

Transition to Clean Energy Economy in California

In conclusion, we would like to relay a couple of facts regarding the transition to a 100% clean energy economy in California that have been subject to misinformation during the CalGEM public review and consultation process on the Draft Rule\textsuperscript{25}.

There are relatively few jobs in fossil fuel extraction, and of those even fewer would be impacted by setbacks when compared with the numbers of Californians in the setback areas currently negatively impacted by extraction activities. Any losses would be offset by an even larger job gain from well replacement and oil field remediation activities in addition to clean energy economy growth pathways.\textsuperscript{26}

According to the Carbon Neutrality Studies commissioned by the California Environmental Protection Agency, there were 11,885 jobs in oil and gas extraction statewide in 2019, and the trendline shows decreasing jobs in that sector.\textsuperscript{27} In comparison, a recent analysis from Sierra Club showed that remediation of all current marginal, idle, and orphan wells in California would create


\textsuperscript{25} It is for other institutional actors to determine which specific activities during this CalGEM rulemaking process have been “patent sources of misinformation on climate change and the environment” - but given the multitude of voices from Long Beach who spoke in support of strengthening the Draft Rule on December 2nd and 9th of 2021, apart from LB ACE’s comments, it should go without further mention that it is not difficult to make such determination. See, for instance: https://ourclimateourfuture.org/.


\textsuperscript{27} Olivier Deschenes et al., University of California, Santa Barbara, Enhancing Equity While Eliminating Emissions from California’s Supply of Transportation Fuels (April 2021) (final report); Olivier Deschenes et al., University of California, Santa Barbara, Synthesis Report: Carbon Neutrality and California’s Transportation Fossil Fuel Supply Study, Fig. 47 on p. 73, (Oct. 2020).
19,000 job years, with even more job potential for the eventual plugging of currently active wells.\textsuperscript{28} In 2019, according to the Bureau of Labor Statistics, blue-collar workers in oil extraction in California earned on average $55,642 annually, and very few of the jobs in oil extraction are covered by a union.\textsuperscript{29}

Totaling nearly 537,000 workers at the end of 2019, California’s clean energy workforce is driven primarily by small businesses ranging across the supply chain from agriculture to manufacturing. Entering 2020, California’s clean energy economy had grown for five straight years since the E2 annual report was first released with clean energy jobs growing to make up 3 percent of the state’s entire workforce.\textsuperscript{30} In terms of jobs potential, just in California alone, the transition to a 100% renewable energy powered economy is significant\textsuperscript{31}, and already underway\textsuperscript{32}.

In conclusion, LB ACE urges CalGEM to stop issuing permits of any kind within the 3200 foot setback distance, and strengthen the Draft Rule along the lines proposed by the VISION coalition and 350 Southland Legislative Alliance, Climate Center, as well as in this comment letter\textsuperscript{33}.

Thanking You,

Dave Shukla
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Long Beach, CA 90803

on behalf of:

Long Beach Alliance for Clean Energy
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Long Beach, CA 90807

\textsuperscript{32} Cf. https://opr.ca.gov/economic-development/just-transition/roadmap.html
\textsuperscript{33} With the contained edits, this final draft is the official version of the LB ACE correspondence to CalGEM on the Draft Rule for this calendar year (2021).
Sustainable City Commission Summary of Public Comment

Public comment received at the January 27, 2022 Commission meeting on Agenda Item 4. Recommendation to review a draft memorandum to the Mayor and City Council:

Michelle Lewis (Sunrise Movement Long Beach) spoke in support of the recommendations
Anne Cantrell (Sierra Club, Los Cerritos Wetland Taskforce, and River Park Coalition) spoke in support of the recommendations
Dave Shukla spoke in support of the recommendations
Nicole Levin (Sierra Club Dirty Fuels Campaign) spoke in support of the recommendations
Juan Ovalle (board member of River Park Coalition) spoke in support of the recommendations
Elliot Gonzales spoke in support of the recommendations
Anna Christensen (Los Cerritos Wetland Taskforce) spoke in support of the recommendations
Nancy Woo spoke in support of the recommendations
Pete Marsh spoke in support of the recommendations
Shreya (Sunrise Movement Long Beach) spoke in support of the recommendations
Kenny (Sunrise Movement Long Beach) spoke in support of the recommendations