

## County Denies ExxonMobil Request to Haul Oil by Truck



### Energy Company Close to Exhausting Storage Capacity After Shutdown of Ruptured Pipeline

Wednesday, June 10, 2015

By Kelsey Brugger

With legal repercussions anticipated regardless of her decision, Dianne Black denied on Tuesday an emergency permit filed by ExxonMobil to truck crude oil from Las Flores Canyon Facility along Highway 101 to a refinery about 70 miles north.

Since Plains All American Pipeline's Line 901 ruptured last month, spilling about 100,000 gallons of crude onto the Gaviota Coast, a 10.6-mile stretch of the 24-inch pipeline has been effectively shut down. This has forced Exxon to cut its production to about 10,000 barrels of oil a day, but in about two weeks, Exxon says it will exhaust its storage capacity.

Submitted on June 4, Exxon's application proposed a maximum of eight trucks an hour — 24 hours a day, 7 days a week — each carrying 6,720 gallons of crude oil. As assistant director of the county's Planning and Development (P&D), Black became sole decision-maker after P&D director Glenn Russell recused himself because he used to own stock in ExxonMobil; he divested it in the last few months, he said Monday.

Whether or not it is safe to transport crude on the highway depends on whom you ask. On Sunday evening, the county chief executive's office opened the matter up for public comment; several dozen people wrote in less than 48 hours.

Environmentalists — including Center for Biological Diversity and newly formed Food & Water Watch — all but threatened a lawsuit if the county approved the emergency permits. They advocated for the customary permit process with proper environmental review. Two dozen or so activists rallied against trucks Monday afternoon at the courthouse, holding colorful signs that read “End Oil Now” and calling for clean energy. Meanwhile COLAB’s Andy Caldwell took exception, calling it “absolutely incredulous” to oppose trucking a raw product on the freeway when gasoline is always tankered on the highway. In a similar school of thought, City Councilmember Dale Francisco said in an op-ed at independent.com, “Absent a scientific breakthrough,” modern industrial societies will continue to rely on fossil fuels. ExxonMobil spokesperson Dick Keil pledged the company would have used a new fleet with safer containers and fewer carbon emissions.

Exactly what constitutes an “emergency” was the endgame for Black. According to county zoning codes, an emergency is a “sudden unexpected occurrence demanding immediate action to prevent or mitigate loss or damage to life, health, property, or essential public services.” Exxon claimed, if shut down, its production of natural gas — separated from the oil and produced water, and scrubbed clean of hydrogen sulfide — would cease. This natural gas is supplied to residents in Santa Barbara, San Luis Obispo, and Ventura, and constitutes a public utility, Exxon claimed.

Not so, said Black. Based on a 2014 gas company report, Exxon provided less than one percent of Southern California Gas’s total

supply last year. Plus, she wrote, the county permitted a storage expansion project for the gas company. Black found Exxon’s second argument — tax revenues — equally flawed.

Exxon generated nearly \$4.2 million in taxes last year from its three offshore platforms, according to company spokesperson Keil. “That’s revenue that the county will have to make up on a monthly basis,” Keil said. Santa Ynez Valley High and Vista Del Mar school districts each rake in more than \$700,000 from Exxon’s property taxes, according to Keil.

But school districts can file a claim with Plains, Black wrote; entities or individuals have three years to do so. Black also found that trucking oil does not fall within the emergency permits allowed by Governor Jerry Brown’s executive order regarding the oil spill.

“We are obviously disappointed in their decision,” Keil said Tuesday afternoon. “We are in the process of studying their response,” he said, without indicating Exxon’s next steps. Because the decision for the emergency application is not appealable, Exxon could take the matter to court. Otherwise, Exxon can apply for a customary permit, a months-long process that consists of CEQA review, policy analysis, and a public hearing.

Venoco — much smaller than ExxonMobil — was forced to shut down its 4,000-barrel production about a week after the spill. Venoco is currently evaluating transportation options, said spokesperson Keith Wenal, and is using the downtime to complete annual safety inspections.

On June 26 at 2 p.m., Assemblymember Das Williams and State Senator Hannah-Beth Jackson will hold a joint oversight hearing to look at the cause and response to the oil spill at the County Administration Building. Last week, Representative Lois Capps formally asked Rep. Fred Upton (R-MI), chair of the House Energy and Commerce Committee, for a field hearing in Santa Barbara. Also, a congressional committee is expected to review pipeline standards later this year