

**REPORT OF THE
CHIEF LEGISLATIVE ANALYST**

DATE: August 15, 2014

TO: Honorable Members of the Rules, Elections, and Intergovernmental Relations Committee

FROM: Gerry F. Miller *GFM*
Chief Legislative Analyst

Council File No: 14-1037
Assignment No: 14-07-0555

SUBJECT: Environmental Review of Drilling Proposal in Aliso Canyon

CLA RECOMMENDATION: Adopt Resolution (Englander-Bonin) to urge the Los Angeles County Department of Regional Planning to conduct a thorough environmental review, including an Environmental Impact Report, of the Termo Company's drilling proposal in Aliso Canyon, in order to ensure the health and welfare of the residents and the environment.

SUMMARY

Resolution (Englander-Bonin) indicates, in part, that the Termo Company plans to drill oil and gas wells in three areas of Aliso Canyon. Further, the subject Resolution states that the Porter Ranch Neighborhood Council has expressed concern over the proposal, as it may lead to fracking and could have harmful impacts to the environment. As supported by the Porter Ranch Neighborhood Council, per the Resolution, the provision of a robust environmental review, which would include an Environmental Impact Report (EIR), is essential to protect the health and welfare of the residents and the environment. Therefore, the Resolution urges the County of Los Angeles to conduct an environmental review, which includes and EIR, of the Termo Company's drilling proposal in Aliso Canyon, in the interest of the health and welfare of the residents and the environment.

BACKGROUND

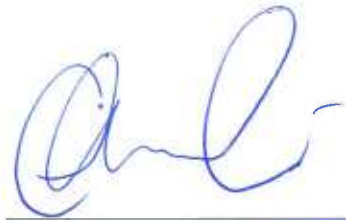
The United States Environmental Protection Agency (EPA) defines hydraulic fracturing (most commonly known as fracking) as follows: "a well stimulation process used to maximize the extraction of underground resources – oil, natural gas, geothermal energy, and water." There has been little regulation at the Federal level as it pertains to adequate standards/procedures of hydraulic fracturing. While supporters of fracking indicate that this method is a way to achieve energy independence and strengthen future economic prospects, others are skeptical of this method as bodies of research would suggest that there could be potential negative impacts to communities and the environment, including long-term transport of pollutants to aquifers. The EPA maintains that it lacks authority to regulate fracking activities, which do not use diesel fuel as an additive.

In California, fracking-related oil production has increased significantly in the last five years, as fracking allows for efficient removal of hydrocarbons from tight underground rock formations. However, due to the use of potent chemicals deep within the earth's surface, controversy has

arisen as to the safety and potential land, air, and water impacts of fracking. More specifically, the United States Government Accountability Office (GAO) found that shale oil and gas development poses risks to water quality from contamination of surface water and groundwater as a result of erosion from ground disturbances, spills, and releases of chemicals and other fluids, or underground migration of gases and chemicals.

At the State level, progress has been made to examine the actual impacts of fracking. On September 30, 2013, SB 4 (Pavley) was signed into law, which sought to address the issue of well stimulation by requiring scientific studies on the matter, and establishing requirements for oil drilling companies. However, many of the provisions of the bill, such as the mandated report on well stimulation in the production of oil and gas resources, and the development of a groundwater monitoring model for well stimulation treatment, are not required until 2016 and 2015 respectively, per the bill. Therefore, there remains a need in the short-term to study local impacts of oil drilling methods, specifically fracking, on local communities and the environment.

The City has previously taken positions to support the implementation of thorough environmental reviews, such as environmental impact studies, with regard to fracking. Since this specific case refers to a potential local impact to the City of Los Angeles, the Resolution recommends that the City request the Los Angeles County Department of Regional Planning to conduct a thorough environmental review, including an Environmental Impact Report, of the drilling proposal in Aliso Canyon in order to study any potential local impacts to the surrounding community and the environment.



Chris Concepción
Analyst

Attachment: Resolution (Englander-Bonin)

14-1037

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state, or federal government body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, the Termo Company plans to drill new oil and gas wells in Aliso Canyon just north of Porter Ranch; and

WHEREAS, the Termo Company's proposal seeks to drill in three locations in Aliso Canyon which includes two pastures and an orchard; and

WHEREAS, the Porter Ranch Neighborhood Council has expressed concern over the drilling proposal inasmuch as it may lead to fracking and additional harmful effects to the environment; and

WHEREAS, fracking has been linked to possible groundwater/aquifer contamination; and

WHEREAS, the Porter Ranch Neighborhood Council is urging the Los Angeles County Department of Regional Planning to conduct an environmental impact report before allowing the Termo Company to drill in Aliso Canyon; and

WHEREAS, conducting a thorough environmental review of the Termo Company drilling proposal is a vital step to protecting the health and welfare of the residents and the environment;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles urges the Los Angeles County Department of Regional Planning to conduct a thorough environmental review, including an Environmental Impact Report, of the Termo Company's drilling proposal in Aliso Canyon in order to ensure the health and welfare of the residents and the environment.

PRESENTED BY:


MITCHELL ENGLANDER
Councilmember, 12th District

SECONDED BY:



ORIGINAL

JUL 29 2014

