



Sharon Dickinson <sharon.dickinson@lacity.org>

FW: Support for 2500 Foot Safety Buffer Around Oil and Gas Extraction (Council File# 17-0447)

1 message

Joe Andrews <andrews@earthlink.net>

Tue, Jun 20, 2017 at 6:43 PM

To: sharon.dickinson@lacity.org, michael.espinosa@lacity.org, maria.espinoza@lacity.org, sharon.gin@lacity.org

City Council Clerk(s):

Please submit my email communication with City Council Member David Rhu, below, to Council File #17-0447. That email expresses my support for a 2500 foot human health and safety buffer around oil and gas exploration and extraction in Los Angeles City and in support of the motion to study the creation of such a buffer (Council File# 17-0447).

Thank you.

Joseph Andrews

3871 Franklin Ave.

Los Angeles, CA 90027

From: Joe Andrews [mailto:andrews@earthlink.net]**Sent:** Tuesday, June 20, 2017 6:35 PM**To:** 'david.rhu@lacity.org'**Subject:** Support for 2500 Foot Safety Buffer Around Oil and Gas Extraction (Council File# 17-0447)

Date: June 20, 2017

Los Angeles City Council

Attn: David Rhu

200 N. Spring St.

Los Angeles, CA 90012

Re: Support for 2500 Foot Human Health and Safety Buffer Around Oil and Gas Extraction in Los Angeles and Motion to Study Creation of Buffer (Council File# 17-0447)

Dear Council Member Rhu:

I write as one of your constituents in District 4. Please support the proposed 2500 foot safety buffer around all gas or oil exploration and extraction activities in the City of Los Angeles. I applaud the leadership of Council President Wesson introducing this motion and to Councilmembers Bonin, Cedillo, Harris-Dawson, Koretz, and Martinez for co-sponsoring the motion. Your support of the buffer zone would help to restore faith and rebuild trust in our local government, and further the health and safety of the residents in District 4 and throughout the City of Los Angeles.

It is clear that oil drilling operations are incompatible with residential neighborhoods, and I urge the Council to act swiftly to pass the motion for a legal and land use study as an important step toward alleviating the harm that front-line communities experience daily. I would like to express my support for an ordinance to establish at least a 2,500-foot setback separating oil and gas extraction operations from sensitive land uses like homes, schools and hospitals. I would also like to express support for the motion introduced on April 19, 2017 (Council File# 17-0447) directing the City Attorney, Petroleum Administrator and Department of Planning to perform a legal and land use study of such an ordinance.

The issue of neighborhood drilling is of concern to me because I have lived in the City of Los Angeles for over 35 years, and anticipate spending more years here. Although the air quality has improved significantly, Los Angeles remains one of the worst if not the worst City in the Nation for air quality. Limiting the sources of pollution can further improve the air quality. Further, from my work, I am familiar to some extent with the hazards of the release of chemicals into the air, including the release of benzene, a known human carcinogen and a chemical associated with the exploration and extraction of oil and/or gas. The residents of the City of Los Angeles, and most significantly those living near the many oil exploration and extraction sites throughout the City, should not be exposed to the chemical and other hazards resulting from proximity to the drilling sites – including the increased risk of cancer.

Thank you for your attention. Every Angeleno throughout the City of Los Angeles, in District 4 and beyond, deserves to live in a safe, healthy neighborhood. You can help.

Sincerely,

Joseph Andrews

3871 Franklin Ave.

Los Angeles, CA 90027

Google Groups

Re: SoCalGas Comment Letter re: Council File: 17-0447 - Oil and Gas Development

Zina Cheng

Jun 20, 2017 9:47 AM

Posted in group: **Clerk-PLUM-Committee**

Please be aware that the correct email address for your written response is clerk.plumcommittee@lacity.org. For your convenience, I have included the correct email address for you.

The Office of the City Clerk is in receipt of your comment. It is included in the public record.

***** NOTE TO LA CITY STAFF ********** Please Cc sharon.dickinson@lacity.org on all emails related to PLUM Committee. *****

Zina Cheng
Deputy City Clerk/Legislative Assistant for:
Energy and Environment Committee
Health, Mental Health, and Education Committee
Planning and Land Use Management Committee

City of Los Angeles, Office of the City Clerk
Council and Public Services
(213) 978-1537
zina.cheng@lacity.org

On Mon, Jun 19, 2017 at 11:32 AM, Lopez, Frank <FLopez5@semprautilities.com> wrote:

Ms. Cheng –

Please find attached SoCalGas' comment letter on Council File: 17-0447 - Oil and Gas Development, which was heard in the Council's Health Committee last Wednesday, June 14th.

Can you please add the letter to the Council file?

Thank you,

Frank Lopez

Government Affairs Manager

SoCalGas


555 W. 5th Street, GT21C5

Los Angeles, CA 90013

C: (213) 703-1347





A  Sempra Energy utility

June 14, 2017

Los Angeles City Council
200 N. Spring Street
Los Angeles, CA 90012

Re: Council File 17-0447, Regarding Analysis of the City's Land Use Codes Relative to Oil and Gas Development

To the Hon. Herb J. Wesson, Jr:

On April 19, 2017, the Los Angeles City Council passed a motion (the "Motion") directing the Department of City Planning, City Attorney, and the Petroleum Administrator to prepare analysis of possible changes to the City's land use codes relative to oil and gas development. Specifically, the Council directed investigation into:

- Possible new requirements that no oil or gas well be located within a certain setback proximity of residential uses;
- Possible new requirements that provide for the discontinuance of non-conforming land uses inconsistent with the new setback requirements; and
- Possible new due process requirements and administrative remedies for oil and gas production well operators or other stakeholders affected by the possible new requirements.

The Council also referred the Motion to the Health, Mental Health, and Education Committee, and the Planning and Land Use Management Committee, and the Council requested that the committees work with the Los Angeles County Health Department relative to the health effects of oil and gas operations in the City.

SoCalGas appreciates the important concerns evidenced by the Council's action. With respect to the Council's consideration of any new proposed policies for oil and gas operations, however, SoCalGas writes to highlight the importance of distinguishing between wells used for the production of oil and gas, and wells used by SoCalGas for

the storage of natural gas.¹ At a minimum, should the Council consider a possible new setback requirement for oil and gas wells, SoCalGas' natural gas storage wells should be expressly excluded from such a requirement.

As explained herein, application of a setback requirement to natural gas storage could undermine ongoing regulatory efforts to support the safe and reliable provision of natural gas to Southern California. The setback requirement also could interfere with ongoing efforts to support system reliability and the implementation of new standards for the maintenance and operation of natural gas storage facilities under the jurisdiction of the Department of Transportation – Pipeline and Hazardous Materials Safety Administration (PHMSA), the California Public Utilities Commission (CPUC), and the California Department of Conservation's Division of Oil, Gas & Geothermal Resources (DOGGR).

SoCalGas, a public utility regulated by the CPUC, operates four underground storage facilities in Southern California, including two (Aliso Canyon and Playa del Rey) located in part within the City of Los Angeles. SoCalGas' underground storage facilities are an integral part of its natural gas transportation and distribution system and help provide reliable and affordable service to our customers. In addition, storage enables SoCalGas to swiftly meet the shifting hourly dispatch needs of electric generators, which enables Southern California to increasingly derive its energy from renewable electric sources.

SoCalGas' underground natural gas storage facilities make use of wells to inject and withdraw natural gas from the subsurface reservoir where the natural gas is stored. Storage wells are regularly maintained, inspected, and serviced in accordance with applicable regulations. From time to time, SoCalGas may drill new storage wells within its facilities' boundaries so that other wells can be taken out of service without impacting the reliability and deliverability of gas to SoCalGas customers. SoCalGas' underground storage facilities provide a physical location to hold supplies not being consumed; help balance natural gas deliveries into Southern California to maintain system integrity and pipeline pressure; provide strategically located assets to respond to customer demand; and serve as contingencies in the event of upstream supply constraints.

At the State level, because SoCalGas is a public utility regulated by the CPUC, the City lacks jurisdiction to impose or enforce safety standards, including setback requirements on SoCalGas' facilities. The California Constitution states that, "[a] city, county, or other public body may not regulate matters over which the Legislature grants regulatory power to the [Public Utilities] Commission."² Thus, under the Constitution, as to matters over which the CPUC has been granted regulatory power, the CPUC's jurisdiction is exclusive.

¹ Natural gas storage wells are used to store natural gas to support energy reliability in Southern California and facilitate the cost-efficient and effective delivery of natural gas to the residents and businesses of Los Angeles.

² California Constitution, Article XII, section 8.

The Public Utilities Code generally authorizes the CPUC to regulate a public utility's operations.³ The CPUC possesses exclusive jurisdiction to grant certificates of public necessity authorizing gas corporations such as SoCalGas to design, construct, operate, and maintain underground natural gas storage facilities.⁴ The methods and means of locating and constructing public utility equipment and facilities has also been expressly delegated to the CPUC.⁵ The CPUC has restated its jurisdiction over the location and construction of public utility facilities in numerous decisions.⁶ And courts have recognized that the CPUC generally provides for safety and uniformity in the design and regulation of utility facilities.⁷

For underground gas storage facilities, the CPUC exercises its authority in conjunction with DOGGR, to which the legislature has delegated general responsibility for the oversight of drilling, operation, and maintenance of oil and gas wells.⁸ Consistent with that delegation, DOGGR is in the process of developing additional rules for underground natural gas storage facilities that a DOGGR representative has described as the "most comprehensive and stringent regulations for underground gas storage in the nation."⁹ In addition, the CPUC recently approved a comprehensive well integrity plan for SoCalGas' underground gas storage facilities.¹⁰ The CPUC has also recently directed SoCalGas to maintain certain levels of storage withdrawal capacity to support energy reliability in Southern California.¹¹ The City cannot and should not impose new requirements or restrictions that would be duplicative of, or inconsistent with, State regulations, or that would impede efforts to comply with reliability directives.

In addition to the state law impediments, the federal Pipeline Safety Act, 49 U.S.C. § 60104, also preempts efforts by the City to impose or enforce a setback requirement on gas well drilling at SoCalGas' underground gas storage facilities.¹² Further, in December of 2016, PHMSA adopted extensive safety regulations addressing the operation of underground natural gas storage facilities.¹³ The City cannot and

³ Cal. Pub. Util. Code § 701; State of California Rules Governing Design, Construction, Testing, Operation, and Maintenance of Gas Gathering, Transmission, and Distribution Piping Systems, CPUC Gen. Order 112-F § 102.1.

⁴ California Pub. Utilities Code § 1002.

⁵ Cal. Pub. Util. Code §§ 761, 762, and 768.

⁶ See, e.g., CPUC Decision 94-06-014 (citing CPUC Decisions 69663 and 88462).

⁷ *Southern Cal. Gas Co. v. City of Vernon* (1995) 41 Cal. App. 4th 209 (city permitting requirements held preempted).

⁸ California Public Resources Code § 3106(a).

⁹ See <http://www.dailynews.com/government-and-politics/20170519/regulators-propose-tougher-rules-for-california-natural-gas-fields-after-aliso-canyon-leak>.

¹⁰ CPUC Decision 16-06-054.

¹¹ See

http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/News_Room/News_and_Updates/CPUCLettertoSoCalGasreStorageSafetyEnhancementPlan.pdf.

¹² *Midstream Gas Servs., L.L.C. v. City of Grand Prairie*, No. CIV.A.3:08CV1724-D, 2008 WL 5000038, at *5 (N.D. Tex. Nov. 25, 2008), *aff'd sub nom. Texas Midstream Gas Servs., LLC v. City of Grand Prairie*, 608 F.3d 200 (5th Cir. 2010) (municipal ordinance requiring security fences held preempted).

¹³ See, e.g., 49 Code of Federal Regulations § 192.12.

should not impose new requirements or restrictions that would be duplicative of, or inconsistent with, Federal regulations.

Even if the proposed setback requirement could lawfully be applied to SoCalGas' facilities by the City without interfering with the jurisdiction of State and Federal agencies, the effect of applying the setback requirement to underground gas storage operations would be counterproductive and could preclude storage operators from undertaking activities to enhance safety and reduce potential impacts in the community.¹⁴ Underground gas storage facilities can only be constructed and operated in areas with unique underground geological characteristics, and, to serve their important public purposes of providing reliability of gas delivery to customers, storage facilities must be located proximate to local gas consumers and transmission and distribution pipelines. The setback requirement could detrimentally impact these critical, regulated, and permitted, natural gas storage facilities; thus, impacting SoCalGas' ability to reliably and safely serve Southern California.

We thank you for the opportunity to provide input. We trust the information presented above provides some clarity regarding the unique aspects of SoCalGas' storage fields and the regulatory structure within which it operates.



Neil Navin
Director – Storage Risk Management
Southern California Gas Company

cc: The Hon. Herb J. Wesson, Jr., President, Los Angeles City Council
The Hon David E. Ryu, Chair, Los Angeles City Council Health, Mental Health,
and Education Committee
The Hon. Jose Huizar, Chair, Los Angeles City Council Planning and Land Use
Management Committee
Department of City Planning
City Attorney
Petroleum Administrator

¹⁴ For example, a storage operator could be prohibited from drilling a new well within the boundaries of its facility to potentially replace a greater number of wells or wells closer to a community.