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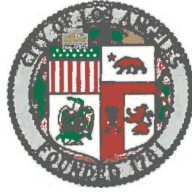
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August 21, 2019

Honorable Members of the City Council
City of Los Angeles
City Hall, Room 395
Attn: City Clerk

**COUNCIL FILE NO. 17-0940—REQUESTED A REPORT ON WHAT ABILITY AND
AUTHORITY THE CITY HAS TO PERMIT AND INSPECT BELOW-GROUND
STORAGE FACILITIES FOR NATURAL GAS AND OTHER HAZARDOUS MATERIALS**

In response to the Council action on April 27, 2018, Council File 17-0940, the Los Angeles Fire Department (LAFD) was instructed to report on the ability and the authority the City should have to regulate businesses who store natural gas and other hazardous materials below-ground, such as the Aliso Canyon Site.

The Fire Department has identified the storage of substantial commercial quantities of natural gas in naturally occurring oil field reservoirs in Playa Del Rey, similar to the Aliso Canyon site. This facility falls under the authority of the California Department of Conservation, the Division of Oil, Gas, and Geothermal Resources (DOGGR).

Information on regulatory authority, permit, and inspection frequency of production/injection wells is found in the California Statutes and Regulations for the Division of Oil, Gas and Geothermal Resources, revised 2018.

(<http://www.conservation.ca.gov/index/Documents/DOGGR%20Statutes%202018%20%20updated%204-4.pdf>).

The LAFD Certified Unified Program Agency (CUPA) is charged with overseeing the following regulatory elements of the Unified Program at the Playa Del Rey site. The business is inspected triennially under the following three CUPA programs and LAFD Oil Well Inspection Program:

- a. **LAFD CUPA- Hazardous Materials Inventory and Business Emergency Plan Program** - The purpose of the program is to prevent or minimize the harm to public health and safety and the environment, from a release or threatened release of hazardous materials. It also satisfies community right-to-know laws. This is accomplished by requiring businesses who handle hazardous materials above certain quantities to:
 - i. Inventory their hazardous materials

- ii. Develop a site map
- iii. Develop an emergency plan
- iv. Implement a training program for employees

Businesses must submit this information electronically to the statewide information management system (California Environmental Reporting System, or CERS). Emergency Responders are able to remotely access CERS on route to an emergency incident and have complete knowledge of onsite hazardous materials inventories, location, and site contacts before arriving on scene. The Fire Department has also recently acquired software which draws the hazardous materials inventory data from CERS and is able **to create plume models of a hazardous materials release based on real weather data**. This data assists in developing an evacuation zone, identifies recommended personal protective equipment for our firefighters, and overall significantly enhances public safety.

LAFD CUPA/LA County Fire Department - Hazardous Waste Generator

Program - The purpose of this program is to ensure all hazardous wastes generated by businesses are properly handled, recycled, treated, stored, and disposed of. The wastes may be a by-product of manufacturing processes or have been determined by the generator that the material is no longer usable. Even though LAFD CUPA oversees the Hazardous Waste Program it is minimally regulated and inspected by the Los Angeles County Fire Department through a participating agency agreement with the City.

- b. **LAFD CUPA - Aboveground Petroleum Storage Tank Program** - This program was established to support the California Aboveground Petroleum Storage Act (APSA). Playa Del Rey falls under the APSA program and is inspected triennially to ensure they have developed a Spill Prevention, Control, and Countermeasure (SPCC) Plan, that the SPCC plan has been implemented by conducting routine inspections, provide training to their employees in the event of a release, and to verify the plan has countermeasures for discharge discovery, response, and cleanup.
- c. **LAFD Oil Well Inspection Program - Los Angeles Fire Code** - LAFD Oil Well Inspection program conducts annual inspection of facilities which have oil wells to ensure infrastructure, operations, and detection and suppression systems are compliant with the fire code. In addition to fire, life safety inspections the program also oversees oil well drilling and abandonment. This program operates independently of the LAFD CUPA program and coordinates regulatory activities with DOGGR. The LAFD Oil Well Inspection Program and the Los Angeles Fire Code does not regulate the storage of natural gas below ground.

Other CUPA Programs Without Authority to Regulate Natural Gas Storage

There are two other CUPA programs that are unable to regulate natural gas storage either due to not meeting the definition of a regulated entity or by a federal rule which exempts the industry from CUPA regulation.

- a. LAFD CUPA - Underground Storage Tank Program – The purpose of the Underground Storage Tank (UST) inspection program is to ensure hazardous materials stored in underground tanks are not released into the environment, potentially polluting ground and surface waters. LAFD CUPA regulates 1250 facilities, throughout the City, which store hazardous materials in constructed underground storage tanks. These systems are typically double walled with sensors which monitor for leaks or overfilling. Tank operators are mandated to conduct monthly inspections, annual tank tightness, and leak and overfill sensor testing. The LAFD CUPA inspectors are generally present during the third party testing procedures, evaluate results and regulate repairs and upgrades. The State Water Resources Control Board has identified LAFD CUPA as one of the premier programs in the State for regulating underground storage tanks. The UST program does not regulate natural gas or oil encapsulated by an earthen structure as it does not fit the definition of a tank. There are no regulated UST's at the Playa Del Rey site.

- b. LAFD CUPA – California Accidental Release Prevention Program (CalARP) – The purpose of the CalARP program are to prevent accidental releases of substances that can cause serious harm to the public and the environment, to minimize the damage if releases do occur, and to satisfy community right-to-know laws. This is accomplished by requiring businesses that handle more than a threshold quantity of a regulated substance listed in the regulations to develop a Risk Management Plan (RMP). An RMP is a detailed engineering analysis of the potential accident factors present at a business and the mitigation measures that can be implemented to reduce this accident potential. The RMP contains:
 - a. Safety information
 - b. A hazard review
 - c. Operating procedures
 - d. Training requirements
 - e. Maintenance requirements
 - f. Compliance audits
 - g. Incident investigation procedures

The CalARP program is designed so that the CUPA agencies work directly with the regulated businesses. The CUPAs determine the level of detail in the RMPs, review the RMPs, conduct facility inspections, and provide public access to most of the information.

Of all the CUPA Programs the CalARP Program would be the best suited to regulate and manage the risks associated with the Playa Del Rey gas storage facility. Unfortunately, the storage of natural gas below ground is exempt from the CalARP program.

Enforcement – The LAFD CUPA has a very rigorous enforcement program which has recently gained statewide recognition. The CUPA has multiple enforcement options which include referral to the City Attorney’s Environmental Justice Unit or issuance of a Administrative Enforcement Order (AEO) which is a tool provided to the Unified Program Agencies which assists to impose an administrative penalty to a person or business if determined that the person or business has committed or is committing a violation of any law, regulation, permit, information requested, order, variance, or other requirement which the CUPA is authorized to enforce or implement. The LAFD CUPA has one of the most active AEO programs in the State.

The LAFD Oil Well Inspection Program also utilizes the Office of the City Attorney to address significant or recalcitrant fire code violations.

RECOMMENDATIONS

The Playa Del Rey site is regulated by State agencies, however, there is very little to no local regulatory oversight for the facility. LAFD recommends an interagency task force be established to include DOGGR, the Office of Petroleum and Natural Gas Administration and Safety, and other regulatory agencies to:

1. Review safety studies, risk analysis and technical assessments conducted at the Aliso Canyon site to determine which recommendations could be applied to the Playa Del Rey or any site which could potentially have the same issues, in an effort to protect public safety and the environment.
2. Coordinate regulatory oversight and inspections to ensure the City of Los Angeles is fully engaged and informed of current and developing natural storage safety issues locally and statewide.
3. Conduct an analysis of gas storage regulatory issues within the City and State and work towards development of local or statewide legislative solutions.

LAFD has made efforts to improve regulatory coordination between DOGGR and the Fire Department, however, we believe there is a clear opportunity to expand this initiative and formalize the efforts through the Office of the Petroleum Administrator.

Honorable Members of the City Council
August 21, 2019
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This report is intended to provide information on the agencies regulating businesses who store natural gas and other hazardous materials in reservoirs within the City of Los Angeles such as the Playa Del Rey site.

Sincerely,

A handwritten signature in black ink that reads "Ralph M. Terrazas". The signature is written in a cursive style with a prominent flourish at the end.

RALPH M. TERRAZAS
Fire Chief