February 14, 2025

VIA EMAIL

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Re: Sable Offshore Corp. Notice of Violation (V-9-24-0152) for Las Flores Pipelines

CA-324 and CA-325, Santa Barbara County

Dear Stephanie:

I am writing on behalf of our client, Sable Offshore Corp. ("Sable"), to respond to your (i) September 27, 2024, Notice of Violation letter ("NOV") and (ii) your October 4, 2024, letter ("October 4 Letter") regarding Sable's repair and maintenance activities along portions of Las Flores Pipelines CA-324 and CA-325 (previously known as Lines 901 and 903) located within an unincorporated area of the County of Santa Barbara ("County") and within the coastal zone. I am also responding to additional points raised in the letter you sent to the County and Sable earlier today, February 14, 2025. In sum, the NOV that is the basis for all of the Commission's communications identified above alleges that Sable engaged in unpermitted development related to Sable's work "to address pipeline corrosion" and "to install new safety valves." This letter addresses the NOV allegations regarding Sable's work to address pipeline corrosion, which are referred to herein as anomaly repairs. A more detailed response is provided in Attachment A. The NOV allegations regarding certain safety valves previously installed in Line CA-324 will be addressed separately.²

As I discussed with Lisa Haage, the Commission's Chief of Enforcement, on February 6, 2025, and reiterated to Commission staff during a meeting on February 11, 2025, it was premature for Sable to provide a detailed response to the NOV and October 4 Letter until the County had the opportunity to consider Zoning Clearance applications that Sable submitted to the County on November 22, 2024, and December 6, 2024. Specifically, and as Commission staff has been aware since December 2024, Sable had submitted those applications so that the County could confirm whether Sable's anomaly repair work already was authorized under

¹ Coastal Commission, Notice of Violation, Violation File No. V-9-24-0152 (Sep. 27, 2024), p. 2.

² All safety valves installed in Line CA-325 are located outside of the coastal zone.

existing permits and approvals for Lines CA-324 and CA-325, including the County's coastal development permits. As part of that review, the County could have determined whether additional information was required or whether it would require a new or amended coastal development permit. As requested by Commission staff during our recent discussion just a few days ago, Sable has compiled a complete response to the NOV, including the Zoning Clearance application materials Sable submitted to the County, and is providing those materials with this transmittal.³

Prior to receiving the NOV in September 2024, Sable had undertaken several steps to repair certain 'anomalies' detected along Line CA-324 and planned to repair other anomalies along Lines CA-324 and CA-325.⁴ Sable undertook the anomaly work based on its understanding that no new coastal development permit or other Coastal Act authorization was required, consistent with the County's practice of authorizing repair work on the pipelines since they were first permitted and built over 30 years ago. A pipeline 'anomaly' refers to a pipeline segment with some deviation from its original configuration, typically identified using a roving data gathering instrument located within the pipeline interior (referred to as an inspection 'pig') that examines a pipeline's conditions while traveling through the pipeline. Sable is required to conduct anomaly inspections and all associated repair work to comply with a Consent Decree involving the pipelines as well as applicable federal regulations that specifically require pipeline operators to "take prompt action to address all anomalous conditions in [any] pipeline," and repair any such conditions that meet thresholds set forth in those regulations.⁵ Anomaly repair work is a standard repair process for oil pipelines and was contemplated, authorized, and analyzed by (i) the pipelines' original environmental review under the California Environmental Quality Act and National Environmental Policy Act conducted by the State Lands Commission and federal Bureau of Land Management and Department of the Interior; and (ii) the County under the pipelines' previously approved Final Development Plan ("FDP") (Case # 85-DP-66cz), Major Conditional Use Permit ("CUP") (Case #83-CP-97cz), Coastal Development Permits ("CDPs") (86-CDP-189 and 86-CDP-205), and associated Conditions of Approval. Because anomaly repair work was previously analyzed and authorized by the County under its land use and delegated Coastal Act authority, it does not require any further authorizations under the Coastal Act or the County's certified Local Coastal Program ("LCP"). The County has consistently found anomaly repairs to be within the scope of the pipelines' environmental review and previously issued FDP and CDPs. In fact, since the pipelines were first built, the County never has amended the CDPs or determined it was necessary to issue a subsequent coastal

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³ Sable is aware that Commission staff and County staff have discussed Sable's Zoning Clearance applications, but Commission staff had not previously requested copies of those applications from Sable until February 11, 2025.

⁴ Sable's anomaly repair work was conducted in conformance with the standards of numerous state and federal regulatory agencies and industry standards groups including but not limited to CalOSHA, PHMSA, CDFW-OSFM, American Petroleum Institute (API), American Society of Mechanical Engineers (ASME), American Society of Testing Materials (ASTM), Society for Protective Coatings (SSPC Standards), and American National Standards Institute (ANSI).

⁵ 49 C.F.R. § 195.452(h)(1). See Consent Decree issued in *United States of America and the People of the State of California v. Plains All American Pipeline, L.P. and Plains Pipeline, L.P.*, Case No. 2:20-cv-02415, (C.D. Cal. Mar. 13, 2020).

development permit when the County has authorized the pipeline operator to conduct anomaly repairs.

Despite Sable's obligation to promptly complete the anomaly repair work under the Consent Decree and applicable federal regulations, and its understanding that no further Coastal permitting was required for such work, Sable stopped work at active anomaly repair sites in compliance with the NOV and October 4 Letter in order to explore Coastal Commission staff's allegations further with both Commission staff and the County. Sable worked cooperatively with Commission staff to address immediate environmental concerns that were created by stopping work and leaving anomaly dig sites open and exposed (e.g., risks related to the structure of the pipeline, corrosion, flooding, hazards for livestock, and terrorism and vandalism). In light of these concerns related to the open sites, Sable complied with the November 12, 2024 Executive Director Cease and Desist Order No. ED-24-CD-02 ("EDCDO"), backfilled the open anomaly repair sites (without completing the anomaly repairs), implemented erosion control best management practices, hydroseeded restored sites with a local native seed mix approved by Commission staff, installed protective fencing, and continues to monitor each site to ensure effective erosion control measures. While Sable worked cooperatively with Commission staff to address staff's near-term environmental concerns identified in the EDCDO, Sable did not concede that a coastal development permit was necessary to authorize the anomaly repair work and informed Commission staff that further investigation into the County's records and discussions with County staff were required to determine the type of Coastal Act authorization required.

To that end, since receiving the NOV, Sable also has engaged in extensive discussions with County staff regarding the anomaly repair work and the scope of the County's prior allowances for similar work. As discussed above, on November 22, 2024 and December 6, 2024, Sable submitted applications to the County for Zoning Clearances for the anomaly repair work, which included providing the County with additional information including site plans, grading quantities, biological and cultural resource surveys, and best management practices, regarding the work and anomaly dig sites. The County's Coastal Zoning Ordinance (CZO) provides for a Zoning Clearance process whereby the County may review proposed development for compliance with conditions of approval including final development plans, conditional use permits, and coastal development permits.⁶ On the basis of the information Sable submitted with the Zoning Clearance applications, the County had the opportunity to review whether the anomaly repair work was already authorized, whether additional information was needed, or whether the County would require a new or amended coastal development permit.⁷

The County has since reviewed the information Sable submitted with its Zoning Clearance applications and has confirmed in a letter dated February 12, 2025, that the anomaly repair work is already authorized by the pipelines' existing CDPs and, consistent with past practice, no new or separate Coastal Act authorization is required for Sable to perform the work.⁸

⁶ CZO, §§ 35-174.9.2.c.2, 35-179A.2.b.

⁷ See CZO, § 35-179A.2.b.

⁸ See Errin Briggs, County of Santa Barbara, "Zoning Clearance Applications – 24ZCI-00090, 24ZCI-00091, 24ZCI-00095, and 24ZCI-00096" (Feb. 12, 2025) ("County Letter").

The County's letter concludes that the anomaly repair work was "contemplated, analyzed, and approved in the [pipelines'] existing [FDP], [CUP], and associated [CDPs,]" "analyzed in the prior Environmental Impact Report/Environmental Impact Statement," and therefore requires "no further application to or action by the County."

The County's letter addresses the particular anomaly work that was ongoing at the time Sable received the NOV from Commission staff as well as proposed future anomaly repair work in the coastal zone. The County letter is limited to those anomaly repairs because the information submitted on November 22, 2024, and December 6, 2024, only addressed those ongoing and future anomaly repairs. While Sable has not yet submitted information regarding previously completed anomaly work in the coastal zone to the County, Sable is in the process of compiling such information for submittal. Sable's understanding of those previously completed repairs is that they are entirely consistent with the scope of repairs that the County authorized in its February 12, 2025 letter, and that the County's position regarding those previously completed repairs is expected to be the same – specifically that no new or amended coastal development permit is required for those prior repairs either. Attachment A includes a detailed justification to support the County's confirmation that anomaly repair work was authorized by and complies with the pipelines' Conditions of Approval, FDP, CDPs, and environmental review. As such, the anomaly repair work does not constitute a violation of the Coastal Act or LCP, as asserted in the NOV and October 4 Letter.

Further, the County has confirmed, pursuant to its authority under the Coastal Act and the County's certified LCP, that the anomaly repair work is authorized under the pipelines' existing CDPs and that no further authorization under the Coastal Act or LCP is required for Sable to proceed with the work. Therefore, and contrary to the statements included in your February 14 letter, Sable has the authorization from the County to proceed with completion of the anomaly repair work, and performing that work is not a knowing and willful violation of the Coastal Act.

In addition, because the County has confirmed that no new coastal development permit is required for the anomaly repair work, the consolidated coastal development permit application requested in your February 14 letter is not appropriate. 10 The County has now confirmed that Sable's anomaly repair work is authorized under the pipelines' existing CDPs and that no other County permit or authorization is necessary. As Commission staff is aware, a consolidated coastal development permit is only appropriate when a "project requires a coastal development permit from both a local government with a certified local coastal program and the commission." Therefore, Sable is not consenting to a consolidated permit.

⁹ Ibid.

¹⁰ We are disappointed with your letter's mischaracterization of our February 11, 2025, discussion regarding the possibility of a consolidated permit. As we have made clear on multiple occasions, the County needed to act on Sable's Zoning Clearance applications before Sable could engage Commission staff on any of staff's requests. ¹¹ Pub. Res. Code, § 30601.3, subd. (a)(1).

Based on the foregoing, Sable respectfully requests an opportunity to discuss with Commission staff the final resolution of the NOV and acknowledgement of the County's determination that no further coastal development permit is required for anomaly repair work.

Very truly yours,

Duncan Joseph Moore of LATHAM & WATKINS LLP

cc: Lisa Plowman, County of Santa Barbara
Errin Briggs, County of Santa Barbara
Jenna Richardson, County of Santa Barbara
Anthony Duenner, Sable Offshore Corp.
Carolyn Bertrand, Sable Offshore Corp.
Lee Alcock, Sable Offshore Corp.
Steve Rusch, Sable Offshore Corp.
Lauren Paull, Latham & Watkins LLP

Attachment A Sable NOV Response Regarding Anomaly Repair Work

I. EXECUTIVE SUMMARY

Sable's work to repair and remedy Las Flores Pipeline anomalies and all individual components of such work, such as associated excavation and fill activities and work required to access the anomaly sites, were contemplated and approved as ongoing repair and maintenance work that was anticipated to occur over the pipelines' operational lifetime when the County first approved the pipelines in the 1980s. Because this work is required under applicable federal regulations and to ensure the pipelines' safe operation, its potential environmental impacts were thoroughly analyzed and considered during the pipelines' original environmental review and subject to mitigation and Condition of Approval requirements. Accordingly, when considering and approving past anomaly repair work on the pipelines, the County has consistently found that work to be within the scope of the previously approved FDP and CDPs. Although the County has issued separate coastal development permits for major pipeline improvements such as relocations and realignments since the pipelines' CDPs were first issued, the County has *never* required a new or amended coastal development permit for anomaly repair work in the 30 years since the pipelines were built.¹²

Instead, over the last 30 years, the County has employed different procedures to confirm that anomaly repair work complies with the pipelines' existing FDP and CDPs. These procedures have included using the County's Land Use Permit process, the Zoning Clearance process, as well as informal communications between the pipeline operator and the County through which anomaly repairs have been authorized.¹³ Regardless of the exact process used, the County's review of anomaly repairs has consistently looked at whether the work proposed has been within the scope of the approved FDP and CDPs and those reviews have *never* been subject to the Commission's appellate jurisdiction. While the CZO and the Coastal Act identify certain actions by the County that may be appealable, Land Use Permits, Zoning Clearances, and other non-discretionary authorizations by the Planning Department are not among them.¹⁴ The County's February 12, 2025, assessment is consistent with the County's historical reviews of pipeline anomalies confirming that anomaly repairs are authorized under the previously issued CDPs and FDP and are "not appealable to the ... Coastal Commission." As such, Sable may proceed with completing this repair work and the Commission may not continue enforcement proceedings involving that work.

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¹² See County CDPs 90-CDP-175 (pipeline realignment), 97-CDP-255 (pump station tank replacement), 00-CDP-069 (pipeline realignment).

¹³ See County Land Use Permit Nos. 14LUP-00000-00168 (May 28, 2014), 14LUP-00000-00035 (Apr. 2, 2014), 95-LUS-418 (Oct. 30, 1995); see County Zoning Clearance Nos. 14ZCI-00000-00086 (Sep. 24, 2014), 14ZCI-00000-00121 (Nov. 25, 2015). The County's LCP was amended in 2014 to provide for the Zoning Clearance process. Land Use Permits have not been issued for anomaly repairs since that time.

¹⁴ See CZO, § 35-182.6.1-3. The County's 2014 LCP Amendment did not change these provisions of the CZO.

II. ANOMALY REPAIR AND PIPELINE BACKGROUND

A pipeline "anomaly" refers to a pipeline segment with some deviation from its original configuration. Federal regulations require Sable and other pipeline operators to take "prompt action" to address and, where required by the regulations or the Consent Decree, repair any pipeline anomalies once discovered.¹⁵ Sable detects anomalies by using a roving data gathering instrument located within the pipeline interior, typically referred to as an inspection "pig," that examines a pipeline's conditions as the pig travels through the pipeline. Data collected from the inspection pig is used to identify the approximate location of anomalies from the surface so that excavation and repair activities can be planned. Sable generally must complete the following steps to repair any particular anomaly detected by the pig: (1) access the affected pipeline segment via existing roadways and rights-of-way, which in some locations requires placing metal plates over water courses; (2) excavate the anomaly site, including the dirt beneath the affected pipeline segment, which in some locations may require dewatering and associated discharge; (3) expose the pipeline segment by removing insulation and sandblasting; (4) evaluate whether a "Composite Repair" or "Cut-Out Repair" is required, 16 (5) conduct the Composite or Cut-Out Repair as appropriate, sandblast the repaired pipeline segment, and apply an epoxy coating, pipe tape, and rockguard wrap; (6) backfill the anomaly site, and (7) conduct final site cleanup including erosion control and revegetation work (collectively, the "Anomaly Repair Work"). Anomaly Repair Work is short-term and temporary (often lasting less than a week) within the pipelines' operational right-of-way. It requires the use of heavy equipment and may involve the removal of vegetation.

Through its inspection pig activities, Sable identified one hundred and twenty-one (121) anomalies where Anomaly Repair Work is required within unincorporated Santa Barbara County and within the coastal zone. Sable completed the Anomaly Repair Work at forty-eight (48) of these anomaly sites before receiving the NOV and October 4 Letter. Forty-five (45) anomaly sites were open (i.e., excavation and other steps had been undertaken, but the Anomaly Repair Work had not been completed) at the time Sable received the NOV and October 4 Letter. ¹⁸ In compliance with the EDCDO, Sable subsequently backfilled those open sites (without completing the associated anomaly repairs), implemented erosion control best management practices, and hydroseeded the sites with a local native seed mix approved by Commission staff. Finally, twenty-eight (28) remaining anomaly sites have been identified for future Anomaly Repair Work. ¹⁹

All of the aforementioned anomaly sites are located along two connected pipelines, which the County initially approved on February 18, 1986, as part of what was then known as the "Celeron Pipeline Project" (also referred to herein as the "Pipeline Project"). Las Flores

¹⁵ 49 C.F.R. § 195.452(h)(1).

¹⁶ A "Composite Repair" involves wrapping the exposed pipeline segment in a composite material and allowing the material to cure, whereas a "Cut-Out Repair" involves cutting out and replacing the exposed pipeline segment, welding in place the replaced pipeline segment, and X-raying the replaced segment to confirm the repair is completed.

¹⁷ A typical cross-section showing a site undergoing Anomaly Repair Work is attached as Exhibit A.

¹⁸ These open anomaly repair sites are depicted in Exhibit B.

¹⁹ These planned anomaly repair sites are depicted in Exhibit C.

Pipeline CA-324 ("Line CA-324") (previously known as Line 901) is a twenty-four (24) inch diameter pipeline with a maximum permitted throughput capacity of 150,000-barrels of crude oil per day, which is designed to transport crude oil approximately 10.9 miles from the Las Flores Pump Station in Las Flores Canyon, west along the Gaviota Coast, to the existing Gaviota Pump Station located approximately one mile east of Gaviota State Park in Santa Barbara County. Las Flores Pipeline CA-325 ("Line CA-325") (previously known as Line 903) is thirty (30) inches in diameter, has a maximum permitted throughput capacity of 300,000-barrels of crude oil per day, and is designed to transport crude oil approximately 113.5 miles north from the Gaviota Pump Station to the Sisquoc Pump Station, then east through the Los Padres National Forest (LPNF) and Cuyama Valley, ultimately delivering crude oil to the existing Pentland Delivery Point in the San Joaquin Valley in Kern County. This existing pipeline system also provides a connection to the idled Phillips 66 Sisquoc Pipeline at the existing Sisquoc Pump Station, which previously transported crude oil west to the Phillips 66 Santa Maria Refinery.

During the Pipeline Project's environmental review under the California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA), the locations of Lines CA-324 and CA-325 were identified as an environmentally superior alignment to minimize impacts to environmental resources (including topography, viewshed, watersheds, etc.).²⁰ Pipeline construction disturbed a corridor approximately 100-feet in width, resulting in the removal of mature vegetation such as oak trees and minor alterations to existing landforms. Lines CA-324 and CA-325 commenced operations in 1994 and 1991 respectively. Since then, the pipelines' right-of-way has remained relatively devoid of mature vegetation, manmade structures, and other obstructions to prevent root-borne damage to the pipelines and facilitate prompt and continuous maintenance, repair, and inspection of the pipeline system. As such, an October 2020 Biological Resources Assessment confirmed that major work could be conducted in the pipelines' maintenance corridor without "any substantial adverse effects on or significant impacts to biological, botanical, wetland, or riparian habitat resources."²¹ The Assessment's conclusion was based in part on the fact that Lines CA-324 and CA-325's maintenance corridor ran through already-disturbed "openings" in woodland and shrubland habitat.²² The Assessment's conclusion also took into account potential impacts to environmentally sensitive habitat areas (ESHA) located in proximity to the portions of Lines CA-324 and CA-325 located within the coastal zone.²³

²⁰ See County Planning Commission Actions for Celeron Pipeline Project (Mar. 3, 1986), attached at Exhibit D, p. 54 ("Overall, the route chosen is environmentally preferable to any complete alternative route.").

²¹ SCS Engineers, "Line 901 & Line 903 Replacement Project: 2nd Revised Biological Resources Assessment" (October 5, 2020), p. 95. The "Replacement Project" proposed to replace Lines CA-324 and CA-325 (including the portions of the pipelines within the coastal zone) with a new pipeline that would be constructed parallel to the original pipeline. Although the Replacement Project ultimately was abandoned during the entitlement process, the Biological Resources Assessment remains relevant for its analysis of the biological setting surrounding Lines CA-324 and CA-325.

²² *Ibid*.

²³ See *id.*, p. 56.

III. THE ORIGINAL APPROVALS FOR THE LAS FLORES PIPELINE CONTEMPLATED, ANALYZED AND AUTHORIZED THE ANOMALY REPAIR WORK

A. Santa Barbara County Final Development Plan and Coastal Development Permit Background

The State Lands Commission and federal Bureau of Land Management and Department of the Interior prepared a joint Environmental Impact Report and Environmental Impact Statement (EIR/EIS) for the Celeron Pipeline Project, which included the pipelines now known as Lines CA-324 and CA-325, pursuant to CEQA and NEPA. The State Lands Commission certified the EIR/EIS in January 1985. After reviewing the EIR/EIS, the Santa Barbara County Planning Commission made a final decision to approve the Celeron Pipeline Project FDP on February 18, 1986.²⁴ The approval was not challenged during the appeal period and the Planning Commission's approval action became final and effective. The Planning Commission's action included the FDP (Case # 85-DP-66cz) and a Major CUP (Case # 83-CP-97cz).²⁵ The FDP was required because the Pipeline Project necessitated comprehensive review and the CUP was required because the pipelines crossed ESHA.

Consistent with the FDP approval, the County issued Coastal Development Permit CDP 86-CDP-189 for the Celeron Pipeline Project on July 27, 1986. CDP 86-CDP-189 approved "[c]learing, grading and trenching activities for [the] Celeron Pipeline Project as approved by 85-DP-66cz." The CDP incorporated "[t]he project description, pipeline route, conditions and plans required pursuant to those conditions described by the approved Final Development Plan 85-DP-66cz." CDP 86-CDP-189 also excluded "all activities related to pumpstations, river crossings, pipe stringing, welding, and any other activities not normally performed by the clearing, grading and trenching construction crews." Then, on August 5, 1986, the County issued Coastal Development Permit CDP 86-CDP-205 for the "[r]emainder of all construction activities for the Celeron Pipeline [P]roject as approved by 85-DP-66cz." CDP 86-CDP-205 also incorporated "[t]he project description, pipeline route, conditions and plans required pursuant to those conditions described by the approved Final Development Plan 85-DP-66cz." The CDPs were not challenged during the appeal period and became final and effective. 28

Accordingly, the conditions of approval for the pipelines' FDP, CUP, and CDPs are all governed under the same Conditions of Approval found in Case #85-DP-66cz, as amended by the County. The County has amended the Conditions of Approval from time to time, and as such identifies the Conditions of Approval with reference to each of the following case numbers: 88-DPF-033 (RV01)z, 88-CP-60 (RV01), 88-DPF-25cz, 85 DP-66cz, and 88DP-25cz. Although

²⁴ As indicated in Exhibit D, the Final Development Plan approved by the County contain the Pipeline Project's Conditions of Approval.

²⁵ See County Planning Commission Action on Celeron/All American Pipeline Project FDP, attached at Exhibit D.

²⁶ See County Coastal Development Permit 86-CDP-189 (July 27, 1986), attached at Exhibit E.

²⁷ County Coastal Development Permit 86-CDP-205 (August 5, 1986), attached at Exhibit F.

²⁸ See Cal. Code Regs., tit. 14 ("Coastal Act Regulations"), § 13313 (CDPs "issued by the local government shall become final unless a valid appeal is filed with the commission").

²⁹ See Conditions of Approval (Oct. 2024), attached at Exhibit G.

the County has issued separate coastal development permits for major pipeline improvements such as relocations and realignments since the pipelines' CDPs were first issued, the County has not required new or amended coastal development permits for pipeline anomaly repairs.³⁰

B. Prior Approvals and Environmental Review for the Pipelines Approved and Analyzed Repair and Maintenance Activities Such as the Anomaly Repair Work

1. <u>Pipeline Project EIR/EIS</u>

Repair and maintenance activities such as the Anomaly Repair Work, and any related environmental impacts, also were included and evaluated as part of the Pipeline Project's environmental review.³¹

The EIR/EIS explains that its impact analysis extends through the pipelines' entire lifetime, including both pipeline "operation" and "maintenance." The EIR/EIS specifically acknowledges that routine maintenance activities like the Anomaly Repair Work would occur during the pipelines' ongoing operation. For example, the EIR/EIS incorporates into the Pipeline Project's project description certain Oil Spill Contingency and Emergency Response Plans that address ongoing pipeline maintenance activities. The EIR/EIS concludes that compliance with these plans would "substantially reduce the oil spill risk" and reduce any significant impacts that would result from a major oil spill, including impacts related to soils, surface water, aquatic biology, and land use and recreation. The County's Statement of Overriding Considerations also concluded that compliance with these plans, identified mitigation measures, and the Conditions of Approval would "mitigate[] as completely as possible" all "potential oil spill impacts" and other potentially significant impacts resulting from the Pipeline Project.

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These plans (which were directly attached to the Draft EIR/EIS and were available for public review and comment) acknowledged the pipelines' ongoing inspection requirements, including by using inspection "pigs" to "measure the severity of corrosion and to inspect pipeline defects." If required, identified pipeline defects (i.e., anomalies) would be repaired, "cleaned and recoated" or "removed and replaced," and "faulty ... sections of pipe would be replaced as necessary." The EIR/EIS imposes no limitation on the number of sites where anomaly repairs

³⁰ See County CDPs 90-CDP-175 (pipeline realignment), 97-CDP-255 (pump station tank replacement), 00-CDP-069 (pipeline realignment).

³¹ See Proposed Celeron / All American and Getty Pipeline Projects Environmental Impact Report/Environmental Impact Statement (EIR/EIS), SCH No. 83110902 (1984, 1985). The Draft EIR/EIS for the pipeline project is available on the County's website here, and the Final EIR/EIS for the pipeline project is available here.

³² Final EIR/EIS, Abstract, p. 2.

³³ Draft EIR/EIS, pp. S-5 through S-14.

³⁴ County Planning Commission Action on Celeron/All American Pipeline Project FDP, attached at Exhibit D, pp. 55-56.

³⁵ Draft EIR/EIS, Appendix H, p. 37.

³⁶ *Ibid.*; Final EIR/EIS, RTC 37-4. The EIR/EIS's conclusions regarding the risk of oil spills, ruptures or leaks were predicated upon the pipeline operator's ability to repair anomalies detected in the pipelines. See Draft EIR/EIS, p. 4-35 ("Large spills, ruptures, or detectable leaks are less probable in terms of potential groundwater contamination because in these instances the pipeline valves would be closed immediately and the defect repaired.").

may be undertaken at any one time or over the pipelines' lifetime. As such, the pipeline anomaly repairs contemplated under the EIR/EIS may be undertaken at any number of sites where such work is necessary at the same time or over a condensed period without constituting a new project under CEQA.³⁷

The scope of anomaly repairs analyzed in the EIR/EIS involve the exact same steps as described above for the Anomaly Repair Work. First, crews must access the anomaly repair sites using the same methods required to install the pipelines in the first instance. The EIR/EIS acknowledged that constructing the pipeline route would involve "surface travel" over "[e]xisting roads or the ROW [right-of-way] itself," which could involve crossing "minor unpaved roads" and "stream crossings." Once an anomaly repair site is accessed, the EIR/EIS anticipated that the anomaly repair work would involve excavating and dewatering (if necessary) the affected pipeline segments, inspecting the pipelines, conducting repairs, reapplying insulation and outer wrap, and backfilling the repaired pipeline area.³⁹ Significantly, in performing its analysis of future anomaly repairs along the pipelines' route, the EIR/EIS acknowledges that impacts to environmentally sensitive habitat areas, such as oak woodlands, within the pipelines' right-of-way would be permanent (i.e., extending throughout the pipelines' lifetime due to anticipated and ongoing maintenance activities) and constitute a significant environmental impact. 40 The Anomaly Repair Work occurs within the boundaries of the right-of-way analyzed in the EIR/EIS, which was disturbed by pipeline construction and has remained impacted by ongoing pipeline inspection and operational activities.⁴¹

Accordingly, the Anomaly Repair Work – including its inspection, site access, excavation, and backfilling components – falls well within the scope of the repair and maintenance activities disclosed and analyzed under the prior environmental documentation for the Pipeline Project.

2. Conditions of Approval

The pipelines' Conditions of Approval, which were incorporated by reference into the pipelines' FDP, CUP, and CDPs, encompassed the same operational and maintenance

³⁷ See *Committee for a Progressive Gilroy v. State Water Resources Control Bd.* (1987) 192 Cal. App. 3d 847, 862-63 (subsequent action approving project operations within limits specified in original EIR does not constitute a new project requiring additional CEQA review); *County of Mono v. City of Los Angeles* (2022) 81 Cal.App.5th 657, 675 (subsequent action authorized by leases already subject to CEQA review does not constitute a new project triggering additional CEQA review).

³⁸ Draft EIR/EIS, pp. 2-4, 2-26, 2-30.

³⁹ See Draft EIR/EIS, pp. 4-35 (acknowledging that "localized dewatering" would result in "negligible" impacts when required as part of pipeline "excavation and burial"); 2-22 ("any repairs would have field applied insulation and outer wrap prior to lowering in and backfill operations").

⁴⁰ See, *e.g.*, Draft EIR/EIS, p. 4-57 ("About 220 acres of oak woodlands would be removed for the life of the project.").

⁴¹ See Line 901 & Line 903 Replacement Project: 2nd Revised Biological Resources Assessment, p. 19 ("[A]lthough existing conditions of the pipeline right-of-way vary, the majority of the corridor shows the initial Line 901/903 construction and subsequent ongoing maintenance activities have resulted in a readily recognizable corridor of predominately grassland habitat (60%)").

components of the Pipeline Project as described in the EIR/EIS.⁴² Accordingly, the Conditions of Approval specifically contemplated and approved ongoing repair and maintenance activities such as the Anomaly Repair Work. For example, Condition J-11 acknowledges that the pipelines' right-of-way will be used for "operational maintenance" after construction is completed.⁴³

Similarly, Condition P-2 contemplates that the pipeline operator will conduct "regular maintenance and safety inspections," "corrosion monitoring and leak detection," and "periodic safety audits."⁴⁴ Condition P-2 also acknowledges that federal regulations require the pipelines' operator to undertake certain repair and maintenance activities such as the Anomaly Repair Work. The County later amended this Condition in 1987 to expressly state that "[p]ermits may not be withheld or suspended due to County concerns which are under the jurisdiction of 49 CFR Part 195 (Transportation of Hazardous Liquids by Pipeline), with the exception of areas/issues agreed to by the permittee and the County."45 The Anomaly Repair Work falls directly within Sable's obligations under 49 C.F.R. § 195.452(h)(1), which requires operators to "take prompt action to address all anomalous conditions in the pipeline that the operator discovers." As such, Condition P-2 confirms that required repair and maintenance activities like the Anomaly Repair Work would be undertaken pursuant to the pipelines' Conditions of Approval, FDP, and CDPs rather than requiring new or modified permits. As described above, the County's Statement of Overriding Considerations concluded that the pipeline operator's compliance with Condition P-2 and other Conditions of Approval would "mitigate[] as completely as possible" all "potential oil spill impacts" and other potentially significant impacts resulting from the Pipeline Project.⁴⁶ The County is obligated to ensure compliance with its Statement of Overriding Considerations, including the prompt repair of anomalies, to ensure that significant impacts are mitigated to the maximum extent possible.⁴⁷

Like the EIR/EIS, the Conditions of Approval do not impose any limit or require new permits based on the number of sites where anomaly repairs may be necessary or undertaken at the same time or over a condensed period. To the contrary, repair and maintenance activities such as the Anomaly Repair Work fail to trigger any of the narrow circumstances under which the Conditions of Approval would require Sable to obtain a new or modified permit. Condition A-13 provides:

[The pipeline operator] shall obtain a new or modified permit, or authority to continue operation under the existing permit prior to undertaking any of the following activities which may, in the judgement of the County, result in significant

⁴² See Conditions of Approval, attached at Exhibit G, p. 8 ("This permit is premised upon findings that where feasible, all significant environmental effects of the project identified in the EIR/EIS [], which occur in Santa Barbara County, will be substantially mitigated by the permit conditions.")

⁴³ *Id.*, at p. 31.

⁴⁴ *Id.*, at p. 38.

⁴⁵ *Ibid.* (emphasis added).

⁴⁶ County Planning Commission Action on Celeron/All American Pipeline Project FDP, attached at Exhibit D, pp. 55-56.

⁴⁷ See *Sierra Club v. County of San Diego* (2014) 231 Cal. App. 4th 1152, 1167-68 ("Mitigating conditions are not merely expressions of hope. Once incorporated, mitigation measures cannot be defeated by ignoring them").

changes to the impacts on the County. Such changes could include but not be limited to 1) major pipeline or pump station modifications; 2) major changes in pipeline throughput; 3) introduction of production to the pipeline from sources other than those described above [noted as the outer continental shelf and other locally produced onshore and offshore petroleum from the Santa Barbara and Santa Maria Basins], and 4) introduction of a different product from any source.⁴⁸

The Anomaly Repair Work does not trigger any of these requirements. The work does <u>not</u> involve: 1) "major pipeline or pump station modifications," as the Anomaly Repair Work is a standard repair and maintenance activity required by 49 C.F.R. § 195.452(h)(1); 2) "major changes in pipeline throughput," because the Work will not increase the pipelines' capacity; 3) "introduction of production ... from [new] sources"; or 4) "introduction of a different product."

Moreover, the Conditions of Approval contemplate that biological impacts within the pipelines' operational right-of-way would be permanent, allowing for ongoing repair and maintenance activities like the Anomaly Repair Work. For example, Condition H-1(j) originally required the pipeline operator to develop a "plan for off-site reestablishment of oaks to mitigate impacts to oak savannahs and woodlands along the route."49 The County later modified this condition to require the pipeline operator to endow an Alternative Oak Mitigation Program to reestablish oak savannahs and woodlands in Santa Barbara County at an off-site location to mitigate for the Project's permanent on-site oak tree impacts.⁵⁰ Similarly, Conditions H-10 and H-11 required the pipeline operator to, after construction, replace and revegetate any disturbed catalina mariposa lily and refugio manzanita in locations "in or near" the disturbed area, but "exclusive of the operation [right-of-way]."51 Erosion control was the key objective for any required revegetation along the pipelines' operational right-of-way – not the long-term reestablishment of sensitive species – because it was clearly understood that the pipeline's rightof-way would continued to be disturbed by pipeline operation and maintenance.⁵² These Conditions confirm that any biological impacts along the pipelines' operational right-of-way resulting from the Anomaly Repair Work are within the scope of impacts previously approved by the County.

In sum, the Anomaly Repair Work falls within the scope of approved repair and maintenance activities contemplated by the pipelines' Conditions of Approval, and as analyzed under the Pipeline Project's EIR/EIS, to be undertaken without any subsequent or modified permit or subsequent environmental review.

⁴⁸ Conditions of Approval, attached at Exhibit G, p. 4.

⁴⁹ County Planning Commission Action on Celeron/All American Pipeline Project FDP, attached at Exhibit D, pp. 23-24 (emphasis added)

⁵⁰ Conditions of Approval, attached at Exhibit G, p. 21.

⁵¹ *Id.*, p. 22 (emphasis added).

⁵² See, *e.g.*, *id.*, at p. 20.

3. <u>County's Confirmation that Anomaly Repair Work Falls Within Scope of Previously Issued Permits</u>

The County's February 12, 2025, letter confirmed that Anomaly Repair Work does not require any further authorization under the Coastal Act or County's LCP.⁵³

The County issued its letter pursuant to its lawful, delegated authority under the Coastal Act and its certified LCP. The Coastal Commission first certified the County's LCP in March 1981, at which point the County became the vested coastal development permitting authority in the County's jurisdiction under the Coastal Act.⁵⁴ Pursuant to that authority, in 1986 the County issued the CDPs pursuant to its certified LCP. The CDPs were not appealed by any party, including the Coastal Commission. The CDPs are therefore final, valid, and not subject to further appeal.⁵⁵

As described above, the Anomaly Repair Work was analyzed as an ongoing maintenance activity under the Pipeline Project's EIR/EIS, and the Conditions of Approval confirm that such work was authorized by the FDP, CUP, and CDPs. The County's letter further confirms that Anomaly Repair Work included within Sable's Zoning Clearance applications falls within the scope of the Pipeline Project's previously issued permits. The County reached this conclusion after review of detailed descriptions, plans, and assessments provided to the County by Sable that was included in those Zoning Clearance applications concerning anomaly repair work that was ongoing at the time the NOV was received as well as proposed future anomaly repair work in the coastal zone. Because the County's confirmation was based on substantial evidence, it is entitled to deference.⁵⁶ The County's confirmation is also entitled to deference because it approved the FDP, CUP, CDPs, and Conditions of Approval in the first instance.⁵⁷

Although Sable's Zoning Clearance applications allowed the County to confirm that Anomaly Repair Work falls within the scope of the Pipeline Project's existing CDPs, the County also concluded that such work does not actually require Zoning Clearances. As the County explained, its "assessment is consistent with the type of reviews conducted by the County, both

⁵³ As noted above, the County's letter is limited to the anomaly repairs that were addressed in the Zoning Clearance applications submitted by Sable to the County on November 22, 2024 and December 6, 2024. Those Zoning Clearance applications only addressed ongoing and future anomaly repairs. While the County has not yet reviewed information related to the prior anomaly repairs, there are no differences in the type of work involved between the ongoing, future, and past anomaly repairs. Accordingly, it is anticipated that the County will confirm that past anomaly repair work also falls within the scope of previously issued permits. Sable is working to compile information to the County to obtain written confirmation that the authorization provided in the County letter also applies "after-the-fact" to the past anomaly repairs.

⁵⁴ See Pub. Res. Code, § 30519.

⁵⁵ See Cal. Code Regs., tit. 14, § 13313 (CDPs "issued by the local government shall become final unless a valid appeal is filed with the commission").

⁵⁶ See *Kurtzke v. City of San Diego* (2017) 11 Cal.App.5th 1034, 1040 (City's finding under Planning and Zoning Law was subject to substantial evidence standard, which does not permit courts to "substitute its own findings and inferences" for that of a local agency).

⁵⁷ See Pub. Res. Code, § 30600.5. Compare *Citizens for Responsible Equitable Environmental Development v. City of San Diego* (2010) 184 Cal.App.4th 1032, 1047 (local agency "entitled to significant deference" in interpreting its own Municipal Code).

inside and outside the Coastal Zone, on a regular basis to determine whether proposed development activities fall within the scope of existing permits."⁵⁸ Therefore, based on its review, "no further application to or action by the County is required."⁵⁹ This reflects a County understanding that Zoning Clearances should be used before commencing *initial* construction approved under a final development plan and that Zoning Clearances should not be used for each individual element of the approved development or use throughout the life of a project. Accordingly, the County offered to return the Zoning Clearance applications without taking any action on them other than confirming "that the pipeline anomaly repair work is authorized by the existing permits."⁶⁰

The County's confirmation is not appealable under the CZO or LCP. The CZO defines certain actions, decisions, and determinations for which an appeal to the Zoning Administrator, Planning Commission, or Board of Supervisors is permitted. Such appealable actions include decisions on applications for a coastal development permit or other planning permit, determinations as to the meaning or applicability of the CZO, and other decisions for which the CZO identifies the Planning Director as the applicable decision-maker. The County's confirmation that the Anomaly Repair Work was authorized by the Pipeline Project's previously issued permits does not fall within any of these categories and is not identified under the CZO as an appealable action. The County's letter further confirms that it is "not appealable to the Planning Commission [or] Board of Supervisors." Rather, the County undertakes on a regular basis to assess whether previously-approved development activities conform with their authorizing permits and approvals. Such ministerial confirmations are not subject to an appeal to any decision-maker within the County.

Moreover, the County's letter does not constitute an appealable action under the Coastal Act. The County's confirmation that the work was authorized by the existing CDPs is "not appealable to the ... Coastal Commission" because the County is not taking any final action or appealable action on an application for a coastal development permit. Further, the County's letter is not an appealable determination as to whether anomaly repair work is exempt from coastal development permit requirements under the CZO or the Coastal Act. The County's letter is not a determination of exemption but is instead a confirmation that the work already has been lawfully authorized through the existing CDPs issued by the County. As such, the

⁵⁸ County Letter.

⁵⁹ *Ibid*.

⁶⁰ Ibid.

⁶¹ See CZO, § 35-57C.

⁶² See *ibid.*, §§ 35-182.3.A, 35-182.4.A.2.

⁶³ See County Letter. The County's Letter is not a determination on an "application for development or the request for exemption or categorical exclusion" under Coastal Act Regulations section 13569. Instead, it is a confirmation that the proposed work already was authorized under the existing FDP and CDPs and that no application was required.

⁶⁴ See *ibid.*; CZO § 35-186.6; Pub. Res. Code, §§ 30603, 30625; *City of Dana Point v. Cal. Coastal Commission* (2013) 217 Cal.App.4th 170, 188-189 (Section 30625 allows Coastal Commission appeals for "quasi-adjudicatory actions" on coastal development permits or claims of exemption).

⁶⁵ See County Letter.

⁶⁶ See Pub. Res. Code, § 30625.

Coastal Act provides no basis for an appeal to the Coastal Commission of the County's letter confirming that the Anomaly Repair Work falls within the scope of the Pipeline Project's existing approvals. The County's confirmation that the Anomaly Repair Work requires no further Coastal Act authorization is therefore final.

In sum, the Anomaly Repair Work does not constitute a violation of the Coastal Act or LCP because all work is consistent with a previously issued Coastal Development Permit. Accordingly, Sable may continue with the work without being subject to an NOV or other enforcement action.

IV. PREEMPTION BY FEDERAL AND STATE LAW

Provisions of the County's CZO and County Code are preempted and inapplicable where they "conflict" with federal or state law.⁶⁷ A "conflict" between local and general laws occurs where the local law "duplicates, contradicts or enters an area fully occupied by general law."⁶⁸ Here, provisions of the County's CZO and County Code that conflict with Sable's obligations under applicable federal and state regulations, including those that regulate pipeline safety and repairs, are therefore preempted.

San Diego Gas & Electric Co. v. City of Carlsbad illustrates the extent to which the County Code and CZO may be preempted by federal and state law. In that case, SDG&E dredged a lagoon near an electrical generation plant to enable seawater to be used to cool the plant's generation units.⁶⁹ The City of Carlsbad required SDG&E to obtain a special use permit, pursuant to a floodplain ordinance and the City's coastal development ordinance, to undertake these dredging activities.⁷⁰ SDG&E challenged the City's jurisdiction over its dredging activities under the coastal development and floodplain ordinances.⁷¹ The Court of Appeal held that "the City's requirement of a special use permit for dredging" – an "essential maintenance activity" – placed a "physical and economic burden on SDG&E's operation and maintenance" of the plant and was therefore preempted by the CPUC's "statewide interest in ensuring that utility operations are conducted in a safe and efficient manner."⁷²

Similarly, here, federal law preempts any CZO or County Code regulation as to pipeline safety. Applicable federal regulations⁷³ specifically require Sable to "take prompt action to address all anomalous conditions in [any] pipeline,"⁷⁴ and also generally regulate pipeline

⁶⁷ See, *e.g.*, *U.S. v. City of Pittsburg, Cal.* (9th Cir. 1981) 661 F.2d 783 (federal law preempts local land use regulation); Cal. Const. art. XI, § 7 ("A county or city may make and enforce within its limits all local, police, sanitary, and other ordinances and regulations *not in conflict with general laws.*") (emphasis added); *People ex re. Deukmejian v. County of Mendocino* (1984) 36 Cal.3d 476 (state law preempts local land use regulation).

⁶⁸ Viacom Outdoor, Inc. v. City of Arcata (2006) 140 Cal. App. 4th 230, 236.

⁶⁹ See San Diego Gas & Electric Co. v. City of Carlsbad (1998) 64 Cal.App.4th 785, 789.

⁷⁰ See *id.*, at p. 790.

⁷¹ See *id.*, at p. 791.

⁷² *Id.*, at p. 802.

⁷³ See 49 C.F.R. Part 195, adopted by OSFM at 19 C.C.R. § 2000.

⁷⁴ 49 C.F.R. § 195.452(h)(1).

design, corrosion control, operation and maintenance activities, and pipeline safety. As California's enforcement authority for such regulations the Office of the State Fire Marshal (OSFM) issued two State Waivers on December 17, 2024, that require Sable to conduct anomaly repairs on the pipelines within 180 days, if not immediately. Any local regulations that interfere with Sable's ability to complete these anomaly repairs on the timelines required by OSFM would present a genuine conflict with Sable's ability to comply with federal regulations, and therefore would be preempted.

The County acknowledges that its authority over pipeline safety repairs is preempted. For example, Condition P-2 states that "permits may not be withheld or suspended due to County concerns which are under the jurisdiction of 49 C.F.R. Part 195 (Transportation of Hazardous Liquids by Pipeline), with the exception of areas/issues agreed to by [the pipeline operator] and the County." Moreover, as part of a Settlement Agreement entered into by the County and the pipelines' original proponent (the Celeron Pipeline Company of California), the County agreed that it was preempted from regulating pipeline design, construction, and operation covered under 49 C.F.R. Part 195.80

The County's February 12, 2025, letter does not address preemption related issues. Further discussion of preemption is not necessary at this time because the County has confirmed that the Anomaly Repair Work is authorized under the Pipeline Project's previously issued CDPs, FDP, CUP, and under the Coastal Act and Certified LCP.⁸¹

V. CONCLUSION

The County fully analyzed environmental impacts resulting from, and ultimately approved, repair and maintenance activities on the pipelines such as the Anomaly Repair Work when it initially approved the pipelines' CDPs and associated construction activities in the 1980s. The County has since confirmed that Sable's anomaly repairs fall within the scope of those prior approvals and do not require a new or modified coastal development permit.

⁷⁵ See, *e.g.*, *id.*, §§ 195.110(b), 252(a) (requiring backfill for pipeline support), 248 (minimum cover requirements) 246 (preventing external damage to exposed pipelines), 414 (requiring repairs for weather-related damage), 569, 585 (inspections and actions to correct corrosion), 436 (protecting against pipeline vandalism).

⁷⁶ See Government Code, § 51010 (vesting OSFM with the "exclusive safety[,] regulatory and enforcement authority over intrastate hazardous liquid pipelines" and establishing OSFM as the implementing authority for the federal Hazardous Liquid Pipeline Safety Act and "federal pipeline safety regulations as to those portions of interstate pipelines" located in California). See also 19 C.C.R. §§ 2000 (OSFM's adoption of the Pipeline and Hazardous Materials Safety Administration (PHMSA) implementing regulations), 2100 et seq. (regulating new and replacement pipelines in certain areas within the coastal zone).

⁷⁷ See OSFM, Letter of Decision on State Waiver Requests (CA-324 and CA-325A/B) (Dec. 17, 2024), attached at Exhibit H. PHMSA confirmed that it did not object to OSFM's State Waivers on February 11, 2025. See PHMSA, Letters re: Docket No. PHMSA-2025-0002 and -0003 (Feb. 11, 2025), attached at Exhibit I.

⁷⁸ See, e.g., Bernstein v. Virgin Am., Inc., 3 F.4th 1127, 1140 (9th Cir. 2021).

⁷⁹ Conditions of Approval, attached at Exhibit G, p. 35, Condition P-2.

⁸⁰ See Celeron Settlement Agreement (Feb. 8, 1988), p. 2. The Celeron Settlement Agreement is available <u>here</u>.

⁸¹ Sable does not waive any right to assert that any future approvals or permitting requirements may be preempted by federal and state law.

Therefore, the Anomaly Repair Work does not violate the Coastal Act, LCP, or County Code, and the County has confirmed that Sable is authorized to complete the work.