



PIPELINE SAFETY DIVISION 2018 REPORT TO THE LEGISLATURE

(SB 840, COMMITTEE ON BUDGET AND FISCAL REVIEW,
STATUTES OF 2016)



CALIFORNIA DEPARTMENT OF FORESTRY & FIRE PROTECTION
OFFICE OF THE STATE FIRE MARSHAL
MIKE RICHWINE, STATE FIRE MARSHAL, ACTING

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Executive Summary

Senate Bill 840 (Committee on Budget and Fiscal Review, Statutes of 2016), codified in Government Code Section 51015.6, requires the CAL FIRE - Office of the State Fire Marshal (OSFM) to annually submit a report to the Legislature to update: (1) the number of annual inspections conducted pursuant to Government Code Section 51015.1; (2) the status of the installation of automatic shutoff systems pursuant to Government Code Section 51013.1, including a summary of the types of shutoff systems installed, and the number of miles of pipeline covered by an automatic shutoff system; and (3) the status of Line 901 and Line 903 in the County of Santa Barbara.

The information contained in this report is for calendar year 2018.

- (1) The regulation for the annual inspection of hazardous liquid pipeline operators and pipelines as required by Government Code (GC) Section 51015.1 became effective in 2017 and the OSFM has fully implemented the required annual inspections. There are 47 hazardous liquid pipeline operators that fall within the OSFM jurisdiction under the Pipeline Safety Act. The new annual inspections consist of two phases: pipeline operator inspections and pipeline inspections. For the first phase, the OSFM completed inspections of all 47 pipeline operators. The second phase, which consisted of annual pipeline inspections, were completed by the fourth quarter of 2018. These inspections are recurring every year.
- (2) The OSFM has completed draft regulatory language for any new, replacement, or retrofit pipeline near an Environmentally and Ecologically Sensitive Area in the Coastal Zone as required by GC Section 51013.1. The economic impact analysis for the draft regulation was reviewed by Department of Finance, who generally concurred with the methodology used to estimate impacts of the proposed regulation. The OSFM is working to submit the proposed rulemaking package to the Office of Administrative Law. Because the regulations have not been formally adopted, the OSFM has not been notified of the installation of any automatic shutoff systems pursuant to Section 51013.1 to date.
- (3) Lines 901 and 903, owned by Plains Pipeline, L.P. (Plains) in the Counties of Santa Barbara and San Luis Obispo, have been purged of hazardous liquid and still are not operational. Line 903 is operating at a reduced pressure for the inland portion from Pentland to Emidio stations. Furthermore, Plains cannot restart Line 901 until they receive approval from the United States Department of Transportation – Pipeline and Hazardous Materials Safety Administration (PHMSA) and the OSFM. These two (2) pipelines were reclassified as intrastate pipelines in May 2016 and are now subject to California pipeline safety laws and will be subject to the new regulations being developed pursuant to GC Sections 51015.1 and 51013.1. Plains has submitted applications to the Counties of Santa Barbara and San Luis Obispo for the potential

replacement of both Line 901 and 903 with entirely new pipelines. The application is still under review.

Background

On May 19, 2015, an interstate pipeline (Plains Line 901) ruptured, releasing over 123,000 gallons of heavy crude oil into the environment and ocean near Refugio State Beach in the County of Santa Barbara. The impacts from the spill were devastating, both environmentally and economically. To prevent similar accidents from occurring on intrastate hazardous liquid pipelines, the Governor signed two pipeline safety bills into law, Senate Bill 295 (Jackson, Chapter 607, Statutes of 2015) and Assembly Bill 864 (Williams, Chapter 592, Statutes of 2015), which established GC Sections 51015.1 and 51013.1, respectively.



GC Section 51015.1 directed the OSFM to develop and adopt regulations by January 1, 2017, to conduct annual inspections on each intrastate hazardous liquid pipeline and pipeline operator to reduce the likelihood of future pipeline accidents. Regulations for Section 51015.1 became effective in February 2017.

Section 51013.1 requires new, replacement, and existing pipelines near Environmentally and Ecologically Sensitive Areas in the Coastal Zone to use best available technology to reduce the amount of oil released in an oil spill to protect State waters and wildlife. The OSFM was directed to develop and adopt regulations pursuant to GC Section 51013.1 by July 1, 2017, to include, but not be limited to:

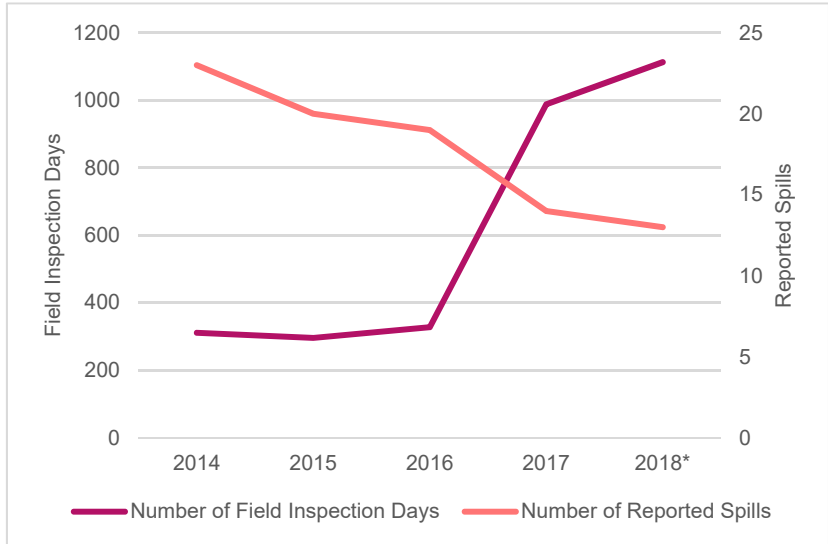
1. A definition of automatic shutoff systems.
2. A process to assess the adequacy of the pipeline operator's risk analysis.
3. A process by which an operator may request confidential treatment of information submitted in its plan or contained in any documents associated with the risk analysis.
4. A determination of how near a pipeline must be to an Environmentally and Ecologically Sensitive Area to be subject to the regulation based on the likelihood of the pipeline impacting those areas.

Draft regulations for GC Section 51013.1 have been completed and the official rulemaking process governed by the Administrative Procedures Act has not formally commenced. The OSFM is anticipating the regulations becoming effective in 2019. Information on the draft regulations can be found here:

http://osfm.fire.ca.gov/codedevelopment/codedevelopment_title19development

Number of Annual Inspections Conducted Pursuant to Government Code Section 51015.1

The 2018 cycle of annual inspections began in July 2017 with the submission of a Comprehensive Form (PSD-101) by each jurisdictional pipeline operator. The PSD-101 contains data and validated inspection results from the previous calendar year for each jurisdictional pipeline and also scheduled projects for the next calendar year. OSFM engineers review



Year	Number of Field Inspection Days	Percentage of Pipeline Operators Inspected
2014	311	75%
2015	296	46%
2016	328	64%
2017*	988	100%
2018* (as of December 2018)	1,113	100%

*SB 295 inspections in effect.

the forms and conduct inspections based on the information submitted. All 47 pipeline operators subject to OSFM jurisdiction were inspected to ensure compliance with federal and State regulations by the fourth quarter of 2018.

The second phase of the 2018 cycle of annual inspections began in January 2018, with the annual inspections of the pipelines themselves. This was the first year of annual

Year	Number of Enforcement Actions
2014	54
2015	16
2016	26
2017*	15
2018* (as of December 2018)	53

*SB 295 inspections in effect.

pipeline inspections and the OSFM performed 60 annual pipeline inspections that included a total of 663 individually inspected jurisdictional pipelines. The goal of the annual

inspection is to enhance public safety, protect California’s vital natural resources, and reduce the risk of future jurisdictional hazardous liquid pipeline accidents.

Year	Number of Reported Spills
2014	23
2015	20
2016	19
2017*	14
2018*(as of December 2018)	13

*SB 295 inspections in effect



Status of the Installation of Automatic Shutoff Systems Pursuant to Government Code Section 51013.1, including a Summary of the Types of Shutoff Systems Installed, and the Number of Miles of Pipeline Covered by an Automatic Shutoff System

The OSFM has completed the draft language for the new regulations required under GC Section 51013.1 and anticipates completing the formal rulemaking process in 2019. The draft regulations include a definition for Automatic Shutoff Systems, among other requirements contained in GC Section 51013.1. As currently drafted, an “Automatic Shutoff System” is defined as an automated system not dependent upon human interaction capable of shutting down a pipeline system. No Automatic Shutoff Systems have been installed pursuant to GC Section 51013.1 to date because the regulations have not been formally adopted.

Information on Automatic Shutoff Systems installed, and miles of pipeline covered by these systems will be outlined in the 2019 Report to the Legislature.

Status of Plains Pipeline Line 901 and Line 903 in the County of Santa Barbara

Line 901 (Los Flores Canyon to Gaviota Pump Station) in Santa Barbara County has been purged of hazardous liquid and is currently not in operation. The pipeline cannot be restarted until Plains receives approval from PHMSA and the OSFM. A return to service date has not been set for the line.

The section of Line 903 (Gaviota Pump Station to Pentland Pump Station) in Santa Barbara County has also been purged of hazardous liquid and is not in operation. However, the section of Line 903 (Pentland Pump Station to Emidio Pump Station) in Kern County remains in operation at reduced operating pressure. Plains is conducting extensive inspection and preventative maintenance; the OSFM is closely monitoring these activities.

Both PHMSA and OSFM inspectors are monitoring construction activities on Lines 901 and 903. Lines 901 and 903 have been reclassified from interstate pipelines to intrastate pipelines and are therefore subject to California pipeline safety laws, which includes regulations developed pursuant to GC Sections 51015.1 and 51013.1.



Plains submitted various plan and permit applications to the Counties of Santa Barbara and San Luis Obispo requesting approval of the Lines 901 and 903 replacement project. This permitting process is expected to take three (3) years to approve.

Both PHMSA and the OSFM inspectors are monitoring all activities on Lines 901 and 903 and the OSFM continues to maintain close communication with local, State, and federal agencies regarding the status of Lines 901 and 903.

Conclusion

In 2019, the OSFM will continue to enforce California pipeline safety laws and regulations through detailed inspections of intrastate hazardous liquid pipelines and pipeline operators; continue to implement the annual inspection of each hazardous liquid pipeline and their operators required by regulation developed pursuant to GC Section 51015.1; promulgate regulations to implement the requirements of GC Section 51013.1; and continue to monitor the status of Plains Lines 901 and 903.

Pursuant to GC Section 9795(d), this report can be obtained by:

- Viewing the report posted at the OSFM website here: <http://osfm.fire.ca.gov>
- Downloading from the OSFM website provided here: <http://osfm.fire.ca.gov>
- Calling the OSFM at (916) 263-6300 and requesting a hard copy.