



2019 PIPELINE SAFETY DIVISION REPORT TO THE LEGISLATURE

(SB 840, COMMITTEE ON BUDGET AND FISCAL REVIEW, CHAPTER 341,
STATUTES OF 2016)

**CALIFORNIA DEPARTMENT OF FORESTRY & FIRE PROTECTION
OFFICE OF THE STATE FIRE MARSHAL, PIPELINE SAFETY DIVISION**

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The California Department of Forestry and Fire Protection serves and safeguards the people and protects the property and resources of California.

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Executive Summary

Government Code (GC) Section 51015.6 (Senate Bill 840, Committee on Budget and Fiscal Review, Chapter 341, Statutes of 2016), 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.

- (1) Regulations for the annual inspection of hazardous liquid pipeline operators and pipelines as required by GC Section 51015.1 went into effect in 2017 and the OSFM has fully implemented the required annual inspections. The annual inspections consist of two phases: pipeline operator inspections and pipeline inspections. There are 55 hazardous liquid pipeline operators and 750 pipelines that fall within the OSFM jurisdiction under the Pipeline Safety Act. For the first phase, the OSFM completed inspections of pipeline operators. The second phase, which consisted of annual pipeline inspections, are anticipated to be completed by the fourth quarter of 2019. These inspections reoccur annually.
- (2) The OSFM completed draft regulatory language for new, replacement, or retrofit pipelines near Environmentally and Ecologically Sensitive Areas in the Coastal Zone as required by GC Section 51013.1 and is currently reviewing public comments. Because the draft regulations which define “automatic shutoff systems” are not final, the OSFM has not been formally notified of the installation of any automatic shutoff systems pursuant to Section 51013.1.
- (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 are not operational at this time. These two (2) pipelines were reclassified as intrastate pipelines in May 2016 and became subject to the California Elder Pipeline Safety Act, which includes regulations adopted pursuant to GC Sections 51015.1 and 51013.1. Plains submitted applications to the Counties of Santa Barbara and San Luis Obispo for replacement of both Line 901 and the majority of Line 903 with entirely new pipelines. The application is still under review. However, the section of Line 903 (Pentland Pump Station to Emidio Pump Station) in Kern County is now operating at normal pressure following authorization from the United States Department of Transportation – Pipeline and Hazardous Materials Safety Administration (PHMSA). The OSFM is currently monitoring the operations of this portion of Line 903 to ensure safety. Plains cannot restart any portions of Line 901 until they receive approval from PHMSA and the OSFM.

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, Governor Jerry Brown 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 conduct annual inspections on each intrastate hazardous liquid pipeline and pipeline operator to reduce the likelihood of future pipeline accidents. Regulations to carry out this directive 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 the best available technology (as defined) to reduce the amount of oil released in an oil spill to protect State waters and wildlife. The OSFM developed draft regulations pursuant to GC Section 51013.1 that include, among other items, the following:

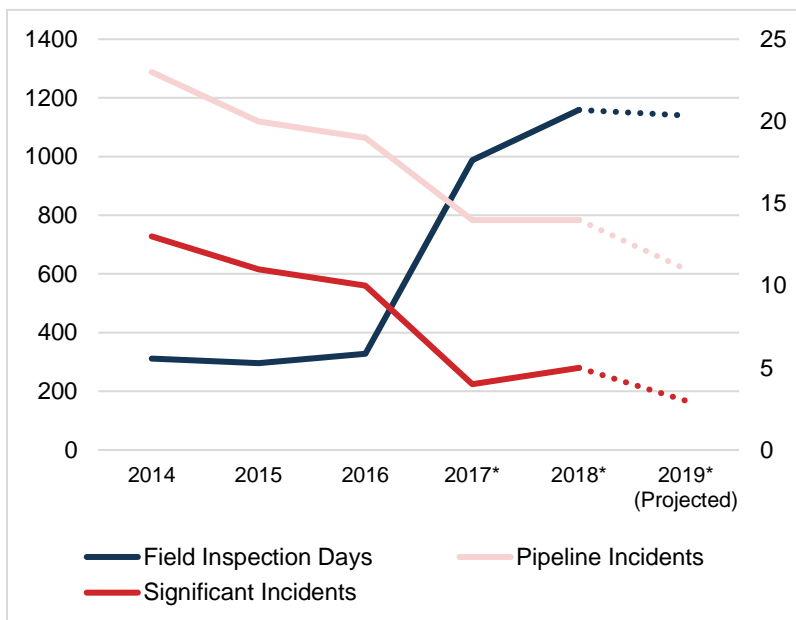
1. A definition of automatic shutoff systems.
2. A process to assess the adequacy of a pipeline operator's risk analysis.
3. A process by which an operator may request confidential treatment of information submitted in its implementation plan or contained in any documents associated with the risk analysis.
4. A determination of how near to an Environmentally and Ecologically Sensitive Area a pipeline must be to be subject to the requirements of Section 51013.1 based on the likelihood of the pipeline impacting those areas.

The official rulemaking process for draft regulations under GC Section 51013 commenced in February 2019. The OSFM anticipates that the regulations will become effective in 2020. Information on the draft regulations can be found here:

<https://osfm.fire.ca.gov/divisions/code-development-and-analysis/title-19-development/>

Number of Annual Inspections Conducted Pursuant to Government Code Section 51015.1

The 2019 cycle of annual inspections began in July 2018 with the submission of a *California Intrastate Pipeline Operator Annual Report (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 scheduled projects for the next calendar year. OSFM engineers conduct



OSFM engineers conduct targeted inspections based on the information submitted. All 55 pipeline operators subject to OSFM jurisdiction were inspected by the fourth quarter of 2018 to ensure compliance

Year	Field Inspection Days	Pipeline Incidents	Significant Incidents ^a	Pipeline Operators Inspected
2014	311	23	13	75%
2015	296	20	11	46%
2016	328	19	10	64%
2017*	988	14	4	100%
2018*	1159	14	5	100%
2019* ^b	1140	11	3	100%
*SB 295 inspections in effect.				

with federal and State regulations. All operator inspections have been completed for the 2019 cycle.

The second phase of the 2019 cycle of annual inspections began in January 2019, with the annual inspections of the pipelines themselves. As of October 2019, the OSFM has

^a "Significant Incidents" are those including any of the following conditions: (1) Fatality or serious injury; (2) \$50,000 or more in total costs (1984 dollars); (3) A release of 50 barrels or more (5 barrels or more of a highly volatile liquid); or (4) Liquid releases resulting in an unintentional fire or explosion.

^b Field inspection Days for 2019 are projected through end of year. Pipeline Incidents, Significant Incidents, and Pipeline Operators Inspected are current as of October 2019.

completed 88.5% of annual pipeline inspections that included a total of 663 out of 750 individually inspected jurisdictional pipelines, with the remaining 87 to be inspected by the end of the year. The goal of these annual inspections is to reduce the risk of future jurisdictional hazardous liquid pipeline accidents, which impacts public safety and California’s vital natural resources.

The success of these activities is illustrated by an increase in the number of enforcement actions identified by OSFM engineers during inspections and a decrease in the number of incidents on jurisdictional pipelines.

Year	Number of Enforcement Actions
2014	54
2015	16
2016	26
2017*	15
2018*	74
2019* (as of October 2019)	39

*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 draft language for new regulations required under GC Section 51013.1 is currently in the public comment period. OSFM anticipates the formal rulemaking process will be completed in 2020. Among other requirements contained in GC Section 51013.1, the draft regulations include a definition for Automatic Shutoff Systems. The draft regulations define, “Automatic Shutoff System” as an automated system not dependent upon human interaction capable of shutting down a pipeline system. OSFM is unable to report the number of automatic shutoff systems installed as required by GC Section 51013.1 because the regulations have not been formally adopted. Operators may have installed such a system to comply with other requirements but those may not be compliant with the final regulations.



The 2020 Pipeline Safety Division Report to the Legislature will outline report the number of Automatic Shutoff Systems installed and miles of pipeline covered by these systems.

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 in Santa Barbara County has also been purged of hazardous liquid and is not in operation. However, the section of Line 903 from Pentland Pump Station to Emidio Pump Station in Kern County remains in operation and, following authorization from OSFM and PHMSA, has returned to operating at normal operating pressures. PHMSA, consulted with the OSFM, and determined that the extensive inspection, repairs, and preventative maintenance required following the Refugio Spill had been completed and that the line was safe to return to normal operating pressures. Lines 901 and 903 have been reclassified from interstate pipelines to intrastate pipelines and are therefore subject to the California Elder Pipeline Safety Act, 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 two (2) years to approve. PHMSA and OSFM inspectors are monitoring permitting and construction activities on Lines 901 and 903.



The OSFM continues to maintain close communication with local, state, and federal agencies regarding the status of Lines 901 and 903. As such, OSFM inspectors are monitoring activities on these lines.

Conclusion

OSFM commenced the 2020 cycle of annual inspection in November 2019; this inspection cycle will continue to the end of 2020. During 2020, we 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 as required by regulation developed pursuant to GC Section 51015.1; promulgate and enforce 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 viewed and downloaded from the OSFM website at: <http://osfm.fire.ca.gov>. A hard copy of the report can be obtained by calling the OSFM at (916) 263-6300.