CALIFORNIA OCEAN PROTECTION COUNCIL

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MEMORANDUM

TO: Ocean Protection Council

FROM: Neal Fishman, Program Manager

DATE: June 10, 2010

RE: Panel Discussion on Oil and Gas Platform Decommissioning in California

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Overview

On Tuesday, June 8 the California Ocean Science Trust (OST) released a report that identifies and evaluates decommissioning alternatives for the 27 state and federal oil and gas platforms off California's coast. "Evaluating Decommissioning Alternatives for California's Offshore Oil and Gas Platforms: A Technical Analysis to Inform State Policy" is a compilation of existing relevant information that was thoroughly reviewed by a committee of experts. The report was jointly funded with public and private money, specifically from Chevron, the California Ocean Protection Council, the Ocean Conservancy, the Sportfishing Conservancy, and United Anglers. This report is the first of its kind to pull together information in one place and assess the status of knowledge on the technical, legal, environmental, and economic factors that should be considered in evaluating decommissioning options.

In order to provide an opportunity for the Council and the public to learn about and comment on this important issue, OPC and OST staff have organized a two-part panel that will include presentations and discussions by project team members, stakeholders, and agency representatives. This panel will: increase the OPC and the public's understanding of the diverse issues surrounding platform decommissioning; discuss key findings of the recently released report; present an overview of the process that the OST used to ensure that the report remained credible, unbiased, and authoritative; and present diverse stakeholders perspectives on oil and gas platform decommissioning.

It is important to note that the report is not about offshore oil drilling or oil exploration. Rather, it identifies and analyzes the impacts of a variety of decommissioning options that could be implemented once an oil and gas platform reaches the end of its design life. While the report does not provide specific policy recommendations, it does identify the tradeoffs among decommissioning options by addressing a broad range of issues – from air quality to liability concerns to ecological impacts

Background

Twenty-seven offshore oil and gas platforms exist off the California coast in state and federal waters, many of which may reach the end of their useful production lifetimes within the coming decades. Under the current regulatory framework, federal and state leases require complete removal of the facility upon decommissioning; consideration of any option other than full removal would require changes in permit requirements and in state legislation. For years discussions have occurred between government, academic, industry, environmental groups, and fishing organizations about the potential environmental and economic pros and cons of various decommissioning options, ranging from total removal to partial decommissioning for artificial reefs.

In order to learn more about the various options for decommissioning offshore oil and gas platforms, the California Natural Resources Agency instituted a three-phase process. The first phase involved working with stakeholders and members of the Interagency Decommissioning Working Group (a group of state and federal agency representatives with expertise in oil and gas platform decommissioning) to identify relevant questions and concerns related to decommissioning alternatives. These questions and concerns formed the basis for the Request for Proposal (RFP) for a "Study to Provide Information Related to Oil and Gas Platform Decommissioning Alternatives in California." The Resources Agency asked the OST – a 501(c)(3) nonprofit public benefit corporation whose mission is to support ocean and coastal resource management decisions with the best available science – to coordinate the second phase of the Agency's efforts on decommissioning and manage the study outlined in the RFP. In the third phase, the State of California will evaluate policy issues related to decommissioning. The report produced from phase two will provide technical background for phase three.

In accordance with its mission of supplying California decision makers with rigorous and objective technical information, the OST drew from respected and venerable models such as the National Academies and the California Council on Science and Technology to design a comprehensive, deliberative study process with the goal of ensuring a thorough, balanced, and unbiased final report that would be a useful reference for decision-makers. OST's process encompassed extensive expert technical review of the RFP, revision and release of the RFP, and selection and oversight of a qualified project team. Furthermore, through a public nomination process the OST convened an Expert Advisory Committee (EAC). This multidisciplinary, 15-member body included academics, industry experts, and agency representatives. The EAC's charge was to work with the OST and the project team to guarantee that the state received authoritative and credible advice on this important issue. The EAC informed the selection of the project team by providing comments on the proposals, reviewed and submitted detailed comments to the OST on the team's interim products and report drafts, provided general advice on the study process and approach, and deepened the expertise that shaped project findings. In addition to the guidance provided by the EAC, the California Attorney General's Office advised the OST, the project team, and the EAC on issues regarding the legal components of the study.

Panel Logistics

The panel will be divided into two parts: the first will include members of the project team to discuss the report, and the second will include stakeholders and agency representatives with expertise in oil and gas platform decommissioning.

Introduction and Overview of Study Process

1. Neal Fishman, California Ocean Protection Council
2. Diana Pietri, California Ocean Science Trust

Part 1: Key Findings of Report

1. Project Approach and Key Findings (Dr. Brock Bernstein, Project Lead, Independent Consultant)
2. Decommissioning Options and Technical Requirements (Andy Bressler, retired, formerly of Texaco's California Business Unit)
3. Platforms and Marine Resources (Dr. Dan Pondella, Occidental College)

Part 2: Perspectives on Platform Decommissioning

1. Linda Krop (Environmental Defense Center)
2. Garry Brown (Orange County Coastkeepers)
3. Doug Anthony (Energy Division of Santa Barbara County)
4. Discussant: Alison Dettmer (California Coastal Commission)

Other Panelists TBD

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For more information about the report and study, please visit:
http://www.calost.org/Oil_gas.html