<u>REVISED</u> MOTION BY SUPERVISOR<u>S</u> MARK RIDLEY-THOMAS SEPTEMBER 29, 2020 AND JANICE HAHN

<u>Facilitating the Development of a "Just Transition" to Clean Energy Away from Fossil Fuels</u>

As the County of Los Angeles (County) strives to create a safer and more climate resilient region, the Chief Sustainability Office (CSO), in collaboration with the Departments of Public Works (DPW) and Regional Planning (DRP), continue to collectively guide implementation of the County's sustainability-focused initiatives and specifically, develop policy and programmatic strategies to better regulate oil drilling activities across the County.

This effort dates back to March 29, 2016, when the Board of Supervisors (Board) adopted a motion, "Proactive Planning and Enforcement of Oil and Gas Facilities Operating in Unincorporated Los Angeles County", requiring that the County Code be updated to ensure that no drilling be allowed by right in any zone, and that appropriate environmental analysis and permitting requirements be required for drilling activities within the unincorporated areas (Ordinance). The motion also established an Oil and Gas Strike Team (Strike Team), consisting of representatives from DRP, DPW, the Departments of Public Health and Fire, as well as industry experts, who collectively visited and assessed all oil fields within the unincorporated areas of the County, to proactively ensure that operations were being performed in a safe and appropriate manner.

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Moreover, in 2018, the Board approved a motion, "Feasibility of Creating the Office of Oil and Gas Administration and Safety Compliance" (HahnSelis/Ridley-Thomas, December 18, 2018), to establish the County's Office of Oil and Gas (Office), which is now housed within DPW. The Office was designed to establish ongoing communications and coordination with other local jurisdictions to ensure a regional approach to oil drilling activities. The Office will also serve as a central point of contact for the community, regulators, and industry, and ensure more centralized and proactive coordination among County departments, specifically as it relates to the implementation of recommendations from the Strike Team and the County's inaugural Sustainability Plan, "Our County" (Sustainability Plan). The Sustainability Plan was adopted last year and developed by the CSO to take a comprehensive view on sustainability in workforce and economic development, transportation, and housing.

The aforementioned motions specifically align with the County's Sustainability Plan, which identifies the transition to renewable energy sources as among the highest priorities for the region, and highlights a variety of the goals that focus not just on reducing the County's reliance on fossil fuels, but on "creating a prosperous region that provides opportunities for all residents and businesses and supports the transition to a green economy".

As these efforts proceed, deliberate consideration should be given to how the County may be able to advance the "just transition" of the workforce and energy market from the fossil fuel industry to cleaner industries. All aspects of any just transition must treat both the environmental transition and workforce transition as coequal goals. This transition may require a deeper examination of other County policies to ensure that utilization of highly skilled and qualified workers is maximized across other areas of construction, and to train and prepare that workforce to facilitate the abandonment or reabandonment of idle oil wells. Efforts should be focused not only on transitioning to renewable energy sources, but on training and preparing a workforce to facilitate the

abandonment or re-abandonment of idle oil wells.

Through its site visits and assessments, the Strike Team found 1,046 active wells, 637 idle wells, and 2,731 abandoned wells across the unincorporated areas of the County as of June 1, 2020. The Strike Team also found that many oil wells may have been improperly abandoned in the past or are continuing to be left idle for a long period of time. In a report issued on September 26, 2017, the Strike Team proposed policy recommendations that are now guiding the development of the Ordinance and recommended further evaluation of the abandonment of long idle wells.

Unfortunately, the California Geologic Energy Management Division, or CalGEM, has not aggressively monitored drilling operations to ensure that all idle wells, defined as wells that meet the requirement for abandonment following two years of inactivity, are property abandoned. To compound concerns, according to CalGEM, 800 oil companies have dissolved over the years without scheduling wells for proper plugging and abandonment, or paying sufficient State fees to cover the costs. These circumstances can lead to unfettered oil and gas pollution, with significant public health and safety consequences.

To address this serious issue, the County should align policy efforts with the training and readiness of a workforce that is prepared to support the proper abandonment of wells. The County departments should work collaboratively, in conjunction with environmental, labor and business stakeholders, to closely examine this issue and identify opportunities to incorporate incentives, enforcement protocols, funding strategies and legislative advocacy to ensure that wells that are no longer in use are properly plugged and abandoned in a timely manner to eliminate potentially dangerous emissions and climate pollution.

4 WE THEREFORE MOVE THAT THE BOARD OF SUPERVISORS:

1. Direct the Los Angeles County (County) Chief Executive Officer, in collaboration with the Chief Sustainability Officer, Directors of the Department

of Public Works (DPW), Regional Planning (collectively, County Oil and Gas Team), as well as the Acting Director of the Department of Workforce Development, Aging and Community Services, to work collaboratively with a taskforce comprised of the Sierra Club, Los Angeles / Orange County Building and Construction Trades Council, the United Steelworkers Local 675, and other environmental, labor and business stakeholders deemed appropriate (Taskforce), to develop a strategy to promote a Just Transition to Clean Energy Away from Fossil Fuels (Strategy), with the objective of preparing an able workforce to clean up old fossil fuel infrastructure, utilizing a highly skilled and trained workforce, in a manner that promotes public health and safety and combats climate change. The Strategy should take the results of the Los Angeles County's Energy Resiliency Policy report into consideration and be presented to the Board of Supervisors in writing within 45 120 days with a plan to develop incentives, enforcement protocols, funding strategies and legislative advocacy; and

- 2. Instruct the Director of DPW, in consultation with other members of the County Oil and Gas Team, in coordination with the Taskforce to:
 - Update its ongoing fee study to identify funding strategies to support the
 Just Transition effort;
 - Identify a funding strategy to support permanent staff for the Office of Oil and Gas; and
 - c. Identify priority wells in the County that should be abandoned and develop a financial and operational strategy for initiating this work.

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