



**PUBLIC REQUEST TO ADDRESS
THE BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES, CALIFORNIA**

Correspondence Received

MEMBERS OF THE BOARD

HILDA L. SOLIS
HOLLY J. MITCHELL
LINDSEY P. HORVATH
JANICE HAHN
KATHRYN BARGER

			The following individuals submitted comments on agenda item:	
Agenda #	Relate To	Position	Name	Comments
13.		Oppose	Scott A Sommer	
		Item Total	1	
35.	13, 39	Oppose	Scott A Sommer	
		Item Total	1	
Grand Total			2	

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March 10, 2025

VIA ELECTRONIC MAIL

Chair Kathryn Barger
Supervisor Hilda L. Solis
Supervisor Holly J. Mitchell
Supervisor Lindsay P. Horvath
Supervisor Janice Hahn
Los Angeles County Board of Supervisors
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Re: Westside Area Plan (WSAP) No. PRJ2023-001700-(2 and 3); Certifying Final PEIR, Environmental Assessment No. RPPL2023002449-(2 and 3); Statement of Overriding Considerations, Advance Planning Project No. RPPL2023002448-(2 and 3); General Plan Amendment No. RPPL2023002433-(2 and 3); Zone Change No. RPPL2023002450-(2 and 3) and accompanying LUP Map and zone changes; and Ordinance for adoption amending the Los Angeles County Code, Title 22- Planning and Zoning, Section 22.06.060; Scheduled for Public Hearing before the Board of Supervisors on March 11, 2025 Items 13 and 35 (collectively "Project").

To the Board of Supervisors:

This office represents Cone Fee LLC, a California limited liability company (hereinafter "Cone"). Cone owns land in the Inglewood Oil Field¹ that has been in productive use for oil and gas since the 1920's. The oil and gas extraction on the Cone Property is currently operated by Sentinel Peak Resources California LLC.

These comments and objections are submitted in opposition to the Westside Area Plan and each and every element thereof recited on the Agenda and hereinabove (collectively "Project"). In addition, the Project has been brought before the Board of Supervisors in a haphazard and flawed manner without proper notice to and consideration of the valid views of all affected landowners. Earlier comments that County legal counsel would respond on major issues have been disregarded. Cone has submitted detailed facts and legal points in earlier correspondence to the Board of Supervisors, which are summarized again herein, but which have not been addressed by the Board of Supervisors, staff, or County legal counsel.

¹ The Inglewood Oil Field is also referred to as the Baldwin Hills Oil Field.

The Westside Area Plan proposes to “support the abatement of existing oil operations” for the Inglewood Oil Field (WSAP at LU 20.1) and that “oil operations are phased out” (WSAP at 3-32; and multiple other sections). Other references appear to incorporate AB 2716 and potential future action by CalGEM. As addressed below, substantial petroleum is produced in an environmentally safe manner from the Inglewood Oil Field for local area refineries and natural gas is provided to local utilities. The Project does nothing to reduce oil and gas demand in the Los Angeles region. It merely plans for and provides for *elimination* of local oil and gas production, with commensurate increases in foreign imports with adverse environmental, social, and economic impacts not even addressed in the PEIR.

Under the California Environmental Quality Act, Public Resources Code §21177(b), the Board is required to consider comments and opposition to a project submitted orally or in writing “prior to the close of the public hearing on the project before the issuance of the notice of determination.” *Bakersfield Citizens for Local Control v. City of Bakersfield* (2004) 124 Cal.App.4th 1184, 1199.

I. EXECUTIVE SUMMARY

The PEIR should not be certified and the Project rejected on the following grounds:

1. The PEIR fails to adequately consider the impacts of elimination of a known mineral resource of value to the region and citizens of California, contrary to CEQA and CEQA Guideline XII. The oil and natural gas produced by the Inglewood Oil Field is utilized locally in the Los Angeles area. Elimination of this local supply will result in increased CO₂ and GHG emissions, and “emissions leakage” as defined by the California Air Resources Board under AB 32, due to substitution of foreign petroleum imports by tanker ships to replace the production of the BHOF now efficiently sent by pipeline to Los Angeles area refineries. Refer to the CARB “2022 Scoping Plan for Achieving Carbon Neutrality” (pp.101-106), the expert opinion letter of Capital Matrix Consulting dated January 19, 2024, and conclusions in the 2008 Final Environmental Impact Report for Baldwin Hills Community Standards District at p.4.2-44.²

2. In abating all oil and gas production in the Inglewood Oil Field, the Project results in a classic Total Regulatory Taking under the Takings Clause of the Fifth Amendment of the U.S. Constitution, the Federal Civil Rights Act, and California inverse condemnation law, plus attorneys’ fees, interest, and court costs, etc.

It is also to be noted that multiple health risk assessments including the 2020 Inglewood Oil Field Health Risk Assessment Report consistently concluded the health risks of the BHOF are below SCAQMD thresholds. Likewise, the Baldwin Hills Community Standards District Periodic Review Final Report dated September 2021 concluded that applicable CSD provisions have been effective to protect the health, safety, and general welfare of the surrounding community.

² Copies of these referenced documents are submitted in an Appendix to this letter.

II. THE PEIR COMPLETELY FAILS TO ASSESS THE ENVIRONMENTAL IMPACTS OF FOREIGN IMPORTS OF REPLACEMENT OIL ON THE PORT OF LOS ANGELES AND LONG BEACH AND SURROUNDING COMMUNITIES WILL BE SUBSTANTIALLY GREATER

The PEIR section 5.12 superficially mentions loss of the known local mineral resource and purports to state “no impact.” Sections 7.5 and other sections of the PEIR do nothing to assess the impacts of loss of local petroleum and natural gas supply and resulting increased foreign imports, with substantial adverse effects on Greenhouse Gas emissions and violations of environmental justice to disadvantaged communities surrounding the ports of Los Angeles from increased congestion and other infrastructure changes.

A Final Environmental Impact Report Baldwin Hills Community Standards District dated October 2008 (the “2008 FEIR”) was certified by the County of Los Angeles on October 8, 2008 and enactment of section 22.310 of the Los Angeles Code relating to the Community Standards District on October 28, 2008. The 2008 FEIR addressed, *inter alia*, the environmental impacts of current and future operations, oil field development, necessary development standards, operating requirements, and mitigation of potential environmental impacts. See 2008 FEIR, p. ES-1 et seq., sections 2.0, 3.0, and 4.0. In particular, the 2008 FEIR stated at p.4.2-44:

The use of foreign crude oil is associated with substantial emissions associated with transportation as foreign crude oil needs to be transported from between 4,000 miles (Ecuador) and 13,000 miles (Saudi Arabia) one-way to get to California. Alaska North Slope crude travels about 2,500 miles from Alaska. **This causes the greenhouse gas lifecycle emissions associated with foreign crude oil to be substantially higher than California crude oil.** (2008 FEIR, p. 4.2-44, emphasis added.)

The 2008 FEIR documents over 1,000 tanker trips importing crude oil into California at p.4.2-45.

A Department of Regional Planning “Project Summary” to the Los Angeles Regional Planning Commission dated January 30, 2024 summarizing the BHO states at p. 2:

The Amendment may make the County **more reliant on oil from foreign and domestic sources**, which do not have the same regulatory protections that are in Los Angeles County. (emphasis added)

Note also the expert commentary in the Capital Matrix Consultant report dated January 19, 2024:

CO2 emissions and other pollution associated with replacement imports.

The increase in waterborne imports would require additional tankers, some traveling up to 15,000 miles, and each offloading crude through Southern California’s already-crowded ports. As noted above, crude oil production from the Inglewood oil field is collected on-site and sent via pipeline to local refineries in Southern California. This efficient process is partly responsible for the relatively low carbon intensity of oil produced by this oil field. (footnotes) Because of this relatively low intensity, **replacement of oil extracted from the Inglewood field**

with offshore sources may significantly raise the net level of CO2 emissions attributable to oil refined in California.

In addition to CO2 emissions, the offloading of additional foreign crude would result in increases in other pollutants- including particulate matter, nitrogen oxides, carbon monoxide, and sulfur dioxide- in and around Southern California ports. This would have important environmental justice implications, in that people living in low-income communities near the ports and marine terminals would face more pollution and associated risks of cancer, respiratory diseases, and other health-related ailments. (p. 3, emphasis added)

In a study we conducted for the Western States Petroleum Association in 2019, we found that refiners do not have adequate port-related capacity of accommodate the increased imports that would be required to replace a shutdown of California production. (footnote) **Hence, a significant loss of California crude production would require increased expenditures for additional dock capacity, coastal storage and pipelines, and potentially for reconfiguration of refineries** themselves to optimally process foreign slates of crude. (footnote) (p.4, emphasis added)

In addition, the California Air Resources Board’s “*2022 Scoping Plan for Achieving Carbon Neutrality*” recites further substantial evidence of ‘emissions leakage’ and significant environmental impacts if in-state oil and gas production were phased out and replaced with foreign imports:

AB 32 also requires any actions undertaken to reduce GHGs to “minimize leakage.” Increases in imported crude could result in increased activity outside California to extract and transport crude into California... **a full phaseout of in-state extraction could result in GHG emissions leakage and in-state impacts to crude oil imported into the state.** (p.102, emphasis added)

Any crude oil demand by California refineries not met by California crude oil will be met by marine imports of Alaskan and foreign crude. (footnote) As shown in Figure 2-8, **approximately 99 percent of crude imports into California are met by marine transportation...** There are no pipelines that bring crude oil into California from out of state. (footnote) (p.103-104, emphasis added)

Importantly, **activity at the ports would increase, and new infrastructure would be needed to store and deliver crude to in-state refineries...emissions related to the production and transport of crude to California might increase elsewhere, resulting in emissions leakage.** (p.105, emphasis added)

There is substantial evidence of significant impacts that require review prior to any consideration of the Project, including:

Phase Out of Domestic Oil and Gas Production and Replacement by Foreign Sources. The Baldwin Hills Community Standards District Periodic Review dated September 2021 (p.2) recites figures for Baldwin Hills Oil Field 2014-2018 daily production. When averaged over that five-year period and converted to annual figures, the production is approximately 2,229,566 barrels of oil and over 1,000,000,000 standard cubic feet of gas per year. Estimates of remaining oil reserves related to the Cone Property are at least 19 million barrels. As reflected in numerous reports on the CSD and the 2008 FEIR (p. ES-8), the Baldwin Hills oil production goes to local refineries and gas production is processed and supplied within the Los Angeles area. There has been no evaluation of the potentially significant environmental impacts of loss of these substantial domestic energy supplies and replacement with foreign imports, transported by tanker.

III. THE PROJECT WOULD RESULT IN A TOTAL REGULATORY TAKING UNDER THE JUST COMPENSATION REQUIREMENT OF THE FIFTH AMENDMENT OF THE U.S. CONSTITUTION

A. The Takings Clause of the Fifth Amendment Will Be Applicable to the Project

“The Takings Clause of the Fifth Amendment, made applicable to the States through the Fourteenth (citations omitted) provides that private property shall not ‘be taken for the public use, without just compensation.’” *Lingle v. Chevron U.S.A., Inc.*, 544 U.S. 528, 536 (2005).

The California Constitution, Article I Section 19(a) provides: “Private property may be taken or damaged for a public use and only when just compensation, ascertained by a jury unless waived, has first been paid to, or into court for, the owner.”

Lingle v. Chevron U.S.A sets forth the proper application of the Takings Clause as held by the U.S. Supreme Court. The case involved imposition by the State of Hawaii of “restrictions on the ownership and leasing of service stations by oil companies.” *Id.*, 544 U.S. at 533. The Hawaii Act reduced but did not deprive Chevron of earnings from lessee-dealer stations. *Id.*, 544 U.S. at 534. The U.S. Supreme Court discarded an element referenced in some earlier cases of whether a regulation is reasonably related to substantially advancing a legitimate state interest. *Id.*, 544 U.S. at 532.

Whether a regulation “substantially advances” a legitimate state interest “is not a valid method of identifying regulatory takings for which the Fifth Amendment requires just compensation.” *Id.*, 544 U.S. at 545. “The owner of a property subject to a regulation that serves a legitimate state interest is “just as burdened as the owner subject to an *ineffective* regulation.” *Id.*, 544 U.S. at 543. Rather, it is the “*magnitude or character of the burden* a particular regulation imposes” and whether “justice may require that the burden be spread among taxpayers through the payment of compensation.” *Id.*, 544 U.S. at 542-543. (emphasis in original).

The U.S. Supreme Court recognizes the following situations as requiring just compensation under the Takings Clause. First, a physical invasion of property, referencing *Loretto v. Teleprompter Manhattan CATV Corp.*, 458 U.S. 419 (law requiring landlords to permit cable companies to occupy and install cable facilities in apartment buildings effected a taking. Second,

regulations that deprive an owner of “all economically beneficial use” of property, citing *Lucas v. South Carolina Coastal Council*, 505 U.S. 1003 (1992). Third, land use exactions under the standards set forth in *Penn Central Transp. Co. v. New York City*, 438 U.S. 104, in which there is less than a complete taking, and the regulation affects legitimate property interests and “has interfered with distinct investment-backed expectations. *Id.*, 544 U.S. at 538-540, 548. The U.S. Supreme Court held:

[A] plaintiff seeking to challenge a government regulation as an uncompensated taking of private property may proceed...by alleging [i] a “physical” taking, [ii] a *Lucas*-type “total regulatory taking,” [iii] a *Penn Central* taking, or [iv] a land use exaction violating the standards set forth in *Nollan* and *Dolan*.³ 505 U.S. at 548. (1987) (enumeration added.)

It is the second remedy- a *Lucas* type total regulatory taking- that is at issue and will result from the Project and restrictions and prohibitions on oil and gas production and elimination of economically viable use in the BHOE. The County’s liability does not depend on whether it can show prohibition of oil and gas production in the BHOE is a legitimate use of its police power (the purported health risk will be challenged, see section V, *post*). Takings liability will result from the interference with the property rights of the Inglewood Oil Field owners and operator and total taking of economically viable use of the BHOE for *at least* many years in the future, if not permanently.

Lucas v. South Carolina Coastal Council, *supra*, held that if a government prohibits economically viable use of property, in that case South Carolina barring the petitioner from erecting any permanent habitable structures on beachfront lots, it violates the Takings Clause. The “Fifth Amendment is violated when land use regulation ‘does not substantially advance legitimate state interests *or denies an owner economically viable use of his land.*’” *Id.*, 505 U.S. at 1016. (emphasis in original and added.)

It is this second alternative of *denying economically viable use* to the Inglewood Oil Field owners and operator that will make the State of California liable if AB 2716 is enacted. The *Lucas* Court decried that the South Carolina regulation requiring land to be left substantially in its natural state carried “a heightened risk that private property is being pressed into some form of public service under the guise of mitigating serious public harm.” *Id.*, 505 U.S. at 1018. That is exactly what AB 2716 purports to do- turn the BHOE into unproductive open space under the guise of a health risk. And, additionally, the risk cited in AB 2716 does not withstand scrutiny because the BHOE operates as a model for safe oil and gas production and June 21, 2014 Report ignored all of the available health data from the Baldwin Hills Community Standards District

³ *Nollan v. California Coastal Comm.*, 483 U.S. 825 (1987) (invalidating requirement of easement to beach for public access to get permit to expand residence); *Dolan v. City of Tigard*, 512 U.S. 374 (1994) (city improperly required dedication of greenway and pedestrian easement for permit to expansion of store and parking). This type of exaction is not relevant to AB 2716 and is otherwise now governed by the permit fee limitations of the Fee Exaction Statute, California Government Code §65909, and Propositions 218 and 26 codified at California Constitution, Art. XIII C, sec. 1(e).

that has been in place for many years. In addition, less intrusive or further operational safeguards are disregarded. But even if there is a health concern, the State of California is liable under the Takings Clause.

The same application of the Takings Clause was evident in *First English Evangelical Lutheran Church of Glendale v. County of Los Angeles*, 482 U.S. 304 (1992), in which the County of Los Angeles, following flooding of a canyon, prohibited construction, reconstruction, or placing of any buildings in a newly-established flood protection area, interfering with the church's use. The Court affirmed that the "Fifth Amendment makes clear it does not limit governmental interference with property rights per se, but rather to secure *compensation* in the event of otherwise proper interference amounting to a taking." *Id.*, 482 U.S. at 315 (emphasis in original.) Determining that "the Los Angeles County ordinance has denied appellant all use of its property for a considerable period of years," the U.S. Supreme Court held the church was entitled to compensation and reversed the California court. *Id.*, 482 U.S. at 322.

B. Economically Viable Use

It was recognized in *Pennsylvania Coal Co. v. Mahon*, 260 U.S. 393, 414 (1922) that "What makes the right to mine coal valuable is that it can be exercised with profit. To make it commercially impracticable to mine certain coal has very nearly the same effect for constitutional purposes as appropriating it or destroying it." *Resource Investments, Inc. v. U.S.*, 85 Fed. Cl. 447, 486, interpreted *Lucas v. South Carolina Coastal Council*, *supra*, as examining "whether a regulation permits *economically viable use* of the property, not whether the property retain some value on paper." (emphasis in original.) The court held that although a parcel might have "some market value [after the effect of the regulation] does not establish that it retains economically viable use" or that proposed alternatives "were economically viable." *Id.*, 85 Fed.Cl. at 489-490. Even if the BHOE lands might have some value in the marketplace after March 1, 2026, the State of California will be fully liable for the destruction of the economically viable oil and gas production use.

C. Applicable Procedure

The Fifth Amendment Takings Clause is "self-executing" as it is "grounded in the Constitution itself" and creates "by its own force a cause of action authorizing suits for just compensation." *DeVillier v. Texas*, 601 U.S. 285, 291 (2024); *First English Evangelical Lutheran Church of Glendale v. County of Los Angeles*, 482 U.S. 304, 315 (1987).

The property owner has a claim for violation of the Takings Clause "as soon as" a government takes his property for a public use without compensation." *Knick v. Township of Scott*, 588 U.S. 180, 189 (2019). "[B]ecause a taking without compensation violates the self-executing Fifth Amendment at the time of the taking, the property owner can bring a federal suit at that time." *Knick*, 588 U.S. at 194, 202. Earlier federal jurisprudence that once procedurally required resort to a state court has been overruled. *Knick*, 588 U.S. at 196-202.

Affected Inglewood Oil Field landowners and the operator, faced with the complete loss of their investment as a result of AB 2716, will have no alternative to an action against the County in

U.S. District Court for damages respectively consisting of the value of the BHOF land, leasehold payments, income stream, related damages consisting of the well decommissioning and abandonment costs, interest from the time of the taking, reasonable attorneys' fees under the U.S. Civil Rights Act, 42 U.S.C. §1988(b) and California Code of Civil Procedure §1036, and related court costs and appraisal fees⁴.

IV. THE DATA PRODUCED EACH YEAR FOR THE BALDWIN HILLS COMMUNITY STANDARDS DISTRICT ESTABLISHES THAT THERE IS NO SIGNIFICANT AIR QUALITY, HEALTH RISK, OR SAFETY ISSUE RELATED TO THE BHOF

There is no significant air quality/health risk or safety issue for the Inglewood Oil Field. As such, there is no ostensible premise for the Project – that health concerns stemming from the Inglewood Oil Field operation justify the draconian legislation – is without any factual support. As discussed below, it would be arbitrary and without factual support to consider speculative extrapolations from out-of-jurisdictions surveys without reference to the years of data on Inglewood Oil Field health impacts available from the Baldwin Hills Community Standards District. The record is as follows:

Air Quality. The LA County Department of Public Health issued a report entitled “Public Health and Safety Risks of Oil and Gas Facilities in Los Angeles County” dated February 2018. Although several case studies in unrelated locations were provided, there is no mention of any identified risks relating to the Inglewood Oil Field. The only mention (p. 15 of 29) is to cite the Inglewood Oil Field in the context of appropriate setback distances under the CSD.

The County received the “Inglewood Oil Field Health Risk Assessment Report” dated November 2020 (“HRA”), the most recent health risk assessment on the Inglewood Oil Field. This report states:

During the year 2019, there was no drilling occurring at the oil field and operations were limited to normal production and maintenance operations. The 2019 operating year with no drilling is typical of recent operating years as the last new well drilled at the oil field was in 2014. (p. 1).

As for health risks, the HRA states:

For the 2019 operations scenario, the estimated peak risks at the facility boundary would be a peak cancer risk of 5.2 cases per million, and an acute and chronic risk of 0.48 and 0.06 HI, which are below the SCAQMD thresholds for AB2588 facilities, defined as below 10 cancer cases per million and below a Hazard Index (HI) of 1.0.

⁴ Inglewood Oil Field Takings plaintiffs would be well advised to also include a claim under Art. 1, section 19 of the California Constitution, which the federal court would decide under ancillary jurisdiction along with the Federal Taking claim. *DeVillier v. Texas*, *supra*, 601 U.S. at 291-292; *Knick v. Township of Scott*, *supra*, 588 U.S. at 186. California Code of Civil Procedure §1036 provides: “In any inverse condemnation proceeding, the court...shall determine and award to the plaintiff...the plaintiff’s reasonable, costs, disbursements, and expenses, including reasonable attorney, appraisal, and engineering fees...”

The peak cancer risk at the nearest residence would be 1.0 cancer cases per million, which would be below the SCAQMD AB2588 threshold. ((p. 2, emphasis added)

These numbers are only a very small fraction of the thresholds. The HRA further states:

Based on the worst-case scenario and the 2019 operational scenario, the level of drilling that would result in peak cancer risk levels below the SCAQMD threshold level would correspond to about 25 wells drilled per year average. (p. 2)

That per year average assumption has not occurred in recent years. Even if it had been, the Legislature's concern should be directed to mitigation or safeguards on well drilling, if any, that exceed applicable standards, not closure of the entire BHOF.

Safety. This is documented in the "Baldwin Hills Community Standard District Periodic Review Final Report" dated September 2021. The report states:

As detailed in the following pages of this report, the results of this Periodic Review demonstrate that the provisions of the CSD have been effective and adequate to protect the health, safety, and general welfare of the public. The report also determined that no recommendations to change the language of the CSD are necessary at this time. (p. ES-1).

The report also summarizes an "Annual Well Increase Evaluation" that included review of noise, vibration, air emissions, odors, ground movement, visual and aesthetics, hazards, fire protection and emergency response, and groundwater quality, stating:

The results of this review concluded that for these areas of review, the CSD has been effective in protecting the health, safety, and general welfare of the public. (p. 14).

The report also evaluated toxic pollutants, concluding that the total Oil Field contribution in the community to excess cancer risk was "less than 2%" of the total and that "the primary cancer risk in the area is attributable to vehicle diesel exhaust (DPM)." Again, like the HRA, the report states that "acute exposure values from oil field operations were both below 1.0, the health reference level where no adverse human health effects would occur." (p. 15).

The report addresses the Community Alert Notification System (CAN) and Emergency Response Plan (ERP), stating that "no issues" or "complaints" by the public have been received. (p. 20-21). It is further stated:

The report also concluded that all tank secondary containment structures comply with the California Division of Oil, Gas and Geothermal Resources (CalGEM) requirements and that the volume of the available secondary containment can contain volumes in excess of the full volume of each tank. (p. 21).

This is consistent with the results of the 2008 Health Risk Assessment, 2011 DPH Health Study, and 2015 Baldwin Hills Air Quality Study.

Because (a) the overwhelming empirical data demonstrates that the Inglewood Oil Field, in the 16 years of CSD regulation, has been effective in protecting health, safety and welfare, (b) the June 21, 2024 Report's survey of data was from other jurisdictions with operations neither operationally on par nor subject to the CSD regulations and, (c) there were no specific data-references to Inglewood Oil Field health impacts, AB 2716's premise – to purportedly address health impacts arising from the Inglewood Oil Field – fails to meet any rational basis test and, instead, is arbitrary and capricious and unable to meet any constitutional scrutiny.

V. CONCLUSION

The PEIR is flawed and should not be certified. In the absence of proper certification, the WSAP, General Plan amendment, and Land Use Policy Map should be denied.

Thank you for your consideration.

Very truly yours,



Scott A. Sommer

Appendix:

1. Figure 1 and Figure 2
2. Excerpts from the California Air Resources Board “2022 Scoping Plan for Achieving Carbon Neutrality” (cover page, index, and pp.29-30, 101-106);
3. Expert opinion letter of Capital Matrix Consulting dated January 19, 2024;
4. 2008 Final Environmental Impact Report for Baldwin Hills Community Standards District (cover page, p.4.2-44);
5. CalEPA “Final Designation of Disadvantaged Communities (May 2022)” and map;
6. “Technical Memorandum”
7. Correspondence from Cone to the Regional Planning Commission dated September 29, 2008.

APPENDIX 1



Figure 1. Screenshot of CalEnviroScreen 4.0 Map of Disadvantaged Communities Focused on the Inglewood Oil Field



Figure 2. Screenshot of CalEnviroScreen 4.0 Map of Disadvantaged Communities Focused on the Ports of Long Beach and Los Angeles

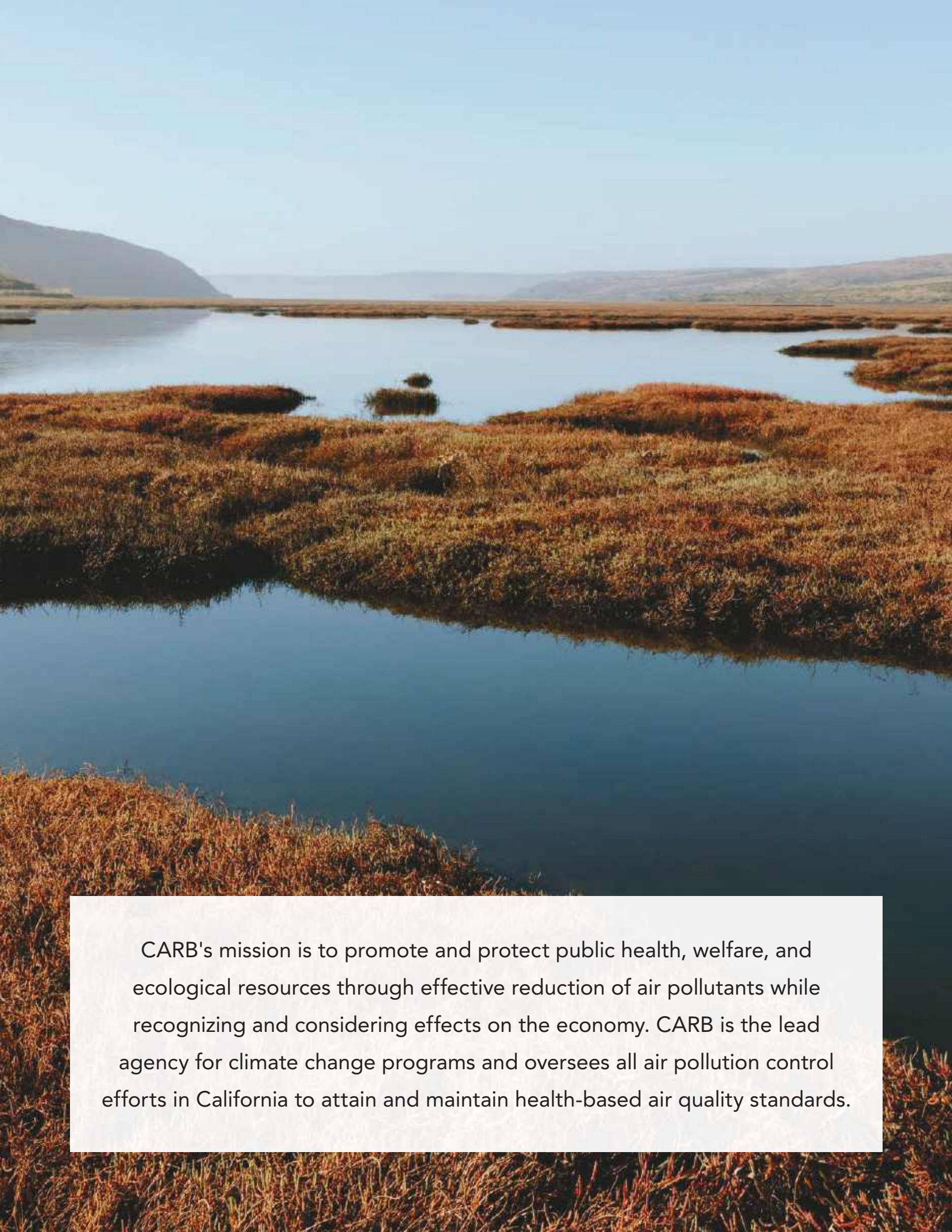
APPENDIX 2

Excerpts from the California Air Resources Board “*2022 Scoping Plan for Achieving Carbon Neutrality*” (cover page, index, and pp.29-30, 101-106)



2022 Scoping Plan for Achieving Carbon Neutrality



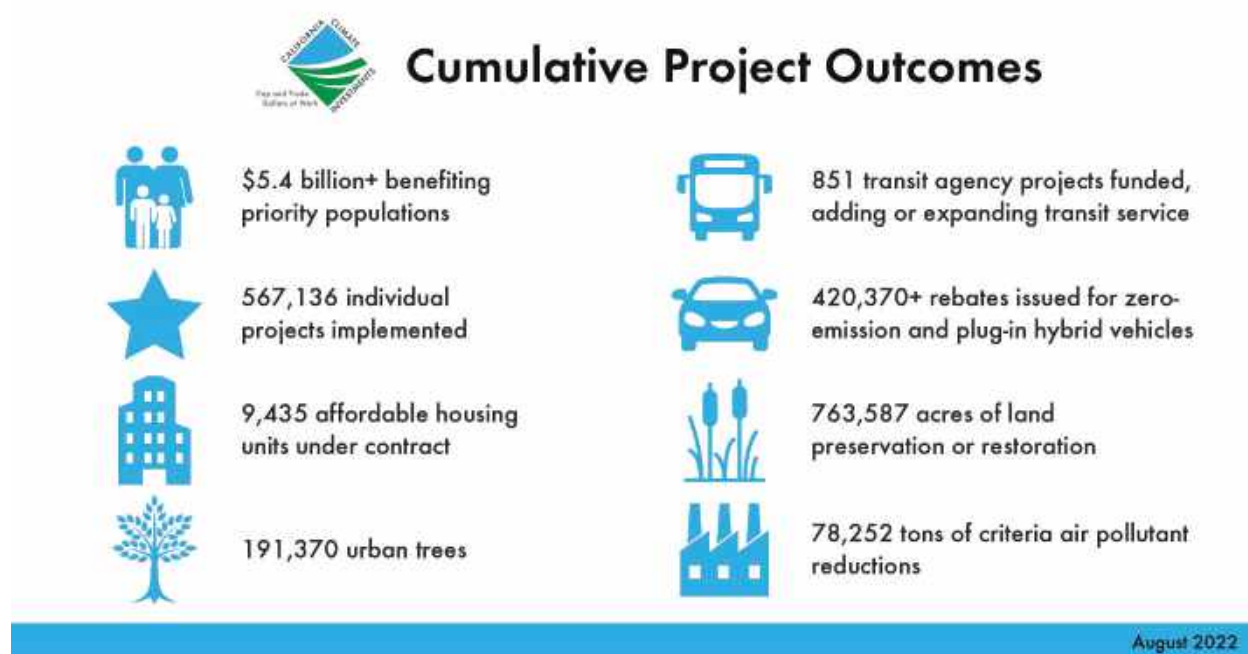


CARB's mission is to promote and protect public health, welfare, and ecological resources through effective reduction of air pollutants while recognizing and considering effects on the economy. CARB is the lead agency for climate change programs and oversees all air pollution control efforts in California to attain and maintain health-based air quality standards.

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Figure 1-4: California climate investments cumulative outcomes^{68,69}



Role of the Environmental Justice Advisory Committee

To inform the development of the Scoping Plan, AB 32 calls for the convening of an Environmental Justice Advisory Committee (EJ Advisory Committee) to advise CARB in developing the Scoping Plan, and any other pertinent matter in implementing AB 32. It requires that the Committee be comprised of representatives from communities with the most significant exposure to air pollution, including communities with minority populations and/or low-income populations. On January 25, 2007, CARB appointed the first

⁶⁸ CARB. 2022. California Climate Investments program implements \$10.5 billion in greenhouse gas-reducing programs, expected to reduce 76 million metric tons of emissions. April 11. <https://ww2.arb.ca.gov/news/california-climate-investments-program-implements-105-billion-greenhouse-gas-reducing-projects>.

⁶⁹ SB 535 and AB 1550 require investments located in and benefiting low-income communities and households, which are termed *priority populations*. *Disadvantaged communities* are currently defined by CalEPA as the top 25 percent of communities experiencing disproportionate amounts of pollution, environmental degradation, and socioeconomic and public health conditions according to the Office of Environmental Health Hazard Assessment's *CalEnviroScreen tool*, plus certain additional communities including federally recognized Tribal Lands. Low-income communities and households are defined by statute as those with incomes either at or below 80 percent of the statewide median or below a threshold designated as low-income by the Department of Housing and Community Development.

Environmental Justice Advisory Committee to advise it on the Initial Scoping Plan and other climate change programs.

For this Scoping Plan, CARB reconvened the EJ Advisory Committee in May 2021. The committee is currently comprised of 14 environmental justice and disadvantaged community representatives, including the EJ Advisory Committee's first tribal representative, who was appointed in February 2022. In October 2021, the EJ Advisory Committee formally created eight workgroups. These workgroups are a space for EJ Advisory Committee members to better understand specific sectors of the Scoping Plan and to assist the EJ Advisory Committee in the development of recommendations on this Scoping Plan. In December 2021, the EJ Advisory Committee provided scenario input responses to help shape the modeling for this Scoping Plan. In February 2022, San Joaquin Valley EJ Advisory Committee members hosted their first community workshop, with over 100 attendees. In March 2022, the CARB Board held a joint public meeting with the EJ Advisory Committee to discuss their draft preliminary recommendations for this Scoping Plan. In June 2022, over 165 attendees participated in a statewide community workshop held by EJ Advisory Committee members. The full schedule of EJ Advisory Committee Meetings and meeting materials are available on CARB's website.⁷⁰ This Scoping Plan includes references where EJ Advisory Committee Final Recommendations⁷¹ are included in the document. The final recommendations were discussed at a joint CARB and EJ Advisory Committee Hearing on September 1, 2022.

The integration of environmental justice is critical to ensure that certain communities are not left behind. The AB 32 EJ Advisory Committee provided recommendations on September 30 in advance of the final Scoping Plan. There are footnotes to indicate where there is alignment between the AB 32 EJ Advisory Committee's recommendations and this Scoping Plan. While the language in the text may not fully incorporate the specific EJ Advisory Committee's recommendation, the footnotes do acknowledge the places in the text where there is general alignment with the spirit of the EJ Advisory Committee's recommendation.

Partnering with Tribes

⁷⁰ CARB. Environmental Justice Advisory Committee Meetings and Events.
<https://ww2.arb.ca.gov/environmental-justice-advisory-committee-meetings-and-events>.

⁷¹ Environmental Justice Advisory Committee. September 30, 2022. 2022 Scoping Plan Recommendations.
<https://ww2.arb.ca.gov/sites/default/files/barcu/board/books/2022/090122/finalejacrecs.pdf>.

demand for petroleum fuels and of opportunities to phase down oil and gas extraction and refining will be included in the next Scoping Plan update.

In addition to supplying in-state demand, California is a net exporter of gasoline, diesel, and jet fuel. California pipelines supply the Nevada and Arizona regions¹⁷⁴ with approximately 87 million barrels gasoline equivalent of refined products annually.¹⁷⁵ California pipelines deliver approximately 85% of Nevada's and 40% of Arizona's refined product. Most finished fuels flowing from California to Nevada and Arizona are currently produced by California refineries. To manage the phasedown of oil and gas extraction and petroleum refining in California, exports of finished fuels must be considered and factored into that process, in addition to the declining in-state demand. The authorities and considerations related to supply and demand of petroleum fuels span federal, state, and local agencies. If supply of fossil fuels is to decline along with demand, a multi-agency discussion is needed to systematically evaluate and plan for the transition to ensure that it is equitable.

This inter-agency work should also consider related topics, such as the following:

- Direct and indirect job and economic impacts
- Demand for other liquid fuel types such as renewable fuels, and expected volumes
- Legal considerations
- Public health benefits
- Demand and supply strategies for petroleum fuels, including how to avoid short term supply constraints that may impact low-income consumers

Some of these topics were also discussed as part of two studies¹⁷⁶ supported by the California Environmental Protection Agency, which can serve as a starting point for a working group to analyze these questions and develop policy recommendations.

Oil and Gas Extraction

On April 23, 2021,¹⁷⁷ Governor Newsom directed CARB to evaluate the phaseout of oil and gas extraction no later than 2045 as part of this Scoping Plan. As noted above, this Scoping Plan still has some California demand for finished fossil fuels (gasoline, diesel,

¹⁷⁴ CEC. August 2021. A Primer on California's Pipeline Infrastructure. *Petroleum Watch*.

https://www.energy.ca.gov/sites/default/files/2021-08/August_Petroleum_Watch_ADA.pdf.

¹⁷⁵ CEC. March 2020. *Petroleum Watch*. https://www.energy.ca.gov/sites/default/files/2020-03/March_2020_Petroleum_Watch.pdf.

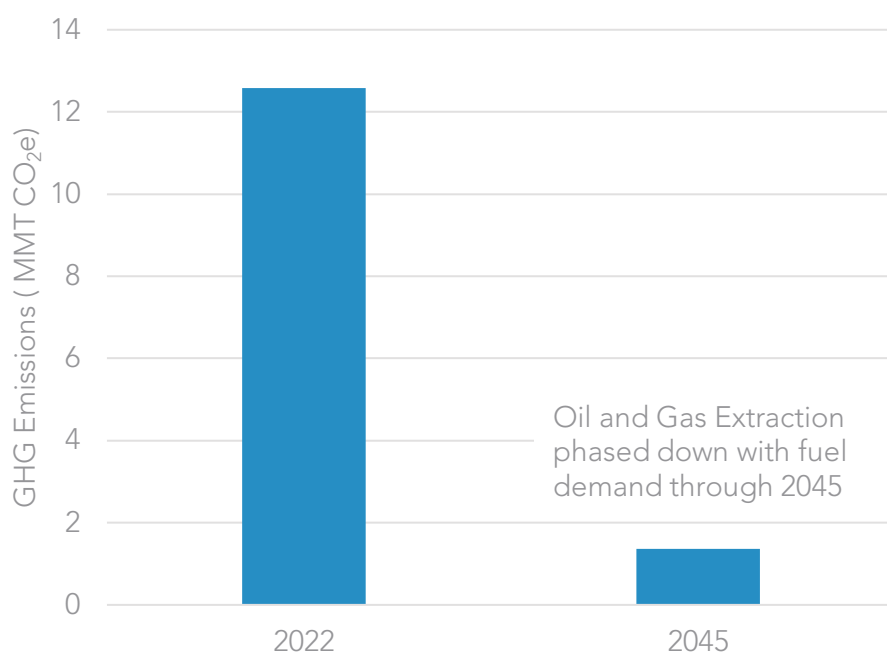
¹⁷⁶ CalEPA. 2021. Carbon Neutrality Studies: <https://calepa.ca.gov/climate/carbon-neutrality-studies/>.

¹⁷⁷ Governor Newsom. April 23, 2021. Governor Newsom Takes Action to Phase Out Oil Extraction in California. Press Release. <https://www.gov.ca.gov/2021/04/23/governor-newsom-takes-action-to-phase-out-oil-extraction-in-california/>.

and jet fuel) in 2045. This demand is primarily for transportation, including for sectors that are directly regulated by the state and some that are subject to federal jurisdiction, such as interstate locomotives, marine, and aviation. As discussed more fully below, while significant GHG reductions from oil and gas extraction could be achieved as demand for fossil fuels is reduced due to strategies in this Scoping Plan, it is not feasible to phase out oil and gas production fully by 2045 given this remaining demand.

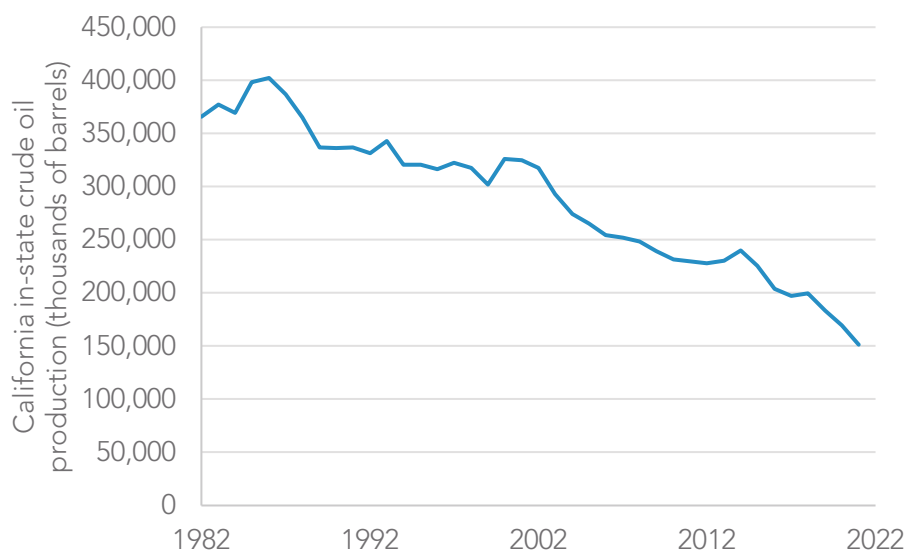
In the Scoping Plan Scenario, with successful deployment of zero carbon fuels and non-combustion technology to phase down petroleum demand, GHG emissions from oil and gas extraction could be reduced by approximately 89 percent in 2045 from 2022 levels if extraction decreases in line with in-state finished fuel demand. If in-state extraction were to be phased out fully, the future petroleum demand by in-state refineries would be met through increased crude imports to the state relative to the Scoping Plan Scenario. AB 32 defines leakage as, “a reduction in emissions in greenhouse gases within the state that is offset by an increase in emissions of greenhouse gases outside the state.” AB 32 also requires any actions undertaken to reduce GHGs to “minimize leakage.” Increases in imported crude could result in increased activity outside California to extract and transport crude into California. Therefore, our analysis indicates that a full phaseout of in-state extraction could result in GHG emissions leakage and in-state impacts to crude oil imported into the state. Figure 2-6 compares the 2022 emissions from this sector with the modeled results when the sector is phased down with in-state petroleum demand.

Figure 2-6: Oil and gas extraction sector GHG emissions in 2022 and 2045 when activity is phased down with in-state fuel demand



According to California Energy Commission (CEC) data used in Figure 2-7, the total oil extracted in California peaked at 402 million barrels in 1986. Since then, California crude oil production has decreased by an average of 6 million barrels per year, to about 200 million barrels in 2020. This steadily decreasing production of crude in California is expected to continue as the state's oil fields deplete.

Figure 2-7: California in-state crude oil production¹⁷⁸



A UC Santa Barbara report estimated that, under business-as-usual conditions, California oil field production would decrease to 97 million barrels in 2045.¹⁷⁹ The business-as-usual model assumed no additional regulations limiting oil extraction in California.

Any crude oil demand by California refineries not met by California crude oil will be met by marine imports of Alaskan and foreign crude.¹⁸⁰ As shown in Figure 2-8, approximately 99 percent of crude imports into California are delivered by marine transportation. The

¹⁷⁸ CEC. No date. Oil Supply Sources to California Refineries. Accessed April 21, 2022.

<https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/oil-supply-sources-california-refineries>.

¹⁷⁹ University of California, Santa Barbara. 2021. Enhancing Equity While Eliminating Emissions in California's Supply of Transportation Fuels.

¹⁸⁰ CEC. 2020. *Petroleum Watch: How Petroleum Products Move*. March.

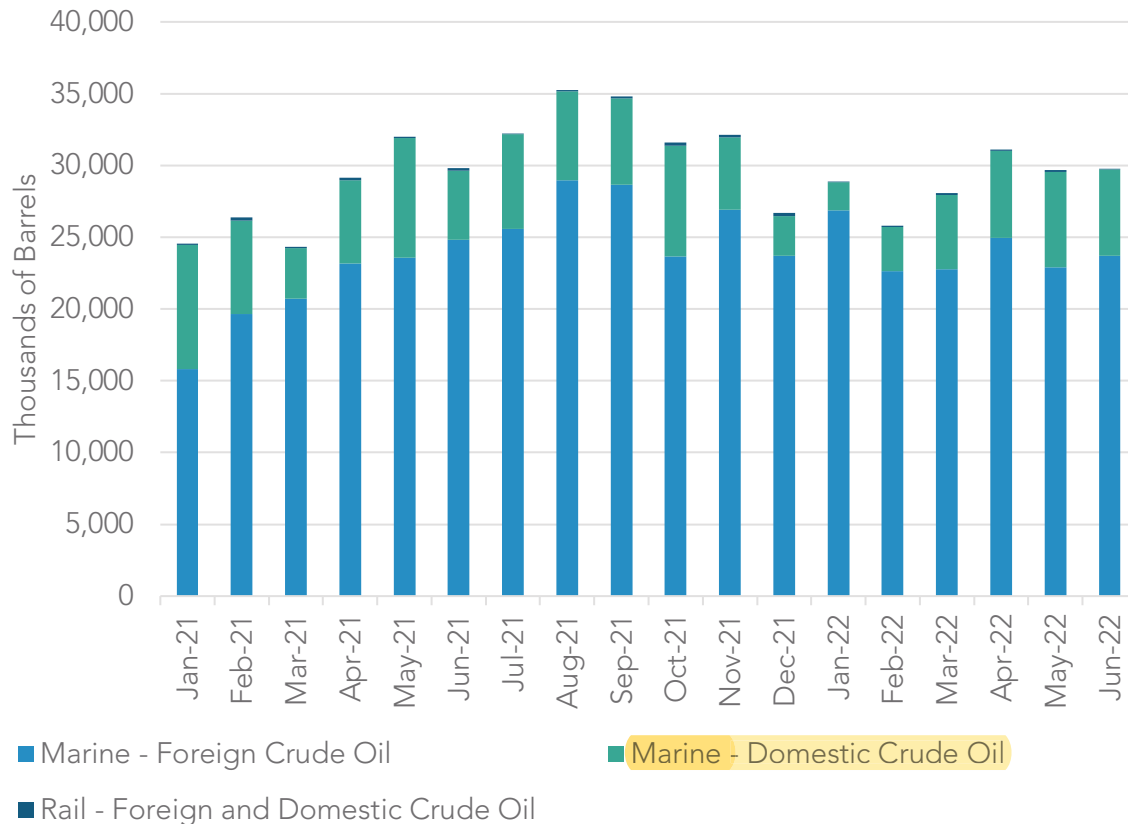
https://www.energy.ca.gov/sites/default/files/2020-03/March_2020_Petroleum_Watch.pdf, and CEC.

2020. *Petroleum Watch: What Types of Crude Oil Do California Refineries Process?* February.

https://www.energy.ca.gov/sites/default/files/2020-02/2020-02_Petroleum_Watch_ADA_0.pdf.

remaining imports occur by rail.¹⁸¹ There are no pipelines that bring crude oil into California from out of state.¹⁸²

Figure 2-8: Crude oil imports by transportation type¹⁸³



Crude oil delivered by marine tankers is delivered to onshore storage tanks and subsequently to refineries via pipeline. Most crude oil produced in California is delivered to California refineries by pipeline. Using historical trends, any increases in imported crude above historic levels would result in increased deliveries through the marine ports. This increased activity could require more infrastructure to store and move larger volumes of crude to the refineries in state.

¹⁸¹ CEC. June 2021. Crude Oil Imports by Transportation Type. Accessed March 16, 2022. <https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/crude-oil-imports-source>.

¹⁸² CEC. 2020. *Petroleum Watch: How Petroleum Products Move*. March. https://www.energy.ca.gov/sites/default/files/2020-03/March_2020_Petroleum_Watch.pdf.

¹⁸³ CEC. June 2021. Crude Oil Imports. <https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/crude-oil-imports-source>.

California refineries import a variety of crude oils to meet refinery needs. California petroleum refineries are generally designed to process relatively heavy crude relative to other U.S. refineries. In 2018, crude inputs to California refineries had an average American Petroleum Institute (API) gravity of 26.18 and an average sulfur content of 1.64 percent. Processing significantly lighter or heavier crude blends would require significant changes to a refinery.¹⁸⁴ Most crude imported from Alaska and the Middle East is relatively light (API gravity > 30) compared to California crude (API gravity < 20).¹⁸⁵ If California crude production is insufficient to meet the demand at California refineries, then California refineries will need access to a similarly heavy source of crude so that the average API gravity of crude remains within their established operating window. South American crude oil imports into California are the heaviest relative to other regions, and therefore they may be the most likely to replace decreased California crude oil supply.¹⁸⁶

In summary, the modeling indicates that demand for petroleum will persist due to legacy fleets that will not be replaced until end of life. The modeling also shows what the GHG emissions reductions would be if oil and gas extraction activities were phased down in line with the reduction of in-state petroleum demand. Trend data shows that oil and gas extraction already has been on the decline and will continue to decline. It is possible to anticipate the likely regions and types of crude that would be imported to meet in-state petroleum demand if in-state extraction was fully phased out by 2045. Importantly, activity at the ports would increase, and new infrastructure would be needed to store and deliver crude to in-state refineries. And while GHG emissions from this sector would go to zero in our AB 32 GHG Inventory with a full phaseout, emissions related to the production and transport of crude to California might increase elsewhere, resulting in emissions leakage.

As the state continues to reduce demand for petroleum, efforts to protect public health for communities located near oil and gas extraction sites must also continue. In October 2021, Governor Newsom directed action to prevent new oil drilling near communities and

¹⁸⁴ CEC. 2020. *Petroleum Watch: What Types of Crude?* February.
https://www.energy.ca.gov/sites/default/files/2020-02/2020-02_Petroleum_Watch_ADA_0.pdf.

¹⁸⁵ CEC. 2020. *Petroleum Watch: What Types of Crude?* February.
https://www.energy.ca.gov/sites/default/files/2020-02/2020-02_Petroleum_Watch_ADA_0.pdf.

¹⁸⁶ CEC. 2020. *Petroleum Watch: What Types of Crude?* February.
https://www.energy.ca.gov/sites/default/files/2020-02/2020-02_Petroleum_Watch_ADA_0.pdf.

expand health protections.^{187, 188} In 2022, the Legislature passed, and the governor signed, SB 1137 to protect communities from existing and any new oil and gas extraction activities through 3,200 foot setbacks.

Petroleum Refining

In the Scoping Plan Scenario CARB modeled a phasedown of refining activity in line with petroleum demand. Meeting petroleum demand means sufficient availability of finished fuel (gasoline, diesel, and jet fuel). Crude is processed at in-state refineries to produce finished fuel. In response to stakeholder requests,¹⁸⁹ this evaluation focuses on the Scoping Plan Scenario, but with an evaluation of a complete phasedown of refinery operations in state.

The Scoping Plan Scenario results in California petroleum refining emissions of 4.5 MMTCO₂e in 2045; a reduction of approximately 85 percent relative to 2022 levels, which is in line with the decline in in-state finished fuel demand.¹⁹⁰ Emissions from refining can be reduced further through the application of CCS technology, as shown in Figure 2-9. If in-state refining is phased down to zero and the demand for the finished fuels produced by that refining persists, imported finished fuels may be needed to meet the remaining in-state demand.¹⁹¹ The current data shows unmet demand for liquid petroleum transportation fuels would most likely be met by marine imports. A CEC report notes, “The only way for California to receive large amounts of crude and refined products is by marine.”¹⁹²

¹⁸⁷ Office of Governor Gavin Newsom. 2021. California Moves to Prevent New Oil Drilling Near Communities, Expand Health Protections. <https://www.gov.ca.gov/2021/10/21/california-moves-to-prevent-new-oil-drilling-near-communities-expand-health-protections-2/?msclkid=6c0da86bc58e11ecb81cf596d4d8a735>.

¹⁸⁸ California Department of Conservation Geologic Energy Management Division. October 2021. Draft Rule for Protection of Communities and Workers from Health and Safety Impacts from Oil and Gas Production Operations. <https://www.conservation.ca.gov/calgem/Pages/Public-Health.aspx?msclkid=45660232cf2511ecb1c56119097e3b0c>.

¹⁸⁹ California Environmental Justice Alliance. October 22, 2021. Comment on 2022 Scoping Plan Update - Scenario Inputs Technical Workshop. <https://www.arb.ca.gov/lists/com-attach/68-sp22-inputs-ws-WzhdPII5AjACW1Qx.pdf>.

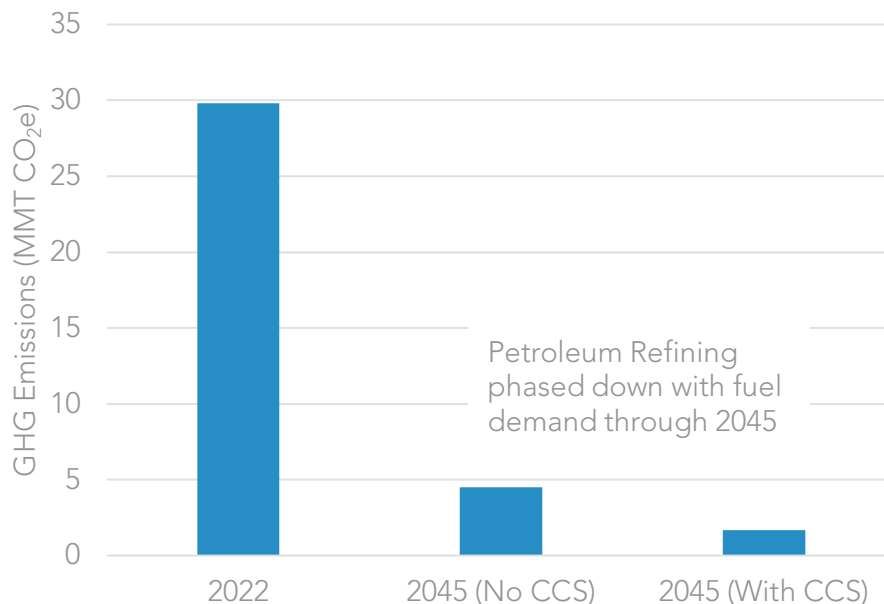
¹⁹⁰ This reduction in demand does not assume any need for ongoing operations to support exports to neighboring states.

¹⁹¹ If demand assumes an ongoing need to support exports to neighboring states, the residual demand would require a five-fold increase in finished fuel imports.

¹⁹² CEC. 2020. *Petroleum Watch: How Petroleum Products Move*. March. https://www.energy.ca.gov/sites/default/files/2020-03/March_2020_Petroleum_Watch.pdf.

There are currently no pipelines capable of bringing refined products to the state, and rail imports of refined products have historically made up less than 1 percent of all imports.¹⁹³ Significant increases in marine imports would likely require significant reconfiguring, retrofitting, or replacement of crude pipelines and storage tanks at current marine terminals, and possible reconfiguring of existing finished fuel infrastructure to account for changes in volumes and locations of supply points.

Figure 2-9: Petroleum refining sector GHG emissions in 2022 and 2045 (with and without CCS) when activity is phased down with fuel demand



If California's finished fuel demand is not met by continued refining activity in California, the state would need to import finished fuels to meet the ongoing demand. This would likely result in a two- to five-fold increase in the number of finished fuel ship deliveries to marine terminals. Marine tankers delivering refined products are often much smaller than crude oil tankers, so changes in fuel use and emissions cannot be easily estimated from the change in both the type and the number of ship deliveries.¹⁹⁴

¹⁹³ CEC. 2020. *Petroleum Watch: How Petroleum Products Move*. March.

https://www.energy.ca.gov/sites/default/files/2020-03/March_2020_Petroleum_Watch.pdf.

¹⁹⁴ Personal communication with CEC staff, March 2022; U.S. EIA. 2017. *World Oil Transit Chokepoints*. 3. <https://www.eia.gov/beta/international/regions-topics.php?RegionTopicID=WOTC>.

If refining ceased in California, the rail and marine deliveries currently needed to support both refining processes and the export of waste products, such as petroleum coke, would cease.

In summary, the modeling indicates that demand for petroleum will persist through 2045. The modeling also shows what the GHG emissions reductions would be if refining activities were phased down in line with the reduction in in-state petroleum demand. CCS can further reduce emissions for this sector. Importantly, activity at the ports would increase, and new infrastructure would be needed to store and deliver finished fuel across the state, if in-state refining were fully phased down by 2045. And while GHG emissions from this sector would go to zero in our AB 32 GHG Inventory with a full phaseout, emissions related to the refining and transport of finished fuel to California might increase elsewhere, resulting in emissions leakage.

Progress Toward Achieving the Accelerated 2030 Target

The 2017 Scoping Plan laid out a path to achieving the SB 32 target of at least a 40 percent reduction of GHG emissions below 1990 levels by 2030 that focused on reducing emissions in the state and was technologically feasible and cost-effective, reflecting statutory direction. Many of the programs to achieve the 2030 target increased in stringency beginning January 1, 2021. However, the 2030 target must be increased to help achieve the deeper reductions needed to meet the state's statutory carbon neutrality target specified in AB 1279 and Executive Order B-55-18.

Starting in 2020 and extending into 2022, the COVID-19 pandemic impacts reverberated across the globe in a multitude of ways, including the devastating loss of millions of lives. The pandemic also had a significant impact on GHG emissions by virtue of its impact on global economies and lifestyle changes for Californians, with extended work and school disruptions. Thus, assessing our progress toward meeting our SB 32 target is confounded by the unprecedented nature of the pandemic. Nevertheless, an assessment of progress toward the 2030 target is critical, in particular the accelerated 2030 target called for in this Scoping Plan, since achieving the accelerated 2030 target would make the state well positioned to achieve its carbon neutrality goals and bring critical near-term air quality benefits to address historical and ongoing disparities in access to healthy air. Because there is only one year of data available for this decade, the analysis takes a prospective look using projected emissions over the remainder of this decade.

Estimating GHG emissions in 2030 requires projecting the effect of policies or measures that are currently deployed and undergoing implementation. Table 2-4 shows three distinct estimates of GHG emissions in 2030 that were created at different times and used different modeling approaches.

APPENDIX 3

Expert opinion letter of Capital Matrix Consulting dated January 19, 2024



January 19, 2024

Mr. Patrick McGarrigle
McGarrigle Kenney and Zampiatello, AAPC
9600 Topanga Canyon, Suite 200
Chatsworth, CA 91311

Dear Mr. McGarrigle,

This responds to your request that I evaluate the environmental and economic impacts of the proposed amendment to the Baldwin Hills Community Standards District (CSD). This amendment would prohibit the location of new oil wells and production facilities in the Baldwin Hills CSD area, and it would make existing oil wells and production facilities a non-conforming land use, thereby triggering a phase-out in existing production within 20 years. The amendment would make CSD regulations consistent with the Los Angeles County Oil and Gas Well Ordinance adopted by the Board of Supervisors in January 2023, which bans the drilling of new oil and gas wells in the unincorporated County and phases out existing wells over a 20-year period.

Specifically, you asked me to address the question of whether the categorical exemption of the proposed amendment from environment impact report (EIR) requirements otherwise mandated under the California Environmental Quality Act's (CEQA) for significant projects or project revisions is appropriate.

As noted in a legal brief prepared by the Larson LLP law firm (dated August 14, 2023) and a Technical Memorandum prepared by Megan Schwartz, Director of Regulatory Compliance and Permitting for Catalyst Environmental Solutions (dated September 25, 2023), such an exemption is inappropriate on legal grounds, given the substantive nature of the proposed revisions to the CSD that were not contemplated in the original EIR that was produced when the CSD was formed in 2008. Among other provisions, CEQA guidelines require an EIR review in cases where a project revision results in the "loss of a known mineral resource that would be of value to the region and residents of the state."

I believe that the phase-out of oil and gas production in Inglewood Field would represent a significant loss of a mineral resource in California, and that the real-world environmental and economic consequences of this loss would be substantial. For these reasons, a full EIR is clearly warranted. My conclusions are based on the following factors:

1. Inglewood Oil Field supplies 2 million barrels of oil per year to Southern California.

Over the past decade, annual production from the Inglewood Oil Field has averaged 2 million barrels of crude oil and 1 million Mcf (or 167 thousand barrels of oil equivalent) of natural gas production. Oil extracted from the field is shipped by pipeline from the field to local refiners, where it is processed and sold to consumers of gasoline, diesel, jet fuel and other petroleum products in the Southern California region. Natural gas is sold to Southern California Gas, which distributes the product to 21.8 million customers in the Southern California region.¹

2. The field has high production potential for decades to come.

According to a U.S. Geological Survey (USGS) conducted in 2012, the Inglewood Oil Field had known recoverable reserves (equal to total production-to-date plus remaining reserves) of 430 million barrels. The USGS's mean estimate for remaining recoverable reserves was 230 million barrels. Even after taking into account the depletion that occurred due to extraction between 2012 and 2023, the field still has over 200 million in recoverable reserves, or about one-half of its original total. This implies that the field will continue to provide oil (and associated gas) to the Southern California regions for decades to come, assuming that operators are allowed to make investments in replacement wells and other field operations needed to sustain production over time.

3. These supplies will be needed in California for many years.

According to the California Energy Commission (CEC), California refiners purchased 528 million barrels of crude oil in 2022, which were mostly refined into gasoline, diesel, and jet fuel. These fuels accounted for well over 99 percent of energy used in California's transportation sector during the year.² California is currently one of the largest consumers of gasoline, diesel and jet fuel on earth. About 25 percent of crude oil consumption in 2022 was supplied by in-state production and the remaining 75 percent was from waterborne imports from Alaska and foreign countries. As discussed in more detail below, in-state oil production plays a major role in ensuring an adequate amount of refined petroleum products are available for Californians.

The share of total transportation energy supplied by petroleum will likely decline over time as California transitions to a carbon-neutral economy. Even under optimistic assumptions about the speed of the energy transition, however, the state will remain a major consumer of crude oil for many years into the future. The California Energy Commission's most recent Transportation Energy Demand Forecast, released in December 2022, shows that combined demand for gasoline, diesel and jet fuel will decline only modestly over the next 12 years – from 21 million gallons in 2022 to 19 million by 2035.³ While gasoline and diesel consumption is expected to fall moderately during this period, jet fuel consumption is projected to rise. Consumption of gasoline, diesel, and jet fuel for years beyond 2035 (the final year of CEC's forecast) will depend

¹ Most of my comments in subsequent sections refer to oil production because it is the main resource extracted from Inglewood Oil Field. However, it is important to note that many of the same issues raised with respect to oil also apply to natural gas produced in the field, albeit on a smaller scale.

² Source: *Transportation Energy Demand Forecast. 2022 Integrated Energy Policy Report*. Aniss Bahreinian, Ph.D. California Energy Commission, December 7, 2022. <https://www.energy.ca.gov/event/workshop/2022-12/iepr-commissioner-workshop-updates-california-energy-demand-2022-2035>

³ Ibid.

on the rate of uptake of zero emission vehicles, growth in the state's population and economy, future changes in per-capita vehicle miles traveled, and numerous other difficult-to-predict factors. However, the slow decline rate over the next decade makes it highly likely that California demand for crude oil will remain in the range of several hundred million barrels per year for decades to come.

The bottom line is that the great majority of oil produced in California is refined locally and consumed within the state, and that this will remain the case for many years to come. The corollary is that any loss in local production will need to be replaced with more imports from Alaska and foreign countries in order to fulfill demand for refined petroleum products in the state. As discussed in the following section, the shift to more imports would come at a significant environmental and economic cost to Californians.

4. Loss of local supplies will have substantial negative environmental and economic impacts.

These impacts would occur in three key areas: (1) increased CO₂ and other emissions related to shipments and offloading of crude from Alaska and foreign sources; (2) loss of jobs, income, and taxes related to local production; and (3) higher retail fuel prices and greater supply risk to California consumers.

CO₂ emissions and other pollution associated with replacement imports.

The increase in waterborne imports would require additional tankers, some traveling up to 15,000 miles, and each offloading crude through Southern California's already-crowded ports. As noted above, crude oil production from the Inglewood oil field is collected on-site and sent via pipeline to local refineries in Southern California. This efficient process is partly responsible for the relatively low carbon intensity of oil produced by this oil field.^{4,5} Because of this relatively low intensity, replacement of oil extracted from the Inglewood field with offshore sources may significantly raise the net level of CO₂ emissions attributable to oil refined in California.

In addition to CO₂ emissions, the offloading of additional foreign crude would result in increases in other pollutants – including particulate matter, nitrogen oxides, carbon monoxide, and sulfur oxides – in and around the Southern California ports. This would have important environmental justice implications, in that people living in low-income communities near the ports and marine terminals would face more pollution and associated risks of cancer, respiratory diseases, and other health-related ailments.

More generally, California oil and gas operators are subject to the strictest health, safety, and environmental regulations in the world. They are regulated by more than two-dozen federal and state agencies, including the U.S. Environmental Protection Agency, the Geologic Energy Management

⁴ Source: *Calculation of 2022 Crude Average Carbon Intensity Value, Low carbon Fuel Standard Crude Oil Cycle Assessment*. August 3, 2023. https://ww2.arb.ca.gov/sites/default/files/classic/fuels/lcfs/crude-oil/2022_Crude_Average_CI_Calculation_initial.pdf.

⁵ Crude oil carbon intensity measures emissions associated with the production and transport of crude oil supplied to California refiners. Carbon intensity (measured as grams of CO₂ per megajoule of energy) was 10.06 for Inglewood, or 26 percent less than the 12.69 average from all California refinery sources. It is also 37 percent lower than the carbon intensity of Alaska crude and nearly 20 percent lower than crude oil from Iraq, which was the leading non-U.S. source of imports during 2022.

Division of the California Department of Conservation (CalGEM), and numerous state and regional air and water districts. Production in the Inglewood oil field is additionally subject to the CSD, which regulates nearly every aspect of the oil field's daily operations, ranging from drilling and flaring to protocols for handling community complaints. Given these multiple levels of regulation, Inglewood oil field is one of the most highly regulated fields in the world. It is unlikely that replacement oil from non-California sources would be produced under the same rigid environmental, health, and safety standards.

Loss of local jobs, income, and state and government tax revenues.

Direct impacts. According to Sentinel Peak Resources' (the current operator in the Inglewood oil field), about 80 workers are directly employed by the company to work in the oil field, along with an additional 100 to 150 contractors who support Sentinel Peak's operations.⁶ According to data from the California Employment Development Department, the oil and gas extraction and support industries in Los Angeles County had a combined average annual wage of \$110,000 in 2022.⁷ This was 43 percent higher than the \$77,000 average wage for all private sector employees during the year. The above average pay rate for oil and gas production is even more impressive given that many field service jobs are available to workers with high-school and technical degrees.

The Inglewood oil field is also the source of millions of dollars in royalty payments, with most royalty owners living in the surrounding local community. It is also a major source of ad-valorem property taxes paid to the county, as well as income taxes, sales taxes, and a variety of other taxes and fees paid to state and local governments.

Total impacts, including multipliers. In addition to the elimination of jobs, wages, royalty income, and taxes directly related to field operations, a production phase-out would have indirect impacts on the Southern California communities surrounding the field, as the lost wages and royalty payments translate into less expenditures on goods and services in the local economy. Taking into account these multiplier effects, *the total impact of a phase-out of the Inglewood oil field would likely be losses of 600 jobs, \$100 million in income, and over \$20 million in state and local taxes.*

Reduced energy reliability and increased petroleum prices to consumers.

Local crude oil production is particularly important to Californians because unlike most states, which are interconnected to petroleum supplies through networks of pipelines, rail, and short-distance vessel shipments, California is an "energy island." California refiners rely almost exclusively on in-state production and waterborne imports from Alaska and foreign countries to meet petroleum demand. Some of the largest foreign sources, such as Iraq and Saudi Arabia, are up to 15,000 nautical miles away from Southern California ports, meaning that it can take weeks, or even months to access new foreign supplies in the event of unexpected changes in supply or demand in California markets. California receives almost no oil from the other "lower-

⁶ Source: *Inglewood Oil Field – Economic Benefits*. <https://inglewoodoilfield.com/benefits/economic-benefits/>

⁷ Source: *Quarterly Census of Employment and Wages*. Labor Market Information Division, California Employment Development Department. <https://labormarketinfo.edd.ca.gov/qcew/qcew-select.asp>

48” states due to the lack of interstate crude oil pipelines from North Dakota and Texas to California, and the high costs, safety concerns, and strong public resistance to rail shipments.^{8,9}

Given California’s isolation from other U.S. markets, production from the Inglewood oil field and other in-state sources plays a crucial role in ensuring a steady and reliable supply of crude oil to help refiners meet California’s energy needs. A loss of in-state oil supplies would have a variety of deleterious effects, including:

- **Higher costs for imported crude.** According to the California Energy Commission’s 2022 Integrated Energy Policy Report Update, one key reason for California’s higher-than-average gasoline prices is higher dependence on “more expensive foreign and Alaskan crude oil.”¹⁰ The implication is that a loss of in-state production and corresponding increased reliance on Alaska and foreign crude will likely result in further retail price increases.
- **Higher refinery costs.** If a phase-out of Inglewood oil production were combined with losses of other sources of California crude oil, refiners would likely face significant capital costs to maintain efficient operations. This is because California refiners currently rely on a steady flow of California crude to optimize fuel inputs and minimize foreign supply disruptions. In a study we conducted for the Western States Petroleum Association in 2019, we found that refiners do not have adequate port-related capacity of accommodate the increased imports that would be required to replace a shutdown of California production.¹¹ Hence, a significant loss of California crude production would require increased expenditures for additional dock capacity, coastal storage and pipelines, and potentially for reconfiguration of the refineries themselves to optimally process foreign slates of crudes.¹² The costs associated with increased reliance on imports are acknowledged in the California Air Resources Board (CARB) 2022 California Air Resources Board Scoping Plan, which specifically states that if a phase-out of California crude oil were to occur, “activity at the ports would increase, and new infrastructure would be needed to store and deliver crude to in-state refineries.”¹³ In

⁸ Total shipments into California by rail were 862,000 barrels in 2022, representing less than 0.2 percent of total crude oil demand in the state. See “Oil Imports by Rail, 2022,” California Energy Commission. <https://www.energy.ca.gov/data-reports/energy-almanac/californias-petroleum-market/annual-oil-supply-sources-california-0>.

⁹ Similarly, California imports only small amounts of refined motor vehicle fuel from other states. This reflects (1) the lack of interstate refined petroleum pipelines extending from mid-continent or the Gulf Coast to California, and (2) the lack of out-of-state refineries that produce sufficient quantities of motor vehicle fuels that meet California’s special fuel formulation requirements.

¹⁰ Source: *Final 2022 Integrated Energy Policy Report Update*. California Energy Commission, May 10, 2023. See page 9. <https://www.energy.ca.gov/data-reports/reports/integrated-energy-policy-report/2022-integrated-energy-policy-report-update>.

¹¹ See “Impact of a Statewide Oil Production Ban on Downstream Petroleum Markets,” Capitol Matrix Consulting, August 2019. Prepared for the Western States Petroleum Association.

¹² Petroleum refineries are complex industrial facilities that are designed to handle specific slates of crude oil. Replicating the chemical characteristics of California crudes with foreign-sourced oil would pose a significant challenge to refineries, who would need to either find foreign oil matching characteristics of California crude or incur major costs to reconfigure their refining processes.

¹³ Source: *2022 Scoping Plan for Achieving Carbon Neutrality*, California Air Resources Board, December 2022, See page 105. <https://ww2.arb.ca.gov/sites/default/files/2023-04/2022-sp.pdf>. The 2022 Scoping Plan also acknowledges that a full phase-out of local oil and gas would result in “leakages,” stating that “while GHG emissions from this sector would go to zero in our AB 32 GHG inventory with a full phase-out, emissions related to the production and transport of crude to California might increase elsewhere, resulting in emissions leakage.”

California's isolated petroleum markets, these additional costs would likely be passed along to consumers.

- **Potential capacity constraints and supply shortages.** This would occur if California refiners were unable to secure the permits from multiple agencies needed to move forward on the infrastructure investments.¹⁴ It would also occur if refiners found such investments to be uneconomic due to their long lead times, the state's plans phase-out of petroleum fuels, and uncertainties about future regulations and taxes affecting refineries. The resulting supply shortfalls would boost retail prices for refined fuels.
- **Greater risk of supply disruptions.** Lastly, higher dependence on imports would put California at greater risk from foreign supply disruptions due to regional skirmishes, oil embargos, and other global factors. Disruptions would quickly translate into supply shortages and price increases for refined fuel products.

Conclusion

The proposed CSD amendment would result in a major change to land use in the Inglewood oil field, which will have far-reaching environmental and economic impacts. The amendment will result in a significant loss of a mineral resource that is highly valued to Californians and will remain so for many years. Reduced local oil production may significantly raise CO₂ emissions related to production and transport of crudes sourced from Alaska and foreign countries. Increased imports will also have negative effects on local air quality in and around California ports, thereby increasing health-related risks in adjacent communities. The phase-out of Inglewood oil field operations would also reduce jobs, income, and tax revenues to the region surrounding Inglewood oil field. And the loss of in-state crude oil production may raise prices and reliability of California petroleum supplies, thereby negatively impacting households and businesses throughout the state. It is important that these potential impacts be thoroughly vetted in an updated EIR.

Sincerely,



Brad Williams
Senior Partner and Chief Economist
Capitol Matrix Consulting

Enclosure: Author Biography

¹⁴ Our 2019 report, referenced in footnote 11, also highlights California's long history of major delays, revisions, and permit denials for oil-related capital projects in and around California ports, which bodes poorly for future expansions.

Author Biography

Brad Williams joined Capitol Matrix Consulting (CMC) in 2011 as its senior partner and chief economist after a nearly 33-year career in state government. During the 12 years at CMC, Mr. Williams has advised clients on development of statewide ballot initiatives; prepared numerous economic studies; and represented clients in public hearings, editorial board meetings, press conferences, and other public and private venues. His work has involved projects in numerous areas, including oil and gas, renewable energy, education, taxation, state and local government finances, pensions, agriculture, and health care.

During this period, Mr. Williams has prepared dozens of statewide and regional studies for the California oil and gas industry. These have included the industry's direct and indirect impacts on statewide and regional economies, as well as evaluation of the impacts of laws, regulations, and general plan updates on oil production, gasoline prices and availability, and jobs in the industry. Mr. Williams has also presented testimony before regional boards and commissions on oil-inbdustry related impacts of proposed regulatory changes.

During his career in state government, Mr. Williams served in the non-partisan California Legislative Analyst's Office as its chief economist and Director of Economic and Fiscal Forecasting, where he was responsible for: the office's economic and budget-related forecasts; financial modeling of budget scenarios for legislative leaders; analyses of ballot and legislative budget proposals; and preparation of studies relating to revenue volatility, the impacts of the state's spending limit, and fiscal challenges facing local governments. He was also a key spokesman for the office, frequently providing testimony to the legislature, presenting at state and national conferences, and appearing on CNBC and other television and radio programs. In his government career, Mr. Williams also served as consultant in the Assembly Appropriations committee; as an advisor to State Treasurer Kathleen Brown and State Controller Kathleen Connell; and as the executive director of the Commission on State Finance – an agency responsible for preparing short- and long- term forecasts of the state's economy and financial situation.

Based on a detailed Wall Street Journal comparison of economic projections made by banks, universities, and other forecasters over the full decade of the 1990s, Mr. Williams was recognized by the Journal as the most accurate forecaster of California's economy for that period. He was also recognized by the Journal as one of the first economists in the U.S. to recognize and measure growing volatility in state government revenues starting in the late 1990s, reflecting shifting income distributions and state governments' rising dependence on income taxes on capital gains.

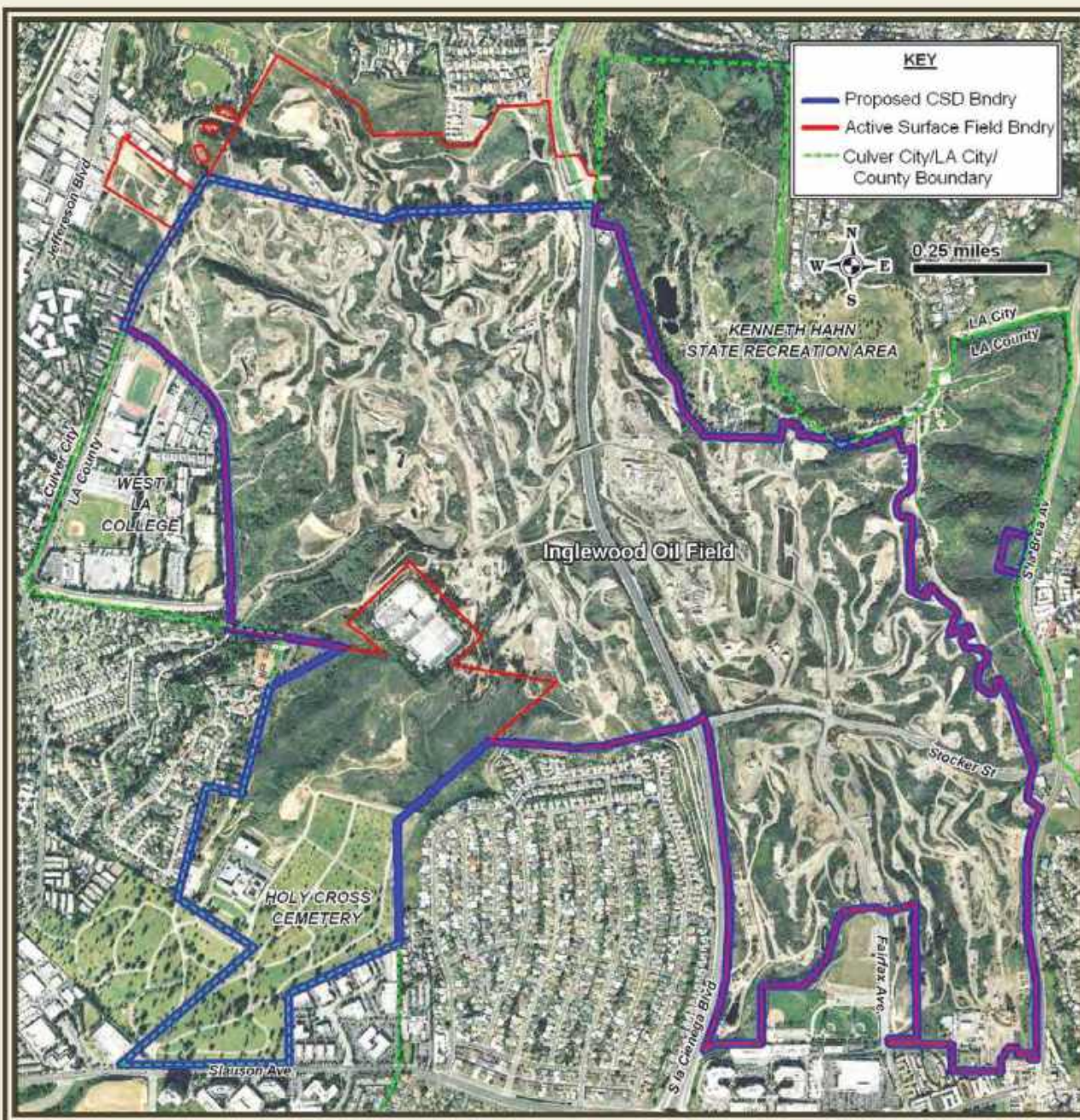
Mr. Williams received his BA and MA in economics from the University of California, Davis.

APPENDIX 4

2008 Final Environmental Impact Report for Baldwin Hills Community Standards District
(cover page, p.4.2-44)

Final Environmental Impact Report

Baldwin Hills Community Standards District



October 2008

SCH# 2007061133
County Project # R2007-00570
Environmental Case # RENV2007-00048

Prepared By:
mrs
Marine Research Specialists

Prepared For:
Los Angeles County
Department of Regional Planning
320 West Temple Street
Los Angeles, CA 90012

Table 4.2.13 Electricity Generation Resource Mix and Greenhouse Gas Emissions

Area	United States	Western States (WECC)	California ISO	So Cal Edison Service Area*
Resource Mix, %				
Coal	50.2	34.2	1.2	1.7
Oil	3.0	0.5	1.2	0.9
Gas	17.4	26.3	51.1	41.9
Nuclear	20.0	9.9	16.8	38.0
Hydro	6.6	24.3	17.3	4.7
Biomass	1.4	1.3	3.2	2.9
Wind	0.3	0.9	2.4	3.8
Solar	0.0	0.1	0.3	0.8
Geo	0.3	2.0	5.5	4.1
Other Fossil	0.5	0.3	0.9	1.2
Other	0.1	0.0	0.0	0.0
Non-renewables	91.3	71.3	71.3	83.7
Renewables	8.7	28.7	28.7	16.3
Non-hydro Renewables	2.1	4.3	11.4	11.6
CO2 Rate, lb/MWh	1363	1107	687	613

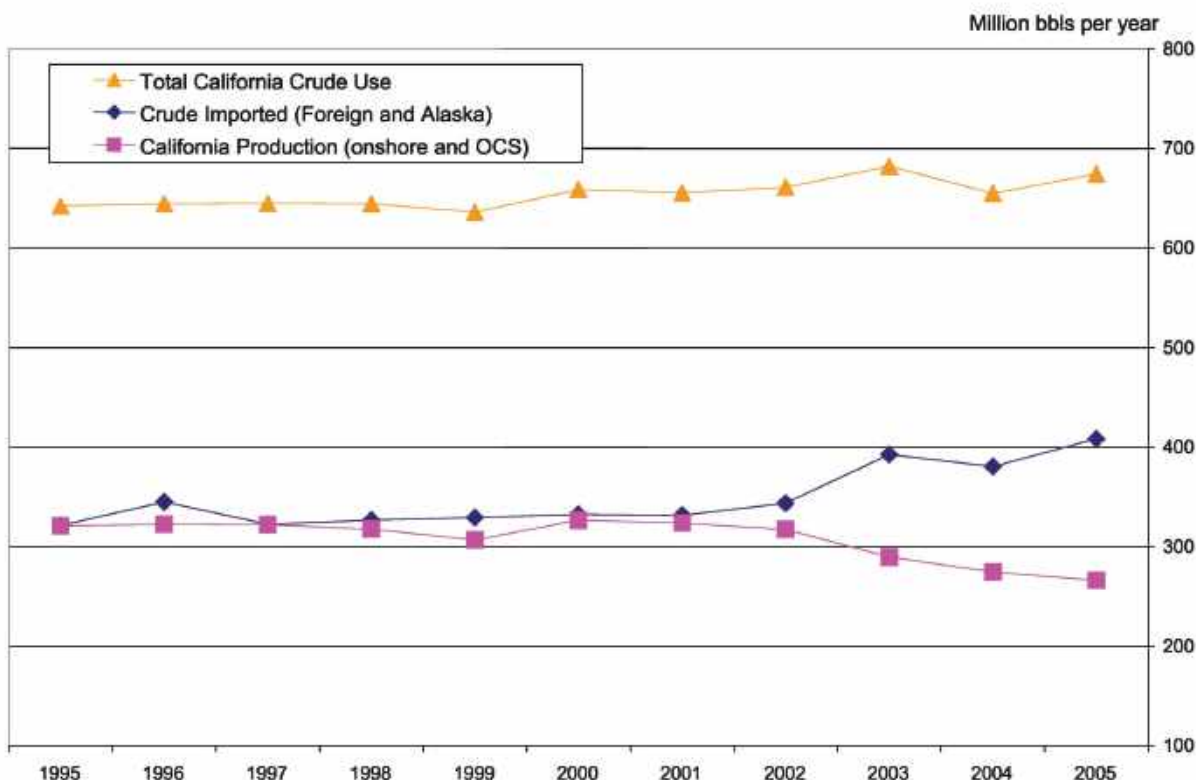
Notes: Source is eGRID database with modifications and updates. *SCE Service area includes 75% of San Onofre, Geothermal in Nevada and hydro in Sierra Nevada, San Bernardino & L.A. Mojave Coal Fired Power Plant not included in CalISO or So Cal Edison service area as it was shut down in 2005. Resource mix is the percentage of total mega-watt hours. Renewables are defined as hydro, biomass, wind, solar, geo and other.

Crude Oil Transportation/Refining Lifecycle and Greenhouse Gas Emissions

One aspect of the “lifecycle” analysis of greenhouse gas emissions associated with the baseline and potential development is the dynamics of the crude oil markets in California. The supply of crude oil is driven by the demand for refined products (gasoline, diesel and jet fuel). Currently, the demand for refined products is met through supply to California refineries of crude oil from California domestic production, foreign imports of crude oil, imports of crude oil from Alaska, and imports of refined products. There are no crude oil pipelines which bring crude oil into California.

This means that the only sources of crude oil to meet refinery crude oil demand are from California production, Alaska production, or from foreign sources brought into ports by tanker ships.

California production of crude oil per year has been in decline since 1986, when production peaked at slightly over 400 million barrels. The decline has averaged about 1.7% per year since 1995. More recently, the decline has averaged over 3% annually since the year 2000. Figure 4.2-6 shows the total California crude oil use, California production, and the associated imports through California ports.

Figure 4.2-6 California Crude Oil Use, Production and Imports

Source: CEC and DOGGR databases online

The production of Alaska North Slope crude oil has experienced decline due to the age of the reservoirs. Alaska North Slope production has declined since its peak in 1989 of about 328 million barrels annually. The average rate of decline since 1995 has been above 4%.

At the same time that there has been declining California production and declining Alaska North Slope production, demand for crude oil in California has remained relatively flat, with an annual average increase since 1995 of only about 0.5%.

The combination of declining California and Alaska North Slope production along with a relatively constant, flat demand for crude oil in California equates to an increase in foreign crude oil imports. Foreign crude oil imports since 1995 have increased by an average of almost 38%. As seen in Figure 4.2-6, the increase in imports closely mirrors the decline in California production since about 2000.

The California Energy Commission (CEC) has produced a number of reports on the state of the California crude oil markets. They conclude the following:

- “Declining California production will be replaced with crude oil delivered by marine vessel” (CEC 2003);

- A “reduction in [gasoline] use with alternative fuels and efficiency improvements will reduce imports of [refined] products, not imports of crude oil” (CEC 2007);
- “Without increasing the fuel supply by importing additional crude oil and transportation fuels, California will not only continue to experience supply disruptions and price spikes, but also supply shortages and prolonged and elevated prices, for gasoline fuels”; (CEC 2003b); and
- “Supplies of crude oil from within California and from Alaska have been declining, requiring California to import an increasing proportion of its crude oil from foreign sources” (CEC 2003b).
- The CEC estimates that increases in imports of crude oil to California translates into “an additional 150 shipments of crude oil [into ports] received per year [by] 2015” (CEC 2005).

A component of the crude oil markets involve Los Angeles area refineries and their associated ability to process a range of different crude types, from the relatively sweet/light Alaska North Slope crude to the heavy San Joaquin Valley crudes. Increased installation of cracking units at refineries, which allow for the refining of heavier crude oils into gasoline and lighter products, in the last 5-10 years has increased the ability of refineries to process heavier crude oils as the supply of ANS crude and San Joaquin Valley light crude has diminished (SCAQMD CEQA Documents).

The three major regions of California crude oil production are Kern County, the Los Angeles Basin, and the Outer Continental Shelf. Oil from Kern County accounts for two-thirds of California’s total crude oil production. Approximately 58 percent of the Kern County crude oil has an API of 18 degrees or less (heavy crude). The Los Angeles Basin’s largest fields are the Wilmington and the Huntington Beach fields with average APIs of 17 to 19 degrees, respectively (heavy crude). The Outer Continental Shelf accounts for about 10 percent of the total California production. The quality of Outer Continental Shelf crude oil varies by field with API gravities ranging from 14 to 38 degrees (heavy to light crude). (CEC 2006). Alaska North Slope crude oil ranges from an API gravity of 22 to 40 degrees (light crude).

Oil imports delivered to California from foreign sources by ocean going tankers come from Saudi Arabia (35%), Ecuador (25%), Iraq (12%), Mexico (7%) and others. The Saudi crude oil API gravity ranges from 28 to 34 degrees (light crude) (CEC 2006).

The use of foreign crude oil is associated with substantial emissions associated with transportation as foreign crude oil needs to be transported from between 4,000 miles (Ecuador) and 13,000 miles (Saudi Arabia) one-way to get to California. Alaska North Slope crude travels about 2,500 miles from Alaska. This causes the greenhouse gas lifecycle emissions associated with foreign crude oil to be substantially higher than California crude oil.

Transportation of the majority of California crude oil is via pipeline, which requires energy to pump the crude oil to the refineries. This energy is generally a function of the type of crude oil, if heating is required, and the distance and terrain between the wells and the refinery.

Very little, if any, crude oil is exported from California. Since the beginning of 2001 through the end of November 2007, 1,367,000 barrels of crude has been exported from PADD 5 (California, Arizona, Nevada, Oregon, Washington, Alaska, and Hawaii). The majority of the exports were a shipment to China of 805,000 barrels in April 2004, 401,000 barrels to Canada in January 2006, and 57,000 barrels to Canada in October 2004 (EIA 2008). The remaining exports from PADD 5 (17 shipments) were to Canada and Mexico, and averaged approximately 6,000 barrels per shipment. Given the small size of most of these shipments, it is likely they were via truck and not marine tanker.

Therefore, if one assumes that all of the PADD 5 exports originated from California, which is highly unlikely, but the most conservative assumption, then at best there would have been two to four marine tanker trips for exporting crude over a seven year period. **This compares with over 1,000 tanker trips that imported crude oil into California over the same seven year period.**

Refining of crude oil into end-use products such as gasoline, diesel and jet fuel requires energy. Refinery energy requirements are a function of the refinery arrangements, the type of crude oil, the type of gasoline being produced (winter or summer blends), the level of sulfur removal required, etc. Efficiencies of refineries have been shown to range from 83 to 87% (GM, 2001), meaning that 13 to 17% of the product energy content is required to refine the product.

4.2.7.2 Affected Environment

National Greenhouse Gas Emissions

Fossil fuel combustion represents the vast majority of the nation's greenhouse gas emissions, with CO₂ being the primary greenhouse gas. The total U.S. greenhouse gas emissions were 7,260 million metric tons of carbon equivalents (MMTCE) in 2005, of which 84% was CO₂ emissions (EPA 2007). Figure 4.2-7 shows the breakdown of U.S. greenhouse gas emissions since 1990. Approximately 33% of greenhouse gas emissions were associated with transportation in 2005 and about 41% was associated with electricity generation.

Statewide Greenhouse Gas Emissions

California's greenhouse gas emissions are large in a world-scale context and growing over time. If California were considered an independent country, its emissions would rank at least 16th largest. In 2004, California produced 492 million metric tons of CO₂ equivalent greenhouse gas emissions (CEC 2006). The transportation sector is the single largest category of California's greenhouse gas emissions, producing 41% of the state's total greenhouse gas emissions in 2004. Electrical generation produced 22% of greenhouse gas emissions. Most of California's emissions, 81%, are carbon dioxide produced from fossil fuel combustion (CEC 2006).

APPENDIX 5

CalEPA “Final Designation of Disadvantaged Communities (May 2022)” and map

**FINAL DESIGNATION OF DISADVANTAGED COMMUNITIES
PURSUANT TO SENATE BILL 535
May 2022**

I. INTRODUCTION

With the increasing frequency and severity of wildfires, extreme heat, drought, and other climate impacts, there is no doubt that California must double-down on efforts to address climate change. That is precisely what California is doing through the billions of dollars of investments to reduce greenhouse gas pollution and safeguard our communities from the mounting risks related to that pollution. At the same time, many of our communities struggle with unacceptable levels of pollution and poverty. One of our best opportunities to address these related challenges is to direct climate investments to “disadvantaged communities.”

Senate Bill (SB) 535 (De León, Chapter 830, Statutes of 2012) mandates that California use certain Cap-and-Trade auction proceeds to fund investments in “disadvantaged communities” (DACs). It charges the California Environmental Protection Agency (CalEPA) with the responsibility to designate DACs. CalEPA must base designations on “geographic, socioeconomic, public health, and environmental hazard criteria,”¹ but is given broad discretion for developing specific criteria and methods for applying those criteria.

In issuing previous designations, CalEPA relied upon the California Communities Environmental Health Screening Tool (CalEnviroScreen), a mapping tool developed by the Office of Environmental Health Hazard Assessment (OEHHA). On October 13, 2021, OEHHA released a new final version of CalEnviroScreen, Version 4.0. CalEPA determined that the improvements and updates in Version 4.0 were sufficiently material to warrant new designations of disadvantaged communities, pursuant to SB 535 (DAC designations).

In this designation, CalEPA generally defines communities in terms of census tracts and identifies four types of geographic areas as disadvantaged: (1) census tracts receiving the highest 25 percent of overall scores in CalEnviroScreen 4.0; (2) census tracts lacking overall scores in CalEnviroScreen 4.0 due to data gaps, but receiving the highest 5 percent of CalEnviroScreen 4.0 cumulative pollution burden scores; (3) census tracts identified in the 2017 DAC designation as disadvantaged, regardless of their scores in CalEnviroScreen 4.0; (4) and areas under the control of federally recognized Tribes.²

II. LEGAL BACKGROUND

California administers a suite of measures intended to reduce greenhouse gas emissions and air pollution. One of these is the California Air Resources Board’s (CARB) Cap-and-Trade

¹ Health and Safety Code § 39711(a).

² Some of these tracts of land are not visible in the maps in this document due to the limited granularity of the maps. An interactive map showing all designated disadvantaged lands can be found at <https://calepa.ca.gov/envjustice/ghginvest/>.

Program.

The Cap-and-Trade Program is a market-based system that establishes an annual declining limit – or cap – on about 80 percent of statewide greenhouse gas (GHG) emissions from the largest polluters (“covered entities”) in the state. Covered entities must obtain allowances equal to their emissions. Allowances are purchased at quarterly auctions, which generates proceeds. The state’s share of the auction proceeds is deposited into the Greenhouse Gas Reduction Fund (GGRF), which the Legislature appropriates to state agencies to implement California Climate Investments programs. The Legislature has established a set of requirements for the use of GGRF funds, including that the funds must be used to facilitate greenhouse gas emission reductions, benefit disadvantaged communities and low-income communities and households, and maximize other environmental, public health, and economic benefits, where applicable and to the extent feasible.

Through SB 535 and related legislation, the Legislature has mandated that certain percentages of GGRF funds be invested in DACs. It has charged CalEPA with designating such communities.

A. Funding Allocations

In 2012, the Legislature passed SB 535, which established initial requirements for minimum funding levels to DACs. In 2016, the Legislature passed Assembly Bill (AB) 1550 (Gomez, Chapter 369, Statutes of 2016), which established the currently applicable minimum funding levels. Under it, at least 25 percent of funds must be allocated toward DACs.³ At least 5 percent must be allocated toward projects within low-income communities or benefiting low-income households.⁴ And at least 5 percent must be allocated toward projects within and benefiting low-income communities, or low-income households, that are outside of a CalEPA-defined DAC but within ½ mile of a disadvantaged community.^{5,6}

Together, SB 535 and AB 1550 help guide the California Climate Investments program in prioritizing investments to disadvantaged communities and low-income communities and households. CARB assists with the implementation of both bills by, among other things, developing resources and guidance for targeting investments towards DACs, low-income communities, and low-income households. These resources include CARB’s “Funding Guidelines for Agencies Administering California Climate Investments,” a mapping tool, and benefit criteria tables to guide demonstration of direct, meaningful, and assured benefits that

³ Health and Safety Code § 39713(a).

⁴ *Id.*, § 39713(b).

⁵ *Id.*, § 39713(c).

⁶ The three set-asides for DACs and low-income communities and households are collectively referred to in California Climate Investment programming as “priority population” funding. The map of priority population areas will be updated by CARB upon finalization of the 2022 DAC designations and will be available here: <https://webmaps.arb.ca.gov/PriorityPopulations/>

meet community needs.⁷

B. Designation Requirement

Neither AB 1550 nor SB 535 provide a definition for “disadvantaged communities.”⁸ Instead, SB 535 directs CalEPA to “identify disadvantaged communities ... based on geographic, socioeconomic, public health, and environmental hazard criteria.”⁹ It recognizes that these criteria “may include, but are not limited to”:

- “Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure or environmental degradation.”¹⁰
- “Areas with concentrations of people that are of low income, high unemployment, low levels of home ownership, high rent burden, or low levels of educational attainment.”¹¹

SB 862 (Leno, Chapter 836, Statutes of 2014) requires CalEPA to hold at least one public workshop prior to the identification of disadvantaged communities.¹² It expressly exempts CalEPA’s designations of disadvantaged communities from ordinarily applicable Administrative Procedure Act rulemaking requirements.¹³

III. CALENVIROSCREEN

CalEnviroScreen is a mapping tool developed by OEHHA on behalf of CalEPA that analyzes data on environmental, public health and socioeconomic conditions in California’s census tracts to provide a clear picture of cumulative pollution burdens and vulnerabilities in communities throughout the state. It has become the national gold standard of geospatial data tools capable of driving more equitable decision-making.¹⁴ CalEPA selected it as a methodology in determining the first DAC designation in 2014, and continues to use it, because it most clearly addresses the requirements in SB 535 that disadvantaged communities be identified based on geographic, socioeconomic, public health, and environmental hazard criteria. Additionally, CalEnviroScreen offers the advantage of having been subject to extensive public review by

⁷ More information on these resources can be found here: <https://ww2.arb.ca.gov/our-work/programs/california-climate-investments>.

⁸ By contrast, AB 1550 defines “low-income communities” to mean “census tracts with median household incomes at or below 80 percent of the statewide median income or with median household incomes at or below the threshold designated as low income by the Department of Housing and Community Development’s list of state income limits adopted pursuant to Section 50093.” Health and Safety Code § 39713(d)(2).

⁹ *Id.*, § 39711(a).

¹⁰ *Id.*, § 39711(a)(1).

¹¹ *Id.*, § 39711(a)(2).

¹² *Id.*, § 39711(b).

¹³ *Id.*, § 39711(c).

¹⁴ E.g., Sammy Roth, Writing About Calamity and Holding on to Hope, L.A. Times, Nov. 28, 2021 (“Yet California has developed a novel approach for confronting these inequities. A tool called CalEnviroScreen has been refined and turbocharged to the point where it is now a national model for locating the census tracts most overburdened with pollution.”)

community groups, businesses, academic experts, and government agencies across California.

While CalEnviroScreen was developed through a process separate from that of the DAC designation, and while it informs a number of programs besides GGRF, it is integral to the GGRF DAC designation process. The framework for what later became known as CalEnviroScreen existed at the time the Legislature enacted SB 535.¹⁵ CalEPA relied upon versions of the tool in its two previous designation processes, in 2014 and 2017, and continues to take it into account for the present designation.

A. Underlying Scientific Principles

The CalEnviroScreen methodology is based on several scientific principles, including:

- **Scientific Literature:** Existing research on environmental pollutants has identified socioeconomic and other sensitivity factors as “effect modifiers” that can increase health risk, depending on the combination of pollutants and underlying susceptibilities.
- **Risk Assessment Principles:** Some people (such as those with underlying health conditions) may be more sensitive to some chemical exposures than others. Risk assessments, using principles first advanced by the National Academy of Sciences, apply numerical factors or multipliers to account for potential human sensitivity (as well as other factors such as data gaps) in deriving acceptable exposure levels.
- **Established Risk Scoring Systems:** Priority-rankings done by various emergency response organizations to score threats have used scoring systems with the formula: Risk = Threat × Vulnerability.

B. Geographic Scale

CalEnviroScreen originally defined communities at the ZIP code scale but, since Version 2.0, has used census tracts as its units of geographic scale. There are approximately 8,000 census tracts in California. The United States Census Bureau (Bureau) explains that “[t]he primary goal of the census tract is to provide a set of nationally consistent small, statistical geographic units, with stable boundaries, that facilitate analysis of data across time.”¹⁶ The Bureau applies several criteria when drawing census tracts. In particular, “[i]n order to ensure a minimal level of reliability in sample data and minimize potential disclosures of sensitive information, a census

¹⁵ The framework for CalEnviroScreen was proposed in 2010 in the “Cumulative Impacts: Building a Scientific Foundation” report prepared by OEHHA. See <https://oehha.ca.gov/calenviroscreen/report/cumulative-impacts-building-scientific-foundation-report>. The report presented “the first step in developing a screening methodology to evaluate the cumulative impacts of multiple sources of pollution in specific communities or geographic areas.” Id. However, the first draft of EnviroScreen was not released to the public until 2012. See “CalEnviroScreen 1.0 Drafts” at <https://oehha.ca.gov/calenviroscreen/report-general-info/calenviroscreen-10-drafts>.

¹⁶ Bureau, Census Tracts for the 2020 Census—Final Criteria, 83 Fed. Reg. 56277 (Nov. 13, 2018.)

tract should contain at least 1,200 people or at least 480 housing units at minimum, and 8,000 people or 3,200 housing units at maximum.”¹⁷ Census tracts may not cross county or state lines, and they must comprise a reasonably compact and contiguous land area.¹⁸ Whenever possible, census boundaries should follow visible and identifiable features.¹⁹

At the time OEHHA released Version 2.0 in 2014, it identified several advantages to using census tracts over ZIP codes. It stated that census tracts “[r]epresent a finer level of resolution for many parts of the state” and that “a more substantial set of demographic data is associated with each census tract.”²⁰ In addition, “[c]ensus tracts are, on average, more uniform in population than ZIP codes.” Census tracts “are made up of multiple census blocks, which are the smallest geographic unit for which population data are available.”²¹

OEHHA has explained that another benefit of using census tracts is that they can show community-scale differences. At a larger scale, differences between communities could be lost, where at a smaller geographic scale (e.g., census block group) there could be less confidence in the underlying indicator data or concerns over confidentiality of the health data, for example. The geographic scale of census tracts allows for statewide comparisons based on fixed boundaries. Census tracts are less variable regarding the size of the populations included and thus there is greater normalization of the population across the different geographic units.²²

Both of these reasons for using census tracts remain the case today.

C. Scoring

CalEnviroScreen 4.0, like previous versions of the tool, scores census tracts to identify those that are disproportionately burdened by multiple sources of pollution and vulnerable population characteristics. It begins by assigning percentile scores for 21 statewide indicators, which fall into two categories, reflecting pollution burden and population characteristics. The percentiles are averaged for the set of indicators in each of the four components (Exposures, Environmental Effects, Sensitive Populations, and Socioeconomic Factors). These four components, in turn, are combined to yield an overall CalEnviroScreen score. Figure 1 below shows the ways that the individual indicators relate to each other and the overall CalEnviroScreen score.

¹⁷ Id., p. 56279.

¹⁸ Id., p. 56280.

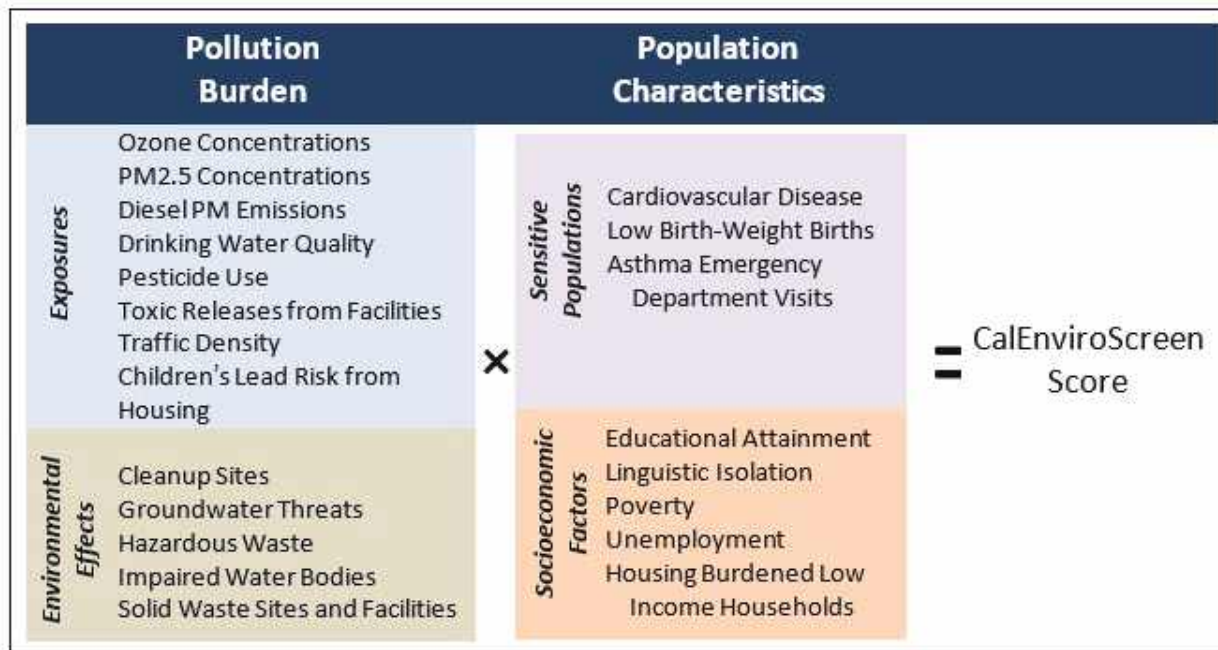
¹⁹ Ibid.

²⁰ *Major Changes in CalEnviroScreen 2.0*, OEHHA, p. 1, available at <https://oehha.ca.gov/media/CES20SummaryMajorChanges.pdf>.

²¹ CalEPA and OEHHA, CalEnviroScreen 4.0 (October 2021), p. 15, available at <https://oehha.ca.gov/media/downloads/calenviroscreen/report/calenviroscreen40reportf2021.pdf>.

²² CalEPA and OEHHA, CalEnviroScreen 4.0 (October 2021), p. 15, available at <https://oehha.ca.gov/media/downloads/calenviroscreen/report/calenviroscreen40reportf2021.pdf>. The current version of CalEnviroScreen, Version 4.0 uses the Census Bureau's 2010 boundaries. New boundaries will be drawn by the Census Bureau as part of the 2020 Census but will not be available until 2022. OEHHA plans to update the census tract geography in CalEnviroScreen after the new boundaries are drawn.

Figure 1. CalEnviroScreen 4.0 Indicator and Component Scoring



D. Iterative Improvements

Prior to the creation of CalEnviroScreen, a methodology did not exist to fully integrate, for a community in a given geographic location, the spectrum of pollutants (such as simultaneous exposure to numerous pollutants from multiple pollution sources), intrinsic factors (health status), and extrinsic factors (socioeconomic status) into risk assessment. Hence, OEHHA developed CalEnviroScreen to conduct statewide evaluations of community-scale impacts through this screening tool.

OEHHA initially created CalEnviroScreen by applying a framework (released to the public in 2010) for assessing cumulative impacts, based in large part on input from a statewide working group on environmental justice that pointed out the unmet need to assess cumulative burdens and vulnerabilities affecting California communities.²³ Subsequent versions updated CalEnviroScreen using the most current available data and incorporating various improvements and recommendations from residents, stakeholders, and government partners. To date, CalEPA has released five final versions of CalEnviroScreen.²⁴

OEHHA released the current version – Version 4.0 – on October 13, 2021. Version 4.0 materially improves upon Version 3.0 and reflects the years of iterative improvement across all

²³ *Cumulative Impacts: Building a Scientific Foundation*, OEHHA, December 2010, available at <https://oehha.ca.gov/media/downloads/calenviroscreen/report/cireport123110.pdf>.

²⁴ Final versions 1.0, 1.1, 2.0, 3.0, 4.0 were released in April 2013, September 2013, August 2014, January 2017, and October 2021, respectively.

versions of the tool.²⁵ It incorporates the most recent data produced by CalEPA's boards, departments and offices, the California Health and Human Services Agency, and federal entities. It refines the way certain indicators are calculated, to more precisely account for environmental conditions and a population's vulnerability to environmental pollutants. For example, it adds data on dairies and feedlots to the Groundwater Threats indicator, and it adds data on chrome metal plating facilities to the Hazardous Waste indicator. Additionally, Version 4.0 incorporates a new indicator of Children's Lead Risk from Housing to account for potential lead exposure from older housing.²⁶

C. Public Process

In developing the current and previous versions of CalEnviroScreen, OEHHA has used multiple approaches to foster a sense of partnership across the state's highly varied communities and stakeholders and solicit input. Early work was guided by a group of external stakeholders, the California Environmental Justice Advisory Committee, which provided a definition for cumulative impacts that guided the development of the CalEnviroScreen framework. The Cumulative Impacts and Precautionary Approaches Work Group was later convened from 2008 to 2013 specifically to advance OEHHA's work in characterizing impacts. Both groups included representatives from community and environmental organizations, agricultural interests, industry groups, academic institutions, and local/regional and federal government.

Beginning with the first version of CalEnviroScreen, OEHHA has had particular success with a public engagement model adapted from the established World Café process. Using this model, OEHHA conducted workshops across the state, to “ground truth” and receive input on the tool using small group discussions. Workshops were held in communities with multiple pollution concerns.²⁷ This approach places an emphasis on creating a space for conversation in which many voices and perspectives can be heard, interaction is encouraged, and collective input is shared broadly across participants. While adequately representing the interests of all of California's nearly 40 million residents can be daunting, the approach has generated thousands of comments, which have been thoroughly reviewed and considered and that have led to improvements to the tool.

In each iteration of CalEnviroScreen, OEHHA has taken into account public comments. Notably,

²⁵ See *California Communities Environmental Health Screening Tool, Version 1.0 (CalEnviroScreen 1.0)*, OEHHA, April 2013, available at <https://oehha.ca.gov/media/downloads/calenviroscreen/report/042313calenviroscreen1.pdf>; *California Communities Environmental Health Screen Tool, Version 2.0 (CalEnviroScreen 2.0)*, OEHHA, October 2014, available at <https://oehha.ca.gov/media/CES20FinalReportUpdateOct2014.pdf>; *Update to the California Communities Environmental Health Screening Tool: CalEnviroScreen 3.0*, OEHHA, January 2017, available at <https://oehha.ca.gov/media/downloads/calenviroscreen/report/ces3report.pdf>; *CalEnviroScreen 4.0*, OEHHA, October 2021, available at <https://oehha.ca.gov/media/downloads/calenviroscreen/report/calenviroscreen40reportf2021.pdf>.

²⁶ A full summary of the changes can be viewed here: [Summary of Changes in CalEnviroScreen Version 4.0](#).

²⁷ In developing CalEnviroScreen 4.0, the public engagement process was further adapted in light of Covid-19. To reduce the spread of the Covid-19, workshops were held virtually.

it has added indicators on drinking water quality, diesel particulate matter emissions, and linguistic isolation, and it developed methods for incorporating data on pollution sources originating in Mexico that impact California communities.²⁸

IV. DAC DESIGNATION PROCESS

The present designation marks the third CalEPA has issued under SB 535. This section reviews the previous designations. It then addresses the preliminary designation that formed the foundation for this final designation, and it identifies the communities that CalEPA is designating as DACs in the current process.

A. Previous DAC Designations

CalEPA issued previous DAC designations in 2014 and 2017. In the 2014 designation, CalEPA recognized as disadvantaged the census tracts that received overall scores in the highest 25 percent in what was then the operative version of CalEnviroScreen.²⁹ In the 2017 designation, CalEPA designated census tracts as disadvantaged on the basis of this same metric. In addition, it designated census tracts that lacked overall CalEnviroScreen scores due to data gaps but scored in the top five percent on the composite Pollution Burden indicator. These thresholds were chosen through a review of related statutes and proxy indicators of disadvantage. They took into account extensive public comments.

B. 2021 Preliminary Designation

On October 19, 2021, CalEPA released a preliminary designation (Preliminary Designation). In it, CalEPA proposed to designate four types of communities as disadvantaged: (1) census tracts with the highest 25 percent of CalEnviroScreen overall scores; (2) census tracts lacking overall scores due to data gaps, but with the highest 5 percent of CalEnviroScreen Pollution Burden scores; (3) census tracts recognized as disadvantaged in CalEPA's most recent SB 535 designation, made in 2017; and (4) areas under the control of federally recognized Tribes. After releasing the Preliminary Designation, CalEPA held two public meetings, on October 26 and October 27, 2021, and it received public comments through November 16, 2021. CalEPA thoroughly reviewed and evaluated all the comments it received. In fact, CalEPA pushed back its release of this final designation to provide CalEPA with additional time to consider the feedback it received. CalEPA has made an effort to respond, at least at a general level, to all relevant comments in the appendix attached to this designation.

C. 2021 Final Designation

After having reviewed and considered all comments submitted on the Preliminary Designation

²⁸ For additional background on the evolution of CalEnviroScreen, see John Faust, et al, *California's Environmental Justice Mapping Tool: Lessons and Insights from CalEnviroScreen*, 51 ENVTL. L. REP. 10684 (August 2021).

²⁹ <https://calepa.ca.gov/2014/10/31/press-release-2014-calepa-identifies-communities-targeted-for-cap-and-trade-investments/>

(see attached appendix), CalEPA has decided to formally designate as DACs the four categories of tracts proposed for designation in the Preliminary Designation. Below, it explains its reasoning for designating each of the four categories.

1. Census Tracts with Highest 25 Percent Overall Scores

SB 535 provides four categories of criteria that CalEPA must consider in making a determination on how to designate disadvantaged communities, but it does not specify how many communities or what percentage of the population should be included in designations. In selecting the 25 percent threshold for the 2014 and 2017 designations, CalEPA looked toward the circumstances surrounding the enactment of SB 535, other legislation, and studies regarding disadvantaged communities.

For instance, in contrast to SB 535, the Legislature has determined in one other situation that CalEPA should identify the top 20 percent most disadvantaged communities. SB 43 (Wolk, Chapter 413, Statutes of 2013) created the Green Tariff Shared Renewables Program to allow consumers to purchase voluntarily electricity from renewable energy facilities through major utility companies. This program is intended to allow low-income Californians, generally renters, to participate in the market for renewable energy. The pilot program is limited to 600 megawatts statewide, to be shared proportionally by the major utility companies that implement the program. One hundred megawatts of that maximum are reserved for smaller facilities (no larger than one megawatt generating capacity) that are located in areas “identified by the California Environmental Protection Agency as the most impacted and disadvantaged communities.” This provision encourages renewable energy facility development in disadvantaged communities to realize the socioeconomic and environmental benefits of that development and provide those communities access to renewable energy. Similar to SB 535, SB 43 tacitly references CalEnviroScreen by requiring these communities to be identified using a screening methodology designed to identify areas (1) disproportionately affected by pollution and environmental hazards and (2) with socioeconomic vulnerability.³⁰ Unlike SB 535, however, SB 43 not only asserts that the communities shall be identified by census tract, but also states that the communities shall be the most impacted 20 percent.³¹ By setting aside program funds to benefit disadvantaged communities, SB 43 provides CalEPA with general guidance on where to establish a percentage threshold for identifying disadvantaged communities. It is not determinative, however, of the precise threshold for communities identified as disadvantaged for the purposes of SB 535.

In addition to looking at legislative approaches, CalEPA has also considered the portion of the state’s population, families and households that under other standards would be considered disadvantaged.

- In 2019, the California Poverty Measure developed by the Public Policy Institute of California and the Stanford Center on Poverty and Inequality identified about 34 percent

³⁰ Public Utilities Code §§ 2833(d)(1)(A)(i) and (ii).

³¹ Public Utilities Code § 2833(d)(1)(A).

of California residents were poor or near poor, and 16.4 percent were living in or near poverty.³²

- From 2015 to 2019, 16.7 percent of Californians ages 25 and over lacked a high school degree of equivalent.³³
- In 2017, 28.4 percent of renters were severely cost-burdened, spending more than half of their income on rent.³⁴
- In 2020, the Northwestern University Institute for Policy Research found that the food insecurity rate in California was 23.1 percent from April to July.³⁵

While these data points do not represent a complete list of comparative markers, they provide CalEPA some instruction in determining a practical percentage threshold for disadvantaged communities. CalEPA also must balance the value of being inclusive of the many communities that face pollution burdens and vulnerabilities, with the consideration that an overly broad threshold would dilute the impact of SB 535 and AB 1550 by spreading the designated funding too thinly to provide the needed benefits.

The above reasoning applies as readily in 2021 as it did in 2014 and 2017. Moreover, once again using 25 percent as a CalEnviroScreen threshold would provide policy continuity and would ensure that approximately a quarter of California census tracts – which, collectively, are home to 9.6 million residents, or 24.3 percent of the state’s population – receive DAC designations.

2. Census Tracts with Highest 5 Percent Pollution Burden Indicator Scores

In certain instances, CalEnviroScreen 4.0, like its predecessors, may not offer overall scores for tracts due to unavailable or unreliable population data. It would be inconsistent with the spirit of SB 535 to exclude tracts that are in fact disadvantaged from a DAC designation solely on account of unreliable data.

Therefore, for the 2017 designation, CalEPA considered proxies to use in place of unavailable overall scores. It settled upon tracts that scored in the highest 5 percent on CalEnviroScreen’s Pollution Burden composite score. It determined that these census tracts generally reside in areas that are sparsely populated and located adjacent to census tracts that score in the top 25 percent of CalEnviroScreen scores. In some cases, these 19 census tracts represent some of the most significant pollution point sources in a region. Many of these high pollution census tracts include ports, airports, or heavy industrial areas.

³² *Just the Facts: Poverty in California*, Sarah Bohn, Caroline Danielson, and Patricia Malagon, July 2021, available at https://www.ppic.org/wp-content/uploads/JTF_PovertyJTF.pdf.

³³ *Quick Facts*, United States Census, available at <https://www.census.gov/quickfacts/table/CA/EDU635219#EDU635219>.

³⁴ *Issue Brief: California’s Housing Affordability Crisis Hits Renters and Households With the Lowest Incomes the Hardest*, Sara Kimberlin, California Budget and Policy Center, April 2019, available at https://calbudgetcenter.org/wp-content/uploads/2019/04/Report_California-Housing-Affordability-Crisis-Hits-Renters-and-Households-With-the-Lowest-Incomes-the-Hardest_04.2019.pdf.

³⁵ <https://www.ipr.northwestern.edu/state-food-insecurity.html>

3. Census Tracts Designated in 2017

CalEPA is designating as disadvantaged all the communities it designated in 2017. While there is an 85 percent overlap between the census tracts designated as disadvantaged in 2017 and those in the highest scoring census tracts under CalEnviroScreen 4.0, CalEPA sees value in ensuring that the 305 census tracts that were in the highest scoring 25 percent in CalEnviroScreen 3.0 but are not in the top 25 percent in CalEnviroScreen 4.0 continue to be considered disadvantaged and thus eligible for disadvantaged community-related funding opportunities through California Climate Investments. In some instances, these 305 census tracts may have fallen below the disadvantaged community thresholds, in part, because of California Climate Investments programming. Recognizing these communities as disadvantaged will allow for program continuity.

4. Lands Under Federally Recognized Tribes

CalEPA for the first time is designating as disadvantaged lands under the control of federally recognized Tribes,³⁶ including but not necessarily limited to Federal American Indian Reservations and lands held in trust by the United States for the benefit of American Indian tribes in California (collectively, Tribal Lands).³⁷ Data gaps related to Tribal nations frequently make it difficult to fully and accurately assess pollution burden and population characteristics of these areas in CalEnviroScreen. Specifically, because of their status as sovereign governments, federally recognized Tribes in California are not required to report or make publicly available to the state the types of data used in CalEnviroScreen. The data used in developing the drinking water quality, pesticide use, solid waste, asthma or cardiovascular disease indicators, for example, are not required to be reported to the state by federally recognized Tribes in California. Therefore, these data are often not available to the state.

CalEPA has accounted for such gaps by looking for information outside of CalEnviroScreen. In stakeholder meetings, Tribal representatives have raised concerns that these data gaps have meant that federally recognized Tribes in California have been effectively excluded from California Climate Investments-related funding despite frequently high levels of poverty, health and environmental burden, and increased suicide rates,³⁸ oftentimes related to the historical violence and deprivation federally recognized Tribes in California have endured. For example, recent census data show that the poverty rate on Tribal Lands in California is nearly double the

³⁶ Federal Recognition refers to acknowledgement by the federal government that a Tribal government and Tribal members constitute a Tribe with a government-to-government relationship with the United States, and eligibility for the programs, services, and other relationships established for the United States for Indians, because of their status as Indians. (Title 25 United States Code § 83.2)

³⁷ American Indian Areas Related National Geodatabase, available at <https://www.census.gov/geographies/mapping-files/time-series/geo/tiger-geodatabase-file.html>.

³⁸ National Center for Health Statistics (NCHS), Centers for Disease Control and Prevention (CDC) 2019. Suicide Rates for Females and Males by Race and Ethnicity: United States, 1999 and 2017. https://www.cdc.gov/nchs/data/hestat/suicide/rates_1999_2017.htm

state average.³⁹ While not specific to members of federally recognized Tribes⁴⁰ in California (because of present data gaps), health disparities for Native American communities are present in the following areas:

- **Heart Disease:** Native Americans⁴¹ were 50 percent more likely to be diagnosed with coronary heart disease.⁴²
- **Diabetes:** Well documented and recent data show that Native Americans have nearly twice the prevalence of diabetes compared to white populations nationally (14.7 percent compared to 7.5 percent).⁴³ In California, Native American populations had a diabetes prevalence of 10.4 percent.⁴⁴
- **Asthma:** Native American adults have the highest asthma prevalence of any racial/ethnic groups, 40 percent higher than other groups.⁴⁵ Native American children are almost twice as likely to ever have had asthma.⁴⁶
- **Obesity:** Native American adolescents are 30 percent more likely than non-Hispanic white adolescents to be obese. Native American adults are 50 percent more likely to be obese than non-Hispanic whites.⁴⁷ Obesity is a risk factor for several diseases including diabetes, heart disease, and stroke.
- **Infant Mortality:** Native Americans have almost twice the infant mortality rate.⁴⁸

CalEPA has therefore concluded that the most reasonable way to approach data gaps for specific CalEnviroScreen indicators for tribal lands is to designate lands under the control of federally recognized Tribes as DACs. As discussed, these lands and the tribal communities that are located on them reflect “geographic, socioeconomic, public health, and environmental

³⁹ American Community Survey 2015-2019, showing residents of federally recognized tribal lands in California with a 22 percent poverty rate, with 43 percent of residents at 200 percent of the federal poverty level, versus state averages of 13 percent poverty rate and 30 percent of the state below 200 percent of the federal poverty level.

⁴⁰ Identified as American Indians in published reports and available data however identified as Native Americans.

Based on data downloaded from <https://data.census.gov/cedsci/>

⁴² CDC 2021. Summary Health Statistics: National Health Interview Survey: 2018. Table A-1a.

<http://www.cdc.gov/nchs/nhis/shs/tables.htm>

⁴³ CDC. National Diabetes Statistics Report, 2020: Estimates of Diabetes and Its Burden in the United States. Atlanta, GA: Centers for Disease Control and Prevention; 2020 available at <https://www.cdc.gov/diabetes/pdfs/data/statistics/national-diabetes-statistics-report.pdf>

⁴⁴ Bullock A, Sheff K, Hora I, et al. *Prevalence of diagnosed diabetes in American Indian and Alaska Native adults*, 2006–2017. *BMJ Open Diabetes Research and Care* 2020; 8(1):e001218.. <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7199144/>.

⁴⁵ <https://www.trackingcalifornia.org/asthma/who-is-vulnerable-to-asthma>.

⁴⁶ CDC 2021. Summary Health Statistics: National Health Interview Survey: 2018. Table A-2a.

<http://www.cdc.gov/nchs/nhis/shs/tables.htm>.

⁴⁷ CDC 2020. Summary Health Statistics: National Health Interview Survey: 2018. Table A-15a.

<https://www.cdc.gov/nchs/nhis/shs/tables.htm>

⁴⁸ CDC 2020. Infant Mortality Statistics from the 2018 Period Linked Birth/Infant Death Data Set. National Vital Statistics Reports. Table 2.

<https://www.cdc.gov/nchs/data/nvsr/nvsr69/NVSR-69-7-508.pdf>

hazard[s]” that would support a DAC designation.⁴⁹ CalEPA recognizes the value of accurate and comprehensive data as well as the burden associated with collecting data. It believes that this final 2022 DAC designation is a critical step in enabling Tribes to seek resources that can benefit their communities. Moving forward, CalEPA would like to coordinate with Tribes to explore ways to fill current data gaps.

Recognizing that the lands under the control of federally recognized Tribes may not be accurately reflected in the American Indian Areas Related National Geodatabase maintained by the U.S. Census Bureau, CalEPA will provide for a consultation-based process with any interested federally recognized Tribe to identify lands that are under its control but not accounted for in the American Indian Areas Related National Geodatabase. A Tribe may establish that a particular area of land is under its control, for purposes of this designation, by submitting evidence that would provide a reasonable basis for CalEPA to determine, in its discretion, that the Tribe has control over the land. A Tribe interested in participating in the consultation process should contact the CalEPA Deputy Secretary for Environmental Justice, Tribal Affairs and Border Relations.

V. Conclusion

CalEPA is pleased to publish this updated DAC designation, pursuant to SB 535, which takes into account the latest and best available data and considers factors related to data unavailability. This designation will go into effect on July 1, 2022, at which point programs funded through California Climate Investments will use the designation in making funding decisions.⁵⁰ The time between finalization of this designation and July 1, 2022 allows administering agencies to consider how the designation will be implemented in their particular programs. In addition, CARB will use this time to develop guidance materials on implementation of the designation. This designation is an important step in ensuring that California Climate Investments yield significant benefits to California’s disadvantaged communities, a goal to which the entire California government is committed.

⁴⁹ Health and Safety Code § 39711(a).

⁵⁰ Agencies administering California Climate Investments programs are welcome to begin implementing this designation before July 1, 2022.

VI. FIGURES AND MAPS

The following maps use a U.S. Census Bureau GIS layer that includes only Reservations and Off Reservation Trust Lands. Thus, the maps may not include all the lands under the control of federally recognized Tribes. The term “Tribal Areas” in the map key also comes from the U.S. Census Bureau. In addition, while some Tribal Areas are not visible in the maps below due to the granularity of these maps, the following interactive link can be used to zoom into any area of the state and see all lands designated as disadvantaged: <https://calepa.ca.gov/envjustice/ghqinvest/>.

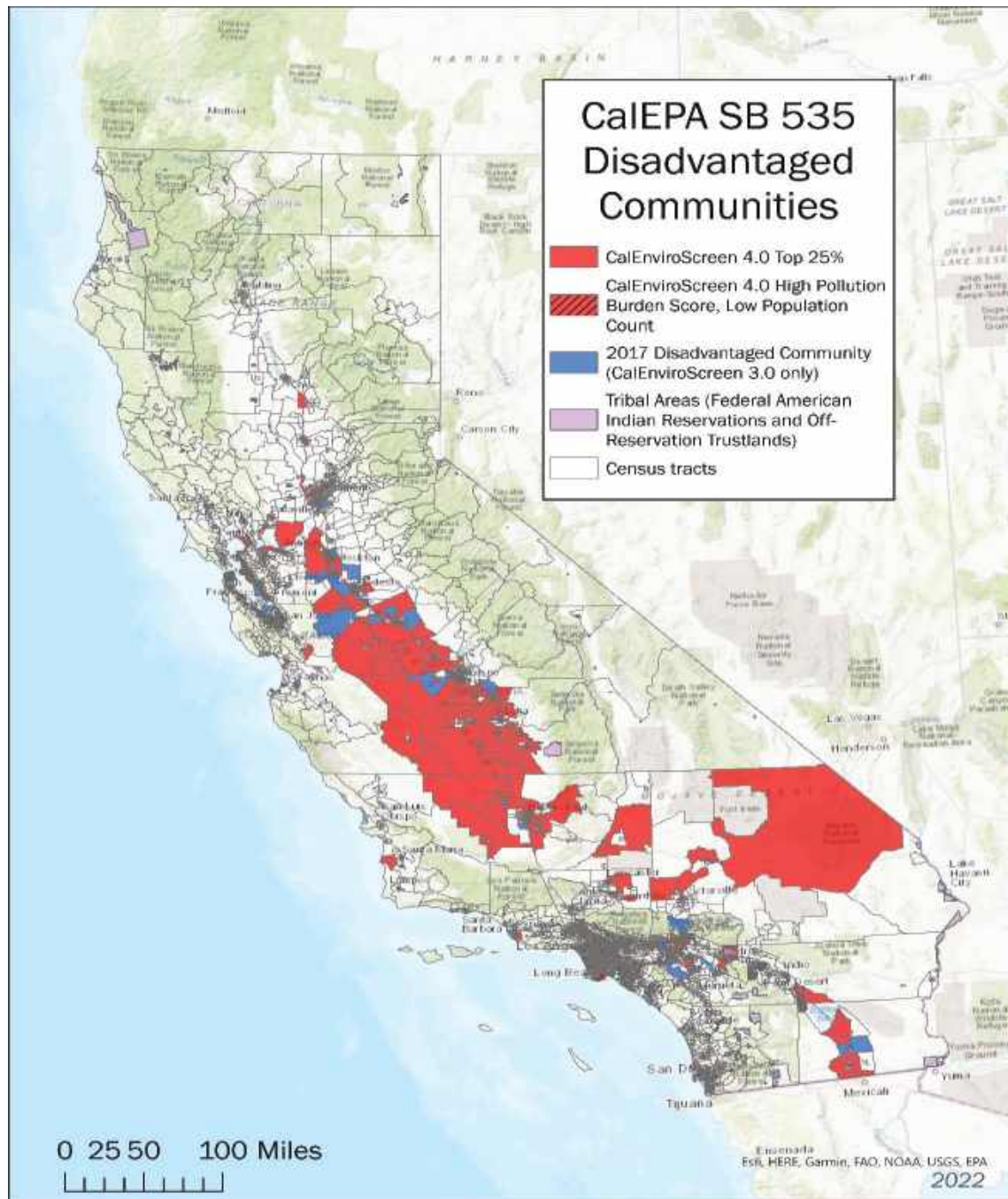
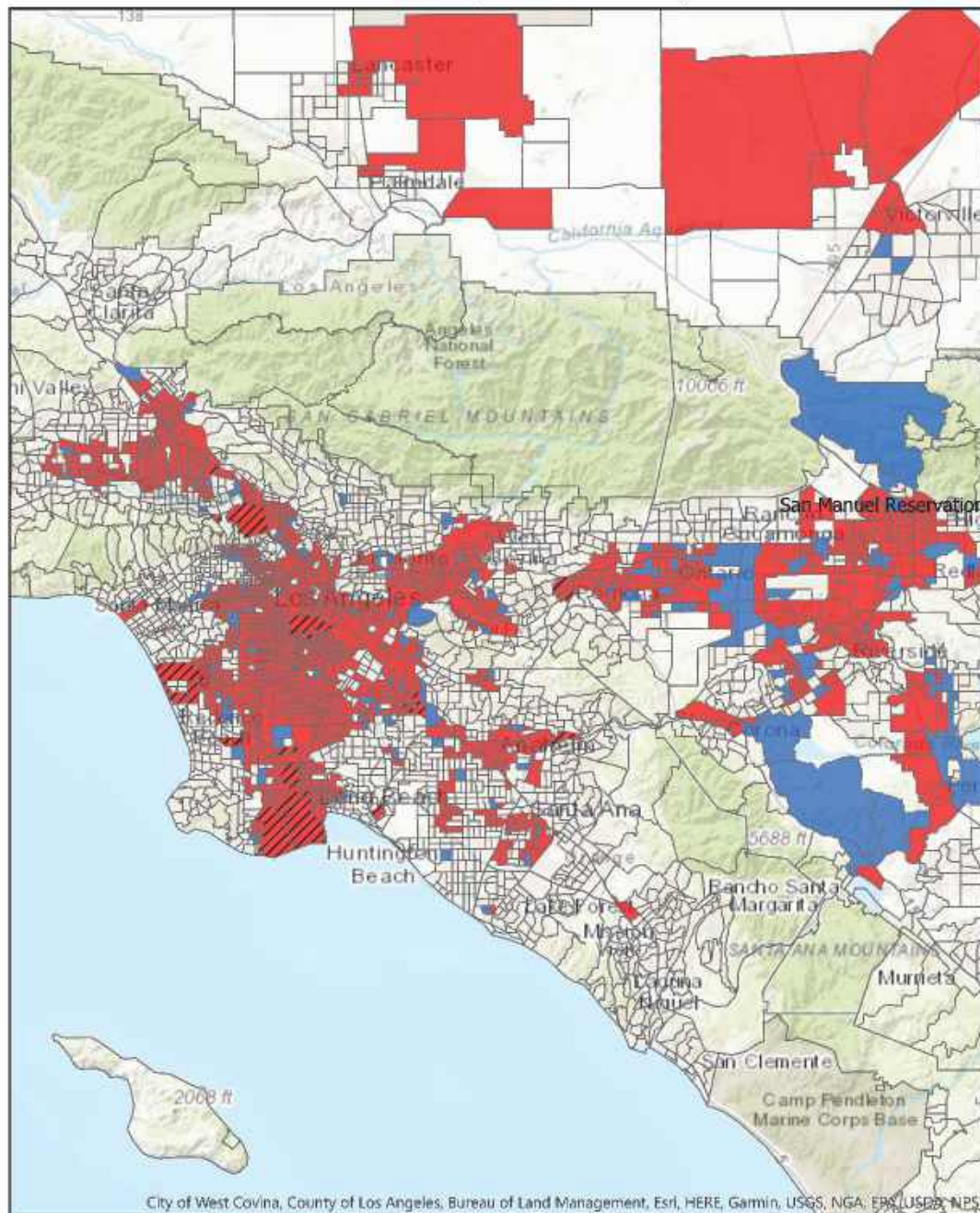


Figure 1: Statewide map of the disadvantaged communities

CalEPA SB 535 Disadvantaged Communities

- CalEnviroScreen 4.0 Top 25%
- CalEnviroScreen 4.0 High Pollution Burden Score, Low Population Count
- 2017 Disadvantaged Community (CalEnviroScreen 3.0 only)
- Tribal Areas (Federal American Indian Reservations and Off-Reservation Trustlands)
- Census tracts



Greater Los Angeles Area

2022

Figure 2: Map of the disadvantaged communities in the Los Angeles region

CalEPA SB 535 Disadvantaged Communities

- CalEnviroScreen 4.0 Top 25%
- ▨ CalEnviroScreen 4.0 High Pollution Burden Score, Low Population Count
- 2017 Disadvantaged Community (CalEnviroScreen 3.0 only)
- Tribal Areas (Federal American Indian Reservations and Off-Reservation Trustlands)
- Census tracts

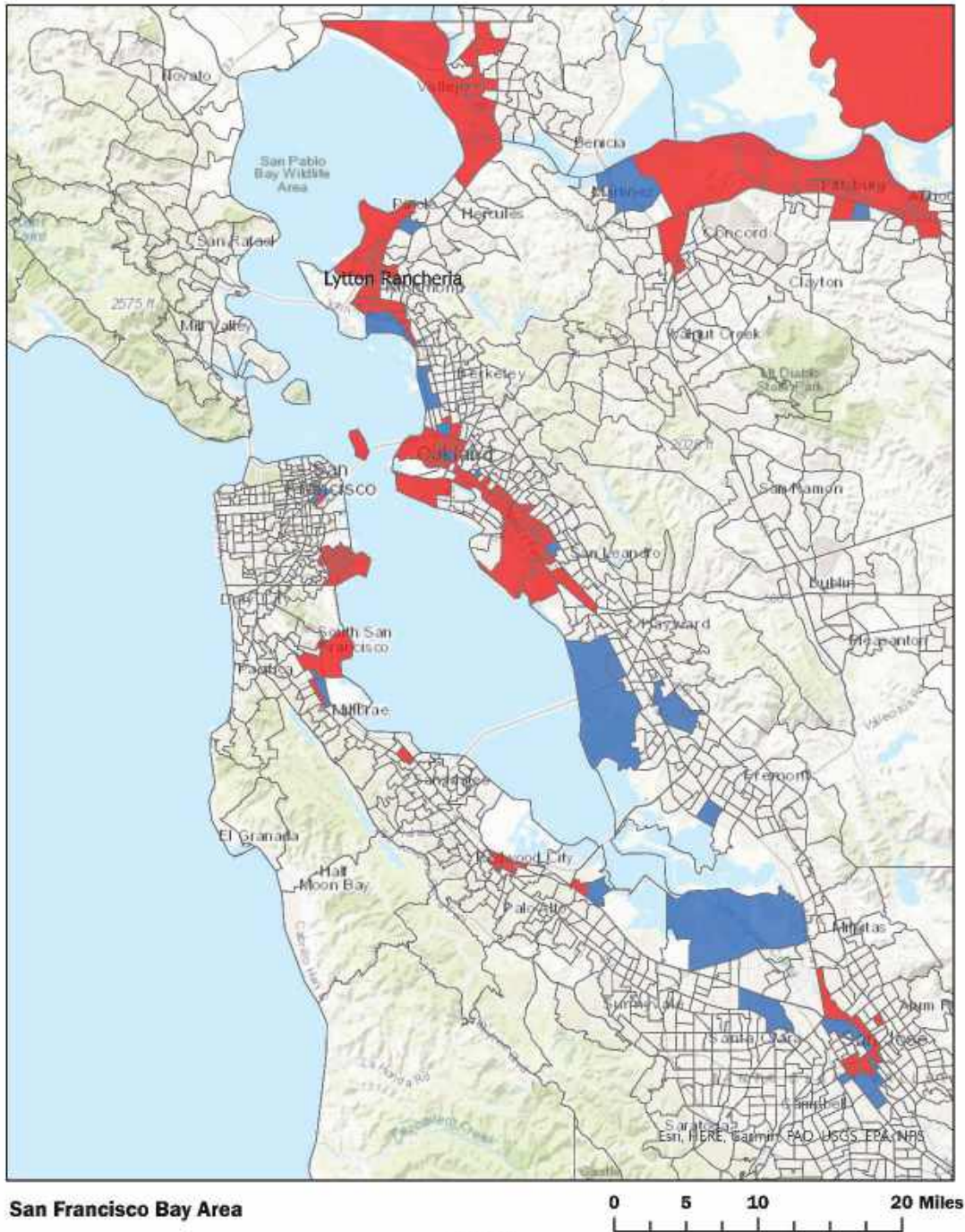
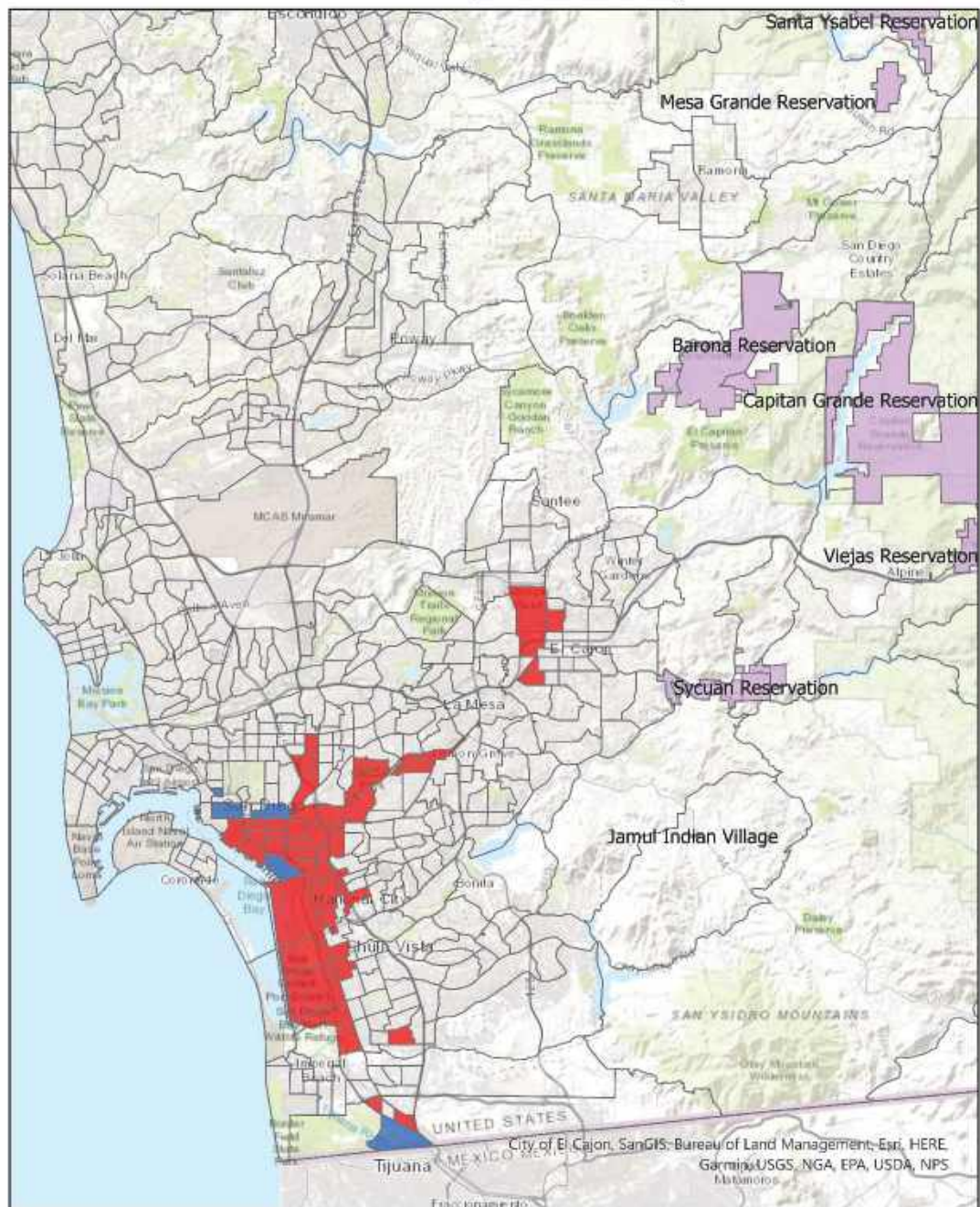


Figure 3. Map of the disadvantaged communities in the San Francisco Bay Area region

CalEPA SB 535 Disadvantaged Communities

- CalEnviroScreen 4.0 Top 25%
- ▨ CalEnviroScreen 4.0 High Pollution Burden Score, Low Population Count
- 2017 Disadvantaged Community (CalEnviroScreen 3.0 only)
- Tribal Areas (Federal American Indian Reservations and Off-Reservation Trustlands)
- Census tracts



San Diego Area

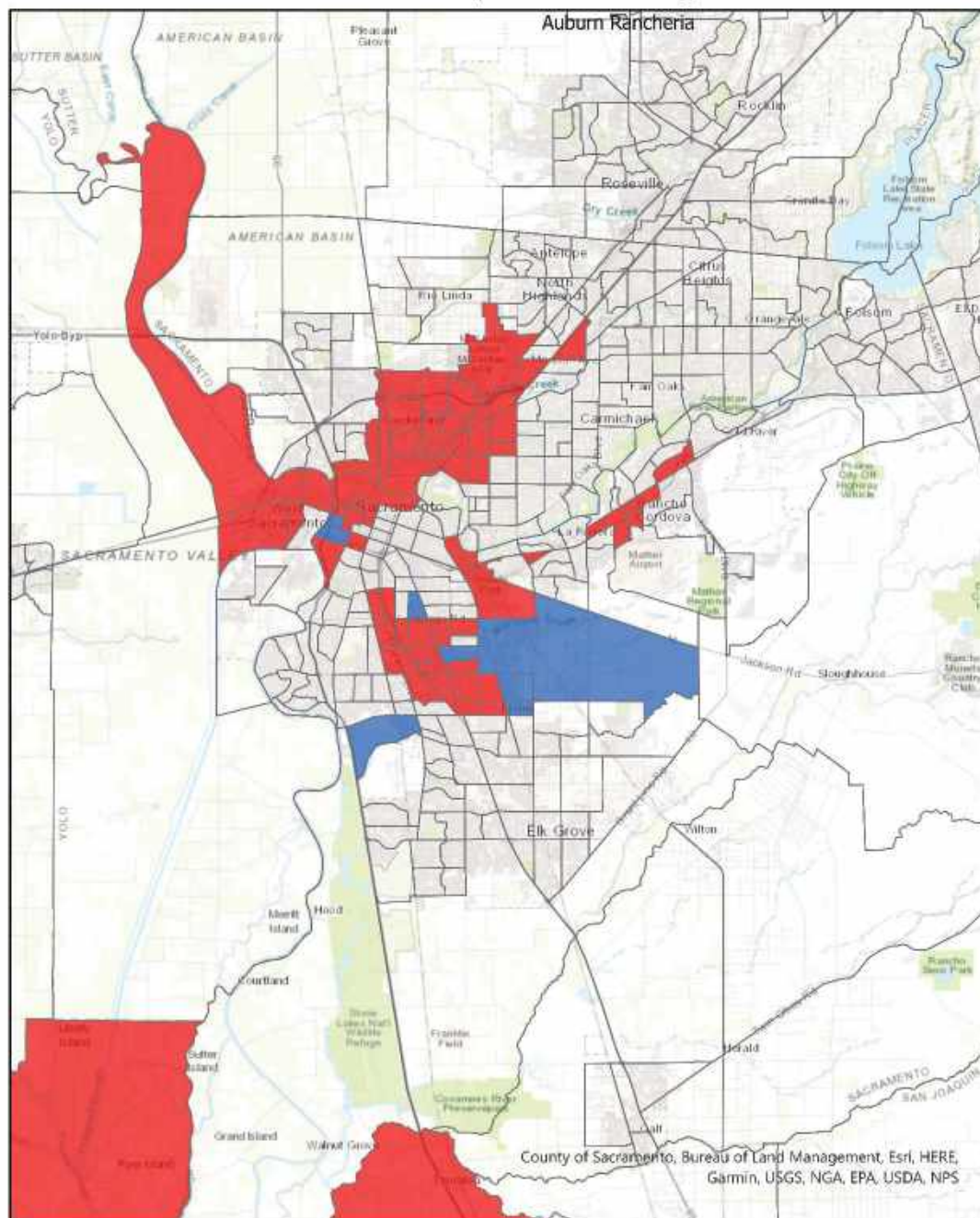
2022

0 2.5 5 10 Miles

Figure 4. Map of the disadvantaged communities in the San Diego region

CalEPA SB 535 Disadvantaged Communities

- CalEnviroScreen 4.0 Top 25%
- ▨ CalEnviroScreen 4.0 High Pollution Burden Score, Low Population Count
- 2017 Disadvantaged Community (CalEnviroScreen 3.0 only)
- Tribal Areas (Federal American Indian Reservations and Off-Reservation Trustlands)
- Census tracts



Sacramento Area

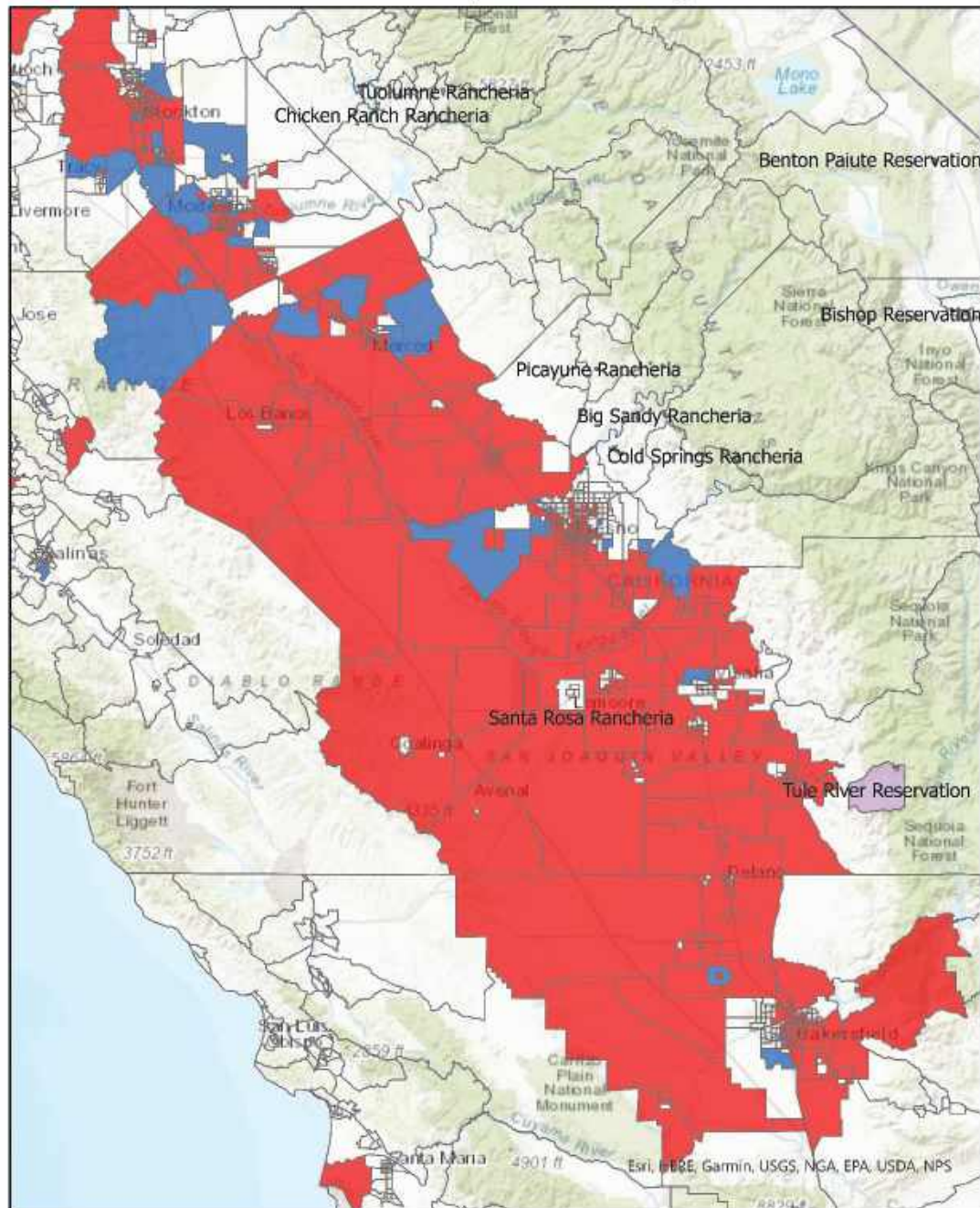
0 2.5 5 10 Miles

2022

Figure 5. Map of the disadvantaged communities in the Sacramento region

CalEPA SB 535 Disadvantaged Communities

- CalEnviroScreen 4.0 Top 25%
- ▨ CalEnviroScreen 4.0 High Pollution Burden Score, Low Population Count
- 2017 Disadvantaged Community (CalEnviroScreen 3.0 only)
- Tribal Areas (Federal American Indian Reservations and Off-Reservation Trustlands)
- Census tracts



San Joaquin Valley

2022

Figure 6. Map of the disadvantaged communities in the San Joaquin Valley

CalEPA SB 535 Disadvantaged Communities

- CalEnviroScreen 4.0 Top 25%
- ▨ CalEnviroScreen 4.0 High Pollution Burden Score, Low Population Count
- 2017 Disadvantaged Community (CalEnviroScreen 3.0 only)
- Tribal Areas (Federal American Indian Reservations and Off-Reservation Trustlands)
- Census tracts

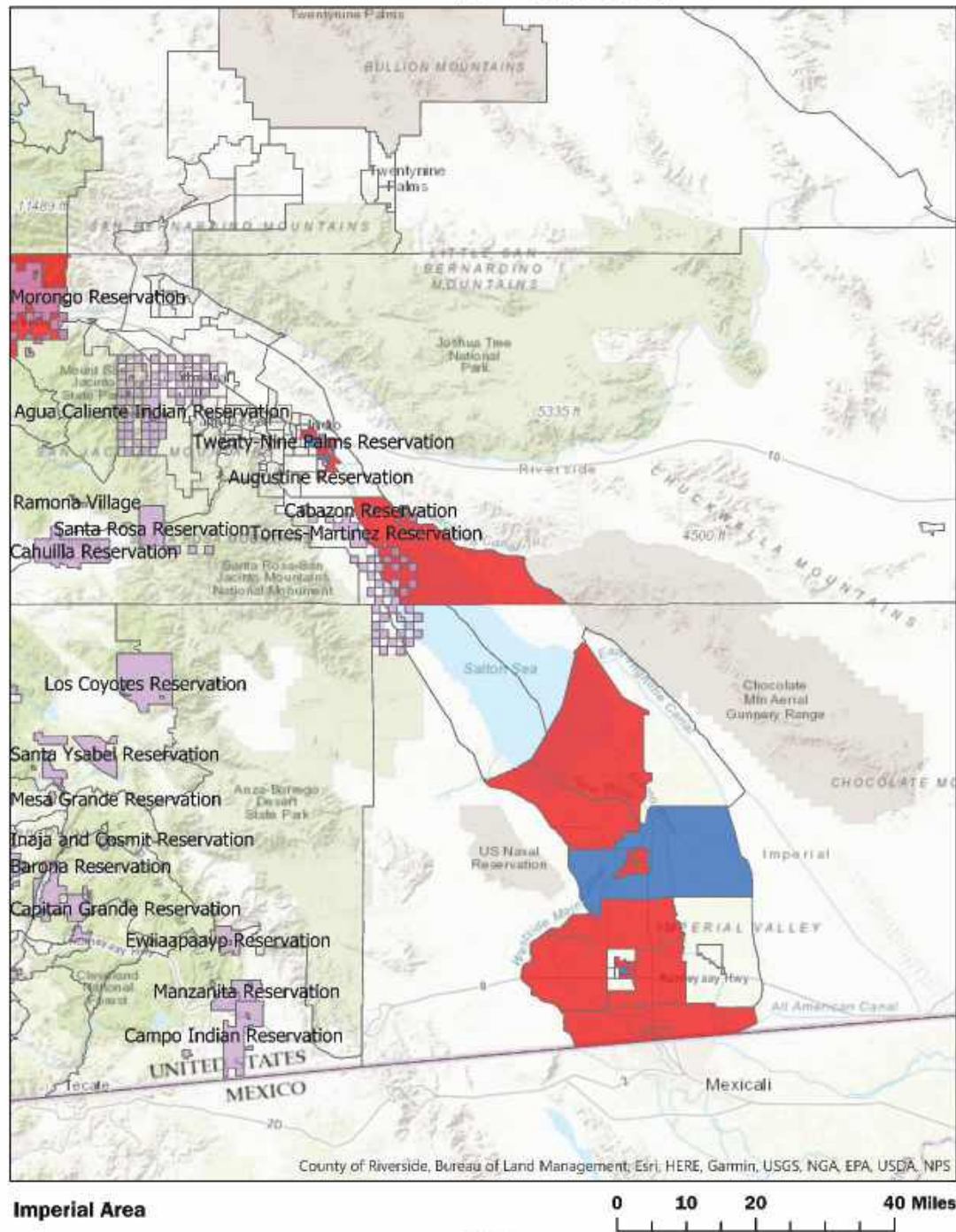


Figure 7. Map of the disadvantaged communities in the Imperial Valley region

CalEPA SB 535 Disadvantaged Communities



Figure 8. Map of the disadvantaged communities in the Northern California region

APPENDIX 1 – RESPONSES TO COMMENTS

CalEPA values stakeholder input and has attempted to develop the DAC designation in a transparent and collaborative manner, noting that the only statutory requirement (through SB 862) related to public participation in the designation process is that CalEPA hold one public hearing on the preliminary designation. Because CalEPA sees value in stakeholder engagement, for the 2022 designation, CalEPA additionally invited public comments from October 19, 2021 to November 16, 2021. During this time, CalEPA received numerous thoughtful and substantive comments. CalEPA addresses many of the issues raised in these comments in the final designation above. To the extent that the final designation above does not address comments received, CalEPA attempts to address them here.

1. **Requests to establish petition process.** Multiple commenters requested that CalEPA establish a petition process where communities could petition CalEPA for a DAC designation.

CalEPA Response. *CalEPA has decided not to establish a DAC designation petition process at this time. CalEPA has not identified objective criteria it could use to evaluate petitions other than the very criteria used for its Final 2021 Designations. In addition, CalEPA is concerned that such a petition process could favor wealthier or more organized communities that have the capacity to file a petition. The granting or denial of petitions could be viewed by some as being arbitrary and favoring certain communities (e.g., rural areas) or conversely, favoring other communities (e.g., urban areas). Using CalEnviroScreen 4.0 and the other objective criteria underlying the Final 2021 Designations provides CalEPA with a uniform approach across the state. This approach is reasonable and ensures consistency.*

2. **Requests to modify CalEnviroScreen.** Several commenters suggested that OEHHA should modify CalEnviroScreen to account for additional indicators or to weight current indicators differently. For example, certain commenters requested that OEHHA modify CalEnviroScreen to include a climate impacts indicator.

CalEPA Response: *As discussed in Section III above, OEHHA released Version 4.0 on October 13, 2021. It built upon the improvements of earlier versions, and it underwent an extensive public process. OEHHA uses comments and input received on the previous versions of the tool to inform the updates to the tool. In addition, the draft CalEnviroScreen 4.0 was released for public comment from February 19 to May 14, 2021.⁵¹ OEHHA held a webinar and six workshops on the draft CalEnviroScreen 4.0.⁵² This process for developing Version 4.0 is separate from the process for developing the DAC designations. It would be inappropriate to reopen Version 4.0 at this time, in response to comments received in the course of the DAC designation process, since the public comment period for draft Version 4.0 closed in May 2021 and Version 4.0 was released in October 2021.⁵³ Moving forward, CalEPA intends to continue to work with OEHHA to refine CalEnviroScreen to account for updated data and improved modeling*

⁵¹ CalEnviroScreen 4.0, OEHHA (October 20, 2021), available at <https://oehha.ca.gov/calenviroscreen/report/calenviroscreen-40>.

⁵² *Id.*

⁵³ OEHHA has thoroughly reviewed and evaluated the comments received during the public comment period for the draft CalEnviroScreen 4.0 and plans to release a response to comments later in 2022.

techniques⁵⁴. It should be noted that CalEPA does not respond in this designation or appendix to comments substantively focused on the CalEnviroScreen tool.

3. **Requests to designate communities as DACs with high scores in a single or handful of indicators.** Multiple commenters recommended including communities with high scores on a single or a handful of indicators. For example, one commenter suggested designating communities as DACs that score in the top 25 percentile for 5 of the 21 indicators. Another commenter suggested that smaller communities with high scores in a few indicators should be designated as DACs.

CalEPA Response. *SB 535 aims to direct funds toward improving public health, quality of life, and economic opportunity in California's "most burdened communities" while reducing pollution that causes climate change. CalEPA believes that it is reasonable to interpret "most burdened communities" as those communities that experience the greatest number of cumulative impacts. OEHHA has configured CalEnviroScreen to account for such cumulative impacts, which it defines to mean exposures and public health or environmental effects from all sources of pollution in a geographic area."*⁵⁵ OEHHA has described the significance of cumulative impacts:

[m]any factors, often referred to as stressors, contribute to an individual or a community's pollution burden and vulnerability. Standard risk assessment protocols used by regulatory agencies cannot always account for the full range of factors that may contribute to risk and vulnerability. Risk assessments are often primarily designed to quantify health risks from a single pollutant or single source at a time, often in one specific medium (e.g., air or water). Many community groups and scientists have highlighted the fact that this approach fails to consider the totality of the health risks that communities face.

*In reality, people are simultaneously exposed to multiple contaminants from multiple sources and also have multiple stressors based on their health status as well as living conditions. Thus, the resulting cumulative health risk is influenced by nonchemical factors such as socioeconomic and health status of the people living in a community. In such situations, risk assessment has a limited ability to quantify the resulting cumulative risk. Furthermore, risk assessment requires extensive characterization of the chemicals present, the routes and levels of exposure, and the dose-response relationship for hundreds of chemicals for which data are neither currently available nor likely to be generated in the foreseeable future.*⁵⁶

Focusing only on select indicators would deemphasize the cumulative nature of impacts. Therefore, CalEPA has decided to continue to focus on cumulative impacts and socioeconomic indicators of disadvantage, as measured by the CalEnviroScreen overall score and, in particular instances, the Pollution Burden composite score, rather than designate communities as disadvantaged because they have high scores on a single or handful of indicators. CalEPA concludes that this focus on cumulative impacts better

⁵⁴ CalEPA has shared the comments it received during the public comment period for the preliminary DAC designation related to CalEnviroScreen 4.0 with OEHHA for future consideration.

⁵⁵ About CalEnviroScreen, OEHHA, available at <https://oehha.ca.gov/calenviroscreen/about-calenviroscreen>.

⁵⁶ CalEnviroScreen 4.0, OEHHA, CalEPA (October 2021), p. 9-10, available at <https://oehha.ca.gov/media/downloads/calenviroscreen/report/calenviroscreen40reportf2021.pdf>.

further the Legislature's directive that CalEPA develop criteria for identifying and directing GGRF funds to the most disadvantaged communities. This said, CalEPA reiterates that programs administering GGRF funds are not required to focus solely on CalEPA-designated disadvantaged communities. Aside from the targets set out in statute, program administrators have flexibility to focus their initiatives on the communities best served by their particular focus.

4. Request to designate the tracts with the 30 percent – rather than 25 percent – highest scores in CalEnviroScreen as disadvantaged.

CalEPA Response. *In enacting SB 535, the Legislature signaled an intent to direct funding toward the “most impacted and disadvantaged communities.” It did not, however, provide a bright line for distinguishing between communities that are impacted and disadvantaged and those that are “most” impacted and disadvantaged.*

CalEPA recognizes the challenges inherent in selecting a numerical threshold and has considered at length the appropriate threshold for this context. In section IV.C.1 above, CalEPA explains the reasons it identified the census tracts in the top 25 percent of CalEnviroScreen scores as disadvantaged.

While CalEPA could in theory lower the threshold – to 30 percent, or even further, to 35 or 40 percent – it is not aware of any factors that would render a lower threshold more reasonable than the 25 percent threshold, which has already undergone extensive public review, and which would provide for a measure of policy continuity from previous designations.

CalEPA must balance the value of being inclusive of the many communities that face pollution burdens and vulnerabilities, with the consideration that an overly broad threshold would dilute the impact of SB 535 by spreading the funding too thinly. That is, CalEPA is mindful of the legislative intent animating SB 535 and of the risk that lowering the threshold could ultimately channel GGRF funds away from the “most impacted and disadvantaged communities.”

5. Request to define DACs to include all “priority populations.” Multiple commenters recommended that CalEPA designate tracts that have significant portions of particular populations.

CalEPA Response. *CalEPA is mindful that SB 535 and AB 1550 conceive of communities as physical areas,⁵⁷ and it may not designate DACs in a manner that loses that geographical connection. That does not mean that the physical areas must always be contiguous. For example, CalEPA is designating Tribal Lands, which, for certain Tribes, may include lands that are non-contiguous. Such lands, however, would still be physical areas and connected in that they would fall under the control of a single Tribe.*

6. Request to designate communities at a smaller geographic scale. Several commenters suggested CalEPA should employ a more granular unit of geographic scale than census tracts. They stated that aggregating or averaging data across census tracts could obscure the burdens of smaller areas within those tracts.

⁵⁷ SB 535 twice describes DACs as “areas.” Similarly, both SB 535 and AB 1550 refer to “projects located within the boundaries of, and benefiting individuals living in, communities.”

CalEPA's Response. *Defining the precise boundaries of communities is a challenging exercise, particularly in a state as vast and populous as California. CalEPA believes there is considerable benefit to defining them, to the extent possible, in a manner that is standard from one community to the next. Standardization promotes equity across communities and eliminates the need to engage in an administratively resource-intensive exercise of drawing boundaries on a community-by-community basis. For the DAC designation process, CalEPA has generally chosen to define communities in terms of census tracts, where data are available, in part because CalEPA is using scores from CalEnviroScreen – which uses tracts as its standard unit of geographic scale – to identify DACs and in part because census tracts offer the independent advantages described in Section II.B above. CalEPA has departed from the use of census tracts only in the designation of lands under the control of federally recognized Tribes, which are generally not coterminous with census tract boundaries. In instances in which Tribal Lands occupy only a portion of a census tract, data unavailability may complicate the assessment of burdens at a tract level. Additionally, as compared to other communities that are smaller than census tracts, Tribal Lands are distinct because they fall under the control of Tribal governments.*

7. **Request to designate communities on a program-by-program basis:** Several commenters suggested that CalEPA designate DACs on a program basis.

CalEPA Response. *Legally, CalEPA interprets SB 535 as directing it to issue a single designation for the purpose of allocating GGRF funds. CalEPA does not interpret the legislation as authorizing it to issue program-specific designations. DAC minimums apply across California Climate Investments portfolio and individual programs may have additional statutory direction or otherwise focus on the communities most appropriate to each program.*

8. **Request to designate non-federally recognized tribes.** Several commentors suggested CalEPA should designate both federally recognized and non-federally recognized Tribes as disadvantaged communities.

CalEPA Response. *CalEPA is not designating federally recognized Tribes as disadvantaged. It is designating lands under the control of federally recognized Tribes as disadvantaged. Section IV.C.4 above explains the reason for this designation. CalEPA appreciates that areas associated with non-federally recognized Tribes are often disadvantaged. Because the legal distinctions between federally and non-federally recognized Tribes differ, the same type of data gaps do not exist for communities associated with non-federally recognized Tribes. CalEPA instead is able to rely upon CalEnviroScreen in the same way it generally could for other areas outside the jurisdictions of federally recognized Tribes.*

APPENDIX 6

"Technical Memorandum" dated January 18, 2024 of Catalyst
Environmental Solutions

Thursday, January 18, 2024

Technical Memorandum

To:	Liz Gosnell, Cone Fee, LLC
From:	Megan Schwartz, Director of Regulatory Compliance and Permitting
RE:	Baldwin Hills Community Standards District Amendment Proposal

Introduction

At your request, this technical memorandum provides supplemental data and analysis to further support the technical memorandum submitted to you on September 25, 2023, related to CEQA review of the proposed amendment to the Baldwin Hills Community Standards District, as well as potential environmental justice effects of approving or denying the proposed motion.

Analysis of CEQA Review of Modifications to the Baldwin Hills Community Standards District

The Inglewood Oil Field has operated in accordance with the CSD and the adopted EIR and Mitigation Monitoring and Reporting Plan since 2008 without violation or incident. The CSD established a geographic area (the Baldwin Hills) and with site-specific conditions adopted by the County. While Conditional Use Permit approvals are conditional and subject to discretionary review with some established frequency, which allows a local jurisdiction to end a land use or revoke a permit, a CSD is an adopted ordinance and land use regulation.

Five-year reviews were built in a part of the CSD Ordinance and subsequent Settlement Agreements, as well as requirements for additional studies such as the Inglewood Oil Field Hydraulic Fracturing Study and Health Risk Assessment, in order to provide the County an opportunity to determine if any additional environmental protection measures were necessary. These reviews resulted in suggested revisions to CSD Conditions by the County which the operator voluntarily implemented. Because these suggested revisions to the CSD Conditions that have occurred since 2008 to date have been minor and within the scope of the analysis and findings of the Baldwin Hills CSD EIR, no formal Amendment to the CSD was required and additional CEQA review was necessary. The minor modifications were prepared as a result of the reviews that were built into the CSD framework and therefore did not result in any new impacts or more severe impacts than what was analyzed in the certified EIR.

In contrast, the County Department of Regional Planning is now proposing to formally amend the CSD. This change is not being considered as part of the 5-year review cycle, but as a stand-alone action of the Board of Supervisors. For CEQA compliance, the proposed amendment must be compared to the 2008 certified EIR for the CSD to evaluate if the amendment would result in a new or more severe impact compared to what was analyzed in that documents. The proposed change in the amendment that requires analysis is “no new wells, and nonconforming use allowed to continue for 20 years”.

The CSD EIR Energy and Mineral Resources chapter clearly states that “The potential future development would not result in the loss of availability of a known energy or mineral resource as the mineral resource located at the oil field would be developed as part of the potential future development.” In contrast, the proposed amendment to the CSD would not allow new drilling, and would put a sunset on all existing

operations of 20 years. Therefore, the proposed amendment would directly result in the loss of availability of a known mineral resource. This is a significant and unmitigable impact.

This new, significant, and unmitigable impact means that the County cannot rely upon the analysis in the 2008 CSD EIR for this action. Rather, a supplemental EIR to the 2008 CSD EIR would be required for this significant impact of the amendment.

In addition, the County could not rely on a Categorical Exemption to CEQA because one exception provision is that a categorical exemption shall not be used for an activity where there is a reasonable possibility that the activity will have a significant effect on the environment due to unusual circumstances (CEQA Guidelines § 15300.2 (c)). The County could not rely on an addendum, because the proposed amendment would result in a new significant impact, or a substantial increase in the severity of previously identified significant impacts (CEQA Guidelines §§ 15162, 15163, 15164).

Consideration of Environmental Justice Impacts

Los Angeles County Board of Supervisors has voted unanimously to establish environmental justice as an official Board priority for Los Angeles County. While the CEQA guidelines do not include a requirement to evaluate for environmental justice impacts as of yet, the such effects are required under the National Environmental Policy Act in accordance with the 1993 Executive Order 12898 signed by President Clinton, *Federal Actions to Address Environmental Justice in Minority and Low-Income Populations*, which directs federal agencies to: 1) identify and address the disproportionately high and adverse human health or environmental effects of their actions on minority and low-income populations, to the greatest extent practicable and permitted by law; 2) develop a strategy for implementing environmental justice; 3) promote nondiscrimination in federal programs that affect human health and the environment, as well as provide minority and low-income communities access to public information and public participation.¹

This approach may be applied to the Inglewood Oil Field. The first step of the approach is to identify the presence of an environmental justice population in the vicinity of the Project site. In California, environmental justice populations are defined according to Senate Bill 535, which designates these populations are “disadvantaged communities.” In the final designation description of disadvantaged communities published by CalEPA in May 2022 it is stated “CalEPA generally defines communities in terms of census tracts and identifies four types of geographic areas as disadvantaged: (1) census tracts receiving the highest 25 percent of overall scores in CalEnviroScreen 4.0; (2) census tracts lacking overall scores in CalEnviroScreen 4.0 due to data gaps, but receiving the highest 5 percent of CalEnviroScreen 4.0 cumulative pollution burden scores; (3) census tracts identified in the 2017 DAC designation as disadvantaged, regardless of their scores in CalEnviroScreen 4.0; (4) and areas under the control of federally recognized Tribes.”² Accordingly, Catalyst reviewed the CalEnviroScreen 4.0 to identify the presence or absence of disadvantaged communities in the vicinity of the Inglewood Oil Field. A screenshot of the CalEnviroScreen map is shown in figure 1 below. As depicted, the immediate residential areas surrounding the oil field are not designated as disadvantaged communities, but disadvantaged communities are mapped in the census tracts approximately 1 mile south and east of the field.

¹ <https://www.epa.gov/laws-regulations/summary-executive-order-12898-federal-actions-address-environmental-justice>

² <https://calepa.ca.gov/wp-content/uploads/sites/6/2022/05/Updated-Disadvantaged-Communities-Designation-DAC-May-2022-Eng.a.hp -1.pdf>

The next step in environmental justice impact analysis is the determination of whether disadvantaged communities are *disproportionately* adversely affected by impacts of the Project (in this case, the continued operation of oil and gas production at the Inglewood Oil Field, and potential future drilling of new wells). As described above and in the September 25, 2023 technical memorandum prepared by Catalyst Environmental Solutions, the Inglewood Oil Field has operated in accordance with the Baldwin Hills Community Standards District since 2008. According to the EIR prepared for the Community Standards District, no significant and unavoidable impacts were identified. Further, in our review of the monitoring reports and data published in accordance with the Community Standards District since 2008, no adverse impacts to any of the resource categories considered under CEQA have occurred. Finally, in our review of both the Los Angeles County Department of Public Health study related to the field published in 2008 and the subsequent Human Health Risk Analysis prepared by MRS on behalf of the County for the Inglewood Oil Field, no adverse health impacts were identified related to operations at the field, up to a limit of 25 new wells drilled per year. Catalyst has also reviewed the data of emissions posted by the California Air Resources Board in accordance with the current ongoing Study of Air Pollution in Neighborhoods Near Petroleum Sources (SNAPS) program. In our review of the real-time emissions data posted, no exceedances of air emissions thresholds have occurred at either the upwind or downwind monitoring locations around the field.

Therefore, based on this data, it is unlikely that the identified disadvantaged communities east of the field would be disproportionately adversely affected by continued operations of the field.



Figure 1. Screenshot of CalEnviroScreen 4.0 Map of Disadvantaged Communities Focused on the Inglewood Oil Field

In contrast, while domestic oil production in California has seen a decline, because of regulatory and legislative efforts, there has been an increase in oil imports. While Gov. Newsom [announced](#) that 25.5% of all new cars sold in California second quarter 2023 were zero-emission vehicles (ZEV), and since 2011, 1.6 million ZEVs have been sold in the State. However, even with the increased number of ZEV sales, the total number of ZEVs driving on California roads is miniscule compared to non-ZEV vehicles. In 2022, there were 31% more vehicles

registered in California than in 2010 and year over year that increase consisted primarily of non-ZEV vehicles. Even if the current trend in ZEV car sales continues to increase at the same rate as it has since 2010 through to 2035 (when it will no longer be allowed to purchase a non-ZEV vehicle in California), only 6% of vehicles registered in California are expected to be ZEV. Therefore, demand for oil is not likely to decrease significantly in the coming years (Chart 1).

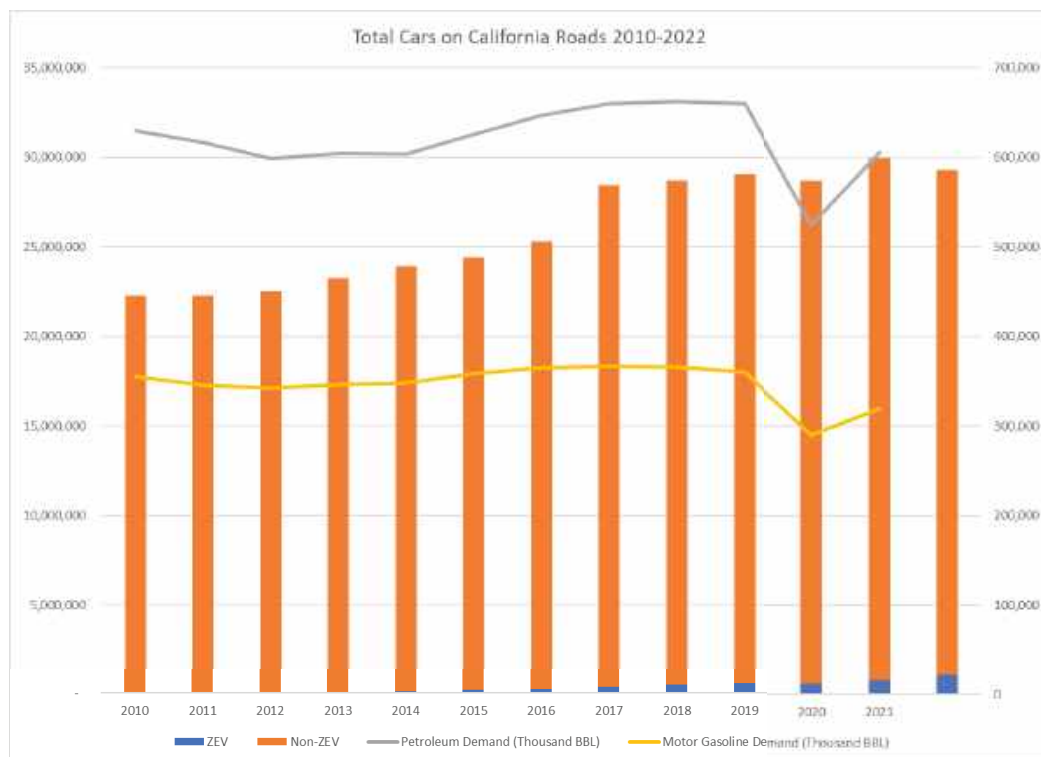


Chart 1. Total Cars on California Roads ZEV vs. Non-ZEV compared to Petroleum Demand 2010-2022

Every barrel of oil not produced in-state must be tankered into California to the Ports of Los Angeles and Long Beach to meet demand. There are no interstate pipelines that carry crude oil and rail and trucking oil is expensive and impractical. As a result, increased tankering of foreign oil is the inevitable result of any curtailment of in-state production. Californians consume over 1.8 million barrels of crude a day. Despite the state's efforts to transition to alternative fuels, oil consumption in California has not decreased³. Accordingly, since the data shows that demand is not decreasing, oil produced at the Inglewood Oil Field currently sent to the local refineries will need to be made up for by either production at other California fields, or imported via tanker to the Ports. According to the CalGEM WellSTAR data dashboard, average monthly production of crude oil at the Inglewood Oil Field in 2022 was 134,935 barrels.⁴ According to the documentation associated with the Stanford produced OPGEE model which is used by the California Air Resources Board to calculate the carbon intensity of oil produced in California and imported into California from elsewhere, the standard tanker

³ Energy Information Administration. 2023. State Energy Data System: Table CT3. Total End-Use Sector Energy Consumption Estimates, Selected Years, 1960-2021, California. Available online: https://www.eia.gov/state/seds/data.php?incfile=/state/seds/sep_use/tx/use_tx_CA.html&sid=CA

⁴ California Geologic Energy Management Division. 2024. WellSTAR data dashboard. Well Production. Available online at: [Microsoft Power BI \(powerbigov.us\)](https://powerbi.powerbigov.us). Accessed January 17, 2024.

which delivers crude to California has a capacity of 22,500 tons.⁵ This equates to 153,926 barrels of oil (1 ton equals 6.08 barrels of oil equivalent). Accordingly, if production of oil from Inglewood Oil Field is eliminated, it is reasonably foreseeable that this would result in an additional tanker of crude oil coming into the local ports each month.

The census tracts at the Ports and along the freeways which are used to transport products from the Ports to their ultimate destinations have been identified by CalEnviroScreen 4.0 as Senate Bill 535 Disadvantaged Communities as shown in the figure below. This is in direct contrast to the areas immediately surrounding the Inglewood Oil Field which are not identified as Senate Bill 535 Disadvantaged communities (Figure 2). Thus, it is reasonably foreseeable that an increase in tanker traffic at either Port as a result of decreased local production of oil, would disproportionately adversely affect a known disadvantaged community through increased emissions of criteria pollutants, which would be an environmental justice impact.

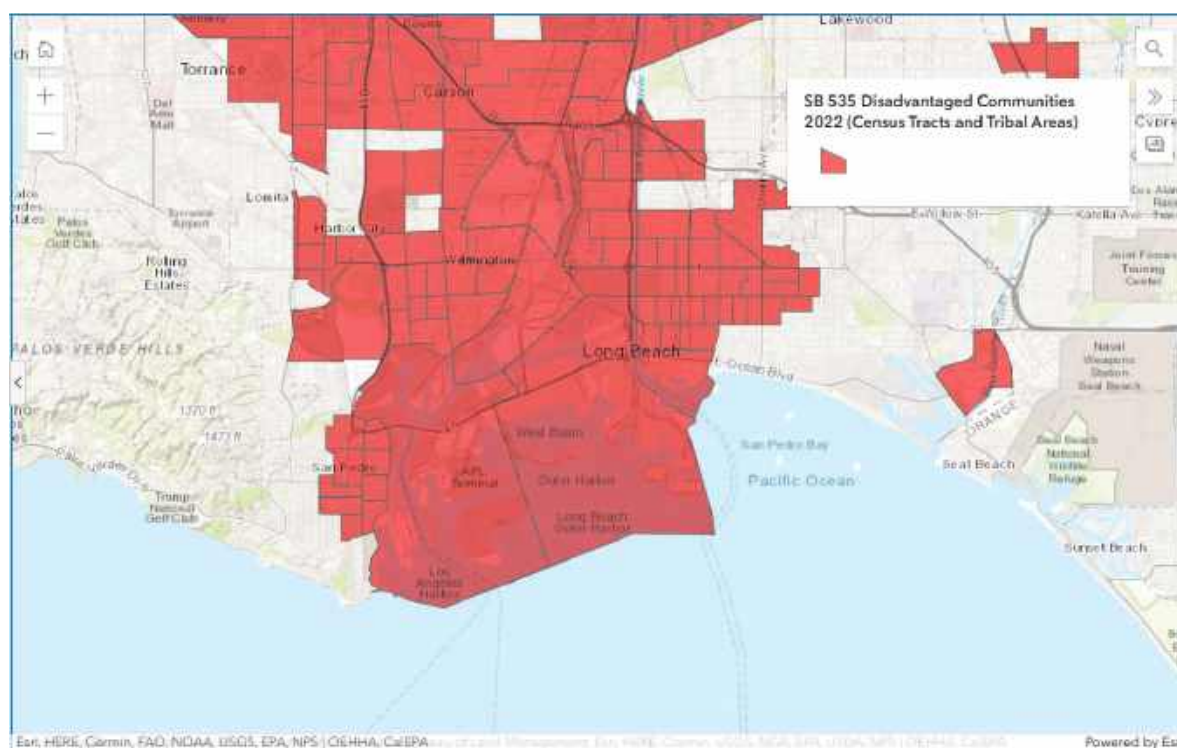


Figure 2. Screenshot of CalEnviroScreen 4.0 Map of Disadvantaged Communities Focused on the Ports of Long Beach and Los Angeles

Health Indicator Data

Note that the three most commonly referred to health issues evaluated with regard to oil and gas operations in California are cancer, low-birth weight, and respiratory ailments (e.g., asthma). For point of reference, Catalyst reviewed the current statistics for each of these issues in Los Angeles County. To determine cancer rates, Catalyst reviewed the Center for Disease Control, National Cancer Institute's State Cancer profiles⁶. As

⁵ [opgee_v3.0_methodology-3.pdf \(stanford.edu\)](#)

⁶ [State Cancer Profiles > Incidence Rates Table](#)

(<https://statecancerprofiles.cancer.gov/incidencerates/index.php?stateFIPS=06&areatype=county&cancer=001&race=00&sex=0&age=01&stage=999&year=0&type=incd&sortVariableName=rate&sortOrder=default&output=0#results>)

described on its website, the State Cancer profiles provide a table of incidence statistics for use in assessing the burden and risk for a major cancer site for the US overall and for states with cancer registries whose data have met the criteria required for inclusion in the US Cancer Statistics. The 95% Confidence Intervals for the rates provide a measure of how certain or uncertain the point estimate is and can be used to generally assess how different one rate is from another. The incidence rates tables provide data at a County level, and provide the latest 5-year average. Based on this table, the average cancer incidence rate (all cancers) in Los Angeles County between 2017 and 2022 is 376 people per 100,000 population, or a rate of 0.00376. CalEnviroScreen does not present any data related to cancer incidence at the census tract level, therefore, it is not possible to compare the county rates to the scoring statistics on the CalEnviroScreen database.

For information on birth statistics, Catalyst reviewed the March of Dimes, PeriStats, State Summary for California, which provides data at the County level.⁷ The data shows that in 2021 (the most recent year with data available), of the 96,216 babies born in Los Angeles County, 9,033 were pre-term (either moderately pre-term or very pre-term). This equates to an incidence rate of pre-term birth of 9.38%. We compared this statistic to the low-birth weight data provided at the census tract level in CalEnviroScreen 4.0 for the census tracts containing and immediately surrounding the Inglewood Oil Field. Note that the CalEnviroScreen data evaluates total live births between 2009 and 2015, so this is a rough comparison between the two data sources. However, the incidence rate of low-birth weight babies for all four census tracts during the period examined was lower than the incidence rate of Los Angeles County as a whole: census tract 6037703001 had an incidence rate of 5.61%, census tract 6037236000 had an incidence rate of 8.57%, census tract 6037702502 had an incidence rate of 4.55% and census tract 6037702600 had an incidence rate of 4.64%.

Finally, for information on respiratory ailments, Catalyst reviewed the California Department of Public Health, Environmental Health Investigations Branch, California Asthma Dashboard to view county-level data on asthma prevalence in Los Angeles County.⁸ This provides the percentage of people in Los Angeles County ever diagnosed with asthma, by age group, as of 2020 (the most recent year with data available). Based on this, 12.8% of children (0-17 years of age) and 14.1% of seniors (over 65 years old) in Los Angeles County have been diagnosed with asthma at some point in their life. CalEnviroScreen data presented for asthma provides information at the census tract level for emergency room visits for asthma within the subject years (and does not indicate the number of people within the census tract who have been diagnosed with asthma), therefore it is not possible to directly compare the two data sets and reach a conclusion of relevance.

About Catalyst Environmental Solutions

Catalyst Environmental Solutions Corporation is full-service environmental consulting firm with extensive experience in the oil and gas industry, with staff experience dating back to 1994. We have worked extensively for oil and gas developers and with public agencies regulating oil and gas development, including Ventura County Planning Division.

⁷ [Distribution of gestational age categories: Los Angeles county, 2021 | PeriStats | March of Dimes](https://www.marchofdimes.org/peristats/state-summaries/california?top=3&lev=1&stop=55®=99&sreg=06&creg=06037&obj=8&slev=6)
(<https://www.marchofdimes.org/peristats/state-summaries/california?top=3&lev=1&stop=55®=99&sreg=06&creg=06037&obj=8&slev=6>)

⁸ [California Breathing County Asthma Data Tool](https://www.cdph.ca.gov/Programs/CCDCPHP/DEODC/EHIB/CPE/Pages/CaliforniaBreathingCountyAsthmaProfiles.aspx)(<https://www.cdph.ca.gov/Programs/CCDCPHP/DEODC/EHIB/CPE/Pages/CaliforniaBreathingCountyAsthmaProfiles.aspx>)

Catalyst's President, Dr. Dan Tormey, advises all levels of government in California on concerns related to oil and gas issues, including the Governor and California Legislature, the Coastal Commission, and local governments. He was on the Steering Committee for the California Council on Science and Technology (CCST) study on hydraulic fracturing in California; he was appointed by the Department of Conservation to the recently formed Underground Injection Control Independent Review Panel (CalEPA SB 83); and he was selected as a peer reviewer for the CCST study on water use in oil and gas operations in California. Catalyst's Director of Regulatory Compliance and Permitting, Ms. Megan Schwartz, works through industry groups to support federal, state, and local government and oil producers as they navigate the evolving regulatory and transparency landscape in the oil and gas industry.

In addition, our staff supported Plains Exploration and Production as the applicant's consultant preparing technical resource studies to support the Baldwin Hills CSD EIR through Los Angeles County. We also supported Plains Exploration and Production in development of technical studies and compliance plans for the Montebello Hills Specific Plan EIR, a plan to restructure the oil field into 6 concentrated oil islands at the edges of the field, and redevelopment the center of the field into mixed use residential and commercial area. Our staff prepared the Remedial Action Plan that is currently being implemented at the field, concurrent with development of a residential community on the former oil field property.

APPENDIX 7

Correspondence from Cone to the Regional Planning Commission dated
September 29, 2008



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September 29, 2008

Commissioner Leslie G. Bellamy
Commissioner Harold V. Helsley
Commissioner Pat Modugno
Commissioner Wayne Rew
Commissioner Esther L. Valadez
Regional Planning Commission
County of Los Angeles
170 Hall of Records
320 West Temple Street
Los Angeles, California 90012

Re: Comments to County of Los Angeles' Working Draft Baldwin Hills
Community Standards District Version 3

Commissioners:

We represent the Cone Fee Trust ("Trust"), which owns land in the Inglewood Oil Field. The purpose of this letter is to object to the County of Los Angeles' Working Draft Baldwin Hills Community Standards District Version 3 (the "Draft CSD") and to provide comments in advance of the October 1, 2008 Regional Planning Commission Public Hearing. As the representative of a landowner impacted by the proposed CSD, we express our concern that the Draft CSD process is a legally objectionable taking of real property in violation of California law. These comments supplement those previously provided orally and in writing by Plains Exploration and Production Company ("PXP"), Peter Hoss, Liz Goznel, and other landowners at prior hearings on this matter.

Our specific objections and comments are as follows:

1. Provisions of the Draft CSD that the Inglewood Oil Field will be Restored to Park Condition and Become a Park is an Act of Inverse Condemnation. As part of the CSD development process, there have been numerous comments and

statements from interested parties that the land will, following the cessation of oil operations, become a park. In several instances, these comments have been made by individuals, such as Mr. David McNeill, a state employee. Any pronouncements on behalf of the State of California, the County of Los Angeles, or other interested groups that the Inglewood Oil Field will be a park are improper. Activities such as (1) public activities announcing an intention to convert or acquire the land and the Inglewood Oil Field as a park, coupled with (2) specific regulatory actions, as contained in the Draft CSD that actively restrict or provide for restoration of the land to park use without compensation and impose impermissible exactions for that purpose, go beyond planning and constitute a taking.

This approach violates basic principles of constitutional and land use law. In *Nollan v. California Coastal Commission* (1987) 483 U.S. 825, the U.S. Supreme Court declared unconstitutional a policy of the California Coastal Commission of exacting easements for the public to pass over coastal properties as a condition of ordinary land use approvals, in that case remodeling of a beach front bungalow. The Coastal Commission's attempt to justify the exaction on the ground that it was part of the comprehensive program to provide beach access violated the Takings Clause of the Fifth Amendment of the U.S. Constitution. While the state could realize its policy goals by exercising its eminent domain power and paying for the access easements, it could not compel the landowner to contribute to the realization of that policy goal. 483 U.S. at 842. This parallels the process that has lead to the Draft CSD. In parallel with studies and plans for a park, provisions of the Draft CSD compel the landowner to contribute to restoration for uses of park to the exclusion of other land uses consistent with applicable zoning. In *Dolan v. City of Tigard* (1994) 512 U.S. 374, the U.S. Supreme Court declared unconstitutional a city planning commissions attempt to obtain a dedication of land for a public greenway along a creek and pedestrian bicycle pathway as exactions for a commercial use. The court concluded that there had been an uncompensated taking of the property under the Fifth Amendment because these exactions lacked the appropriate nexus to the proposed commercial use. Here, the restoration and other provisions contained in the Draft CSD are clearly preparatory to acquisition of land for a park and exceed any reasonable relationship with any proposed oil and gas extraction or existing activity on the land.

To the extent that representatives of the State and County comment on and advocate for the Draft CSD, those representatives are involved in and are advocating an inverse condemnation. *Klopping v. City of Whittier* (1972) 8 Cal.3d 39. Public announcements that the land will be used as a park are devaluing our client's lands. The Draft CSD will restrict our client's right to use its land as it chooses when the oil and gas is depleted. Announcements by governmental representatives that the

Inglewood Oil Field will be converted from an oil field to a park, prior to the filing of an eminent domain action or offer to purchase the land supported by available funds, will have the effect of devaluing the Trust's Land. Such announcements, discussions or other habitual references reflecting the intention of the Baldwin Hills Conservancy or other governmental agency to "turn the Inglewood Oil Field into a park" will result in damage to our client.

The Draft CSD will require our client's land and the Inglewood Oil Field to be converted to park habitat prior to any payment to the Owners for the land, and the ultimate use will be restricted to a park. The County's pronouncements to date have resulted in numerous persons appearing at public hearings and indicating their assumption that the Inglewood Oil Field will become a park and supporting the Revegetation and Restoration Regulations. To the extent that the fair market value of the land and the Inglewood Oil Field is based upon its use for a park rather than for a more valuable use, the devaluation will be directly attributable to the regulations requiring the conversion of the land to a park. Attempts to incorporate the Baldwin Hills Park Master Plan ("BHPMP") or the substantive provisions of the BHPMP, which contemplate revegetation and biological restoration and other actions to establish a park physically on the Inglewood Oil Field, into the Draft CSD, constitute inverse condemnation.

2. The Baldwin Hills Park Master Plan is Not Law. Despite the fact that the BHPMP is not law, has not been adopted by any governmental or quasi-governmental agency as law, and is merely a vision on the part of an organization to attempt to plan a park for the Baldwin Hills area on private property, it is cited throughout the Draft CSD. As the owner of a portion of the land in the Baldwin Hills, our client has never endorsed the implementation of the BHPMP while the land is being used for oil and gas production, nor has it entered into any agreement or implied agreement with regard to the use of the Trust's land in the Baldwin Hills for a park. The Trust has consistently refused to entertain any proposal to sell the land and the minerals at any price while it is in oil and gas production. No eminent domain action has been filed. It is apparent with the current economic climate that no governmental agency has funds available to purchase the Inglewood Oil Field, including the land and minerals, let alone maintain it as a park.

3. The Draft CSD Exceeds the Regulatory Authority of the County. The Draft CSD is rife with numerous imposed regulations beyond the authority of the County. As a creature of statute, the County is only vested with those responsibilities granted to under the California Government Code. The County itself does not have police power authorities to regulate activities on within the confines of the County. For example, the Draft CSD contains improper regulations relating to Air Quality and

Public Health (Section E.2) and Safety and Risk of Upset (Section E.3). These provisions ostensibly seek to regulate air quality and oil field operations in a manner that is beyond County authority and impedes upon the authority of the South Coast Air Quality Management District. In effect the actions of the County in attempting to regulate air quality at the site is both "preempted" by existing state regulation but is also beyond the County's jurisdiction. Additional examples of these improper extension of County authority also include many other elements of Section E (Oil Field Development Standards) including Subsections E.7 (Biological Resources), E.8 (Cultural/Historic Resources), E.10 (Landscaping, Visual Screening and Irrigation), E.19 (Groundwater Monitoring), E.22 (Oil field Cleanup and Maintenance), E.27 (Drilling, Redrilling and Reworking Operations), E.28 (Processing Operations), E.29 (Well Reworking Operations), E.31 (Well and Production Reporting), E.32-37 (All relating to Idle Well and Well Abandonment Procedures).

4. Encumbering the Land with Revegetation and Biological Restoration Regulations Devalues the Land and Constitutes Inverse Condemnation. The Los Angeles County Department of Regional Planning staff's drafts of the Baldwin Hills Community Services District for the Inglewood Oil Field, Versions 1 and 2, are highly objectionable. Version 1 adopted the BHPMP and Version 2 continues the substantive requirements of the BHPMP despite the deletion of the reference to the BHPMP by name. This same error continues in the Draft CSD. This includes regulations that require the Operator and Owners of the Inglewood Oil Field, currently and at all times in the future, including when the oil and gas is depleted from the Inglewood Oil Field, to comply with the "Biological Resources" provisions in the Draft CSDs. Those regulations include, but are not limited to: requirements to revegetate, biologically restore, monitor, study, survey and protect special species, habitat, wildlife, native plants and endangered species, provide wildlife corridors and links, lizard fencing, training for employees in archeological education, hiring an archeologist and biologist, and extensive, burdensome landscaping requirements throughout the Inglewood Oil Field land ("Revegetation and Restoration Regulations"). The Revegetation and Restoration Regulations appear to be directly from the BHPMP. The CSD Revegetation and Restoration Regulations constitute a present taking of the land in violation of article I, section 19 of the California Constitution (California's takings provision) and the Fifth Amendment of the United States Constitution. To the extent the Revegetation and Restoration Regulations are imposed prior to any payment for the Land, they will devalue the Land, now and in the future. The CSD could have the result of precluding any use of the land other than for park purposes, for various reasons. As a result, the Revegetation and Restoration Regulations constitute an act of condemnation by precluding the Owners from realizing the value of their land at its highest and best use, which can not be assumed to be a park, now or in the future, including when the oil and gas has been

depleted. The actions of the County in requiring conversion of the land to a park as reflected in the Draft CSD, prior to paying any consideration, is an inverse condemnation--a taking without compensation. *Pennsylvania Coal Co. v. Mahon*, 260 U.S. 393, 415 (1922).

Accordingly, we respectfully urge rejection of the Draft CAO .

Very truly yours,

A handwritten signature in black ink, appearing to read "Scott A. Semmer", written over a horizontal line.

Scott A. Semmer

cc: Russell Fricano
Elaine Lemke, Esq.