

Per California Code of Regulations, title 2, section 548.5, the following information will be posted to CalHR's Career Executive Assignment Action Proposals website for 30 calendar days when departments propose new CEA concepts or major revisions to existing CEA concepts. Presence of the department-submitted CEA Action Proposal information on CalHR's website does not indicate CalHR support for the proposal.

A. GENERAL INFORMATION

1. Date

10/25/2019

2. Department

California State Lands Commission (CSLC)

3. Organizational Placement (Division/Branch/Office Name)

Mineral Resources Management Division (MRMD)

4. CEA Position Title

Assistant Division Chief, MRMD

5. Summary of proposed position description and how it relates to the program's mission or purpose. (2-3 sentences)

The CSLC requests the establishment of a CEA A to serve as an Assistant Division Chief within the MRMD. The CEA's primary function will be to develop, implement, and evaluate statewide policies: renewable energy; standardization of oil and gas production and transportation facilities; evaluation of applicants', lessees', and assignees' financial ability to comply with lease terms and bonding liability; protection of operating personnel; and policy guidelines for (a) frequency of oil pipeline integrity testing; (b) prioritizing oil and gas well removal and remediation projects; and (c) oil spill reporting requirements. The CEA will also: plan, organize, and direct MRMD's technical, engineering, and operational activities; provide oversight to the Safety Audit Program and financial and leasing aspects of oil, gas, geothermal, and mineral management programs; and administer the Coastal Hazard and Legacy Oil and Gas Well Removal and Remediation Program.

6. Reports to: (Class Title/Level)

Chief, Mineral Resources Management Division, CEA C

7. Relationship with Department Director (Select one)

- Member of department's Executive Management Team, and has frequent contact with director on a wide range of department-wide issues.
- Not a member of department's Executive Management Team but has frequent contact with the Executive Management Team on policy issues.

(Explain): The Assistant Division Chief, CEA has frequent contact with the Executive Office to ensure that the MRMD's mission critical issues are consistent with the CSLC's Strategic Plan.

8. Organizational Level (Select one)

- 1st
- 2nd
- 3rd
- 4th
- 5th (mega departments only - 17,001+ allocated positions)

B. SUMMARY OF REQUEST

9. What are the duties and responsibilities of the CEA position? Be specific and provide examples.

Under the general direction of the Division Chief, MRMD, and guided by the principles outlined in the vision, mission, and values statements of the CSLC the Assistant Division Chief, CEA's primary function will be to develop, implement, and evaluate statewide policies, projects, and programs. The CEA: acts as the expert policy advisor to the Division Chief and Executive Office regarding the development, implementation, and evaluation of all new policies, projects, programs, and strategic planning; has direct responsibility for the Engineering, Planning and Development, Operations and Compliance, and Finance and Economics Sections; provides programmatic and consultative policy advice to Senior and Executive Office on laws, rules, and regulations pertaining to the most complex technical aspects of the Operations and Compliance, Planning and Development, and Engineering programs; has frequent contact with the Division Chief and Executive Office to ensure that the Division's mission critical issues are consistent with the Department's Strategic Plan; and provides subordinate management with solutions on a wide range of difficult management and administrative problems. Additionally, the CEA: assists the Division Chief in developing MRMD's organizational goals, priorities, and strategies to carry out the goals and objectives of the Commission's Strategic Plan; oversees the Safety Audit Program; ensures full staff compliance with administrative policies, regulations, and procedures; and acts as the Division Chief in the Chief's absence. The CEA will have primary responsibility to develop, implement, and evaluate new policies in concert with the:

Clean Energy and Pollution Reduction Act to govern site selection/parcel identification for suitability to develop renewable energy projects on sovereign and school lands;

Coastal Hazard and Legacy Oil and Gas Well Removal and Remediation Program that will: (1) assess legacy oil and gas wells and coastal hazards; (2) survey, study, and monitor oil seepage in State waters and tidelands; (3) serve as guidelines for prioritizing oil and gas well removal and remediation projects, oil spill reporting requirement; (4) identify assessment criteria pertaining to surveying, studying, and monitoring oil seepage; and (5) implement oil and gas production and transportation facility policies to standardize the manner in which staff addresses the ultimate disposition of oil and gas production and transportation facilities;

Lease Compliance and Enforcement; to vet applicants', lessees', and assignees' financial ability to comply with lease terms and bonding liability to reduce the likelihood of project abandonments and bonding/insurance liabilities, such as oil companies filing bankruptcies and failing to uphold the lease terms and obligations;

Safety Audit Program that will evaluate operating personnel protections and provide guidelines for frequency of oil pipeline integrity testing and oil spill reporting requirements.

Additionally, the CEA: assists the Division Chief in developing the MRMD's organizational goals and priorities, ensures full staff compliance with administrative policies, regulations, and procedures, and works with the Division Chief to develop and implement MRMD strategies necessary to carry out the goals and objectives of the Commission's Strategic Plan; evaluates current regulations and policies and determines specific initiatives that need to be pursued that will result in greater protection of the State's lease financial interests and environmental benefits; and identifies enhancements for MRMD goals that can be accomplished through new regulations, legislation, or policy additions; coordinates and facilitates MRMD work and interaction with other Commission divisions; directs MRMD's participation when working with other Commission's divisions on Commission projects requiring multiple division involvement, such as the Strategic Plan Key Actions and Targeted Outcomes, e.g., renewable resource identification and development on State lands; represents MRMD at hearings, workshops, industry meetings, and State and federal meetings to provide accurate testimony, expertise, and input and communicates with State lessees to identify issues that could impact safety, environmental protection, and revenue. Examples of workshops, hearings, and public meetings include: Ellwood lease abandonment and decommissioning workshops; Rincon lease abandonment public hearings; and coastal hazard abatement and legacy well abandonment public meetings; oversees the preparation of appropriate calendar item materials needed for Commission meeting presentations and the Staff Report which is submitted to the Commission at scheduled meetings; formally presents staff recommendations to the Commission on behalf of MRMD; and presents confidential information related to offshore operations during the closed sessions; acts as the MRMD liaison or point of contact with the Human Resources Office to prioritize exam planning, resolve personnel issues, prioritize and coordinate the hiring process, and facilitate Workforce and Succession Planning; meets quarterly with Human Resources Office staff to discuss a wide variety of personnel issues as well as future needs; oversees and coordinates training of new hires and ongoing in-service training and development of MRMD staff; conducts annual performance reviews; develops and discusses Individual Development Plans for each employee under direct supervision; updates duty Statements; and reviews and approves timesheets and requests for time off; enhances the value of school lands geothermal resources; develops collaboration on offshore facilities decommissioning activities that are consistent with the Commission's goals; and acts as the Division Chief in the Chief's absence.

B. SUMMARY OF REQUEST (continued)

10. How critical is the program's mission or purpose to the department's mission as a whole? Include a description of the degree to which the program is critical to the department's mission.

- Program is directly related to department's primary mission and is critical to achieving the department's goals.
- Program is indirectly related to department's primary mission.
- Program plays a supporting role in achieving department's mission (i.e., budget, personnel, other admin functions).

Description:

The CSLC's mission is to provide the people of California with effective stewardship of the lands, waterways, and resources entrusted to its care through preservation, restoration, enhancement, responsible economic development, and the promotion of public access. In keeping with the department's mission, the MRMD is responsible for the safe and environmentally sound development, regulation, and management of all energy and mineral resources on sovereign and school lands under the Commission's jurisdiction. Due in part to the decline of crude oil production over the past 30 years plus increasing concerns over the environment, the State's primary focus has switched from the use of fossil fuels to renewable energy explorations and development. To provide effective stewardship, the CEA's primary responsibility for developing, implementing, and evaluating the following policies and programs will be vital to the Commission: Clean Energy and Pollution Reduction Act mandates the State to establish new clean energy, clean air, and greenhouse gas reduction goals for 2030 and beyond. The CEA's role will allow the Commission to address renewable resource viability, engage in land use planning and road-map building, and allow the Commission to help the State meet greenhouse gas emission goals. The CEA will develop and implement the Commission's new renewable energy policy initiatives that include the site selection/parcel identification for suitability for development of renewable energy projects. These new policies will enhance the safe and reasonable development of sovereign and school lands which have potential as tide, wave, wind, geothermal and renewable energy development sites; administer the Coastal Hazard and Legacy Oil and Gas Well Removal and Remediation Program: complete an assessment of legacy oil and gas wells and coastal hazards; survey, study, and monitor oil seepage in State waters and tidelands; develop new policies that will serve as guidelines for prioritizing oil and gas well removal and remediation projects based upon available resources and for identifying assessment criteria pertaining to surveying, studying, and monitoring oil seepage; Oil and Gas Production and Transportation Facilities policy standards to manage oil and gas facility plugging and decommissioning leaking legacy wells that may otherwise imperil public health safety and the environment. To ensure public safety and environmental protection, the Lease Compliance and Enforcement policies will: ensure efficiency and efficacy in the Commission's Oil and Gas Lease Compliance and Enforcement; provide guidelines for (a) developing and incorporating into new and renewed leases strict provisions that ensure leaseholds are maintained during the lease term and are left, in safe, uncontaminated condition upon lease expiration or termination and (b) evaluating the financial ability of applicants, lessees, etc., to comply with lease terms regarding project abandonment and bonding/insurance liability to reduce the financial and environment vulnerabilities and liabilities to the State.

B. SUMMARY OF REQUEST (continued)

11. Describe what has changed that makes this request necessary. Explain how the change justifies the current request. Be specific and provide examples.

Several events have substantially changed the State and MRMD's operations and activities and have given rise to this Assistant Division Chief, CEA A Position Request. Chief among them are a decline in fossil fuel production and concerns over the environment, most likely in response to global warming. The impact of these changes, which have had a direct impact on the State and the Commission, have brought about: (a) the State's change of focus from fossil fuel production to the environment; (b) the enactment of new environmental laws; (c) companies filing bankruptcies and quit claims on their leases with the Commission; (d) the Commission's assumption of their lease responsibilities to plug, abandon, and decommission oil and gas production and transportation facilities; and (e) the financial liability to the State when oil companies file bankruptcies and fail to uphold their lease terms and obligations. The origin of the increased responsibility is passage of SB 350 and SB 44- developing, implementing, and evaluating new policies and administering the Coastal Hazard and Legacy Oil and Gas Well Removal Remediation Program.

Background

Crude oil production has declined over the past 30 years and this trend is expected to continue over the next 30 years. This trend is evidenced by a determination that no more leases will be given to companies for offshore fossil fuel extractions. The impact of this most likely has led to oil companies filing bankruptcies and failing to uphold the lease terms and obligations. In 2017, there were two such companies that filed bankruptcy and quitclaimed their lease responsibilities: Venoco and Rincon Island Limited Partnership. In the near future, more companies are expected to fail in meeting their lease terms and obligations. In the interim, the Commission has been left, not only with the responsibility to plug, abandon, and decommission oil and gas production and transportation facilities, but also with associated costs.

Since the turn of the 21st century, concerns over the environment have been growing and have led to the enactment of several new environmental laws and policy initiatives. Chief among them, that involve the proposed Assistant Division Chief, CEA, are: (a) SB 350, the Clean Energy and Pollution Reduction Act, which established new clean air and gas greenhouse gas goals reducing greenhouse gas to 40% below 1990 levels by 2030 and 80% below 1990 levels by 2050, requires a 50% reduction in petroleum use in vehicles by 2030 and managing natural and working lands for carbon sequestration in the land base; and (b) SB 44, the Coastal Hazard and Legacy Oil and Gas Well Removal and Remediation Program, which requires the Commission to administer a coastal hazard and legacy oil and gas well removal and remediation program and includes: completing an assessment of legacy oil and gas wells and coastal hazards; surveying, studying, and monitoring oil seepage in State waters and tidelands; and partnering with experts to facilitate innovative solutions.

In 1982, the focus and responsibility of the newly established civil service classification, Assistant Chief, MRMD, class code 3770, was on technical engineering and development of oil, gas, geothermal, and mineral management exploration projects during a time when fossil fuels were more prevalent and served as our main source of energy. In the 21st century, the State's growing concerns over the environment has shifted the focus from a dependence on fossil fuels to new renewable energy exploration, development, and implementation. The various changes involving the decline in fossil fuels and concerns over the environment have substantially contributed to the increasing inadequacy and unsuitability of the outdated Assistant Chief, MRMD class. The Commission has determined that the Assistant Chief, MRMD class is no longer an appropriate allocation for the Assistant Division Chief position.

Proposed Assistant Division Chief, CEA

As a result of the aforementioned changes that have substantially impacted MRMD's operations and activities, the Commission requests the establishment of the Assistant Division Chief, CEA to: ensure compliance with all laws, including SB 350 and SB 44; create and administer the Coastal Hazard and Legacy Oil and Gas Well Removal and Remediation Program; oversee the process of identifying and remediating improperly abandoned legacy oil and gas wells; ensure efficiency and efficacy in Oil and Gas Lease Compliance and Enforcement; and oversee the Safety Audit Program. The Assistant Division Chief, CEA will be responsible for developing and implementing: new renewable energy policy initiatives; policies that standardize the manner in which staff addresses the ultimate disposition of oil and gas production and transportation facilities; policies that will serve as guidelines for prioritizing oil and gas well removal and remediation projects based upon available resources and identifying assessment criteria pertaining to surveying, studying, and monitoring oil seepage; and policies that provide guidelines in evaluating the financial ability of applicants, lessees, and assignees to comply with lease terms regarding project abandonment and bonding/insurance liability.

The CEA classification affords the Commission the opportunity to recruit candidates, who have: program analysis and evaluation knowledge and skills; administrative management and project management experience; and breadth and depth of experience in policy creation and implementation. All of the preceding elements are essential in developing, implementing, and evaluating renewable energy exploration and policies, projects and programs which will have statewide impact. Given the decline of fossil fuels, the focus on renewable energy, and outdated civil service classification, there is a strong need for the use of the CEA classification.

C. ROLE IN POLICY INFLUENCE

12. Provide 3-5 specific examples of policy areas over which the CEA position will be the principle policy maker. Each example should cite a policy that would have an identifiable impact. Include a description of the statewide impact of the assigned program.

The proposed CEA, Assistant Division Chief, MRMD will support and advance the department's mission to provide the State's lands with stewardship by developing, implementing, and evaluating the following new policies: renewable energy policy initiatives; policies that standardize plugging, abandoning, decommissioning, and removing oil and gas production and transportation facilities; prioritizing oil and gas well removal and remediation projects based upon available resources; and identifying assessment criteria pertaining to surveying, studying, and monitoring oil seepage; Lease Compliance Enforcement policies; and Safety Audit Program policies that evaluate operating personnel protections and provide guidelines for frequency of oil pipeline integrity testing and oil spill reporting requirements.

Renewable Energy Policy Initiatives

The Clean Energy and Pollution Reduction Act mandates the State to establish new clean energy, clean air, and greenhouse gas reduction goals for 2030 and beyond. In this new role, the Assistant Division Chief, CEA will be responsible for developing and implementing the Commission's new renewable energy policy initiatives, which include policies for land-based renewable energy projects such as wind, solar, geothermal, and biomass; and offshore projects like wave and wind energy. Examples of specific policies to be developed include, but are not limited to, guidelines for: siting of facilities for optimal production; marketing of sites; developing lease application guidelines and content; lease application process and review (including which staff reviews what aspects of a proposal); designing and engineering review of development/construction plans; developing lease terms (general and special provisions); formulating rent-setting methods; and ensuring lease compliance and enforcement.

Oil and Gas Production & Transportation Facilities Policies

To address the increasing number of oil company bankruptcies and quit claims of their leases, the Commission is left with the responsibility to plug, abandon, and decommission oil and gas production and transportation facilities. As a result, the Assistant Division Chief, CEA will be responsible for developing and implementing policies to standardize the manner in which staff addresses the ultimate disposition of oil and gas production and transportation facilities. Specific examples of these policies will address, among other elements: engineering; planning and time-lines; specific guidelines associated with plugging, abandoning, and decommissioning; cross discipline collaboration (various classification and duties); necessary technology and equipment; best management practices; public health and safety measures; environmental safety; and oil spill response measures.

Coastal Hazard and Legacy Oil and Gas Well Removal and Remediation Program: The State Lands Commission (SLC) is required to administer the Coastal Hazard and Legacy Oil and Gas Well Removal and Remediation Program, which includes completing an assessment of legacy oil and gas wells and coastal hazards; surveying, studying, and monitoring oil seepage in State waters and tidelands. In developing and implementing this program, the Assistant Division Chief, CEA will create new policies that will serve as guidelines for prioritizing oil and gas well removal and remediation projects based upon available resources and identifying assessment criteria pertaining to surveying, studying, and monitoring oil seepage.

Lease Compliance and Enforcement

In 2017, the Commission was heavily impacted by two oil companies- Venoco and Rincon Island Limited Partnership- filing bankruptcies and failing to uphold their lease terms and obligations. In light of this experience, the Assistant Division Chief, CEA will create new policies that provide guidelines in evaluating the financial ability of applicants, lessees, and assignees to comply with lease terms regarding project abandonment and bonding/insurance liability. The creation of these policies is necessary as the Commission anticipates that more companies may fail to meet their lease terms and obligations due to the volatility of oil and gas markets and other economic factors. The Assistant Division Chief, CEA is responsible for ensuring efficiency and efficacy in the Commission's Oil and Gas Lease Compliance and Enforcement. To that end, the incumbent develops and incorporates into new and renewed leases strict provisions to ensure that leaseholds are maintained during the lease term and are left, in safe, uncontaminated condition upon lease expiration or termination.

Safety Audit Program

In overseeing the Safety Audit Program, the CEA will develop new policies that evaluate operating personnel protections and provide guidelines for frequency of oil pipeline integrity testing and oil spill reporting requirements. For example, new or revised standards and best practices involve enhancing the protection of operating personnel when performing well activities by requiring lease operators to perform blowout prevention equipment verification and well work activities involving installation of control tubing to adequately contain the tubing sealing mechanism. In addition, the CEA will determine how the new/revised American Petroleum Institute (API) standards and best practices apply to the MRMD's operations. Based on this determination, the CEA will update and revise existing policies that determine how the Commission gages compliance with the API standards/guides in accordance with industry best practices. As the API standards change, the Commission must adapt accordingly.

C. ROLE IN POLICY INFLUENCE (continued)

13. What is the CEA position's scope and nature of decision-making authority?

The Assistant Division Chief, CEA acts as the expert policy advisor to the Division Chief and Executive Office regarding the development, implementation, and evaluation of all of MRMD's new policies, projects, programs, and strategic planning. Examples of policy development include: renewable energy; standardizing oil and gas production and transportation facilities; evaluating applicants', lessees', and assignees' financial ability to comply with lease terms and bonding liability; protecting operating personnel; guidelines for frequency of oil pipeline integrity testing and for prioritizing oil and gas well removal and remediation projects; and oil spill reporting requirements.

The Assistant Division Chief, CEA has a broad scope of decision-making authority over the all of the State's energy and mineral resources on sovereign and school lands (which includes approximately 130 oil, gas, geothermal, and mineral leases covering more than 95,000 acres of land on and offshore). This broad scope of decision-making authority includes developing new land use policies to govern site selection/parcel identification for renewable energy projects on State sovereign and school lands. Within that scope, the Assistant Division Chief's, CEA authority focuses on all aspects of MRMD's daily operations and activities of the Engineering, Planning and Development, Operations and Compliance, and Finance and Economics Sections and administering the Coastal Hazard and Legacy Oil and Gas Well Removal and Remediation Program. The high degree of complex decision-making in developing, implementing, and evaluating new policies, e.g. renewable energy policies, will support the Commission's mission and vision statements and will have statewide impact on all of California's citizens and the environment. To provide a specific example, renewable energy policies will address the State's need to reduce greenhouse gas emissions and provide cleaner air.

14. Will the CEA position be developing and implementing new policy, or interpreting and implementing existing policy? How?

The Assistant Division Chief/CEA will be responsible for developing, implementing, and evaluating the following new policies, such as: renewable energy policy initiatives; standardizing the manner in which staff addresses the ultimate disposition of oil and gas production and transportation facilities; prioritizing oil and gas well removal and remediation projects based upon available resources; identifying assessment criteria pertaining to surveying, studying, and monitoring oil seepage; Lease Compliance Enforcement policies; evaluating operating personnel protections and provide guidelines for frequency of oil pipeline integrity testing and oil spill reporting requirements; and determining how the new/revised American Petroleum Institute (API) standards and best practices apply to the MRMD's operations. Based on this determination, the CEA will update the Safety Audit Program policies regarding new industry safety best practices to keep up with technological changes and innovations. The CEA will revise existing policies that determine how the Commission gages compliance with the API standards in accordance with industry best practices and ensure efficiency and efficacy in the Commission's Oil and Gas Lease Compliance and Enforcement. To that end, the incumbent develops and incorporates into new and renewed leases strict provisions to ensure that leaseholds are maintained during the lease term and are left, in safe, uncontaminated condition upon lease expiration or termination.