

ENERGY, CLIMATE CHANGE, ENVIRONMENTAL JUSTICE, AND RIVER COMMITTEE REPORT relative to fee studies for the supervision of ongoing oil operations, permitting fees, insurance requirements, and other related matters regarding ongoing oil and gas well operations.

Recommendations for Council action:

1. REQUEST the City Attorney to prepare an ordinance modifying Los Angeles Administrative Code Section 13.25.1 to increase the franchise pipeline application fee from \$6,000 to \$10,000 and require that it be replenished by the franchisee after each use.
2. INSTRUCT the Los Angeles Fire Department (LAFD), Office of Finance, and City Planning Department to work with the Office of Petroleum and Natural Gas Administration and Safety (OPNGAS), to conduct a fee study for all permitting fees related to oil extraction to determine full cost recovery, consistent with the City's financial policies.
3. INSTRUCT the LAFD to work with OPNGAS to:
 - a. To conduct a fee study and develop compliance fees for oil well operators to ensure they are in compliance with rules related to keeping oil wells idle longer than a year and the closure or abandonment of an oil well without a specific action permit.
 - b. Report within 90 days with recommendations to adjust bond requirement levels for Oil well operators, and create a process to periodically review and adjust the bond requirements for sufficiency.
4. INSTRUCT the City Risk Manager and OPNGAS to report within 90 days with recommendations to determine appropriate types of insurance coverage for oil well operators of drilling sites.

Fiscal Impact Statement: The CAO reports that the recommendations do not have an impact on the General Fund at this time.

Financial Policies Statement: The CAO further reports that the recommendations complies with the City's Financial Policies.

Community Impact Statement: None submitted.

(Rules, Elections, and Intergovernmental Relations Committee waived consideration of the above matter)

Summary:

On October 6, 2022, your Committee considered the May 20, 2022 CAO report relative to the structure of petroleum oil extraction tax and revenue proposal for placement on a Municipal Election Ballot, the imposition of penalties and fees on production, funding of a study to phase out production, and related matters. The report attached to the Council file includes some background on the matter.

After providing an opportunity for public comment, the Committee moved to approve the recommendations as amended and reflected above. This matter is now forwarded to the Council for its consideration.

Respectfully Submitted,

ENERGY, CLIMATE CHANGE, ENVIRONMENTAL JUSTICE, AND RIVER COMMITTEE

<u>MEMBER</u>	<u>VOTE</u>
O'FARRELL:	YES
KORETZ:	YES
CEDILLO:	YES
DE LEON:	YES
KREKORIAN:	YES

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-NOT OFFICIAL UNTIL COUNCIL ACTS-