# **State bills present win, loss for both sides in Kern oil dispute**

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**Body**

Sep. 4—The California Legislature gave just as it took away last week on both sides of the conflict between ***Kern***'s ***oil*** industry and the county's environmental justice community.

After a long fight, environmental justice advocates welcomed — and the industry criticized — Wednesday's passage of a bill establishing a 3,200-foot buffer between ***oil*** production and sensitive sites like homes and schools.

The opposite happened with a bill awaiting the governor's signature that would set a framework for carbon capture and sequestration projects opposed by EJ activists but generally supported by the ***oil*** industry.

Environmental justice groups saw approval of the CCS bill as a rare defeat in an otherwise successful campaign, spearheaded by the governor in the final days of the legislative session, to accelerate California's transition from ***oil*** to renewable energy production.

"Carbon capture is a gift to the ***oil*** and gas industry, allowing them to continue business as usual while providing a distraction from real climate solutions," acting California Director Mark Schlosberg of Food & Water Watch said in a news release condemning Senate Bill 905.

***Oil*** industry representatives haven't embraced SB 905 as much as they see it as a workable affirmation that investment is needed in gathering carbon dioxide from a smokestack, or directly from the atmosphere, then injecting and storing it deep underground indefinitely.

***Kern*** ***oil*** producers are in a unique position to perform the activity, seen by the Newsom administration as important to meeting the state's aggressive climate goals. In a setback for the industry, though, the bill would ban use of buried carbon dioxide in so-called enhanced ***oil*** recovery.

The Western States Petroleum Association trade group called SB 905's passage clear acknowledgment of the potential of carbon capture. But spokesman Kevin Slagle said by email lawmakers failed to demonstrate the state is serious about bringing on CCS projects "at an appropriate scale," and that the bill cut out the full participation of industries "best positioned to make this technology possible."

WSPA's bigger concern was with Senate Bill 1137 to set what are called setbacks from ***oil*** and gas operations. Similar legislation had failed twice before. Slagle called it a direct attempt by Gov. Gavin Newsom to shut down in-state production.

"It's a one-size-fits-all, political mandate for the entire state that does little to protect health and safety, will make us more dependent on foreign ***oil***," he wrote, "and will likely increase costs for fuel and energy."

President and CEO Jennifer Barrera of the California Chamber of Commerce said in a news release SB 1137 will cost 8,000 jobs, increase reliance on foreign ***oil***, deny the state of up to $4 billion in revenue and expose it to lawsuits asserting unconstitutional taking of private property.

SB 1137's supporters point to scientific research establishing a correlation between proximity to ***oil*** and gas wells and health problems such as adverse birth outcomes, heart disease and respiratory diseases including asthma.

"We finally feel seen, and we are grateful," Senior Community Organizer Cesar Aguirre with the Central California Environmental Justice Network said a news release. "For the first time in a long time, I can give good news to the community leaders that have been fighting for years to make setbacks a reality."

Executive Director Catherina Garoupa White of the Central Valley Air Quality Coalition said in the same release SB 1137's passage is "a big indicator that our movement is growing and that the tide is turning on Big ***Oil*** in Sacramento."

Besides banning ***oil*** field procedures within the buffer, including new drilling, well deepening and reworks, the bill would impose pollution controls on existing wells 3,200 feet from sensitive sites. If signed by Newsom, it will restrict noise, light and dust and require new testing and reporting.

The CCS bill, if signed by the governor, would bring some regulatory certainty to an activity that, in ***Kern***, has attracted pledges of investment in the hundreds of millions of dollars.

The technology has been identified as a promising field of energy innovation, and potential future generator of quality local jobs, that would make use of the county's wealth of industrial expertise and spent ***oil*** reservoirs suitable to carbon burial.

A leading producer of ***oil*** in ***Kern***, California Resources Corp., has proposed large-scale deployment of CCS in the county. The Long Beach-based company issued a note to investors Wednesday reassuring them SB 905 is not expected to delay its biggest carbon storage projects.

It said CRC is assessing whether new incentives spelled out in recent federal legislation will provide an alternative path to approval of one of its projects that includes an enhanced-***oil*** recovery component as part of a proposed CCS facility.

With regard to SB 1137, the setbacks bill, it said most of its production is in rural parts of the Central Valley and unlikely to be affected by the legislation. But it said the bill could impact its operations in Southern California.

"Based on a preliminary review," it stated, "the company estimates that this bill will reduce the net present value of its proved undeveloped reserves by less than 25% and therefore its overall proved reserves by less than 10%."

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