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Report: California's climate leadership requires a managed ramp-down of oil production

Data findings show why California can and must cease permitting of new wells and start its production phase-out via a statewide setback zone that protects public health

Oakland, CA - As California Governor Jerry Brown prepares to host a global summit aimed at rallying bolder climate action, [a new report out today](#) details how the state can and must initiate a managed phase-out of its own oil production to fulfill its commitment to the Paris climate goals. By doing so, California would close a major gap in its current policies and become the first significant oil and gas producer globally to chart a path off fossil fuel production in line with climate limits.

"Climate safety requires a managed transition off fossil fuel production, starting now, and wealthy producers like California have a responsibility to lead the way," said Kelly Trout, Senior Research Analyst at Oil Change International and principal report author. "By taking straightforward steps to limit production, California would set an urgently needed example of global leadership toward the Paris goals while protecting the health of local communities unjustly harmed by extraction now."

[The report](#), published by Oil Change International in collaboration with California-based and national environmental justice and climate groups, provides new data findings on the climate and budgetary impacts of three related policies:

- Ceasing the permitting of new oil and gas extraction wells;
- Implementing a 2,500-foot health and safety buffer around homes, schools, and hospitals in which existing wells would phase out; and
- Placing a Just Transition Fee on oil extraction in the state exclusively dedicated to supporting affected workers and communities through the transition to clean energy.

A review of state permitting records shows that more than 20,000 drilling permits have been issued during the Brown administration. Previous [analysis](#) has shown that, to achieve the goals enshrined in the Paris Agreement, no new fossil fuel development can be allowed and a significant portion of existing projects must be phased out before their reserves are extracted.

If California's Governor takes action to cease the permitting of new oil and gas extraction wells, the analysis projects that this step alone could avoid 560 million barrels of additional oil production over the next twelve years. It finds that continued permitting of new wells could increase the total emissions associated with California oil production by more than 55 percent over that same period.

Additional findings show that implementing a “health and safety buffer zone” around sensitive areas would enable California to begin a proactive phase-out of existing extraction in a way that prioritizes health and environmental justice. Nearly 8,500 active oil and gas wells operate within 2,500 feet of homes, schools, and hospitals – a proximity linked to significant health risks – and these wells accounted for 12 percent of statewide production in 2016. Phasing out wells within 2,500 feet of sensitive areas would cause a significant but manageable additional drop in statewide production, while helping to protect some of the state’s most polluted communities.

“The notion of ‘personal space’ doesn’t exist nor apply to the oil industry. Communities in Kern County and in many places in California have to face this issue every day. The need for a setback limit between oil pumps and activity is necessary for the health of our communities. Our communities will much appreciate and benefit from setback limits,” said Juan Flores, Community Organizer with the Center on Race, Poverty and the Environment (CRPE).

Finally, the report shows that placing a 5 to 10 percent Just Transition Fee on oil production during the ramp-down period could generate significant revenue – an estimated \$3.5 to \$6.9 billion from 2019 to 2030 – to invest in social protection, including wage replacement and college tuition, for workers affected by the transition off oil extraction. The report calls on the state to create a comprehensive and inclusive just transition plan that facilitates dialogue between employers, workers, unions, frontline communities and organizations, and local and state agencies, and invests in building a more equitable and resilient climate-safe economy.

“Let us keep it in the ground and put public health for Californians ahead of Big Oil interests. This report provides more convincing evidence that California needs to aggressively phase out its polluting oil production operations while charging ahead towards renewables with a strong focus on front-line communities, equity and just transition,” said Bahram Fazeli, Director of Research & Policy at Communities for a Better Environment.

“We need to keep dirty fossil fuels in the ground to avert climate and health catastrophe, but California continues to hand out new drilling permits like candy,” said Kassie Siegel, director of the Center for Biological Diversity’s Climate Law Institute. “This devil-may-care approach to oil extraction threatens to sabotage not just our state’s climate progress, but the world’s. That’s why we’re demanding Governor Brown halt new drilling in California and create a just transition plan to phase it out as soon as possible.”

“As the Trump administration continues to implement its reckless, anti-climate agenda, California is recognizing the clear threat of climate change and setting ambitious goals to combat it. But allowing fossil fuel development only undermines that progress. Governor Brown needs to take bold action by initiating a phase out of fossil fuels in California,” said Greenpeace USA Climate Campaigner Mary Sweeters.

“For too long, Big Oil has carried on with business as usual in the Golden State, drilling and fracking near homes and schools while our families, neighbors, and planet have suffered. The

scale and urgency of the climate crisis means we must phase out fossil fuels and transition toward a 100% renewable energy economy now,” said May Boeve, Executive Director of 350.org. “Ahead of his Global Climate Action Summit, Governor Brown has the chance to show real climate leadership and take historic action in California that moves us toward a just and equitable fossil-free world.”

“This report confirms what our indigenous allies have known for decades: we must keep fossil fuels in the ground because oil extraction and processing has deadly impacts on communities and ecosystems from the Amazon to California. The climate crisis requires bold leadership from policymakers like Governor Jerry Brown, and this report does an excellent job of outlining what this leadership should look like,” said Leila Salazar-López, Executive Director of Amazon Watch. “We are proud to stand with Oil Change International and frontline leaders in California in demanding that the state say no to all new oil infrastructure and begin a managed decline in oil extraction and processing.”

The report was researched and written by Oil Change International, and can be found at <http://priceofoil.org/CA-oil>. It was also endorsed by 350.org, Amazon Watch, Asian Pacific Environmental Network, Center for Biological Diversity, Center for Environmental Health, Communities for a Better Environment, Consumer Watchdog, FracTracker Alliance, Greenpeace USA Physicians for Social Responsibility - Los Angeles (PSR-LA), Stand Together Against Neighborhood Drilling - Los Angeles (STAND-L.A.), The Center on Race, Poverty & the Environment, and The Greenlining Institute.

“Climate leadership is being redefined, and if Governor Brown is truly committed to ‘courage and imagination’ in tackling the climate crisis, he must chart a path away from fossil fuel production in California,” said David Turnbull, Strategic Communications Director at Oil Change International. “So far Governor Brown has been acting with one hand tied behind his back, trying to limit consumption without touching oil production. This approach lets Big Oil off the hook and falls short of the leadership needed to achieve a safe future.”

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Contacts:

David Turnbull, Oil Change International, david@priceofoil.org, 415-658-5403
Rebecca Fuoco, Center for Biological Diversity, rfuoco@biologicaldiversity.org, 213-785-5409
Liza Tucker, Consumer Watchdog, liza@consumerwatchdog.org, 310-392-7931
Kate Fried, Greenpeace, kfried@greenpeace.org, 202-257-0057
Roger Lin, CRPE, rlin@crpe-ej.org, 415-346-4179
Bahram Fazeli, CBE, bfazeli@cbeval.org, 323-826-9771 x100
Dani Heffernan, 350.org, dani@350.org, 305-992-1544