CSAC CHALLENGE AWARD
ELECTRONIC BASED PERMIT SYSTEM FOR ENERGY PERMITS

Overview: Implemented Data Basin (science based mapping and analysis platform) to develop an online program to implement streamlined permitting within a seven (7) day timeframes for thousands of oil and gas permits – integrating data mapping resources, compliance checklists, and a new process that electronically generates permit applications.

Challenge: Historically, oil and gas permitting in Kern County was handled exclusively through the State of California Division of Oil, Gas, and Geothermal Resource (DOGGR) – a process that could take months or years to complete due to need for environmental compliance. Kern County recently approved amendments to the Zoning Ordinance to establish a local process through the Planning and Natural Resources Department for permitting oil and gas exploration, extraction, operation and production activities. Although DOGGR approval is still required, Kern County's process provides the environmental clearance needed to significantly expedite review and final permitting by both the County and agencies of the State.

The Department committed to implementation standards which included a seven (7) day turnaround time for reviewing new oil and gas applications. Our biggest challenge was that we were building a program from scratch, we had no existing staffing, procedures, or electronic processes, and it was anticipated that annual volume could approach 3,500 permits. Additionally, we had a 30 day implementation timeframe from the date the Board approved the local permitting program until submittal of the first application. Most importantly, we needed a solution that worked for a diverse array of applicants, from those who were extremely versed in the oil and gas permitting process (such as large oil companies with dedicated staff) to the small producers who had little if any experience. And given the short time frames for review, we also needed a system that created internal integrity yet facilitated the compressed turnaround time.

Innovative Solution: Meeting the short timeframe required outside the box permitting approaches that were electronic, accessible, and convenient to applicants:

- Data mapping resources – Data Basin - Kern County gateway – To assist in the creation of the environmental review and application materials, particularly the site plan(s), we integrated the electronic permitting system with a newly created mapping gateway focused on Kern County's resources. The Databasin program was initially created to facilitate the EIR process as a way to graphically display and analyze environmental resources on a scale of more than four thousand square miles (the western half of Kern County) but is a valuable resource for application development. This online tool, along with the Oil and Gas EZ App, allows applicants to accurately identify the applicable mitigation measures for their proposed activity. With this system, for example, if the project is within a flood plan, the applicant cannot check no, as the system will independently confirm the information. This saves on staff time to double check applications.
- Electronic permitting program – Accela Automation – The County had adopted the use of Accela Automation for the permitting and issuance of building permits several years prior and, to capitalize on its land management capabilities and reduce time and costs associated with the new program, the department expanded the existing use of Accela to include oil and gas activities. As a cost saving measure, the department leveraged existing programmer staff to work on the additional functionality.
- Wizard driven program to create oil and gas permit application – The Environmental Impact Report (EIR) process associated with the Zoning Ordinance amendments produced 88 mitigation measures that must be satisfied prior to and during the permitting of oil and gas activities. In addition, as part of their application, customers are required to submit professionally prepared site maps that detail physical constraints, required setback distances in relation to sensitive receptors, in relation to their proposed activity. Altogether this could be a very daunting endeavor, we were compelled to

streamline the process and make it easy for our customers - whether a small or a large operator. We solicited the help of an outside vendor who had experience in oil and gas permitting and database management, who developed what we refer to as the Oil and Gas EZ app program which is easily accessible via our department website.

- <u>Oil and Gas Permitting Handbook</u> – We created this online document to serve as a quick reference for project proponents as well as an education tool for individuals to navigate the County's oil and gas land use regulations, including Oil and Gas Conformity Review (OCGR) or Minor Activity Review (MAR). The handbook outlines the level of review required for different environmental situations.
- <u>Small Producers Handbook</u> – Also available online, this document is specifically geared to our smaller producers to provide them with a tool to successfully complete and submit an application. The online resource is structured to walk an applicant step-by-step through the application process. Although the document was developed to assist small producers, it can also be used by any company for permitting. The handbook also provides clarification of terms, Frequently Asked Questions (FAQ's), examples of supporting documents for the application package, and links to important websites.
- <u>Creation of compliance checklists</u> – To ensure that applicants have complied with all requirements for issuance of their permit, we created an electronic mitigation monitoring document that identifies each applicable measure and the status of compliance.
- <u>Training program for industry applicants on new permitting process</u> – To acquaint applicants with the new program and the resources available to assist them in completing their applications, we held multiple training workshops. We also met with the application teams from each company within the industry for personalized training and to ensure we were meeting their needs.

Originality: Data Basin is currently being used in a variety of learning, research and sustainable environmental stewardship projects. This is the first use of the platform to create an integrated permit system for large scale expedited processing that will provide applicants with information while ensuring the integrity of the process and reducing staffing requirements.

Cost Effectiveness: Since this is an applicant driven program, the Board of Supervisors approved fees which were balanced to recover the full cost of its creation and ongoing implementation. We recently provided the first annual status report which detailed the program's activity levels, costs and associated revenues. The report concluded that some activities were less intensive to permit and as a result, the fees for those activities were commensurately reduced. The process also saves money for applicants who with the Oil and Gas EZ app program can train in-house staff to prepare and process applications. The seven (7) day comprehensive review program is a significant provides significant benefit to energy companies and reduces their costs of doing business.

Results: The program has been an overwhelming success. Within the last year, the County has processed over 2,000 oil and gas permits in an average timeframe of four to six days with a staff of three. The County has had ongoing support of the industry and the community and creation of a streamlined review and permitting process has significantly reduced the staff time and costs associated with obtaining permits.

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