

SENATE THIRD READING  
SB 542 (Limón)  
As Amended September 2, 2025  
Majority vote

## SUMMARY

Prohibits the restart of an existing oil pipeline that has not been in use for five or more years from being restarted without certain hydrostatic testing in order to reduce the risk of an oil spill upon returning to service; requires public notice and comment before a certificate of financial responsibility (COFR) is issued; and, requires that the formulas for determining the amount of a COFR reviewed every 10 years, among other provisions.

### Major Provisions

- 1) Prohibits, in order to reduce the risk of an oil spill upon returning to service, every existing oil pipeline, as defined in Government Code 51010.5, that has not been in use for five or more years to not be restarted without passing a spike hydrostatic testing program performed in segments to ensure every elevation point will be tested with a minimum test pressure between 100% and 110% of the specific minimum yield strength for a 30-minute spike test, immediately followed by a pressure test in accordance with Subpart E of Part 195 of Title 49 of the Code of Federal Regulations.
- 2) Requires, for an oil pipeline subject to testing pursuant to 1) above, there to be a public notice and comment process before the administrator issues a COFR.
- 3) Requires, commencing January 15, 2026, and at least once every 10 years thereafter, the administrator to review and revise the formulas for calculating reasonable worst-case spills and the financial assurances necessary to respond to an oil spill to reflect the best available information through a notice and comment rulemaking procedure.

## COMMENTS

According to the State Fire Marshal (SFM), California is home to more than 5,600 miles of hazardous liquid pipelines that transport crude oil, refined products (e.g., gasoline, diesel, jet fuel) and highly volatile liquids around the state from production facilities to refineries and ultimately to market. These pipelines operate at high pressures. Should they fail, they would pose a threat to the residents of California, property, and the environment. To prevent accidents and spills, state and federal regulations require pipeline operators to conduct hydrostatic pressure tests to ensure the integrity of their pipelines.

Under current state law, operators are required to pressure test each hazardous liquid pipeline by an independent third-party approved by the SFM at least once every five years, once every two years for high risk, and once per year for buried pipelines without cathodic protection. According to the author, increasing the pressure thresholds for hydrostatic testing will ensure any corrosion or leaks are easily detected.

Identifying that the threat of an oil spill is never zero; the Office of Spill Prevention and Response (OSPR) issues COFRs to facilities, vessels, and pipelines that are required to have a California Oil Spill Contingency Plan, following submittal of an application and proof that the

applicant has the financial resources to cover the cost of response for a "worst-case scenario" spill.

There is no requirement that the regulations governing worst-case spills be regularly updated, and as such, they have not been. The worst-case spill regulation oversees not only oil pipelines and oil facilities, but also vessels and marine terminals. The marine facility reasonable "worst-case spill" volume calculations were established in regulation in 1993 using methods aligned with federal worst-case discharge calculations. There were minor changes to the offshore platform calculations in 2011 and a minor change to the facility persistence multiplier in the early- to mid- 2000s. Inland facility reasonable worst-case spill calculation methods were established in 2019 and have not changed.

This bill requires, starting January 15, 2026, and at least once every 10 years thereafter, the OSPR administrator to review and revise the formulas for calculating reasonable worst-case spills and the financial assurances necessary to respond to an oil spill to reflect the best available information through a notice and comment rulemaking procedure. According to the author, adding a public review period adds transparency to a largely internal procedure that determines what a "worst-case scenario" spill from an oil pipeline may be.

### **According to the Author**

There has been an extensive and unfortunate history of disastrous oil spills along the Central and Southern California coasts. Even with technological advancements and expansion of spill response capabilities, damaging spills cause millions of dollars in damage, severely impact the economies of local communities, and kill innumerable animal life.

SB 542 strengthens current statute to help reduce the risk of an oil spill by requiring a public process prior to the issuance of a COFR for oil pipelines and require, prior to the restart of any pipeline that has not been in use for five or more years, a comprehensive hydro test to in addition to any other in-line pipeline tests.

### **Arguments in Support**

Center for Biological Diversity and Environmental Defense Center write, "SB 542 addresses these concerns and helps to prevent oil leaks and spills by requiring idle oil pipelines to undergo rigorous tests before a restart. Additionally, the bill creates a transparent and updated framework to determine operator financial responsibility in the event of an oil spill, to enable holding responsible parties accountable and to fairly and more accurately calculate the true costs of cleanup and restoration."

### **Arguments in Opposition**

None on file

## **FISCAL COMMENTS**

According to the Assembly Appropriations Committee:

- Costs of an unknown amount, potentially in the low- to mid-hundreds of thousands of dollars annually, for OSPR to hire pipeline safety engineers to implement the pipeline hydrostatic testing requirements.

- OSPR anticipates it would need about \$125,000 every 10 years starting in fiscal year 2035-36 to commission an oil spill response cost study.
- OSPR will likely incur costs of an unknown, but potentially significant, amount to implement the bill's public notice and comment requirement.

## VOTES

### SENATE FLOOR: 28-11-1

**YES:** Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener

**NO:** Alvarado-Gil, Choi, Dahle, Grove, Hurtado, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

**ABS, ABST OR NV:** Reyes

### ASM NATURAL RESOURCES: 8-3-3

**YES:** Bryan, Connolly, Haney, Kalra, Muratsuchi, Pellerin, Schultz, Zbur

**NO:** Alanis, Ellis, Hoover

**ABS, ABST OR NV:** Flora, Garcia, Wicks

### ASM EMERGENCY MANAGEMENT: 5-2-0

**YES:** Ransom, Arambula, Bains, Bennett, Calderon

**NO:** Hadwick, DeMaio

### ASM APPROPRIATIONS: 11-4-0

**YES:** Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Ahrens, Pacheco, Pellerin, Solache

**NO:** Sanchez, Dixon, Ta, Tangipa

## UPDATED

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