SENATE THIRD READING
SB 542 (Limón)
As Amended September 5, 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, and requires the Office of Spill Prevention and Response (OSPR) administrator to review and, as appropriate, revise 1) the criteria and formulas for calculating reasonable worst case spill volumes to reflect the best available information and 2) the criteria and formulas for calculating the financial assurances and setting the maximum amount of a certificate of financial responsibility (COFR) necessary to respond to an oil spill to reflect the best available information.

Major Provisions

1) *Requires, commencing January 15, 2026, and at least once every 10 years thereafter, OSPR administrator to solicit public input regarding the appropriateness of the reasonable worst case spill volumes for facilities. Based on this feedback, requires the administrator to review and, as appropriate, revise the criteria and formulas for calculating reasonable worst case spill volumes to reflect the best available information.*

2) *Requires the administrator to publicly post on the OSPR website, within 7 days of receiving an application, a list of all applications for COFR submitted by facility owners and operators and other specified information.*

3) *Requires, commencing January 15, 2027, and at least once every 10 years thereafter, the administrator to solicit public input regarding the appropriateness of the financial responsibility requirements for facilities. Based on this feedback, requires the administrator to review and, as appropriate, revise the criteria and formulas for calculating the financial assurances and setting the maximum amount of a COFR necessary to respond to an oil spill to reflect the best available information.*

4) *Prohibits an existing oil pipeline that is six inches or larger that has been idle, inactive, or out of service for five years or more, from being restarted without passing a spike hydrostatic testing program. Requires the hydrostatic test to be at least 139% of the maximum operating pressure of the pipeline and shall not exceed 80% of the specific minimum yield strength, as determined appropriate by the State Fire Marshal (SFM), and be tested for specified timeframes.*

5) *Authorizes, at the operator's request, the minimum hydrostatic spike test pressure to be lower than 100% of the specified minimum yield strength if the maximum operating pressure of the pipeline is correspondingly reduced. Requires the hydrostatic spike test to be at least 139% the reduced maximum operating pressure of the pipeline. Requires the hydrostatic spike test to be performed in segments to ensure every elevation point will be tested. If the specified minimum yield strength is unknown, the specified minimum yield strength is required to be determined pursuant to federal regulations before performing the hydrostatic spike test.*

6) *Specifies the timeframes for the testing, and requires the testing to be completed in segments for multielevational pipelines. Requires all tests to be performance by a qualified testing company.*

7) *Requires the SFM to promulgate regulations as necessary to implement the testing requirements.*

COMMENTS

According to the 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; 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.

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

Unknown

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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