

Fossil Fuel Terminal Zoning Amendments: Putting a Landmark Policy Into Practice

The Planning and Sustainability Commission (PSC) and Portland City Council (Council) are currently considering proposed Fossil Fuel Terminal Zoning Amendments (“amendments”) to implement Portland’s Fossil Fuel Policy Resolution #37168 (“resolution”). The resolution stated that the City would **“actively oppose expansion of infrastructure whose primary purpose is transporting or storing fossil fuels in or through Portland or adjacent waterways.”**

The proposed draft of the amendments provides a strong foundation for achieving the resolution’s goals, and we urge PSC and Council members to use upcoming hearings to set a standard that other cities can follow. Specifically, we urge the PSC and City Council to consider the following:

- **Fossil fuel demand should be declining: the amendments need not allow for new fossil fuel infrastructure.** Staff explained that fossil fuel use may be flat or declining, negating the need for new or expanded fossil fuel terminals. The City’s landmark resolution directs Portland to “actively oppose” fossil fuel expansion and thereby curb demand – not perpetuate it. Portland must accelerate the trend of declining fossil fuel use in order to meet its 2050 carbon reduction goals. Globally, climate science is clear that we must keep fossil fuels in the ground to avoid catastrophe.¹
- **Eliminate the 5 Million Gallon threshold for a “bulk fossil fuel terminal.”** By defining a bulk fossil fuel terminal as a facility with storage capacity greater than 5 million gallons, the amendments leave open the possibility of facilities that can accept additional unit trains of oil or other dangerous fuels.² The amendments should be improved by eliminating or lowering³ the 5 million gallon threshold and preventing additional risks for Portland residents.
- **Reject the idea that new or expanded fossil fuel infrastructure is necessary to protect the health and safety of Portland residents and downstream communities.** In the Council’s September 20th work session, staff suggested that the City should offer the possibility of new facilities less than 5 million gallons as a “sweetener” to encourage seismic and safety upgrades. The potential for expansion has existed for years, yet thus far it has not been an adequate inducement for establishing safe, seismically-ready facilities. PSC and Council should support other expected and recommended processes that will encourage seismic upgrades rather than weakening the City’s proposed amendments.

¹ “The Sky Is the Limit: Why the Paris Climate Goals Require a Managed Decline of Fossil Fuel Production.” 2016. Oil Change International. http://priceofoil.org/content/uploads/2016/09/OCI_the_skys_limit_2016_FINAL_2.pdf.

² Unit trains typically carry 2.5 to 3 million gallons each and are usually 90 cars and 1 mile or more in length.

³ Staff have suggested the possibility of lowering the 5 million gallon limit to 2 million gallons, which is less than the volume of a single unit train of oil.

- **Mandate seismic upgrades rather than attempting to incent them through potential expansion of fossil fuel projects.** Portland Bureau of Emergency Management may be developing a separate, appropriate process to address necessary seismic and safety upgrades for storage facilities in highly liquefiable soils near the Columbia and Willamette Rivers. The City should use its non-conforming use review process to ensure that existing terminals increase their seismic readiness, in coordination with PBEM's process. In so doing, the City can provide a clear path for seismic upgrades without compromising the City's climate and public safety goals.
- **The amendments correctly identify existing terminals as non-conforming uses.** PSC and Council can structure the non-conforming use review process to provide clear standards that encourage facilities to make seismic upgrades. The non-conforming use designation does not send a message that terminals should stop operations immediately. In the immediate future, Portland will continue to serve as a fossil fuel hub with current infrastructure or infrastructure that is seismically improved through PBEM's process.
- **Reject a change to the amendments that would allow a blanket 10 percent expansion of existing terminals.** The amendments currently prohibit new bulk fossil fuel terminals, and existing terminals would be required to go through a non-conforming situation review. This process should not be skewed to allow for a 10 percent expansion of fossil fuel infrastructure. City staff have indicated that local demand is flat or in decline despite population increases. Further, the City has other, more effective means of encouraging seismic upgrades than an imprecise, open-ended incentive to build more fossil fuel infrastructure. We urge PSC and Council to retain the current non-conforming use review for terminals without allowing 10 percent expansion at existing terminals.
- **Add clear direction to its nonconforming use review. Specifically, any changes to a non-conforming bulk fossil fuel facility:** shall increase seismic readiness and public safety; shall not increase greenhouse gas emissions and climate change impacts; shall not increase the risk of fire and/or explosion at either the Bulk Fossil Fuel Terminal Site, or the transportation route used to convey fossil fuels to or from the Bulk Fossil Fuel Terminal; and shall not increase the risk of the release of fossil fuels from either the Bulk Fossil Fuel Terminal Site or transportation equipment or infrastructure used to convey fossil fuels to or from the Bulk Fossil Fuel Terminal, into the environment, the Columbia River or other waterways.
- **Add language that prohibits the aggregation of smaller projects.** In other locations, terminals have aggregated smaller projects in order to avoid review. The City can

prohibit the aggregation of smaller projects to sidestep the 5 million gallon threshold that defines a “bulk fossil fuel terminal.”

- **Reject NW Natural’s request to be exempted from the proposed amendments.** NW Natural owns and operates adequate storage facilities in the Pacific Northwest to meet its local load growth needs.⁴ NW Natural is undergoing a seismic review of its existing Portland LNG facility. The City’s proposed amendments would allow NW Natural to improve the seismic readiness of its existing storage through a non-conforming situation review. NW Natural’s status as a public utility should not afford it a special status. Indeed, natural gas is specifically included as a carbon-intensive, dangerous fossil fuel in the resolution.
- **Studies show that PSC and the Council will benefit Portland’s clean energy economy by undertaking the proposed amendments with the suggestions above.** The City’s proposed amendments do not impinge on the expansion of cleaner, non-fossil fuels. And while the amendments restrict fossil fuel terminals from expanding or building new facilities, they leave open the potential for Portland to continue to serve as a hub for fuels until the region makes more aggressive strides towards clean energy. The attached report provides more detail on how Portland and the region will benefit from a transition to clean energy.⁵ Additionally, there is growing support for a renewable energy agenda in the City of Portland: new fossil fuel infrastructure could be stranded assets in the foreseeable future.

See studies:

“The Economic Impact of Clean Energy Investments in the Pacific Northwest: Alternatives to Fossil Fuel Exports.” 2016. Labor Network For Sustainability. http://www.labor4sustainability.org/files/NorthPacific_final_03032016_.pdf

“The Sky Is the Limit: Why the Paris Climate Goals Require a Managed Decline of Fossil Fuel Production.” 2016. Oil Change International. http://priceofoil.org/content/uploads/2016/09/OCI_the_skys_limit_2016_FINAL_2.pdf.

⁴ See NW Natural Integrated Resource Plan. September 2016. See Section 7.2 - Gas storage relies on Mist, only new LNG storage considered is in Clark County. P. 3.35.

⁵ The Economic Impact of Clean Energy Investments in the Pacific Northwest: Alternatives to Fossil Fuel Exports. 2016. Labor Network For Sustainability. Link to study: http://www.labor4sustainability.org/files/NorthPacific_final_03032016_.pdf