













NW Natural established an unregulated subsidiary to supply wholesale LNG, for example, any infrastructure associated with these operations would still be subject to the Fossil Fuel Code.” In reality, gas utilities often mix the utility and non-utility purposes of gas storage facilities. For instance, NW Natural’s Mist Storage facility has undergone multiple site certificate changes, and now it is planned to operate both as storage for NW Natural’s gas utility customers, as well as a source of firm supplies to PGE’s gas-fired power plants at Port Westward.<sup>7</sup> Additionally, Puget Sound Energy proposes a new LNG facility in Tacoma that may be used both as storage for its regulated utility customers and as a fueling station for LNG ships and trucks. Hence, the exemption NW Natural seeks may allow facilities that engage in both PUC-regulated and non-PUC-regulated activities.

- NW Natural’s Integrated Resource Plan (IRP) does not specify the need for new major LNG storage in Portland. In its long-range plans, NW Natural’s IRP discusses the potential for possible LNG storage to meet load growth in Clark County – not Portland. As a result, NW Natural does not appear to need new LNG storage in Portland to meet its core utility needs, and so the exemption it seeks is unnecessary.

#### **IV. Take Bold Action for a Clean, Safe Energy Economy and a Stable Climate**

Portland’s City Council will benefit Portland’s clean energy economy by undertaking the proposed amendments with the suggestions we have outlined. Just as importantly, the City can make significant strides towards improving the safety of neighborhoods by using the right tools to mandate seismic improvements for fossil fuel storage tanks in highly liquefiable soils near the Willamette and Columbia Rivers. Furthermore, the City’s fossil fuel code amendments need not impinge on the expansion of cleaner, non-fossil fuels: facilities handling 95% or greater non-fossil fuels are already exempted. And while the amendments should 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 using existing infrastructure until the region moves further towards a managed decline of fossil fuel use.

Importantly, the PSC’s recommendation offers City staff both direction and flexibility in implementing the fossil fuel zoning code amendments. Specifically, Portland Bureau of Planning and Sustainability is directed to periodically monitor the effectiveness of these zoning code amendments “to implement underlying policies and consider code adjustments in response to regional fuel demand and market changes, product innovation, safety and climate action considerations, and related regulatory changes.” By directing BPS to evaluate the impacts of the

---

<sup>7</sup> See recent story from Argus Media highlighting new PGE-NW Natural gas storage collaboration. <http://www.argusmedia.com/news/article/?id=1323500>.

