



Oil- & Ethanol-by-Rail Terminal Expansion at Port Westward

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A proposed agreement between Portland General Electric ("PGE") and Global Partners LP ("Global") could transform Port Westward, Oregon, located along the Columbia River, into a regionally significant crude oil export terminal. Global operated an oil-by-rail terminal at Port Westward for three years. Global's operational capacity at Port Westward is constrained by factors such as: (1) a lack of storage tank capacity, and (2) PGE's control over most of the land and rail leads surrounding Global's facility. In 2016, plummeting oil prices prompted Global to cease oil-by-rail operations and use the terminal for ethanol transshipment. But a proposal before Oregon's Public Utility Commission ("PUC") could allow Global to increase its oil storage tank capacity and throughput, if oil prices rebound.

Under the proposed deal, Global would receive:

- nine bulk liquid storage tanks, totaling 1.2 million barrels of storage capacity;
- a 20-inch diameter pipeline connecting the tanks to the Port Westward dock; and
- permission from PGE to expand certain rail leads in the Port Westward area and increase rail tank car traffic on those rail leads.

By comparison, Tesoro-Savage's massive oil-by-rail terminal proposed in Vancouver, Washington, would have a storage capacity of 2.28 million barrels.

How will this deal affect Global's crude and ethanol terminal?

The deal appears to remove significant logistical restrictions on Global's oil- and ethanol-by-rail terminal. With expanded tank storage capacity, and more flexibility to off-load and store rail cars, Global could become the Pacific Northwest's biggest crude-by-rail terminal, after the proposed Tesoro-Savage oil terminal at the Port of Vancouver.

What can we do about it?

Because PGE is a public utility, the Oregon PUC must approve the deal before PGE can sell its tanks and other infrastructure to Global. The PUC will make its decision based on whether the deal is "consistent with the public interest." See OAR 860-027-0025(1)(I). On June 13, 2017, the PUC will hold a public meeting on the PGE-Global deal in Salem, Oregon, to decide whether to approve the deal or require a more rigorous review process.

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