

February 8, 2022 Senator Kate Lieber, Chair Senate Committee on Energy and Environment 900 Court St. NE, HR B Salem, Oregon 97301

Chair Lieber and Members of the Senate Energy and Environment Committee,

We would like to express our strong support for SB 1567. For too long the risk of a disaster at the Critical Energy Infrastructure Hub has been known, but no action has been taken to reduce the risk. The combination of a large seismic event and a catastrophic spill affecting the Willamette River and downstream waters would be almost impossible to overcome. Increased seismic resilience will protect our communities, our workers, and as noted in the recent <u>City/County report</u>, protect the economy of the entire state. As was discussed in depth in the February 7th public meeting, business as usual is not an option. We need to reimagine the energy system in Oregon in order to ensure climate and seismic resilience. The future of bulk fuel storage and transfer is a crucial piece of that puzzle.

After careful consideration, we believe that several minor changes would significantly improve the bill and put us on a clear trajectory to a safer, cleaner, and more resilient energy system. To that end, we make the following recommendations:

## 1. Oppose -4 amendments that limit geographic scope of the bill

The geographic limitation in the SB 1567-4 amendment is at odds with the values of seismic resilience, environmental protection, and protection of workers and frontline communities. Given the possible use of federal funds to subsidize some of the upgrades required, and that many of the damages that would be caused by catastrophic spills are irreparable, and the deep interconnectedness of our state's ecology, arguments that cost would burden smaller facilities in other locations are counterbalanced by the need for state-wide protection of our communities and waterways. We recommend keeping the effect of the bill on the entire State of Oregon, wherever dangerous fuel storage is happening.

## 2. Amend Section 12 to include specific directives related to a fully decarbonized energy future

In the 1567-1 Amendments, Section 12 includes a variety of directives for the Oregon Department of Energy in the preparation of an energy security plan. While most of these directives are sensible and good, the lack of a specific directive to assess the effect of a managed decline of all existing bulk fuel storage and transfer infrastructure misses an opportunity to consider a future without unnecessarily risky fuel storage. As written, we believe that Section 12 creates a structure of evaluation that is likely to lead to

the conclusion that bulk fuel storage should be relocated to other parts of the state – a costly and resource intensive process that would likely prolong the use of carbon-intensive fuels at a time when we need to be rapidly reducing fossil fuel use. Section 12(2)(d) references consistency with state greenhouse gas reduction programs, assessment of renewable fuels, and "other innovative alternatives to improve disaster resilience", but without specific direction, we believe it is unlikely ODOE will adequately consider a future without bulk fuel storage. Also, because the refinement, storage, and transfer of so-called renewable fuels also poses many of the same risks to communities and the environment as fossil fuel infrastructure, consideration of a future where liquid fuels are only used in the most difficult to decarbonize sectors of the economy is reasonable and appropriate.

Specifically, we recommend the following amendment to Section 12(2) of the -1 Amendments:

(f) An evaluation of the feasibility of, strategies for, and barriers to a decarbonized energy system without bulk fuel storage in Oregon.

Again, without explicit consideration of this scenario, we believe that institutional pressures and fuel industry influence on state agencies will prevent adequate consideration of a safe energy future.

## 3. Amend to include language restricting fuels to those that provide community benefit

There are many substances stored at the CEI Hub which offer significant risk and little or no benefit to the surrounding communities or to the state because they are not used locally and provide little economic benefit. We believe that a just transition away from risky fuel storage should begin with reasonable restrictions on fuels that cause significant risk with little economic benefit. The *Columbia Pacific Building Trades Council v. City of Portland*<sup>1</sup> set important Oregon legal precedent about the wide leeway courts will give local and state governments in the exercise of health and safety powers in the face of the dangers of the fuel storage, especially related to spills, explosions, and fires.

In conclusion, we appreciate the work that has gone into this policy so far. We believe that because of the importance of this issue and the collective political and lobbying power of the fuel storage and transfer industry that this bill should be as strong and clear as possible.

Melanie Plaut MD & Dineen O'Rourke, 350PDX Noelle Studer-Spevak, Families for Climate Sunrise Movement PDX

<sup>&</sup>lt;sup>1</sup> 289 Or. App. 739 (2018)