

SB 1567: Fuel Storage Seismic Vulnerability

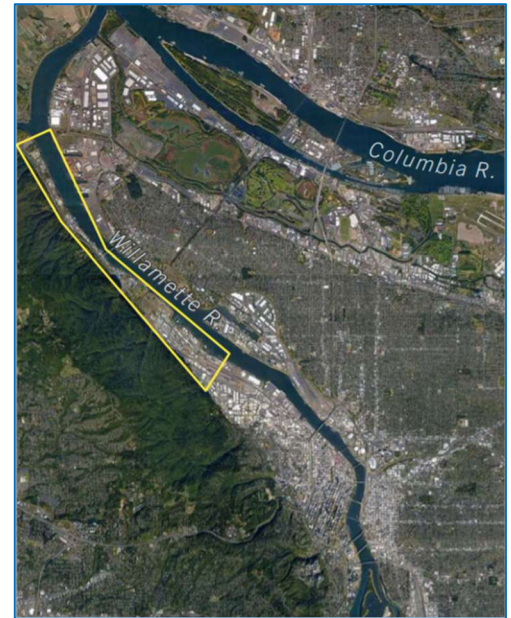
(Chief Sponsors: Senators Dembrow, Manning, Frederick; Representatives Evans, Grayber, Pham, Dexter)

Background

Oregon's aging fuel storage infrastructure is vulnerable to critical failure in a future Cascadia Subduction Zone earthquake. The Critical Energy Infrastructure (CEI) Hub, a six-mile long facility on the Willamette River in NW Portland containing 90% of the state's liquid fuel supply, poses the greatest threat to our fuel storage system.¹ Some of the over 600 fuel tanks at the CEI Hub are more than 100 years old and rest on unstable river fill that will face liquefaction in a major earthquake.

The Problem

"The Critical Energy Infrastructure Hub is a major threat to safety, environment, and recovery after a Cascadia Subduction Zone earthquake on par with the 2011 Fukushima nuclear meltdown in Japan."¹ Frontline communities in North Portland would be hit first and hardest, but a major disaster would impact the entire state of Oregon. Multiple reports, from agencies such as Oregon Seismic Policy Advisory Safety Commission (OSSPAC), have come to the same conclusion: there isn't a clear leader for solving this problem. The Oregon Legislature must step up.



The Solution

Passing SB 1567 will give DEQ authority to require fuel storage facilities (*or bulk oils or liquid fuels terminals*) to assess their seismic vulnerability and implement mitigation plans to reduce risks. This bill would also require the Oregon Department of Energy (ODOE) to develop an Energy Security Plan that recommends steps to improve community resilience by increasing geographic diversity of fuel storage capacity. SB 1567 will cover terminals with a combined capacity of 2 million gallons or more that are located throughout the state (the -4 Amendment would initially limit this to Clatsop, Lane, and Multnomah Counties). This is an important first step to improve public safety during disasters after years of inaction.

Fiscal Impact

The work on ODOE's Energy Security Plan will be funded through federal dollars. DEQ's work will be funded through a combination of fees and state resources. In addition, there may be opportunities to leverage further federal funding to support the work through newly appropriated infrastructure dollars. DEQ will require approximately \$640,000 in General Funds for 3.0 FTE to establish the program this biennium. In 2023-2025, the DEQ program will require approximately \$900,000 for staff costs and \$2.4 million to hire contractors to review the seismic vulnerability assessments and implementation plans. The review will be paid for with owner or operator fees unless federal funds are available to help defray the cost.

SB 1567 Supporters



CEI Hub Reports

1. DOGAMI, Earthquake Risk Study for Oregon's CEI Hub (2013).
2. Dusicka and Norton, Liquid Storage Tanks at the Critical Energy Infrastructure (CEI) Hub Seismic Assessment of Tank Inventory (2019).
3. OSSPAC, CEI Hub Mitigation Strategies: Increasing Fuel Resilience to Survive Cascadia (2019).
4. Oregon Solutions, Critical Energy Infrastructure Hub Assessment Findings (2019).
5. ECONorthwest, Impacts of a Cascadia Subduction Zone Earthquake on the CEI Hub (2021).
6. ECONorthwest, Impacts of Fuels Release from the CEI Hub Due to a Cascadia Subduction Zone Earthquake (2022).

For more information, contact Sierra Prior, Chief of Staff to Senator Dembrow at sierra.prior@oregonlegislature.gov

ⁱ OSSPAC. Mike Harryman, State Resilience Officer. 31 December 2019. *CEI Hub Mitigation Strategies: Increasing Fuel Resilience to Survive Cascadia*. OSSPAC Publication 19-01. Available from: <https://www.oregon.gov/oem/Councils-and-Committees/Pages/OSSPAC.aspx>
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