

LEGISLATIVE CONCEPT

Extend Fuel Tank Seismic Stability Program Statewide (ORS 468B.510-525)

Problem: SB 1567, passed in 2022, was a major step forward in giving first-ever agency authority to DEQ over liquid fuel facilities' storing more than 2 million gallons in 3 counties: Multnomah, Lane, and Columbia., to require seismic risk reports and mitigation plans (<u>ORS 468B.510-525</u>). The Fuel Tank Seismic Stability Program [FTSS] is designed to roll out over a 10-year period. When implemented, we will be safer as a result of this legislation.

Despite these important achievements, the FTSS leaves large areas of the state unprotected. Seismic dangers are not limited to the three counties subject to current FTSS regulations. The option to extend the FTSS to all Oregon's counties was discussed at the time SB 1567 was drafted. Making all of Oregon's liquid fuel facilities seismically safe is a desirable goal and one that would ensure no area would become a sacrifice zone.

Considerations: FTSS is limited in terms of both geographic (applies to 3 of 36 counties) and capacity (applies to facilities storing 2 million gallons or more). One facility with 2+ million gallon capacity is not required to comply with the Fuel Tank Seismic Stability program protections because it is outside of the three designated counties (in Coos County).

In 2019, the Oregon Seismic Safety Policy Advisory Commission (OSSPAC), recommended "focusing first on regulatory authority of above-ground liquid fuel tanks of <u>more than 10,000 gallons</u>, which are of primary concern in terms of limiting threats to safety, environment, and recovery. Tanks of this size constitute the bulk of liquid fuel stored in the state, and this size exempts smaller tanks located at farms, schools or fire stations." Now that the Seismic Stability program is established, the safety recommendation for a lower threshold should be revisited.

DEQ's <u>Seismic Stability Program FAQ</u> for facility operators indicates that mitigation costs may range from \$5-50 million. The costs of maintaining, building, relocating and/or retrofitting seismically safe liquid fuel storage facilities should be a required cost of doing business. All Oregon communities have rights to safety.

Solution: Ensure that above-ground fuel storage tank facilities in all regions of the state must adhere to the same seismic stability regulations so that there is not a perverse incentive to relocate/decentralize the state's liquid fuel supply to counties and parts of the state that are not subject to current FTSS protections.

Request: Legislation to extend the FTSS regulations to all counties in the state, and to be applicable to all commercial above-ground liquid storage tanks [ASTs], at a lowered threshold compatible with OSSPACs recommendations.

OSSPAC, <u>CEI Hub Mitigation Strategies: Increasing Fuel Resilience to Survive Cascadia</u>, (2019): p 11. Underlining added.

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