



THE BUREAU OF
**PLANNING &
SUSTAINABILITY**

July 31, 2023

Dirk L. Kramer
Project Manager
Zenith Energy
5501 NW Front Avenue
Portland, OR 97210

Allison J. Reynolds
Stoel Rives LLP
760 SW Ninth Avenue
Suite 3000
Portland, OR 97205

*Via U.S. Certified Mail, Return Receipt Requested and
Via Email: Dirk.Kramer@zenithterminals.com; Allison.Reynolds@stoel.com*

Dear Mr. Kramer and Ms. Reynolds,

On June 8, 2023, the Bureau of Planning and Sustainability (BPS or Bureau) received Mr. Kramer's emailed request on behalf of Zenith Energy Terminals Holdings LLC (Zenith) to install two additional pipes to its Pipeline System under NW Front Avenue for the stated purpose of transporting biodiesel/renewable fuels from Zenith's Portland facility to the waterfront docks. Under Paragraph 2.1(C) of Zenith's Franchise Agreement with the City of Portland, Zenith may seek to add to its Pipeline System under NW Front Avenue by submitting its proposed changes to the Bureau. BPS must then respond within forty-five days with its approval, modifications or denial of Zenith's request.

BPS has completed its review of Zenith's request and will approve the request subject to Zenith's compliance with the conditions set forth in this letter. The intent of these conditions is to assure the City that the new pipelines are used solely to transport biodiesel or other renewable fuels.



In order for the Bureau to verify and audit periodically the stated use of the new pipelines for biodiesel and renewable fuels, Zenith will be required to:

Procedures

- Select a third-party peer reviewer who specializes in chemical testing of fuels and fuel standards.
- Ensure that the peer reviewer has expertise in the above relevant fields and provides credentials from the appropriate governing bodies demonstrating the reviewer's authority to conduct such testing.
- Provide written documentation via a signed statement under penalty of perjury from the peer reviewer that the peer reviewer has no conflict of interest with respect to the design reviewed by the City and that the reviewer has not been and will not be a part of the design team.
- Once a peer reviewer is selected, notify the City and obtain City approval of the peer reviewer via the Bureau of Planning and Sustainability Director or designee prior to hiring the peer reviewer. Both the City and Zenith must agree on the selection prior to the hiring of the peer reviewer.
- For purposes of this approval, the independent, third-party EPA registered laboratory that conducts testing required under compliance measure A.ii on page 9 of City of Portland PR 22-182133 LUCS, dated October 3, 2022, will be an acceptable third-party peer reviewer, provided it provides the signed statement described above.

Deliverables

Deliverables include those tangible resulting work products that are to be delivered to the City on a bi-annual basis following the random sampling dates, such as reports, draft documents, data, interim findings, drawings, schematics, meeting presentations, final drawings, and reports. For purposes of this approval, reports consistent with the sampling report required under the aforementioned PR 22-182133 LUCS compliance measure (but with a signed statement from the third-party peer reviewer's qualified professional certifying that the materials sampled are biodiesel or other renewable fuels) will be acceptable and sufficient deliverables. The following actions are also required:

- A kickoff meeting with the peer reviewer, owner, design team, and representatives of the City to discuss project scope, schedule, and significant constraints.
- Bi-annual random sample testing using samples taken by the third-party peer reviewer from the two biodiesel/renewable fuel pipelines that are associated with this approval (e.g., from an in-line sampling port at the location on Zenith's property where such pipelines transition to above ground piping).
- The peer reviewer will conduct testing and send reports to the Bureau that verify the sampled liquids transported in the pipeline are solely biodiesel or other renewable fuels.
- Such fuels shall be handled and transported in accordance with industry/national standards.
- The testing will continue until the two pipelines are either decommissioned or no longer in operational use. After such time, Zenith must notify the Bureau and peer reviewer at least 60 days prior to decommissioning.
- Comply with all of the requirements outlined in the Administrative Decision portion of the City of Portland PR 22-182133 LUCS dated October 3, 2022.



Before Zenith can move forward in submitting permit requests to the Bureaus of Transportation and Development Services, Zenith must return a signed copy of this letter the Bureau as acknowledgment and agreement to the requirements for peer testing. Failure to comply with the requirements set forth in this letter will be considered a breach of Zenith's franchise agreement.

If you have any questions or wish to discuss this matter further, please reach out to me or Andrew Speer, who is the franchise utility program manager at the Bureau. You can reach Andrew at: 503-679-4415 or Andrew.Speer@portlandoregon.gov.

Regards,



Donnie Oliveira
Director
Bureau of Planning and Sustainability

Zenith Energy Acceptance Signature



7/31/23

Grady Reamer
Chief Commercial Officer

