

Portland Planning and Sustainability Commission

Tuesday, April 7, 2015

3:00 p.m.

Meeting Minutes

Commissioners Present: Andre' Baugh, Karen Gray, Don Hanson, Mike Houck, Gary Oxman, Katherine Schultz, Howard Shapiro, Chris Smith, Teresa St Martin, Maggie Tallmadge

Commissioner Members Absent: Michelle Rudd (recused)

City Staff Presenting: Susan Anderson, Tom Armstrong, Michael Armstrong, Kathryn Beaumont (City Attorney)

Chair Baugh called the meeting to order at 3:20 p.m. and gave an overview of the agenda.

Items of Interest from Commissioners

- *Chair Baugh* noted he has met with a number of stakeholder groups as well as staff and PSC members individually about today's topic.
- *Commissioner Hanson* noted the SE Quadrant Plan was approved by the Advisory Committee and will come to the PSC in May.

Consent Agenda

- Consideration of minutes from the March 17, 2015 and March 24, 2015 PSC meetings.

Commissioner Shapiro moved to approve the Consent Agenda. *Commissioner Smith* seconded.

The Consent Agenda was approved with an aye vote.

(Y10 – Baugh, Gray, Hanson, Houck, Oxman, Schultz, Shapiro, Smith, St Martin, Tallmadge)

Terminal 6 Environmental Overlay Zone Boundary and Code Amendment

Hearing and Recommendation: Tom Armstrong

Documents and Presentations:

- [April 7 meeting folder](#)
- [Testimony received prior to and the January 13 meeting](#)
- [Testimony received between January 14 and March 16](#)
- [Testimony received since March 16 \(and will be added to through the hearing\)](#)

Tom provided an overview of the code and map amendment proposal and City-Port IGA. The proposed motion for the meeting is:

The PSC recommends that the City Council take the following actions:

1. Amend Title 33.430.090 of the Zoning Code to allow the transportation of propane through the environmental zones on sites zoned Heavy Industrial when the transporting is conducted in association with a river-dependent industrial use.
2. Amend the boundary of the environmental conservation overlay zone on Port of Portland Terminal 6.
3. Adopt an IGA with the Port of Portland as outlined in the IGA Framework.

The IGA will include 6 items:

- Community Advisory Committee (CAC)
- Risk Assessment and Safety
- Habitat Mitigation
- On-Site Energy Use
- Carbon Mitigation
- No Coal Policy

Commissioner Smith: What if the IGA is executed but then litigated by a third party?

- This can be addressed in the remedies section of the IGA, and the Council would have some options as well.

Commissioner Smith: If the IGA were overturned, I'd like the zoning to go away as well. I'd like to link these together as closely as possible.

Commissioner Tallmadge asked about the carbon and fuel taxes. Would these funds be restricted to highway and roads?

- This is an IGA, not a tax, so it doesn't fall under the same provisions.

The environmental investment fund created by the carbon mitigation contribution would fund a number of projects related to reducing energy use, generating renewable energy and carbon sequestration.

In terms of safety concerns, we don't have lots of information about off-site rail safety. Staff reviewed the worst case for on-site explosion and looked at the flame vapor dispersion and the +1 psi hazard zone and mapped on the two most likely rail routes (slide 17 of the [presentation](#)).

ODOT representatives Chris Kuenzie and John Johnson provided some details about the department's role. ODOT is responsible for enforcing federal regulations including regulations around hazardous materials, transport and industries. They have a number of inspectors who review and oversee the various safety components and ensure that railroads are compliant with federal laws.

Commissioner Smith: For trains transporting fossil fuels, do you share that information with Portland Bureau of Emergency Management (PBEM)?

- We are working on reporting for the state, including some outreach programs. Will be visiting cities throughout the state including Portland. Currently the regulations are on the books, but we're in the process of revising those to be more inclusive.

Commissioner Shapiro: Are you looking at how the rails may be compromised or overused by large/long trains?

- We enforce federal regulations, and there is nothing about length of trains in those regulations. I don't make recommendations as far as train length.

Commission Hanson asked about inspecting the condition of rail lines and beds.

- Yes, we inspect and make sure rail lines are doing their inspections as well. We have the authority to pull trains and lines out of service if necessary.

Commissioner Gray: Would ODOT be willing to do extra special inspections of lines in the case of this project if someone were to ask for more consideration of a certain area?

- We do spend more time on areas where we know there is crude oil transport.

Commissioner Oxman: Do you have a sense of the mechanisms that are usually behind rail crashes — is it signaling issues or other causes?

- In terms of derailment, hazmat and transport of hazardous materials doesn't cause this. We look at track or human factor issues. The latest numbers show tracks were the

- leading cause of derailment in Oregon.
- Track and human factor are key hazards. We hire more track inspectors than others to ensure the cars stay on the rail. Oregon goes above what's required by federal laws to have additional inspections.

Tom then shared the sequence for the rest of the meeting: testimony will be taken, then PSC members can ask staff any outstanding questions, amendments can be made to the proposed motion, and the then PSC will vote.

Commissioner Shapiro: In the case of a tie vote, what happens?

- It will be done for tonight. If it's a tie, or if the PSC votes it down, there is no recommendation to Council. But Council can pass a resolution to ask the PSC for a yes or no recommendation. We'd then have to have another hearing and pass a recommendation to Council.

Commissioner Smith asked about plotting Pembina's QRA risk curves (original and revised) against the FN curves from various jurisdictions.

- We don't have that information tonight.

Commissioner Shapiro: Why did other ports turn this down?

- Longview was looking for something that would provide more jobs at that site. Another site would require other infrastructure.
- The City of Vancouver passed a resolution in opposition, but that decision currently sits with the State of Washington then it goes to the governor. Sometime in the next 6 months, that recommendation to the governor would be given.

Commissioner Oxman: What is the 15 percent displacement figure regarding carbon emissions shown on slide 8?

- This slide includes total emissions from the lifecycle of the propane through end use. We assumed 50 percent would go to chemical feed stocks, and of the balance, 15 percent displace coal and 15 percent would displace fuel oil. We've seen that the increase in demand for propane in Asia would be in the residential. It's cleaner than coal and cheaper than oil. There is not good data on what propane will be displacing, but we expect it will be used for some heating and commercial processes.

Commissioner Gray asked about the IGA. On item number 4, we see environmental impact mitigation, but on part b, there is a blank about how much will be contributed annually to the Portland Environmental Health Fund.

- It will be filled in by the PSC tonight (carbon price slide).

Commissioner Schultz: Is there a more accurate way to tie carbon emitted to a real number instead of assuming? Are other jurisdictions using assumptions as well?

- We don't know the end use, so we can't be conclusive about how it's going to be used. There is no carbon price at the end use to our knowledge. We are "blazing a trail" here. In other places, carbon taxes are levied at the point of distribution. Here we are talking about the middle of the chain.

Commissioner Houck: Jurisdictions that have gone with the presumption it would all be burnt?

- Not to our knowledge.

Commissioner Smith noted that if the propane was going through Washington State, there would be a hazardous materials fee on first possession in the state of the product.

Testimony

1. Cathy Samson Kruse, Umatilla: Stop the bullies of Pembina and the national conglomerates who are pillaging. We have a moral obligation to our children. Stop the taking in the name of progress. Stand for the people of the First Nations. Please do what's right. *See written testimony.*
2. Paul Lumley, CRITFC Chair: CRITFC includes 4 tribes (Yakama, Umatilla, Nez Perce, Warm Springs) with treaties with US that guarantee fishing rights, including where this proposal is. We have at least one tribe expressing very strong concerns about safety at the site and for transportation. There are about 180 trains each year the go through the Gorge. They pose a strong danger to the fishing community and the fisheries. Look at all the transportation, not just at the site. There has not been any real consultation with any of our tribes.
3. Linda George Reanus, Warm Springs / Celilo: Salmon is part of our life, and if this passes, you will kill our life and who we are.
4. Inga Fisher Williams: If there are hazards, it is the transportation. Thank you for your service to the community and your diligence in asking important questions. The updated Climate Action Plan (CAP) and this proposal are in conflict. Think of the seventh generation. *See written testimony.*
5. Sam Oeding: Fracking still hurts the environment. The terminal will support extracting fossil fuels. The CAP goal 3G states we should have a local fossil fuel goal and oppose exports through Oregon, so we shouldn't support this. Propane should not be considered clean. We need a fossil fuel export policy before this is considered. I am a middle schooler, and your decision will have a huge impact on especially young people.
6. Truman Cowan: Getting clean energy should leave the land and air clean. The T6 would mean we are supporting fracking, which is not clean. I want to live in a clean world. We keep saying yes, then we won't ever live in a clean world.
7. Noah Brown: The Pembina facility would be one of Portland's largest energy consumers with huge emissions and a big waste. We should be more responsible for our environment like I am at home. I try at home to make things better with my actions at home, but the decision-makers only see dollar signs. We don't have security about the terminal being in an active earthquake zone. I don't want this in my future. Please keep the e-zone and prohibit the terminal from being built.
8. Lucinda Drake: When I'm an adult, I want kids to know what snow is and see polar bears. I want clean, accessible water; public parks and trees; clean energy. But I'm not sure if we'll get there if we continue on this path. The propane terminal will cause harm to the area and people.
9. Jan Zuckerman: 20 years ago founded Sunnyside Environmental School, dedicated to connecting kids to the natural world. It's not easy to teach kids about environmental issues while being positive about the future. Our actions in Portland impact those who are suffering. We can't ignore the facts, and it's not ethical to leave our children to the problems we've created. This is one of the most important times in history. Now is the time to be change agents. But our kids can't do this alone, and they need us to stand with them. Thoughtfully choosing to reject the amendment sends the right message. *See written testimony.*
10. Laura Feldman, Occupy St Johns: Stand with SJNA and oppose Pembina. The peninsula is already crisscrossed by rail lines and other corporations. Extremely poor air quality

and toxins are already a problem in St Johns. If there is an accident, the levels would increase exponentially.

11. Marion Haynes, PBA: The Portland Business Alliance is in support of the zoning amendment. The site is already zoned industrial, and this is a minor amendment. If Pembina were asking about rail or truck, that would already be allowed per the code. The project has many community benefits and would create jobs and tax revenues. Safety issues have largely been addressed with adequate assurances.
12. Guy Berliner: Shared a photo of a derailment in Seattle last July. This rail cargoes pose new risks. Our rail infrastructure is not prepared to handle this. What assurances can we offer to people along the routes? We don't have confidence. *See written testimony.*
13. Dr Theodora Tsongas, OR Physicians for Social Responsibility: Today is World Health Day. Enhance the health for people in Portland and on the planet by rejecting this proposal. We need prevention, not mitigation. *See written comments.*
14. Dr Rose Christopherson: I used to teach logic, the structure of thought. Most of what I was going to say has been said. I am grateful for the Physicians for Social Responsibility. Putting in a nuclear power plant in a tsunami zone is similar to this proposal. The risk of a train wreck is much larger than an explosion.
15. Erwin Bergonan: My home is in Cully, and are within 200 feet of the railroad tracks that would be used to transport. We are concerned about safety. A derailment about 10 years ago increased our concern. Grate crossings are difficult. I oppose this on the totality: trains, tanks and shipping. Scale is important.
16. Ryan Rittenhouse, Friends of the Columbia Gorge: Supports sustainable economic development, and the vision for the Columbia Gorge Scenic Area is for safety and the economy, not as a fossil fuel corridor. This stands to challenge and threaten all our work. Don't look just at the project, but look at the cumulative impacts. Look at the commodity being transported: when coal gets off the rail trains, it creates dust, and this can lead to further derailments.
17. Marily Sewell: Members of my church support my message. Climate change is the most significant moral issue of the day. Propane is neither clean nor safe, as it is created by fracking. Portland is asked to provide infrastructure to massively increase our carbon footprint. Note who is testifying for the code change and who is testifying against it. In favor will profit from Pembina's presence. Who is speaking for justice and who is speaking for short-term profit? Think about this and do the right thing and say no. *See written testimony.*
18. Ellen Leatham, Raging Grannies: song. *See written testimony.*
19. Adrienne Dickinson, Eco-Faith Recovery: We have a sacred responsibility to be stewards of the environment. Technology that has found energy hidden in the earth has made the blessing become a curse of a frantic frenzy. I see what is happening with grief but not despair. We can be part of the solution. Fossil fuels will end. Governments have the power to determine what we support and what we reject. Move towards healing and away from fossil fuels.
20. John Talberth, Center for a Sustainable Economy: It is not just about a small segment of pipe on one site. The reality is that the code amendment will open up 20 other lots. Memo from Tom Bullion and the Port misses this point about LPG transport and small gas carriers. 78 percent of global trade is done using these smaller carriers. Vote no.

21. Luke Griffin, Concordia NA: We strongly urge you to reject this. It directly contradicts the CAP and poses significant risks to community members in N/NE Portland and Vancouver. The Kenton rail line goes through our neighborhood. Pembina should be held accountable for transport, not just at the site. Propane is a hydro-carbon byproduct of fracking, which is damaging to the earth and people. In contradiction to the City's CAP. Short-term financial gains are minimal compared to the risks.
22. Daphne Wysham, Center for a Sustainable Economy: I'm against the proposal. Fracking and the end product (plastic) are both unsustainable. *See written testimony.*
23. April Smith: A Class Harbor resident since 2000. Don't increase the risk or change the protections. Keep the e-zone restrictions in place so we can continue to enjoy our life and home.
24. William Brake: Provided an example of what happened in Philips, TX. The Port of Portland is a middle-man operation in the energy chain. They will receive less than \$.02/gallon for the 20-year life of this project. Is this the right thing for Portland? Storage tank is over 103M lbs. Is the soil strong enough to hold this?
25. Micah Meskel, NECN: Concerned about the proposal. Member neighborhoods are located within just a few miles of the propose site. Say no to Pembina. Safety concerns need to be evaluated before a decision is made. But with global climate issues, we see the choice much more clearly. Don't make a decisions to approve with just the current information that's available. Portland doesn't want Pembina.
26. Joe Miller: We need to transition to clean energy and resource conservation. Pembina's proposal takes us in the opposite direction. The fracking boom is a bubble that can't and won't be sustained. Reject Pembina and the zoning change.
27. Piper Nash: This is National Public Health week. Reject the proposal to change the zoning. Protect the health and safety of humans and animals.
28. Bob Sallinger, Audubon: When the project was first announced, Pembina CEO Mick Dilger said "if the people of Portland don't want this, we don't have a deal". Build our future on clean and sustainable industries. This hearing shouldn't even be happening because we have such incomplete information. What about safety by rail and by boat? City should be influencing this with this project. The IGA is nothing more than a framework. None of the deals have been sealed, and we don't have confidence this will go through.
29. Ron Ebersole: Pembina has produced a QRA that is remarkable for what it doesn't include. It is focused entirely on normal, controlled operations. There is a real danger, regardless of what the industry claims. Physics of a blast covers a broader area and potentially impacts many neighborhoods, regardless of Pembina's safety record.
30. Mary Lyons: Longview, WA resident. Pembina is withholding information about safety and is not being transparent. I can't believe that Portland that has a CAP would even consider this. We should not flinch from our CAP goals. Practice courage and faith.
31. Alan Sprott: Lives on Marine Dr. I support the code change to make the project go forward. Environment impacts are negligible. I'm comfortable with the safety risks and Pembina has an excellent safety record. We have flammable fuel storage without incident already. There isn't logic behind having the fuel pass through other communities then not through Portland.

32. Tim Helzer: Don't roll back environmental regulation at T6. Say no to this export. *See written testimony.*
33. Jeff Geisler, Hayden Island NA: There are safety concerns at T6 and on rail and by ship. I'm opposed to the land use exception. The rail goes along the 1200 mile Columbia River Gorge. The PSC should not have to try to make a decision with only 97 percent of the information. Pembina only has control for 3 percent of the time.
34. Anna Fritz: Coal, oil gas song. Don't let these pass. Leave it in the ground. Turn the trains around.
35. David RedThunder: Explosion threat is a huge area. Vote no. *See written testimony.*
36. William Myers, Columbia Pacific Building Trades: We support the code and map overlay amendments. Our ports are open for business, and we support family-wage jobs.
37. Garry Dlouhy, Pembina: responsible for all operations at Red Water, a Pembina facility. I speak personally and from many years of experience in terms of safe handling. We have design reviews, safety and risk mitigation with extensive training for all employees. Ours are world-class facilities and programs. There are 170 employees at my site I'm responsible for. We have had no employee loss time for the past 4 years. For the last 15 years, Pembina has safely transported through Oregon.
38. Stu Taylor, Pembina: We have demonstrated safe shipping by rail for the last 40 years. We have discussed concerns with rail carriers themselves. They make annual improvements in safety. They've adopted technology with specialized equipment to handle maintenance and risk. We hold the rail carriers to be committed to the same safety standards as Pembina.
39. Katie Behrendt: We need to achieve zero emissions by using renewables. Don't expand the fossil fuel infrastructure. Short-term profits should not be prioritized over long-term needs. We will never change our path if we chose to take Pembina's bribe.
40. Ron Robbins, Carpenters Union: Represents 5000 members in Oregon and SW Washington. Our unemployment rates still are in the 15-20 percent range in our communities. We have many people who live in the area. Extensive engineering, seismic issues have been addressed. This is impressive. Carpenters build the largest projects in the state, and this project will stand against anything we've built in the past. Siting here is appropriate. The community recently lost a major shipping company, which has cost 600-700 jobs locally, and this project can help.
41. Mark Childs, NAIOP: I encourage you to approve the code amendment. Development potential for general industrial is limited on this site and not economically viable. This is an ideal site for river- and rail-dependent uses. Support the amendment. *See written testimony.*
42. Ellen Wax, WWC: The jobs per acre measurement is often used, but this assumes density is the best option for all land. It ignores site characteristics and constraints and benefits. This standard is not good for industrial harbor lands because they are disadvantaged by this measurement. But they have a larger impact on the community and provide benefit to the local population. We have a shortage of marine and industrial lands, but we can have this site to help. Tax revenue will fund government services. Support these amendments.

Commissioner Smith: How much value added will be retained in this community?

The jobs that are created by construction and those who will work there. Support smaller businesses and equipment and supplies that will be used for the site.

43. Lucinda Karlic, Hayden Island Livability Project (HILP): Don't go forward with this proposal. I speak for the environment and wildlife. Don't take Pembina's financial bribes. I don't want to see a propane terminal here.
44. Stefan Karlic: Pembina has an exemplary safety record, but they can't guarantee the safety of the rail cars. None of the trains are insurable, as Pembina's report states. *See written testimony.*
45. Charlie Allcock, PGE: Support the code and map amendments. I work with businesses that create jobs in Portland and Oregon. The magnitude of this project is the largest I've seen in my 30 years. Pembina's safety and sustainability records are outstanding. They have committed to purchasing 100 percent renewable power. Benefits come to Portland's residents, schools and streets. This company has looked at our rules and regulations, see this is an applicable use, and have proposed a very large investment.
46. Walt Evans, Pacific NW International Trade Assn (PNITA): Support the project. Pembina will provide good family-wage jobs in the construction and in operations. All importers were assessed a value fee on their imports/exports, and they had to pay the fee directly. The proposed carbon mitigation fee is not necessary. *See written testimony.*
47. John Mohlis, OR Building Trades Council: We support the code and map changes to allow the Pembina project to go forward. We have an agreement to have local contractors and union workers will build the facility. We need to think about how Portland will sustain a middle-class. Our members string together a number of "temporary" jobs to string together great jobs with full health coverage and pension plans. Say yes to this proposal.
48. Dr Kelly O'Hanley: We need to be reducing climate change, health and environmental impacts. Climate change effects are already being seen. Local politics matter.
49. Alona Steinke: Transporting fuel from Canada puts all of the towns and communities along the route at risk. There are cumulative effects and a number of recent tanker fires and explosions. Propane explosions burn hotter than crude oil. Jobs, jobs, jobs should not be our mantra. There would be new jobs but great risk added.
50. Alastair Roxburgh, NWCSI: Can we evaluate an author by their choice of words? What about the words that are not chosen? The Pembina QRA ignores Portlanders' mindset. What about terrorism and earthquake risks? *See written testimony.*
51. Nancy Crumpacker: Oppose the facility and proposed code amendments. The possible explosion zones covers areas of Hayden Island, St Johns and other areas. Plus there is the possibility of train derailment in NE Portland coming into the terminal.
52. Angela van Patten: Context is everything. I'm focused on climate change. We are responsible for future generations. We don't have enough information to make a decision today. We need to be reducing emissions, and this project doesn't help that. Vote no.
53. Mike Stanich: I oppose the project on behalf of longshoremen and women. We have seen many export jobs come and go; some projects even create a net job loss. Rail

- capacity is already in short supply. Long-standing cargo and exports are already moving too slowly to get through Portland. Adding thousands of propane cars will increase this rail congestion. RR makes more money from energy trains, and this will negatively affect other businesses.
54. Peter Teneau: The terminal site is on a liquefaction area. In an earthquake, a critical accident can certainly occur, which would be fatally destructive. *See written testimony.*
 55. Cpt Peter Wilcox: We don't have enough information about transport, particularly from the Coast Guard.
 56. George Jacobs: The role and purpose of zoning and permitting process is to protect the health, welfare and safety of citizens. Is the safety being put at risk by this proposed use? That is the question.
 57. Patricia Bellamy: Do not approve this proposal.
 58. Arthur Lewellan: This project borderlines on reckless. This rail operation and the facility have a high potential accident rate, and that's what we would have to expect. *See written testimony.*
 59. Bruce Liles: Pembina claiming safety, but by what definition? They will poison the air, water and land... but "safely". How could the sustainability staff forward this proposal? This is bad. I disagree this won't add jobs, but those will be in the medical fields.
 60. Harlan Shober: On the way to the January 13 hearing, I heard the snow pack on Mt Hood was 30 percent below normal... which may become the new normal. Arguments against this proposal about climate and safety are the main things. Please don't be sucked into the jobs message. Jobs are important, but we don't need to do insanely stupid things to make jobs. You have a chance to prevent making a big mistake. *See written testimony.*
 61. John Nicol: America is the greatest producer of gas and oil in the world. This is because of a "wonderful" process of fracking. The big issue is water, and fracking uses about 1M gallons of water per well. The process permanently pollutes the water and the aquifer that it reaches. How much water can we be losing to exporting gas and oil?
 62. Corky Collier, CCA: Propane has negative impacts, but the facility is a good use of a constrained property. The Pembina safety record is outstanding. The company is committed to hiring local, union workers. They are setting up a community investment fund that works for the neighbors. This is an infusion of cash coming from Canada. The jobs will go to North and East Portlanders – those who need them most. We need traded sector jobs like these.
 63. Cpt Kirk Bonnin, Olympic Tug & Barge: We transport hazardous cargo as our main products are of the black oil natures. The safety culture is very important. Today's marine culture and industry is so different from the past. Inspectors are going above and beyond as are companies – they have to in order to stay in the business. I am confident that the tugboat owners won't do the job if they can't do it safely.
 64. Baron Glassgow, Pacific Propane Gas Assn: 35 years ago, the EPA designated chemicals as hazardous (Superfund Act and LUST). Propane and LPG is exempt from both these acts. Propane needs to come to Portland by rail because there are not propane pipelines in Oregon. Of the 63M gallons of propane used in Oregon today, all comes via

- rail or truck. Propane is everywhere and is used extensively for a wide variety of purposes.
65. Susan Tennant: We are investigating Pembina to see how compatible they are with us. Give Mother Nature a break. We need fresh water.
 66. Richard Tennant: Treat the earth well. We are borrowing it from our children. This is a classic example to avert an accident. We can't ship unimaginable amounts of propane – it's like the lottery. When a person participates in a lottery, someone always wins because of all the random event.
 67. Heather Tennant: I'm speaking for my children and future generations as well as my 5 generation of family who have lived in St Johns. The facility will be at my grandmother's back door. We need to teach the future generations that fossil fuels are an end. We need new beginnings. Imagine an explosion at your back door. Thank you for being here for my children and nature and the future.
 68. Lowen Berman: Equity and climate justice are key concerns for the City. Those who benefits least are paying the most. The terminal will add significantly to carbon emissions. Propane in future years will be competing with solar and wind. If the terminal was built, who gets what? Pembina will get substantial additional profits. First nations of Canada get see have their land demolished. Portland will collect additional tax monies. But water and food supply disappear for others. The benefits are minimal. *See written testimony.*
 69. Joni Chambers: Thank you for listening. Actions don't stop between the boundary of Portland and Longview. Longview has already turned this down, and it was about safety. I'm a first responder, and the one fire we were taught never to fight is propane. I have been witness and burned by a propane explosion of just 20 gallons. It is incredibly dangerous.
 70. Dan Serren, Columbia Riverkeeper: Turn down this proposal for the basic reason that this is a large terminal that has similarities to projects that have been reviewed for years. We don't have enough information about this project. Think about the downstream communities that will be in a similar blast zone that is missing from this analysis. We need at least a 500 yard security zone. It will change the livability for those who live downstream. This could dramatically change the communities.
 71. Bob Carroll, IBEW 48: We support this amendment and believe it will be built and operated safely. I want a safe world for my children, and I want them to have good jobs. The IBEW supports this.
 72. Joe Westby, Pacific Propane Gas Assn: Supports the Pembina project. Yearly certifications, state and federal requirements. Operators are licensed and certified. We've had over 100 years in the propane industry. You don't last that long if you're doing it wrong. I feel good about Pembina's investments, time and addressing concerns. Pembina is a supplier for various propane companies around the US.
 73. Barbara Quinn: Vote against the change. Already-present facilities on the rivers pose significant safety problems. We can't stabilize a sandy riverbank. We need a wider community discussion. Spot zoning should not lead planning decisions. In the IGA, we can't guarantee final uses of the product, so the IGA is useless. We can't guarantee a low carbon footprint.
 74. Dave King, Climate Jobs PDX: Concerned about climate and quality jobs. Don't move

this forward. *See written testimony.*

75. Lucy Whipps: Opposes the pipeline. Propane is coming from a dirty site. People's homes are being destroyed as a result of how the fossil fuel industry works. We can't separate the terminal from the propane stored in it. Propane is not a bridge to cleaner fuels.
76. Lucinda Hites-Clabaugh: I encourage PSC members to go to the NASA website that gives a better understanding by looking from satellite what the fragile atmosphere we have left is. Vote no.
77. Jasmine Zimmer Stucky, Columbia Riverkeeper: Thank you PSC members and City staff. Columbia Riverkeeper is comprised of 8000 members who oppose the project. Local decisions play a huge role in global climate change. *See written testimony.*
78. Trudy Cooper for Pamela Allee: Remember where your loyalties should be as PSC members. Your duty is to the citizens. Pembina's offerings aren't beneficial to anyone besides the company itself.
79. Jen Davis, Bee Friendly Portland: California is facing record drought, yet the fracking industry continues to pump millions of gallons of water to frack natural gas. Why when our largest agriculture sector is most thirsty and climate change is certain would we consider fracked propane to come through our port? *See written testimony.*
80. Donald McKinlay: Relaxing regulations would be harmful. Long-term effects may be more harmful. There is no growth or development because this project denies the future. Success can be defined by the multiplication of harms, which represents a failure for people and for the earth. *See written testimony.*
81. Bonnie McKinlay: Planning is about looking ahead and act with reason. We have the knowledge to power and employ our people sustainably, so why we consider doing otherwise? You are the PSC. Please act on your responsibilities. *See written testimony.*
82. Marilee Dea, Cully Association of Neighbors: Cully is the most diverse neighborhood in the state. We need jobs, but we need a safe environment to live in. We have weighed benefits and risks of the proposal. We recommend that the PSC and the City delay the decision to grant the amendment until we have all the information and that is shared with the neighborhood. *See written testimony.*
83. Joe Esmonde: Look at the impact of jobs. I'm in the electrical business. I work in lots of hazardous positions. I trust Pembina. We need to look at the economic impacts of saying no to businesses.
84. Mike Horner: Propane is not a miraculous, clean fuel. It is derived from a water-intensive and dirty process. Propane is only a small fraction of Pembina's income. Say no to this request.
85. Wes Kempfer: Thank you for your volunteer time. Since I live so close to the rails, I'm concerned about the safety issues. If we were following the science, we wouldn't even be having this hearing. Read the [Climate Code Red blog](#). You can't morally approve this proposal. Pembina should, respectfully, go home.
86. Angela Zehava: Don't believe Pembina's numbers. There are a number of assumptions, but it could also be assumed that 100 percent of the product going to making plastics in Asia. Support family-wage jobs in solar, but not in this industry. What about the risk to

tourism in the Columbia River Gorge? *See written testimony.*

87. Taizz Medalia on behalf of Rev Solveig Nilsen-Goodin: Can the benefits of approving this terminal possibly outweigh the risks? There is no way to guarantee safety. We need to stop fossil fuel extraction, not support it. *See written testimony.*
88. Lightning Watchdog: If you vote yes, it will be referred to City Council. You're looking at jobs if you do that. But you've overlooked that you're building this next to the levee. You are not supposed to have the rail on top of the levee. This project should not happen.
89. Adam Brunelle: I'm embarrassed we're even having this conversation. It flies in the face of the goals of the CAP. If 20 percent of the propane is be burned, that is \$43-127M costs worldwide just in the first year. This represents people's lives and property and livelihood. It's not worth what we'll make in taxes. The community will resist this.
90. Marcie Miller: Pembina is lying; we can't guarantee that the terminal can be safe. The blast zone radius is much larger than their numbers. The worst case scenario is a radius of over 5 miles. Railroads have been exempt from disclosure. Please vote no. *See written testimony.*
91. Alex Anderson: Within 240 years, 75 percent of the world's species will be extinct if we don't significantly reduce our carbon emissions. This is like a really bad wedding. Portland is the bride, and people's testimony is like the bride's parents who don't like the groom. Make a sound decision that looks after all of us.
92. Dawn Smallman: Please take a look at pictures of tar sands. This question about the zoning change is about who we want to do business with. This is total destruction of land and the watershed and the local communities. Do not trust these people. They are only concerned about their fortunes.
93. Carey Klein: Pembina's assurances are similar to what we heard before the Fukushima accident in Japan. One incident outweighed all the safety enforcements and assurances.
94. Nicholas Caleb: This is the biggest environmental decision that has been made in Portland in about 40 years. Don't forward a recommendation to City Council. You can stop this right now. If we look at the science, this decision will give other cities the courage to make similar decisions. Portland needs to lead on this.
95. Doug Weir: People are addicted to fossil fuels and corporate growth. Fossil fuels should only be used as a small supplement to renewables. We need to change now.
96. Ted Glieman, Sierra Club and Portsmouth NA: Vote no. There is a threshold question about the risk of an earthquake is 100 percent. This is a huge risk. *See written testimony.*
97. Charles Johnson: Use wisdom in making your decision. This is so far from anything related to sustainability. Do the right thing.

Chair Baugh closed testimony at 7:38 p.m.

Discussion

Commissioner Hanson: Does the code revision set a precedent for future areas?

- We looked at the other properties along the slough and river in the area that are zoned IH. Those other sites are not feasible because the developable parcels are separated by Marine Dr, so there isn't enough river frontage.

Commissioner Tallmadge: How much propane is currently shipped through Oregon via freight?

- We can look into this.

Commissioner Gray: (1) Breaking treaties with First Nations

- Tribal consultations: The Mayor's office reached out to Grand Ronde and CRITFC. Tom sent emails to staffers extending opportunities for more information, testifying, arranging and also sent emails to Yakama Nation. We did not receive any responses to those messages.

(2) As I asked in the WHI hearings, was there violation of the Treaty of 1895? This is one of the pieces that matters to me.

- This issue hasn't come up in this process to date.

(3) Do we currently rail anything hazardous in the same area?

- Yes. There are oil trains on these rail lines, which is the biggest volume of hazardous materials going through. Pembina has shipped propane to Portland for local distribution for a number of years.

(4) Does the code amendment open other areas?

- This is similar to *Commissioner Hanson's* question. The developable portions of the sites are separated from the river by Marine Dr, so they wouldn't be able to be developed as a marine export facility.

(5) Building rail on the levee: what was this about?

- In this area, we are subject to the floodplain. The T6 rail is an overpass. The new rail spurs will be next to the existing spurs and will have to deal with the same impacts. There is no levee.

Commissioner Schultz: What is included in the CAP for fuel exports?

- We have had lots of testimony to include propane in a fossil fuel export policy as part of the CAP.

Commissioner Gray: Is there a way to ensure the trains? We heard we can't.

- My understanding is that determining liability is a complicated process; it's shared between railroad, railcar owners, etc. Whose insurance pays and covering that liability is difficult to parse.
- Gary Anderson, Pembina: We carry broad liability insurance. If Pembina is at fault, our insurance kicks in.

Commissioner Tallmadge: Regarding the QRA and the probability used for an earthquake occurring, if an earthquake is more probable than stated in the QRA, what does the probability look like?

- Tim Oliver, Acana: We looked at earthquake frequencies in the QRA, and they are reasonable. As far as the design standards to withstand the projected quakes, we found that was reasonable in terms of what we anticipate will happen.

Commissioner Shapiro: The consultant's report called for a number of changes. What are we doing with this?

- The difference between the March 16 and the April 2 QRA is that Pembina has started to implement some of the changes. The bottom line is that most go to explaining the assumptions more thoroughly, but they don't change the outcomes and safety explanations much.

Commissioner Hanson: What's the status of possible amendments?

- *Commissioner Smith* will make a motion. Depending on this vote, if it fails, we'll move to another motion to accept the proposal. We will vote on each amendment individually.

Motion

Commissioner Smith moved to retain the current zoning code and maps with no changes.

Commissioner Houck seconded.

Commissioner Smith: Climate and safety are reasons to vote no on any changes. This is the tip of the iceberg of what's happening in western Canada. I don't believe we can separate ourselves from the totality of what's happening there if we go into partnership with Pembina. I don't think we can do this and keep in line with the CAP. Leadership on climate is coming from cities, and Portland is a leader. The Portland Plan talks about urban innovation and sustainability as exports from Portland. If we embrace this project, we are weakening our strengths.

Commissioner St Martin talked about safety issues. Pembina has tried to show they will make a safe facilities. My concern is with the rail corridor and proximity a population center. Safety concerns outweigh potential risks.

Commissioner Houck confirmed *Commissioner Smith's* concerns. He reference both the quantity and quality of the testimony opposing the Pembina request. He said that he had a long compiled a long list of good reasons to oppose the request based on excellent testimony but that a 12 year old from Sunnyside Environmental School, Sam, said it best when he channeled Mr Spock in saying to do so would be illogical.

Commissioner Shapiro is concerned about what "yes" and "no" means at this point. It's not a black and white issue. It's a City decision, and I believe Council needs to rule on this. And if we don't forward a recommendation, City Council can and will still return this to the PSC.

Commissioner Hanson: If we support this motion, then we are stopping completely this evening.

Commissioner Smith noted the CAP will create the action item to create a fossil fuel policy.

Commissioner Oxman asked if City Council is obligated to send this back to the PSC.

- No, but this is highly likely.

If Council brings up a resolution, that will be to ask the PSC to make a recommendation to them on the code and map amendments to enable the project.

This Commission has the prerogative to go to Council to explain why we voted the way we did.

Chair Baugh commented on the CAP and what we're being asked to do. Developing nations don't want climate change impacts from the US. We are sending them a product that takes coal out of their hands and costs more for them. We need to take courage and move this forward to Council. We have a CAP that we believe in because we have a huge section about equity. It's about what we're saying to developing nations and providing them tools to start a conversation about not using coal and oil.

Commissioner Houck pointed out that *Commissioner Oxman* has done extensive research and has clearly demonstrated that propane will not be a bridge fuel.

Chair Baugh: I'm not suggesting this is a bridge fuel. Developing nations will continue to use

more fuel, oil and out-pollute us purely because they are growing. We need to give them new tools.

Commissioner Tallmadge supports the initial motion.

Commissioner Oxman was intrigued by the concept of bridge fuels. I was hoping the transitional fuels approach would be part of the solution. But in my memo, even the best-case argument about bridge fuels shows it's not real — there's no evidence to support displacement.

Commissioner Smith moved to **retain current zoning code and maps with no changes.**

The motion failed

(Y5 – Houck, Oxman, Smith, St Martin, Tallmadge; N5 – Gray, Hanson, Schultz, Shapiro, Baugh)

Chair Baugh moved for the **PSC to recommend that City Council take the following actions:**

1. Amend Title 33.430.090 of the Zoning Code to allow the transportation of propane through the environmental zones on sites zoned Heavy Industrial when the transporting is conducted in association with a river-dependent industrial use.
2. Amend the boundary of the environmental conservation overlay zone on Port of Portland Terminal 6.
3. Adopt an IGA with the Port of Portland as outlined in the IGA Framework.

Commissioner Shapiro seconded.

Amendments

Amendment 1

Commissioner Schultz moved to amend the IGA to remove requirement for contribution to the Portland Environmental Investment Fund (items 4b and 4c) and instead add to Council letter a recommendation to work on a Fossil Fuel Export policy in the next year, including a climate mitigation fee. *Commissioner Gray* seconded.

Commissioner Schultz: The notion to have a carbon fee should come out of the CAP. It shouldn't be tacked on here when we don't yet have a policy around it.

Commissioner Smith was looking at the bridge fuel and if we could mitigate fully. I believe we shouldn't do this at all, but it would be far worse to do it without mitigation.

Commissioner Hanson confirmed that the request to take it out of the IGA and request in a letter to Council that staff bring forward a proposal to have a policy for carbon mitigation. When a permit gets pulled, then the fee would be triggered.

Commissioner Tallmadge would support the amendment. But I want studies about a carbon price that would be attached to a project. And I want Council to consider that any proposal is also attached to Pembina and that they wouldn't be grandfathered in.

Commissioner Smith asked if the zoning and IGA get through Council without a fee attached, can we attach this later?

- We do not have an opportunity unless they as part of their decision direct us to come up with a policy that might include a fee.

The PSC recommendation would be to ask Council to ask the PSC to create a policy and potentially a fee that would apply to any future export including Pembina. There would be a period of time and more uncertainty for everyone involved.

Commissioner Houck: Part of my response to this motion is that I think this is a woefully inadequate amount of funds. I'm concerned that we'll end up low-balling what I think we should be saying they need to off-set carbon.

Without a cost recommendation / number from the PSC, Council will likely put a number on the table.

Amendment 1 failed

(Y4 – Gray, Hanson, Schultz, Shapiro; N6 – Hanson, Oxman, Smith, St Martin, Tallmadge, Baugh)

Amendment 2

Commissioner Oxman moved that the adjusted lifecycle emissions of the propane (Scenario 2) should not include credits for displacement of coal and fuel oil. The Net GHG emissions should be 2,471,287 metric tons CO₂ equivalent. *Commissioner Smith* seconded.

Commissioner Oxman: I acknowledge that when jurisdictions have done a larger carbon pricing exercise based on carbon reduction targets, they find down the road the adopted formulas don't necessarily match what they predicted. Nevertheless, the point of the Environmental Investment Fund is to do meaningful CO₂ mitigation work locally. The dollar amount of resources from the formula is too small to do that meaningful work. I would be open to even larger dollar numbers coming from the formula.

Commissioner Schultz noted this is based on assumptions and math that's "over my head". China can make changes extremely rapidly.

Commissioner Houck said that this was a good example where the precautionary principle should be applied. We should assume 100 percent of the propane will be used as fuel. He said it was not possible to determine whether the 50 percent figure was correct for use in plastics but it was safe to assume the 30 percent *Commissioner Oxman* proposes is a reasonable assumption.

Commissioner Hanson asked if we're going from 6 to 16.5, why don't we just say no?

Amendment 2 failed

(Y4 – Houck, Oxman, Smith, St Martin; N4 – Gray, Hanson, Schultz, Baugh; Abstain2: Shapiro, Tallmadge)

Amendment 3

Chair Baugh moved to amend the IGA framework to add additional Pembina commitments identified in letters dated 1/12/15 and 1/13/15 to include the following items:

- Safety: Pembina will use state-of-the-art equipment, including DOT 112 rail cars and maintain an average fleet age of six years.
- Community Fund: Pembina will establish a \$3M community investment fund once the project is operational.
- Workforce: Pembina will prioritize local hiring and workforce diversity for the construction and operation of the facility.
- Workforce: Pembina will utilize unionized labor for the construction of the facility.
- Incentives: Pembina will not see government or other public funding or incentives for the facility.

Commissioner St Martin seconded.

Chair Baugh: These are items that Pembina put in a letter that say what they're going to do as part of their commitment.

Amendment 3 passed

(Y10 – Gray, Hanson, Houck, Oxman, Schultz, Shapiro, Smith, St Martin, Tallmadge, Baugh)

Amendment 4

Chair Baugh moved to amend the IGA framework to add additional Port of Portland commitments identified in the February 13, 2015 submittal to include the following items:

- Safety: Require compliance with all applicable laws and regulations, with a particular focus on safety, health and environmental laws.
- Safety: Review and approve an operations management plan before facility operation can begin.
- Safety: Require that improvements, especially fire suppression and safety equipment, be maintained in good working order.
- Safety: Require the development and implementation of a safety management plan, an emergency management plan, a Spill Prevention and Response (SPAR) Plan, and a stormwater management plan.
- Safety: Require the prevention and correction of any damage from any hazardous substance release.
- Safety: Require the prompt reporting of violations of any safety, health and environmental law and appropriate government agency oversight of corrective action.
- Safety: Require periodic preventative auditing of safety, health and environmental, health, safety, legal and regulatory compliance.
- Safety: Provide remedies for default, including self-help and other contractual remedies, for any threatened or actual breach of lease obligations.

Commissioner Shapiro seconded.

Amendment 4 passed

(Y10 – Gray, Hanson, Houck, Oxman, Schultz, Shapiro, Smith, St Martin, Tallmadge, Baugh)

Amendment 5

Chair Baugh moved to amend the IGA framework to add to 4(b):

- Contributions shall be adjusted annually Portland cost of living index.
- Funds will be restricted to funding projects that:
 - Reduce energy use, generate electricity from renewable energy sources (e.g., wind and solar); or
 - Sequester carbon (e.g., tree planting, habitat improvements).
- Projects will occur in the City of Portland and prioritize benefits to public health, local economic development, environmental health, and equity, both through workforce practices and by targeting lower-income households and small business.
- The funds should be invested with a high degree of transparency, including annual reporting. After five years, the uses and mechanism for administering the funds will be evaluated.

Commissioner St Martin seconded.

Commissioner Houck asked about negative impacts and climate change. I move to amend this statement after “sequestering carbon” to add “increasing resiliency in natural systems”.

Commissioner Shapiro seconded.

The amended statement will read:

- Sequester carbon and increase resiliency in natural systems (e.g., tree planting, habitat improvements).

Amend the sequester carbon bullet in Amendment 5 passed

(Y10 – Gray, Hanson, Houck, Oxman, Schultz, Shapiro, Smith, St Martin, Tallmadge, Baugh)

Commissioner Smith: I thought the recommendation from the subcommittee was that the number would adjust for cost and off-sets. So we wouldn't need the first bullet point. I'd prefer we peg the marketing instead of the cost of living.

The proposal is that contributions are adjusted annually based on the European emissions trading scheme price average from previous calendar year.

The amended statement will read:

- Contribute \$_____ annually to the Portland Environmental Health Fund. The amount of the contribution will be adjusted annually based on the average price of carbon allowances on the European Emissions Trading Scheme during the previous calendar year.

Amend the contributions bullet in Amendment 5 passed

(Y10 – Gray, Hanson, Houck, Oxman, Schultz, Shapiro, Smith, St Martin, Tallmadge, Baugh)

Fully amended Amendment 5 passed

(Y10 – Gray, Hanson, Houck, Oxman, Schultz, Shapiro, Smith, St Martin, Tallmadge, Baugh)

Amendment 6

Commissioner St Martin moved to amend the IGA framework to revise 3.d. to limit renewable energy certificates to only sources from Oregon. *Commissioner Smith* seconded.

Commissioner Smith asked about pros and cons to this.

- Oregon, Washington, Idaho and Montana encompass the grid as it's managed. In terms of where the resources are located, we can certainly identify those to come from Oregon. There are no operational down-sides. There are enough certificates to always have it from Oregon.

Amendment 6 passed

(Y10 – Gray, Hanson, Houck, Oxman, Schultz, Shapiro, Smith, St Martin, Tallmadge, Baugh)

Amendment 7

Commissioner Smith moved to amend the IGA framework to allow for the contribution to the Environmental Investment Fund to be re-evaluated and adjusted ever five years to reflect the best available data. *Commissioner Shapiro* seconded.

This would mean we can re-evaluate the percentages based on best available data at that time. We only have speculation now.

Amendment 7 passed

(Y10 – Gray, Hanson, Houck, Oxman, Schultz, Shapiro, Smith, St Martin, Tallmadge, Baugh)

Amendment 8

Commissioner Smith moved to amend the IGA framework to require that the Port demonstrate liability coverage for a catastrophic event, with a radius up to 3 miles, including the following items:

- Financial assurances: Require Pembina to provide a financial guaranty to assure performance with all lease terms.
- Insurance: Require Pembina to provide multiple types of insurance coverage to address significant risks be carried throughout the term of the lease.
- Insurance: To supplement this coverage, the Port carries its own insurance to cover losses associated with a catastrophic event not covered by the lessee.

Commissioner Houck seconded.

Much of this language came from Port submittals; including this in the recommendation is to codify it.

Commissioner Hanson noted and moved that the 3 mile radius from the rail facility should be specified. *Commissioner Smith* seconded.

Amend to add the specificity of the 3 mile radius being from the rail facility passed
(Y10 – Gray, Hanson, Houck, Oxman, Schultz, Shapiro, Smith, St Martin, Tallmadge, Baugh)

Amendment 8 as amended passed
(Y10 – Gray, Hanson, Houck, Oxman, Schultz, Shapiro, Smith, St Martin, Tallmadge, Baugh)

Amendment 9
Commissioner Smith moved to amend the IGA framework to require that the Port require lease terms that ensure the deconstruction of the facility if it ceases operations. *Commissioner Schultz* seconded.

Commissioner Smith: If we get a national carbon tax, and producers in Canada think it's not worth having this facility, we don't want a stranded asset.

Amendment 9 passed
(Y10 – Gray, Hanson, Houck, Oxman, Schultz, Shapiro, Smith, St Martin, Tallmadge, Baugh)

Discussion
Commissioner Houck would like to meet with staff regarding location in the IGA component 4a., grassland mitigation. There are policy implications regarding whether mitigation would take place on public or private lands I'd like to discuss with staff.

Overall Package
Commissioner Shapiro moved to accept staff proposal as amended with amendments 3-9 above. *Commissioner Gray* seconded.

Commissioner Smith noted that if the same 5-5 voting pattern from earlier is repeated, the project won't move to Council.

The proposal with the 7 amendments passed
(Y6 – Gray, Hanson, Schultz, Shapiro, St Martin, Baugh; N4 – Houck, Oxman, Smith, Tallmadge)

PSC Letter to Council
Staff will draft a letter that will be sent to PSC members. If there is much needed discussion, we will have a meeting to confirm the letter with PSC members.

Commissioner Houck noted we need to have an opportunity to articulate our varying positions.

In the past, we talked about the importance of living with the majority decision. Individuals can present at City Council their position.

If we have a solid paragraph or two from those who voted no, we can include that in the PSC letter.

Commissioner Smith moved that the PSC recommend that Council direct PBEM to work with ODOT to get a view of the total fossil fuel rail traffic and recommend safety mitigation as necessary. This will be included in the PSC's letter to Council.

Susan recommended that PSC members send additional comments to staff to draft the letter.

Chair Baugh thanked the commission members. This is probably one of the issues I have seen more people from the commission become educated about. Thank you for your efforts. We are more informed about propane than probably anyone in Oregon.

Adjourn

Chair Baugh adjourned the meeting 9:27 p.m.

Submitted by Julie Ocken