



Western States Petroleum Association
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Sent via Email and US Mail:
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September 7, 2016

Planning and Sustainability Commission
City of Portland
1900 SW 4th Avenue, Suite 7100
Portland, OR 97201

Re: WSPA Comment for PSC Fossil Fuel Terminal Zoning Amendments Public Hearing

Dear Commissioners:

The Western States Petroleum Association (WSPA) is a non-profit trade association representing companies that explore for, produce, refine, transport, and market petroleum, petroleum products in five western states including Oregon. WSPA appreciates the opportunity to provide comments on the City of Portland's Bureau of Planning and Sustainability Fossil Fuel Terminal Zoning Amendments Proposed Draft, but is highly concerned about the proposal's disregard for federal, state, regional policy, and resulting unintended consequences.

Several WSPA members operate petroleum terminals in Portland. These members have responsibly operated in the energy corridor along Northwest St. Helens Road for decades. This corridor provides key energy and emergency infrastructure as recognized by various city, state, and federal documents. WSPA opposes the City's push to regulate fossil fuels under Resolution No. 37 166, Fossil Fuel Terminal Zoning Amendments, or otherwise, but submits these comments in an attempt to mitigate some of the unintended consequences of the contemplated zoning amendments.

The draft amendments explicitly propose to control state and regional energy and transportation policy, and exclude Metro and the State from their proper role in this issue. The proposal acknowledges the City's unique position in energy distribution and attempts to make a bottleneck in Portland, and thereby reduce the energy options available in all other jurisdictions in Metro, Oregon, and other states. As discussed in the Proposed Draft, the City serves as a distribution hub for the region and state. Terminals in the City serve more than 90 percent of the statewide market. The policy decisions that the City is trying to force on the region and state belong at the regional

and state level and wrongfully exclude impacted parties in smaller cities and rural areas of the state.

The proposed zoning amendments contradict and misalign with federal and state laws pertaining to energy infrastructure and transportation, including but not limited to Oregon's low carbon fuel standards, Oregon's Renewable Fuel Standards, federal Renewable Fuel Standards, and similar laws. The Proposed Draft further contradicts policy direction in Resolution No. 37166 and the City's Comprehensive Plan enabling energy infrastructure to serve the region as well as transition to non-fossil fuel sources.

Of particular concern to WSPA, the proposed zoning amendments would create a number of substantial unintended consequences. Specifically, the Proposed Draft:

- Introduces a host of ambiguities and uncertainties to marketplace necessary for a thriving economy;
- Prevents and discourages replacing equipment that has reached end of life;
- Prevents and discourages equipment upgrades necessary to meet market demand or comply with federal and state law;
- Prevents and discourages safety and efficiency upgrades;
- Restricts infrastructure that serves the region, in contradiction of the new City Comprehensive Plan provision governing fossil fuel infrastructure;
- Fails to clearly specify how existing infrastructure can expand on existing sites, to adjacent properties, and to nearby non-adjacent properties;
- Restricts infrastructure related to Oregon's low carbon fuel standards, Oregon's Renewable Fuel Standards, federal Renewable Fuel Standards, and similar laws;
- Fails to provide for sufficient facilities to serve future energy needs;
- Stymies potential future technologies that do not fit within the contemplated framework;
- Attempts to exclude Portland from the national and regional energy market;
- Bases decisions on whether to allow energy infrastructure expansion on impacts to the surrounding area (Nonconforming Situation Review) instead of the energy and transportation needs of the City, region, and state;
- Generally does not align with state and federal policy regarding siting energy infrastructure or transportation of fuels;

- Encourages less efficient (and potentially less safe) transportation by truck over more efficient modes of transportation;
- Fails to provide for the economic impact assessment called for by Resolution No. 37166;
- Pushes for an adoption timeline that is too fast to allow for thoughtful discussion and tailoring addressing the above and other concerns; and
- Fails to adequately engage Oregon and Metro residents and business outside Portland who will be impacted by the bottleneck in energy distribution created by the proposal.

We have enclosed proposed zoning code language in Appendix 1 that would address some of the issues raised in this comment. While the proposed language does not resolve all the problems with the contemplated amendments, it addresses some of them.

Again, thank you for this opportunity to comment on the Fossil Fuel Terminal Zoning Amendments Proposed Draft. We hope the City reconsiders its push to pass regulations in this area, and if does, that it will more narrowly tailor its rules to not contradict federal and state direction and avoid unintended consequences.

Thank you for your consideration of WSPA's comments. If you have any questions, please contact me at this office at fholmes@wspa.org and (360) 352-4506.

Sincerely,



Frank E. Holmes
Director, Northwest Region