



Fossil Fuel Terminal Zoning Round 3



THE BUREAU OF **PLANNING
& SUSTAINABILITY**

Fossil Fuel Initiatives

Fossil Fuel Terminal Zoning

- Zoning Code Changes
- Limits fossil fuel storage tank capacity
- Supports transition to cleaner renewable fuel

Renewable Fuel Standard (RFS)

- Update in Fall 2022
- Regulates renewable fuel content sold in Portland at retail stations
- May require tank capacity for Portland fuel blends

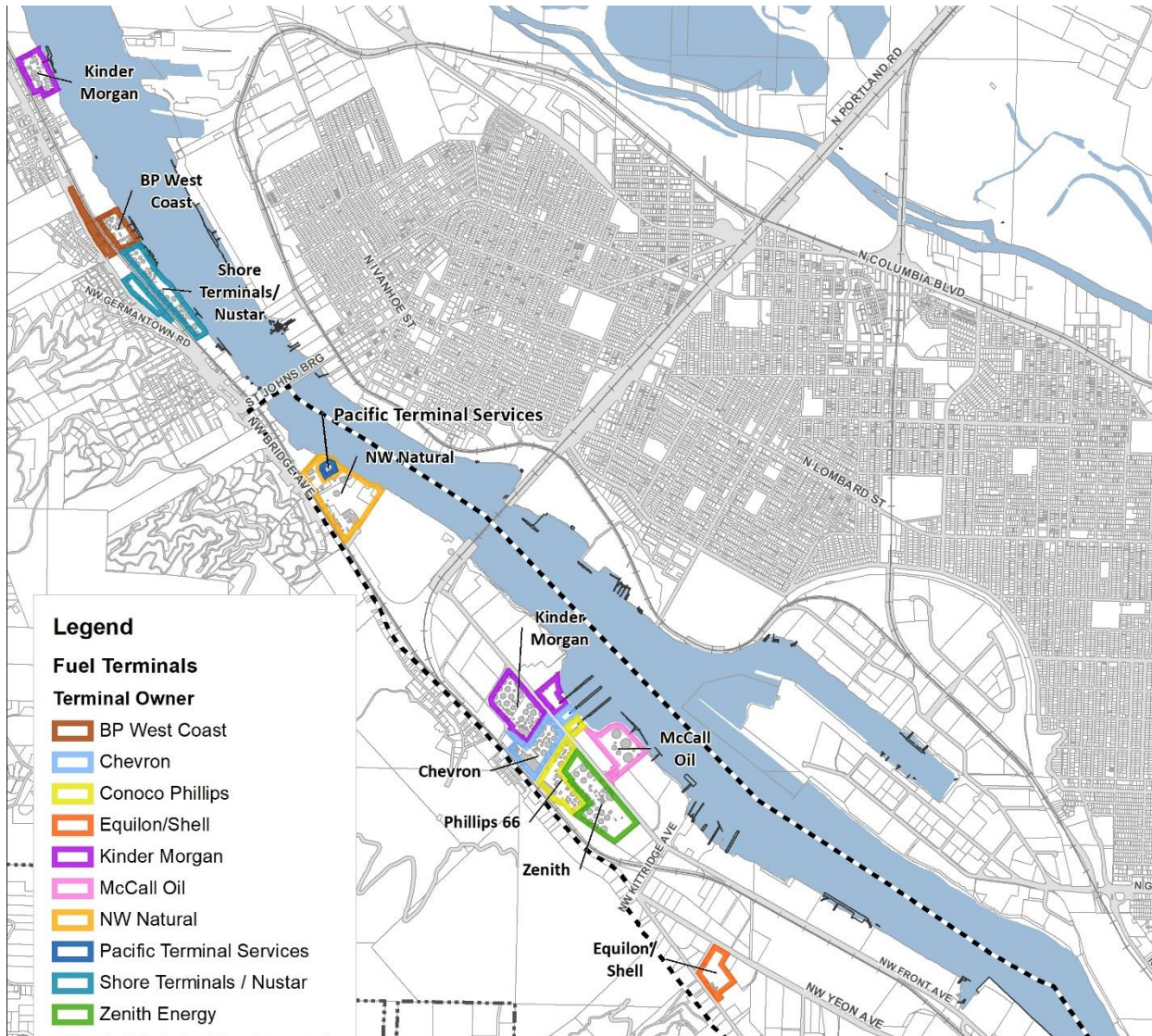
Zenith Terminals

Land Use Compatibility Statement (LUCS)

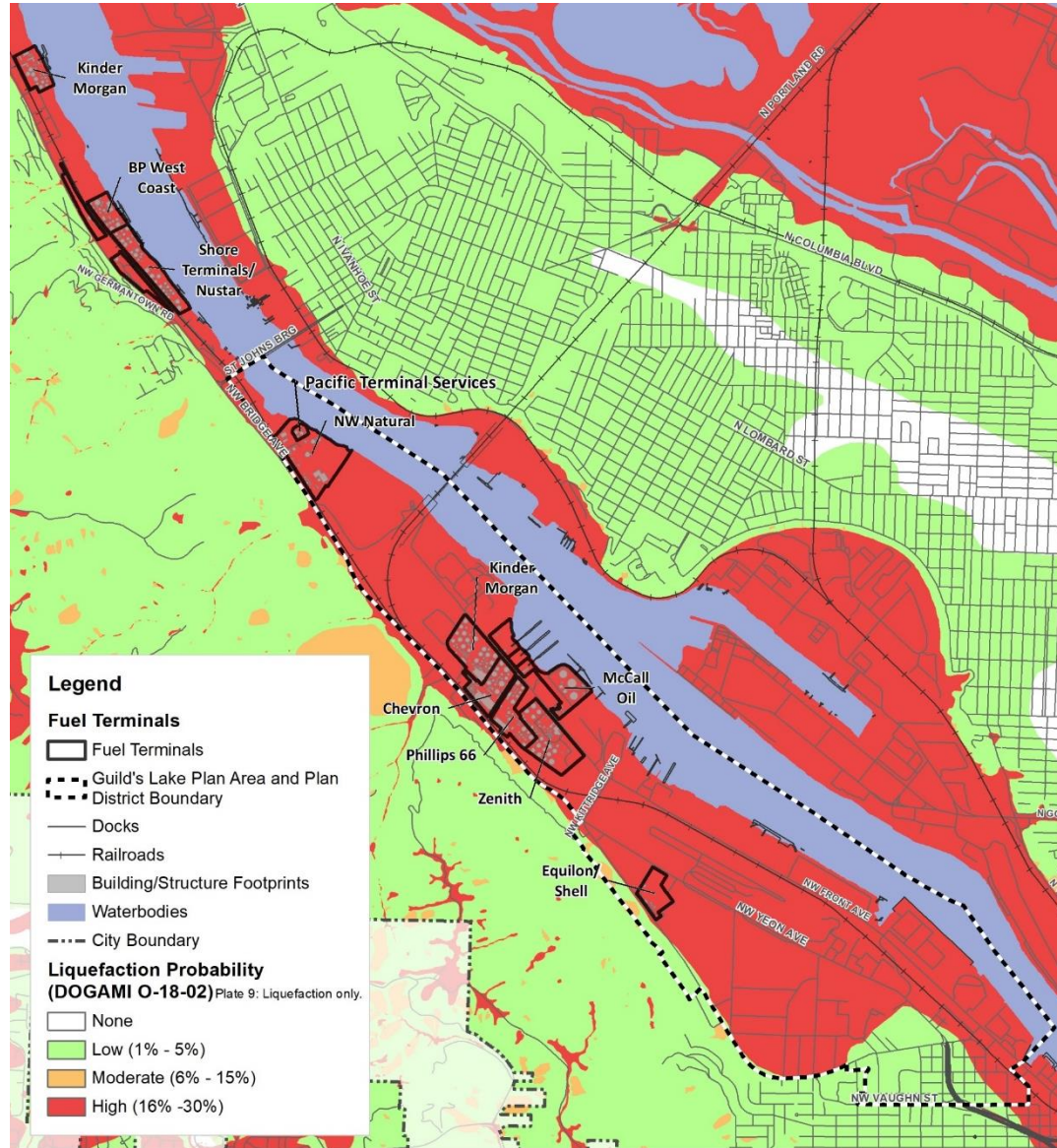
- City statement on facility compliance with zoning and comp plan policies
- Required for renewal of DEQ Air Quality Permit
- Under appeal to Oregon Supreme Court



Existing Fuel Terminals



Liquefaction Hazard Zones



Brief History

2012 Council Resolution opposing oil trains

2014 Pembina Propane Terminal proposal

2015 Climate Action Plan

2016 2035 Comprehensive Plan Policy 6.48

**2016 Fossil Fuel Terminal Zoning I:
appealed to LUBA, Court of Appeals, Oregon
Supreme Court**

2019 Fossil Fuel Terminal Zoning II: appealed to LUBA

2022 Fossil Fuel Terminal Zoning III

Zoning Code Amendments

- **Define** Bulk Fossil Fuel Terminals as a regulated land use.
- **Prohibit** Bulk Fossil Fuel Terminals in all base zones.
- Existing Bulk Fossil Fuel Terminals become **limited uses** that can continue to operate but not add new fossil fuel storage tank capacity.



Amendment #1

Use Limitations

15. Bulk Fossil Fuel Terminals. This regulation applies to all parts of Table 140-1 that have a [15].

a. Existing Bulk Fossil Fuel Terminals. Bulk Fossil Fuel Terminals that existed on [INSERT ORDINANCE EFFECTIVE DATE] are allowed, but the total amount of fossil fuel that can be stored on the site in storage tanks is limited to the fossil fuel storage tank capacity that existed on [INSERT ORDINANCE EFFECTIVE DATE]. Total fossil fuel storage tank capacity on the site in excess of the capacity that existed on [INSERT ORDINANCE EFFECTIVE DATE] is prohibited.

Adding storage tank capacity exclusively for renewable fuels or to comply with the Renewable Fuel Standard (PCC Chapter 16.60 Motor Vehicle Fuels) is not considered an increase in capacity. Storing coal on the site is prohibited.



Amendment #1

Definitions

- **Fossil Fuel.** Fossil fuels are petroleum products (such as crude oil and gasoline), coal, methanol, and gaseous fuels (such as natural gas and propane) that are made from decayed plants and animals that lived millions of years ago and are used as a source of energy. Petroleum-based products used primarily for non-fuel uses (such as asphalt, plastics, lubricants, fertilizer, roofing, and paints) are not fossil fuels. See Renewable Fuel.
- **Renewable Fuel.** Renewable fuels (such as biodiesel, biomethane, and clean hydrogen) are produced from non-petroleum, non-natural gas renewable resources and have less than 5 percent fossil fuel content.



Amendment #1

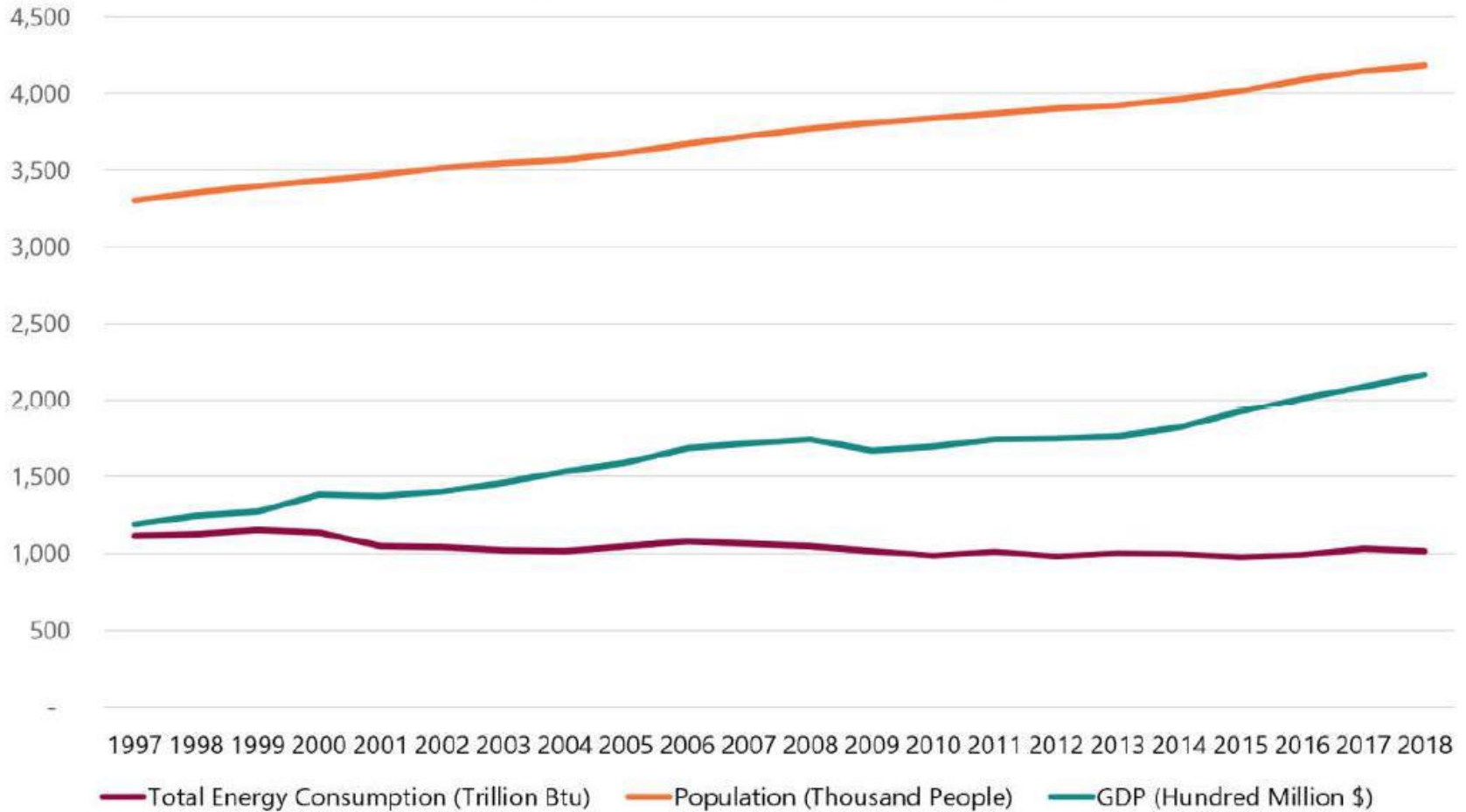
Use Category Description

A. Characteristics. Bulk Fossil Fuel Terminals are establishments primarily engaged in the transport and bulk storage of fossil fuels. Terminal activities may also include fuel blending, regional distribution, and wholesaling. Terminals have access to marine, railroad, or regional pipeline to transport fuels to or from the site, and either have transloading facilities for transferring a shipment between transport modes, or have transloading facilities and storage tank capacity exceeding 2 million gallons. There is minimal on-site sales activity with the customer present.



Future Demand

Oregon's GDP, Population, and Energy Consumption by Year



Source: Oregon Department of Energy, 2020 Biennial Energy Report

Future Demand

Table 3. Oregon, Total Energy Consumption, All Sectors, Selected Sources

Select Sources	2019	2035	2050	Compound growth 2020-2050
Gasoline	.192	.170	.150	-0.8%
Jet Fuel	.035	.050	.060	1.6%
Distillate Fuel Oil	.099	.099	.099	0.0%
All Petroleum	.352	.370	.390	0.3%
Natural Gas	.151	.160	.170	0.2%
Total	1.03	1.09	1.16	0.4%

Source: BPS, 2022 Regional Demand for Liquid Fossil Fuels Memo

Testimony

There are 86 pieces of written testimony in the Map App.

<https://www.portlandmaps.com/bps/testimony/#proposal=fossil-fuel-zoning>

The full record of evidence supporting this ordinance can found on the Auditor's Office website:

<https://efiles.portlandoregon.gov/Record/15184300/>



LUBA Remand Issues

Provide findings and evidence addressing:

Comprehensive Plan Policy Policy 6.48 – address future natural gas needs; (updated liquid fossil fuel demand forecast)

Comprehensive Plan Policy 6.7 address how the city will strengthen its comparative economic advantages;

Comprehensive Plan Policy 9.30 provide evidence that future fuel demand will not result in a change in transportation mode in a way that would impact the multimodal system; and

Guilds Lake Industrial Sanctuary Plan Policy 2, Objective 1 – address how the city will maintain, protect, and enhance the public and private multimodal transportation investments

