



Terminal 6 Environmental Overlay Zone Code and Map Amendment

April 7, 2015



Bureau of Planning and Sustainability
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Proposed Motion

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.



PSC Actions

- A motion must receive a majority vote of the members present. If there are 10 members present, a motion must receive 6 affirmative votes to pass.
- If there are 10 members present and the PSC's vote on a motion is tied 5-5, the motion does not pass and the tie vote constitutes “no action.”
- If the PSC members cannot propose any alternative motion and adopt it by a majority vote, the code states “the matter is terminated.”



Proposed Code Amendment

CHAPTER 33.430 ENVIRONMENTAL OVERLAY ZONES

33.430.090 Prohibitions

The following items are prohibited in all environmental zones. Prohibitions apply to both transition areas and resource areas:

- A. The use, packaging, transportation, or storage of hazardous substances, except as follows:
1. Transportation of hazardous substances through environmental zones by rail or on designated truck routes is allowed; ~~and~~
 2. The transportation of propane through environmental zones is allowed on sites zoned Heavy Industrial when the transportation is part of a river-dependent industrial use.; and

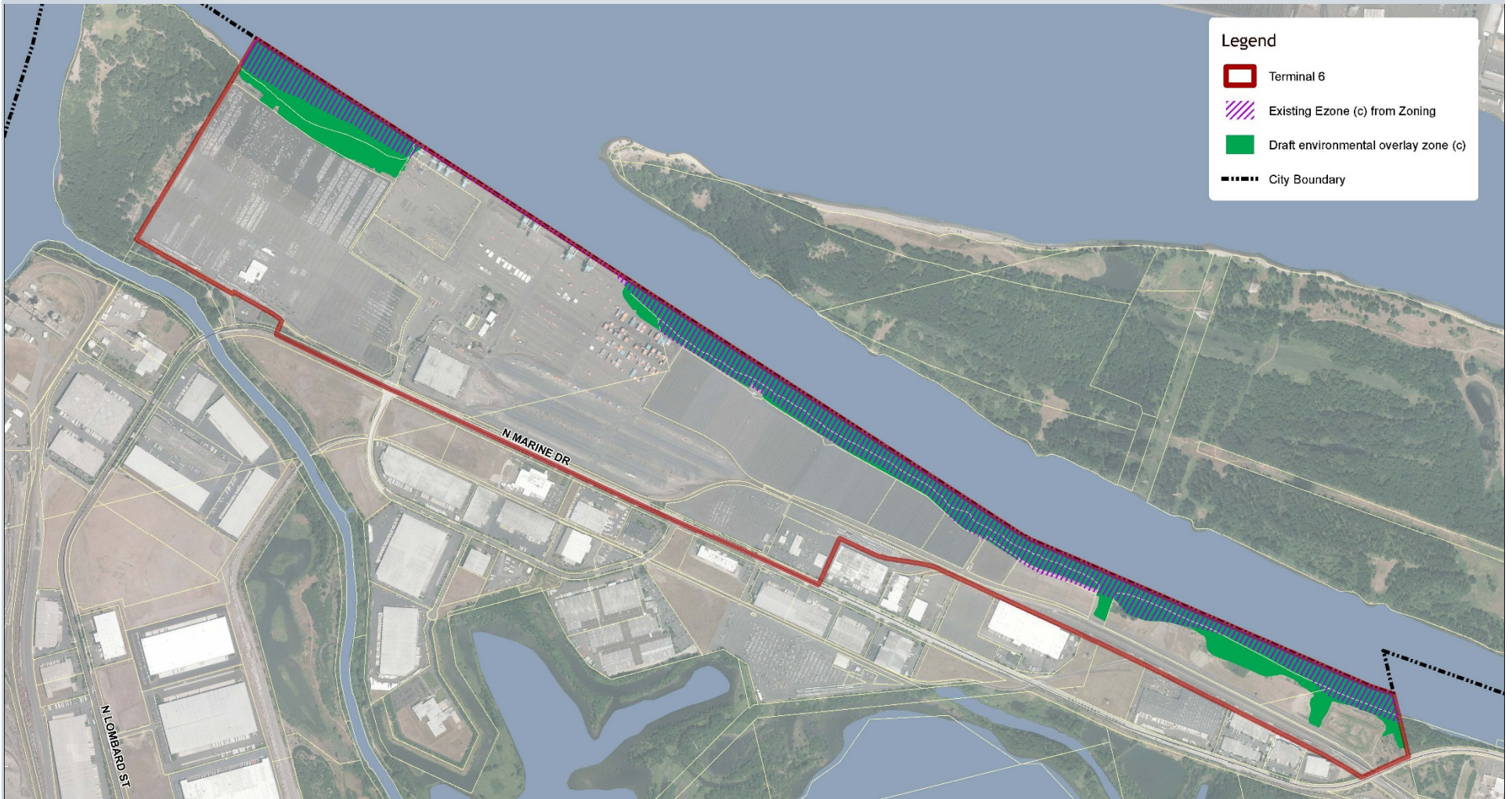


Effective Date

This Ordinance shall become effective on _____ (July 1, 2015) _____ only if an intergovernmental agreement between the Port of Portland and the City of Portland that includes the commitments outlined in Exhibit _____ is approved by the City Council and signed by the authorized representatives of the Port and City no later than that date. If such an agreement is not approved and signed by all parties by that date, this Ordinance is repealed as of _____ (July 1, 2015) .



Proposed Map Amendment



City-Port Agreement

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



Carbon Emissions

- Reflect the full lifecycle emissions - 4.2 million metric tons CO₂ equivalent
- Adjust based on end use.
 - 50% chemical feedstock
 - 15% displace coal
 - 15% displace fuel oil
- 0.9 million metric tons CO₂ equivalent



Carbon Price

- Carbon taxes range from \$1/ton to \$168/ton.
- California cap-and-trade market: \$12.64/ton
- Northeast RGGI: \$5.41/ton
- European Emissions Trading Scheme: \$6.77/ton
- PSC recommendation: \$6.77/ton



Carbon Mitigation Investments

- Environmental Investment Fund
 - Reduce energy use
 - Generate renewable energy
 - Sequester carbon
- Projects in Portland
- Prioritize public health, economic development, environmental health and equity



Safety

- Pembina DNV-GL 3/17/15 draft
- Pembina DNV-GL 4/2/15 final
- Akana (City consultant) 4/1/15 review
- Northwest Citizen Science Initiative





Figure 1: Overall Site Outdoor Location Specific Individual Risk (LSIR) Contours

QRA 3/16/15



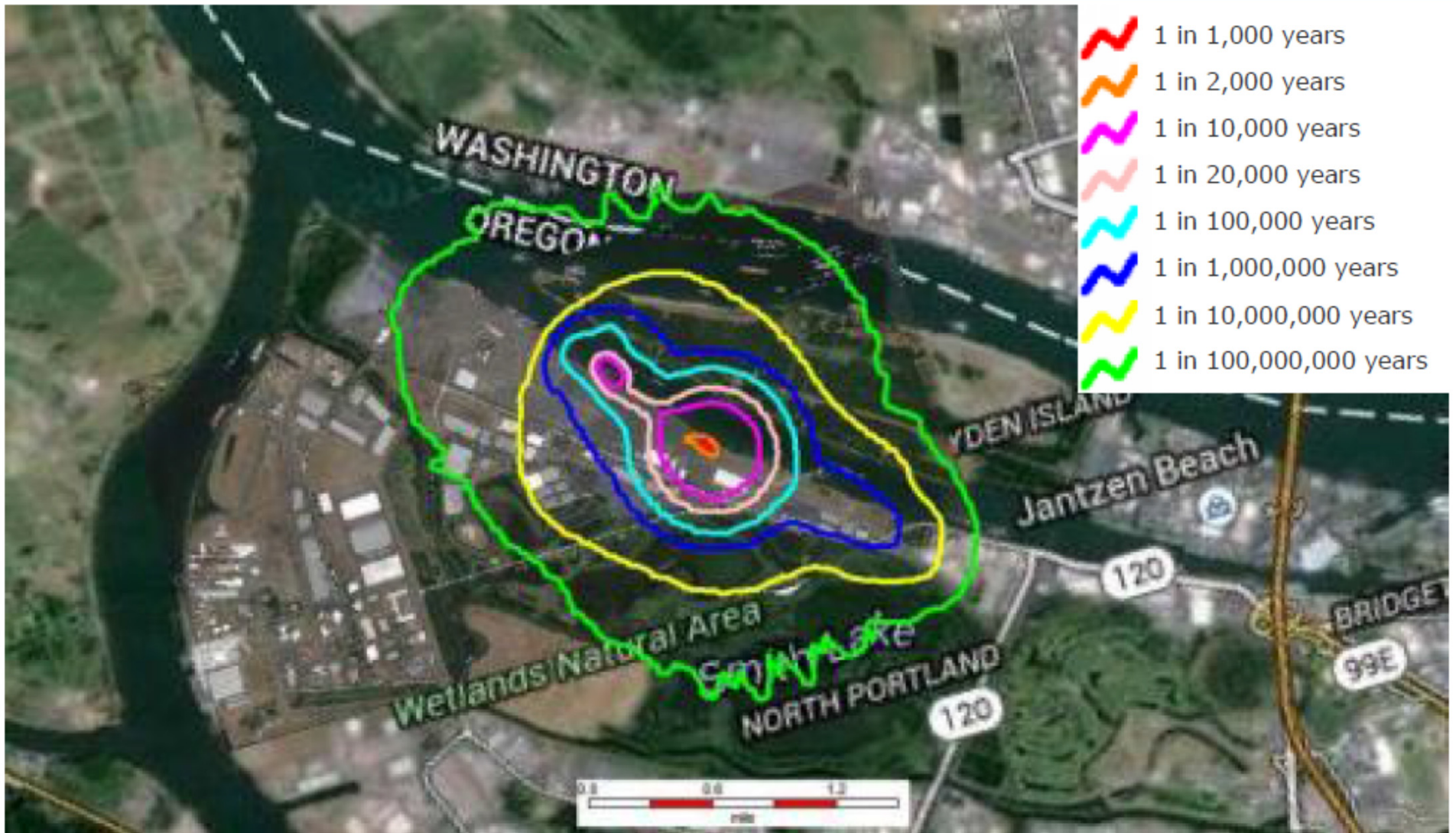


Figure 1: Overall Site Outdoor Location Specific Individual Risk (LSIR) Contours

QRA 4/2/15



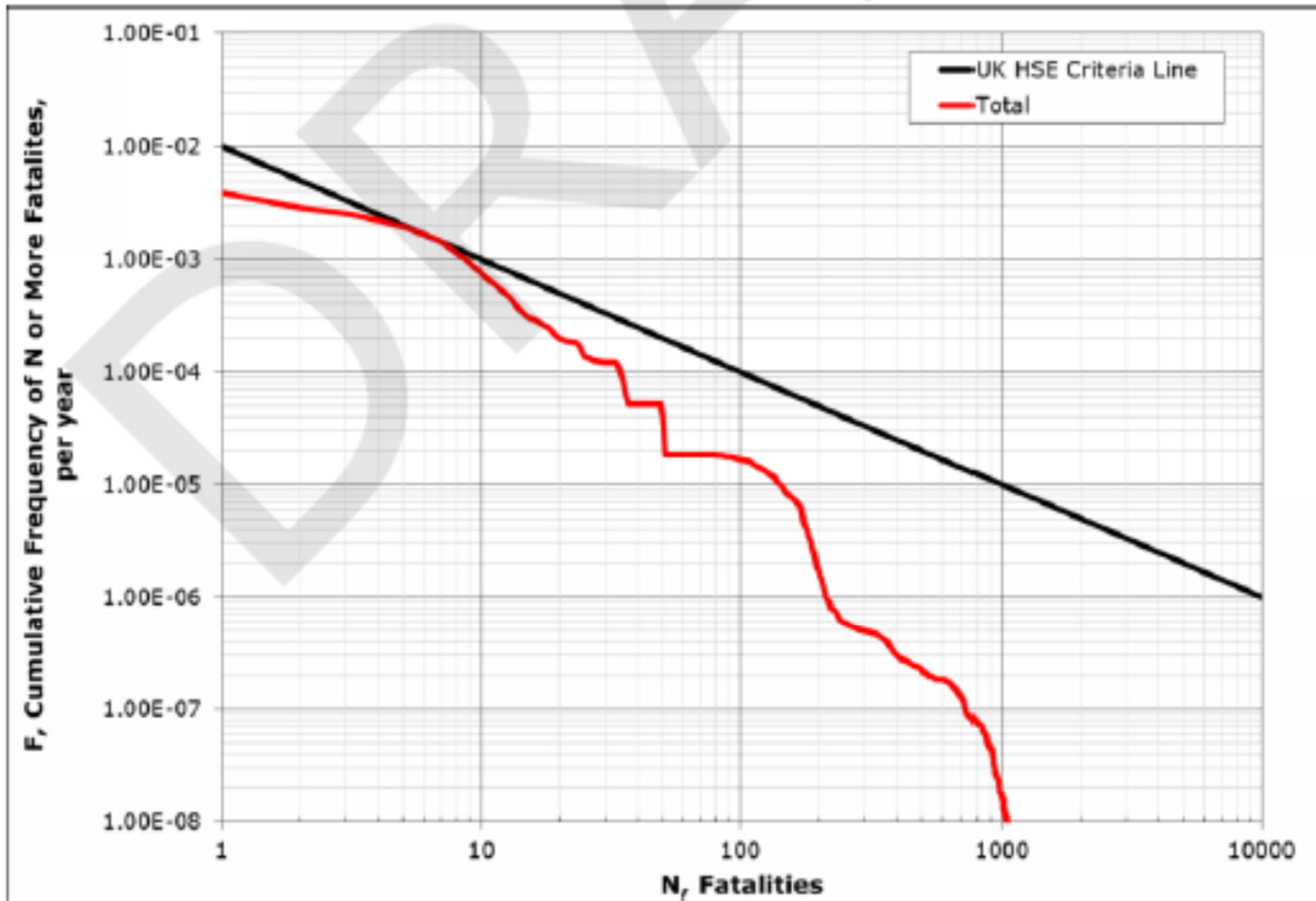


Figure 2: Overall FN Curve Compared to UK HSE Risk Criteria

QRA 3/16/15



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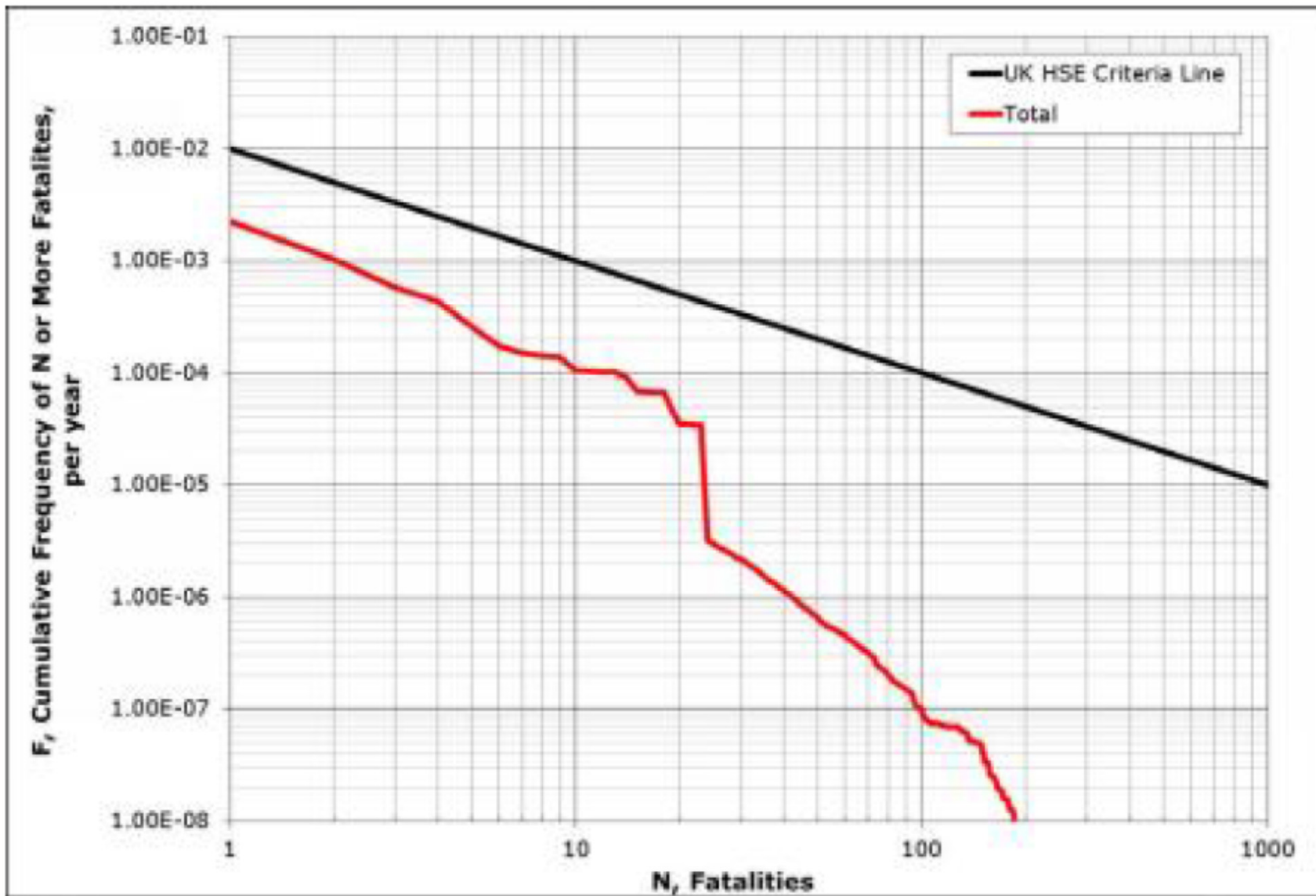


Figure 2: Overall FN Curve Compared to UK HSE Risk Criteria

QRA 4/2/15



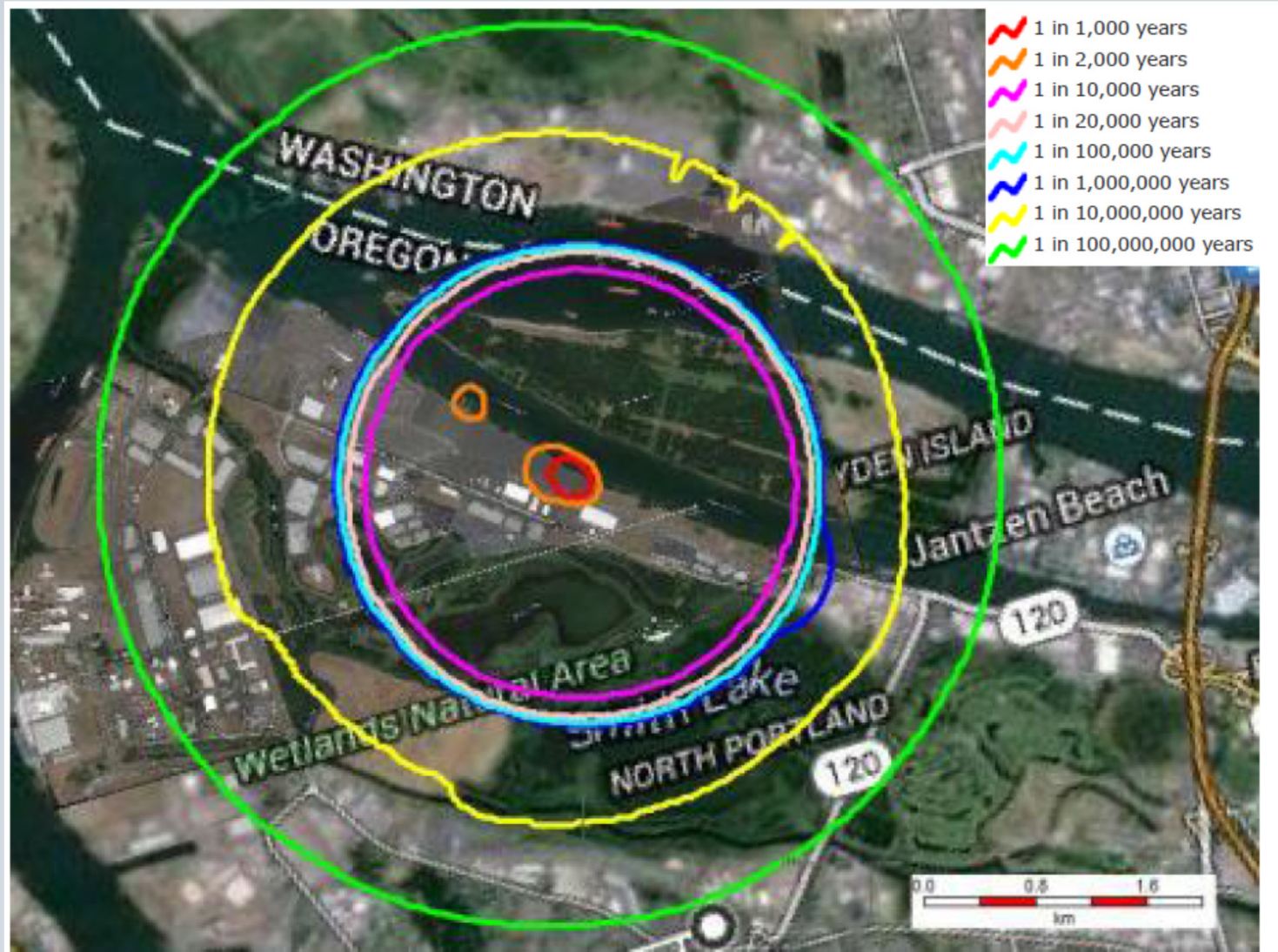


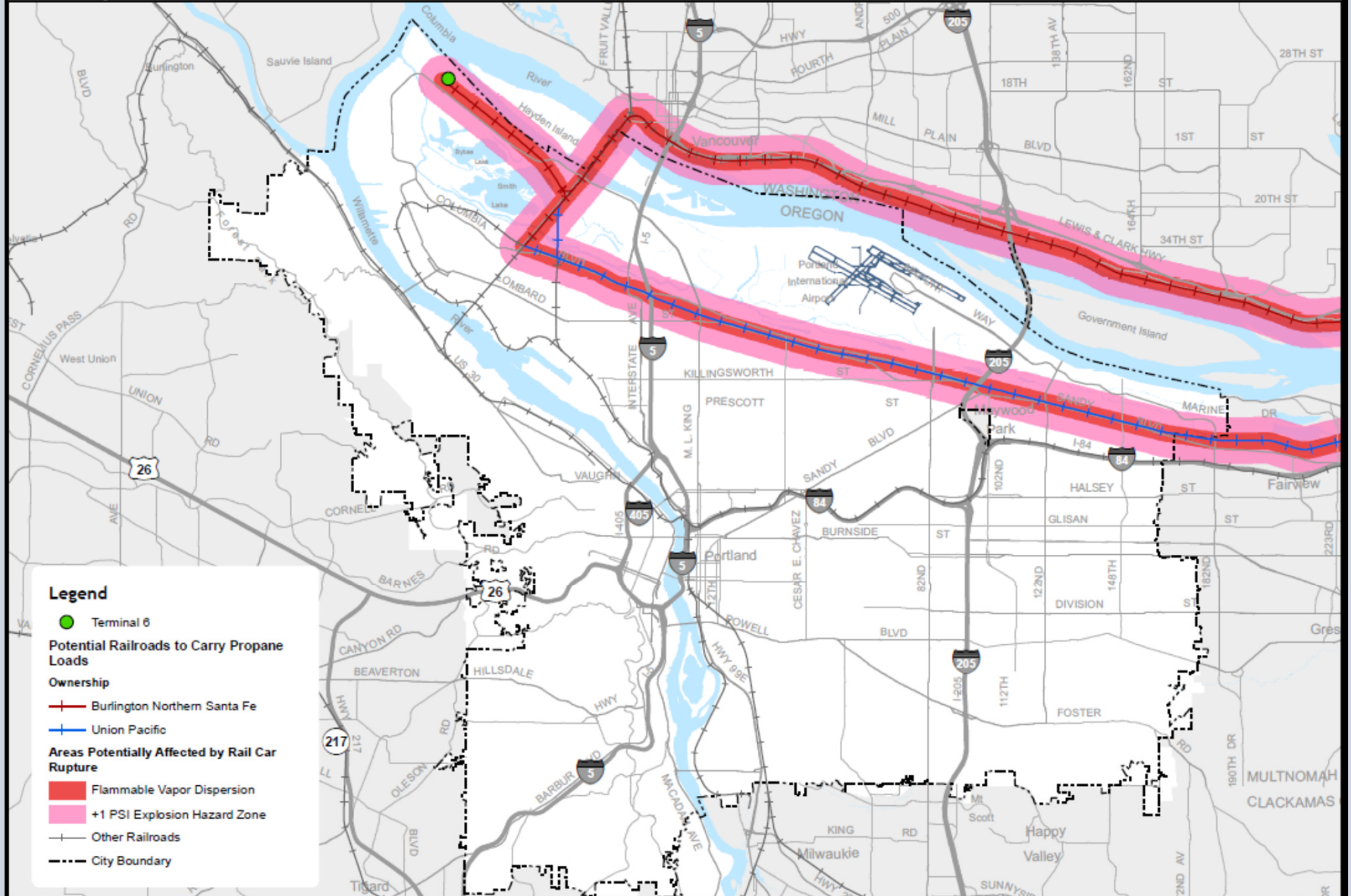
Figure 4-17: Injury Risk Contours

QRA 4/2/15



T6 Propane Terminal

Worst Case Scenario: Rail Car Rupture



ODOT Rail



Public Testimony

- Please fill out a card with your contact information. Submit to Julie.
- Please limit your testimony to 2 minutes.
- Please be courteous of others.
- Please hold your applause.



Motion

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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.



Amendment #1

- 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.



Amendment #2

- 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.



Amendment #3

- 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 \$3 million 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.



Amendment #3

- Amend the IGA framework to add additional Port of Portland commitments identified in the 2/13/15 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.



Amendment #4

- 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.



Amendment #5

- Amend the IGA framework to revise 3.d. to limit renewable energy certificates to only sources from Oregon.



Amendment #6

- 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.



Amendment #7

- 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.



Amendment #8

- Amend the IGA framework to require that the Port require lease terms that ensure the deconstruction of the facility if it ceases operations.



Site Plan







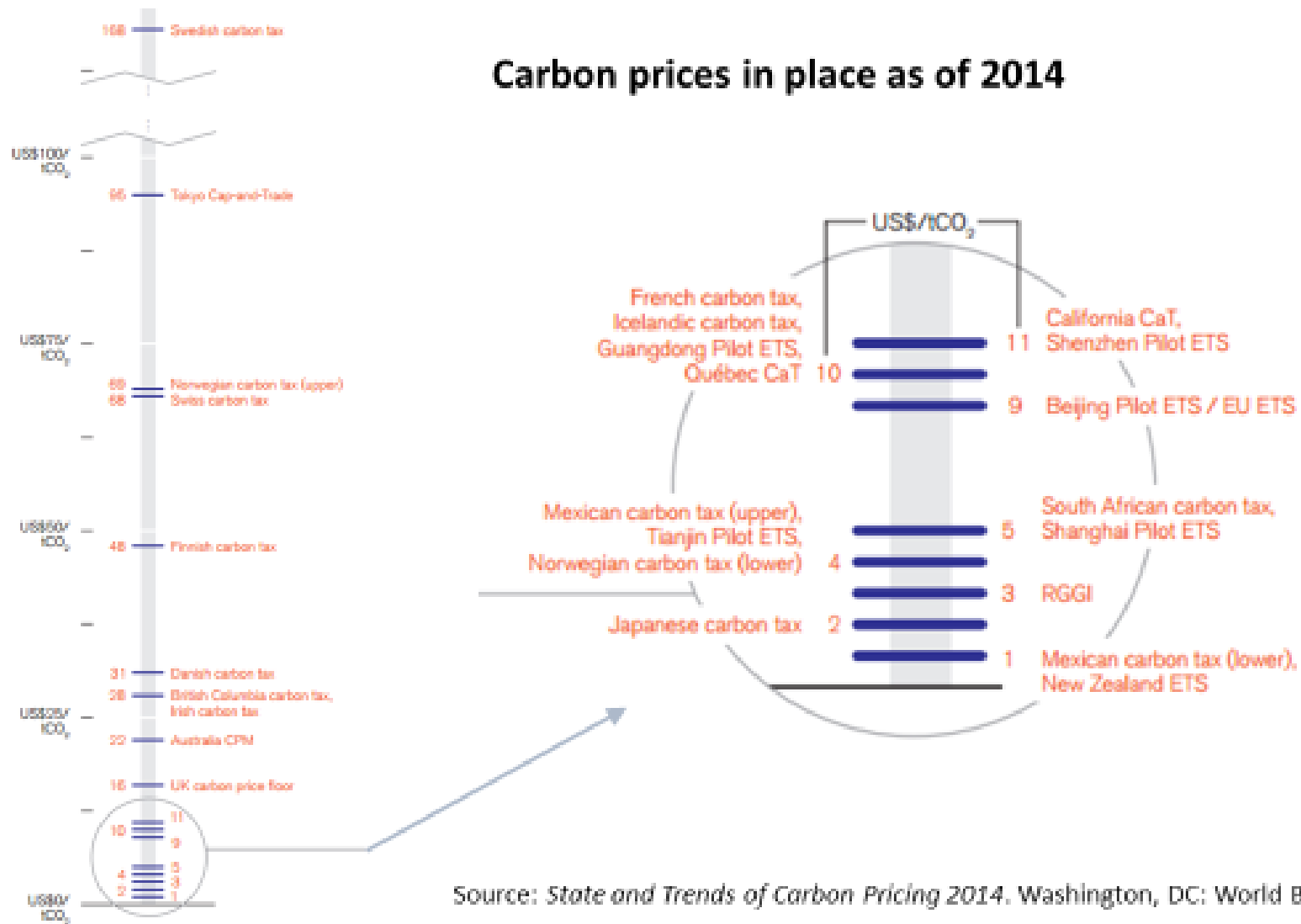


Climate Action Plan

- **3G Fossil Fuel Exports** — Establish a local fossil fuel export policy; at the state level, oppose exports of coal and oil through Oregon.



Carbon prices in place as of 2014



Source: *State and Trends of Carbon Pricing 2014*. Washington, DC: World Bank.



