

**From:** Greg Peden [mailto:GregP@gallatinpa.com]  
**Sent:** Friday, September 16, 2016 3:32 PM  
**To:** Planning and Sustainability Commission <psc@portlandoregon.gov>  
**Cc:** Armstrong, Tom <Tom.Armstrong@portlandoregon.gov>  
**Subject:** PSC Fossil Fuel Zoning Testimony

Dear Planning and Sustainability Commissioners:

Knife River Corporation provides construction materials and contracting services in Portland and around the northwest. They own property within the city of Portland and operate an asphalt terminal on that property. As such, we have concerns regarding the proposed Fossil Fuels ordinance. Specifically we have the following concerns that we are hoping we can work with you to address.

1. Under proposed section 33.920.030 and the attached commentary regarding the definition of fossil fuels, there is reference to products that are excluded from the definition of fossil fuels. However, those exclusions are not specifically in the proposed language of the code. We request that these exclusions be specifically stated in the code and that "asphalt" be included as one of those exemptions. It is unclear to us what legal authority the "commentary" has and as such request this language be placed into the code. We think this is the simplest way to address our concerns and align them with what we believe to be the city's intent relating to fossil fuels.
2. Proposed section 33.920.300 (D) states "industrial, commercial, institutional and agricultural firms that *exclusively* store fossil fuels for use as an input are not Bulk Fossil Fuel Terminals." Assuming fuel used in asphalt is an "input", we read the word "exclusive" as preventing Knife River from selling asphalt to a third party. We request the term "exclusive" be changed to "primarily".
3. Additionally, we believe proposed section 33.920.300 (A) entitled "Characteristics" is vague and confusing. If asphalt was somehow determined to be deemed a "fuel" it appears that Knife River could only "store" up to 5 million gallons. However, we would not be allowed to "trans-load" the asphalt at all. Knife River does not manufacture the asphalt, so by definition we assume we would be considered to "trans-load" the asphalt and as such be in violation of the proposed code. Again we assume that is not the city's intent and as such believe our first recommendation is the best alternative.

Thank you very much for your consideration.

Sincerely,

Greg Peden on Behalf of Knife River Corp.



**Greg Peden**

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