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Scott Gibbens
Public Utility Commission of Oregon
201 High St SE, Suite 100
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Sent via email to: scott.gibbens@state.or.us

Re: Comments on Oregon PUC Docket No. UP 349 – PGE Port Westward tank sale to Global Partners’ oil-by-rail and ethanol terminal.

Dear Mr. Gibbens,

Columbia Riverkeeper (“Riverkeeper”) submits these comments regarding the Public Utility Commission of Oregon’s (“PUC”) Docket No. UP 349. This docket contains a request by Portland General Electric (“PGE”) to sell large tanks and other facilities at Port Westward, Oregon, to Cascade Kelly Holdings LLC, doing business as Columbia Pacific Bio-Refinery, a company owned by Global Partners LP (hereinafter, collectively, “Global”).

The proposed deal between PGE and Global is designed to facilitate increased crude-by-rail and ethanol export activities at Port Westward, Oregon. Riverkeeper respectfully submits that actions, like the proposed sale, that increase crude-by-rail and crude oil export capacity in Oregon are not in the public interest. PGE should demolish these dilapidated tanks and other aging infrastructure and clean up the contamination beneath them¹ instead of selling these assets to Global—a midstream oil corporation with a history of flaunting Oregon’s environmental laws.²

Riverkeeper’s mission is to protect and restore the Columbia River and all life associated with it, from the headwaters to the Pacific Ocean. Riverkeeper represents over 12,000 members and supporters, including residents of the Port Westward and Clatskanie areas who live and farm close to Global’s crude oil and ethanol transloading terminal. Riverkeeper regularly comments on proposals that threaten habitat, water quality, and human safety along the Columbia River.

¹ See Oregon Department of Environmental Quality, *Notice of Proposal to Add Contaminated Property to Confirmed Release List and Inventory* (Feb. 1, 2017) (describing cleanup efforts but noting that “[s]ome contamination remains due to location under footings, etc.”) (online at: <http://www.deq.state.or.us/Webdocs/Controls/Output/PdfHandler.ashx?p=0c773332-ff01-4a76-a048-edd8a6bba0ccpdf&s=CRL-Inventory%20Listing.pdf>).

² See, e.g., Portland Tribune, *DEQ fines Global Oil \$117,000 for permit violation* (April 4, 2014) (online at: <http://portlandtribune.com/scs/83-news/216203-75716-deq-fines-global-oil-117000-for-permit-violation>).

Protecting farmland and riparian and aquatic habitat at Port Westward from fossil fuel export proposals has been a cornerstone of Riverkeeper’s work for many years.

The impacts of PGE’s deal with Global would be felt far beyond Port Westward, in communities along rail lines throughout Columbia County, the Portland area, the Columbia Gorge, and beyond. Increased crude oil storage and offloading capacity at Port Westward very likely means increased crude-by-rail activity in Oregon. In the year following the Mosier oil train derailment and fire, Oregon has struggled to find adequate authority to protect its citizens and its environment from the crude-by-rail industry. As an organization that has lead the fight against crude-by-rail in Oregon, Riverkeeper understands that preventing oil terminals and terminal expansions is one of the few ways that Oregon can control dangerous oil train traffic. The public interest in preventing more oil train traffic—and accidents—in Oregon communities strongly outweighs whatever minor monetary benefit PGE might gain from selling off these aging tanks.

I. The PGE-Global deal is designed to increase crude oil and ethanol transloading at Port Westward.

The agreement between PGE and Global—which the PUC is being asked to bless—is designed to increase oil-by-rail and ethanol offloading, storage capacity, and throughput at Port Westward. Under the proposed sale, and agreements contingent upon the sale, Global would acquire:

- nine bulk liquid storage tanks, totaling 1.2 million barrels of crude oil or ethanol storage capacity³;
- a 20-inch diameter pipeline connecting the nine tanks to the Port Westward dock,⁴ which Global recently expanded to handle 600-foot plus Panamax-class tanker ships; and
- permission from PGE to expand certain rail leads in the Port Westward area and increase rail tank car traffic on those rail leads.⁵

Though Global is not currently shipping crude oil at Port Westward (due to lower-than-expected worldwide crude prices⁶), there is no reasonable argument that this tank sale and agreement are not designed to facilitate future increases in oil-by-rail activity. In fact, the purchase and sale agreement between PGE and Global is contingent upon Global being allowed to use its newly acquired tank farm for the “receipt, storage and distribution of ethanol and crude

³ See Docket No. UP 349, *Application of PGE in regard to the sale of its property*, p.12 (March 14, 2017).

⁴ *Id.*

⁵ Docket No. UP 349, *Application of PGE in regard to the sale of its property*, Exhibit I-1 (“Amended and Restated Rail License Agreement”), p.90 (March 14, 2017).

⁶ See Oregonian, *Oregon oil train terminal owner’s stock crashes amid major layoffs* (Jan. 28, 2016) (online at: http://www.oregonlive.com/environment/index.ssf/2016/01/oregon_oil_train_terminal_owne.html).

oil”⁷ If the price of crude oil rebounds, this deal would help Global become a major player in West Coast crude oil shipping and export.

II. Crude-by-rail and crude oil export is inconsistent with the public interest.

Increasing Global’s capacity to receive crude-by-rail at Port Westward, and export crude oil through the Columbia River estuary, is not “consistent with the public interest.” See OAR 860-027-0025(1)(1). To realistically and transparently evaluate whether PGE’s proposal is consistent with the public interest, the PUC must consider the obvious and intended consequences of the deal between PGE and Global.

The PUC should take note of the multitude of governments and officials throughout the Pacific Northwest that have already concluded that oil-by-rail and crude oil export are not in the public interest. For instance, the cities of Portland, Oregon,⁸ and Vancouver, Washington,⁹ both recently passed resolutions prohibiting new oil-by-rail export terminals. In addition to outright bans on terminals, Multnomah County and the cities of Scappoose, Portland, Cascade Locks, Hood River, Mosier, and The Dalles have passed resolutions opposing, expressing concerns, or seeking additional restrictions on the inherently dangerous practice of crude-by-rail.¹⁰ Many more Washington jurisdictions have passed similar resolutions.¹¹ The Columbia River Inter-Tribal Fish Commission has also called for a halt to crude-by-rail.¹²

Fortunately, the PUC does not need to reinvent the wheel to determine that a large oil-by-rail terminal in the lower Columbia River is contrary to the public interest. When considering the impact on the public interest from Global’s operation, the PUC may properly refer to the proposed Tesoro-Savage oil terminal at the Port of Vancouver, Washington. After the proposed PGE-Global deal, Global would have roughly 1.2 million gallons of crude oil storage capacity—more than half of the crude oil storage capacity proposed at Tesoro-Savage’s massive terminal. In stark contrast to Global’s terminal, the proposed Tesoro-Savage terminal has been subject to a comprehensive state-level permitting review, focused on whether that oil-by-rail terminal’s risks outweigh its potential benefits—essentially, *whether that project is in the public interest*. After years of studies and months of hearings, the Washington Attorney General said: **“The bottom line is that the potential benefits of this project are dramatically outweighed by the**

⁷ Docket No. UP 349, *Application of PGE in regard to the sale of its property*, Exhibit I-1 (“Agreement for Purchase and Sale of Storage Tanks and Real Property”), p.6 (March 14, 2017).

⁸ City of Portland, Oregon, *Ordinance No. 188142* (Dec. 14, 2016) (online at: <https://www.portlandoregon.gov/bps/article/621438>).

⁹ See *The Columbian*, *Unanimous vote bans oil facilities in Vancouver* (July 18, 2016) (online at: <http://www.columbian.com/news/2016/jul/18/unanimous-city-council-vote-bans-oil-facilities-in-vancouver/>).

¹⁰ See <http://www.standuptoool.org/resolutions-and-statements/>.

¹¹ *Id.*

¹² Columbia River Inter-Tribal Fish Commission, *Resolution 14-01* (2014) (online at: <http://www.standuptoool.org/wp-content/uploads/2015/06/Columbia-River-Intertribal-Fish-Commission.pdf>).

potential risks and costs of a spill.”¹³ For detailed explanations about why a large oil-by-rail terminal in the lower Columbia River is not in the public interest, Riverkeeper urges the PUC to review the briefs submitted by Washington State’s Counsel for the Environment,¹⁴ the City of Vancouver,¹⁵ Columbia River tribes,¹⁶ and Riverkeeper¹⁷ in opposition to Tesoro-Savage’s application. As Washington State’s Counsel for the Environment stated, a large oil-by-rail terminal along the Columbia “creates unprecedented and unacceptable risks to the environment and the people of the State of Washington.” This conclusion applies with equal force to the oil-by-rail terminal that the PGE-Global deal would facilitate.

Conclusion

PGE’s proposal would remove significant logistical constraints on Global’s oil- and ethanol-by-rail export operation. With more tank storage and more flexibility to off-load and store rail cars, Global could become among the Pacific Northwest’s largest crude-by-rail terminals. Allowing such an expansion is not consistent with the public’s interests in protecting the Columbia River from spills and pollution, combating climate change, and avoiding more oil-train accidents in Oregon communities.

Sincerely,



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cc’d via email:

Lisa Hardie, Chair, Oregon PUC
Stephen Bloom, Commissioner, Oregon PUC
Megan Decker, Commissioner, Oregon PUC
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¹³ Washington State Office of the Attorney General, *AG opposes Vancouver oil terminal project* (Jan. 29, 2016) (emphasis added) (online at: <http://www.atg.wa.gov/news/news-releases/ag-questions-derailment-data-emergency-plan-vancouver-oil-terminal>).

¹⁴ See http://www.efsec.wa.gov/Tesoro%20Savage/Adjudication/Post%20Hearing%20Briefs/20160906_ENV.pdf.

¹⁵ See http://www.efsec.wa.gov/Tesoro%20Savage/Adjudication/Post%20Hearing%20Briefs/20160906_VAN.pdf.

¹⁶ See http://www.efsec.wa.gov/Tesoro%20Savage/Adjudication/Post%20Hearing%20Briefs/20160906_TRB.pdf.

¹⁷ See http://www.efsec.wa.gov/Tesoro%20Savage/Adjudication/Post%20Hearing%20Briefs/20160906_CRK.pdf.