

## SB 1567 -4, -6, -7 STAFF MEASURE SUMMARY

### Senate Committee On Energy and Environment

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**Prepared By:** Beth Reiley, LPRO Analyst

**Meeting Dates:** 2/7, 2/14

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#### WHAT THE MEASURE DOES:

Requires owners or operators of bulk oils and liquid fuels terminals to conduct and submit **seismic vulnerability assessment** to the Department of Environmental Quality (DEQ) by June 1, 2024. Requires seismic vulnerability assessment to include: 1) seismic risk assessment conducted by qualified professionals using the most recent industry standards; 2) determination of the bulk oils or liquid fuels terminal's vulnerability to liquefaction triggering and liquefaction consequences; 3) determination whether the certain existing structures or supporting facilities have been designed, improved or retrofitted to reduce potential for significant structural damage in event of a Cascadia Subduction Zone earthquake; and 4) determination of most vulnerable structures to seismic risks and the potential of those structures to maintain safe operating conditions or safe shut down procedures. Requires DEQ to review and approve seismic vulnerability assessments. Authorizes Environmental Quality Commission (EQC) to adopt additional requirements for the seismic vulnerability assessment by rule and to require owner to submit updates under certain circumstances no more than once every three years. Requires DEQ to submit report on seismic vulnerability assessments to interim committees of Legislative Assembly by November 1, 2024.

Requires owner or operator of bulk oils or liquid fuels terminal to properly implement **seismic risk implementation plan** approved by DEQ. Directs EQC to, by rule, adopt seismic risk mitigation program for bulk oils or liquid fuels terminals. Authorizes DEQ to establish fee to defray portion of seismic risk mitigation program not appropriated by Legislative Assembly to be paid by owner or operator of bulk oils or liquid fuels terminal.

Requires Oregon Department of Energy (ODOE) to develop **energy security plan** that meets certain criteria and report plan to interim committees of Legislative Assembly by January 1, 2024. Requires ODOE to report on energy security plan implementation and revisions no later than September 15<sup>th</sup> of each even-numbered years. Establishes Energy Security Plan Fund to be appropriated for the purpose of developing, implementing, reviewing and revising the energy security plan.

Takes effect on 91st day following adjournment sine die.

#### ISSUES DISCUSSED:

- Current operation requirements
- Available emergency response resources during Cascadia Subduction Zone earthquake
- Additional infrastructure issues resulting from Cascadia Subduction Zone earthquake

#### EFFECT OF AMENDMENT:

-4 Replaces the measure. Requires owners or operators of bulk oils and liquid fuels terminals located in Columbia, Multnomah, or Lane Counties to conduct and submit **seismic vulnerability assessment** to the Department of Environmental Quality (DEQ) by June 1, 2024. Requires seismic vulnerability assessment to include: 1) seismic risk assessment conducted by qualified professionals using the most recent industry standards; 2) determination of the bulk oils or liquid fuels terminal's vulnerability to liquefaction triggering and liquefaction consequences; 3) determination whether the certain existing structures or supporting facilities have been designed, improved or retrofitted to reduce potential for significant structural damage in event of a Cascadia Subduction Zone earthquake; and 4) determination of most vulnerable structures to seismic risks and the potential of those

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structures to maintain safe operating conditions or safe shut down procedures. Requires DEQ to review and approve seismic vulnerability assessments. Authorizes Environmental Quality Commission (EQC), **in consultation with the State Department of Geology and Mineral Industries (DOGAMI)**, to adopt additional requirements for the seismic vulnerability assessment by rule and to require owner to submit updates under certain circumstances no more than once every three years. Requires DEQ to submit report on seismic vulnerability assessments to interim committees of Legislative Assembly by November 1, 2024.

Requires owner or operator of bulk oils or liquid fuels terminal to properly implement **seismic risk implementation plan** approved by DEQ. Directs EQC **in consultation with the DOGAMI** to, by rule, adopt seismic risk mitigation program for bulk oils or liquid fuels terminals that is based on risk. Authorizes DEQ to establish fee to defray portion of seismic risk mitigation program, **considering any federal funds received by DEQ**, not appropriated by Legislative Assembly to be paid by owner or operator of bulk oils or liquid fuels terminal.

Requires Oregon Department of Energy (ODOE) to develop **energy security plan** that meets certain criteria and report plan to interim committees of Legislative Assembly by January 1, 2024. Requires ODOE to report on energy security plan implementation and revisions no later than September 15<sup>th</sup> of each even-numbered years. Establishes Energy Security Plan Fund to be appropriated for the purpose of developing, implementing, reviewing and revising the energy security plan. Requires DEQ to report to Legislative Assembly, including recommendations for legislation no later than November 1, 2024 on information received from the seismic vulnerability assessments and policy recommendations for applying Act to additional regions of the state based on risk to region earthquake or tsunami.

Takes effect on 91st day following adjournment sine die.

- No Revenue Impact
- Fiscal Statement Issued

-6 Requires that a clean energy plan submitted to the Public Utility Commission and the Department of Environmental Quality by a utility, examine opportunities for integrating offshore wind energy and renewable hydrogen production, as defined by Act, into the electric system.

-7 Combines the -4 and -6 Amendment.

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to defray portion of seismic risk mitigation program, *considering any federal funds received by DEQ*, not appropriated by Legislative Assembly to be paid by owner or operator of bulk oils or liquid fuels terminal.

Requires Oregon Department of Energy (ODOE) to develop **energy security plan** that meets certain criteria and report plan to interim committees of Legislative Assembly by January 1, 2024. Requires ODOE to report on energy security plan implementation and revisions no later than September 15<sup>th</sup> of each even-numbered years.

Establishes Energy Security Plan Fund to be appropriated for the purpose of developing, implementing, reviewing and revising the energy security plan. Requires DEQ to report to Legislative Assembly, including recommendations for legislation no later than November 1, 2024 on information received from the seismic vulnerability assessments and policy recommendations for applying Act to additional regions of the state based on risk to region earthquake or tsunami.

Requires that a clean energy plan submitted to the Public Utility Commission and the Department of Environmental Quality by a utility, examine opportunities for integrating offshore wind energy and renewable hydrogen production, as defined by Act, into the electric system.

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**BACKGROUND:**

Oregon's Critical Energy Infrastructure (CEI) Hub is a six-mile stretch of facilities on the Willamette River in Northwest Portland. According to the 2019 Oregon Seismic Safety Policy Advisory Commission's report (Report), CEI Hub Mitigation Strategies the CEI Hub contains:

- over 90% of the state's liquid fuel supply and 100% of the jet fuel for PDX airport;
- tanks with the capacity of over 8.6 million barrels of various forms of liquid products;
- 46 large above-ground liquid fuel tanks; and
- all of Oregon's major liquid fuel port terminals.

The CEI Hub also contains liquid fuel and natural gas pipelines and transfer stations, and a liquefied natural gas storage facility. In order to support the fuel infrastructure, high voltage electrical substation and transmission lines are also located on the same property. According to the Report some fuel tanks at the CEI Hub are more than 100 years old, and the majority were built 50 or more years ago.

According to the Department of Geology and Mineral Industries 2012 Earthquake Risk Study for Oregon's CEI Hub the vast majority of the CEI Hub is located on soil subject to liquefaction and lateral spreading in an earthquake. According to the Report, the likelihood of the next Cascadia Subduction Zone event occurring in the next 50 years is 37 percent.

Senate Bill 1567 requires the owners or operators of bulk oils and liquid fuels terminals to conduct seismic vulnerability assessment and implement a seismic risk implementation plan approved by the Department of Environmental Quality. The Act requires the Oregon Department of Energy to develop an energy security plan.