



# Oregon

Kate Brown, Governor

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DATE: February 4, 2022

TO: Senate Energy and Environment Committee

FROM: Abby Boudouris, Legislative Analyst

SUBJECT: SB 1567 of 2022 Session

The environmental and public health hazards from petroleum storage are significant for facilities with large capacity above ground storage located in Oregon. A Cascadia Subduction Zone earthquake impacting those facilities could create widespread environmental damage, impacts to the health of surrounding communities, and place impossible demands on current emergency response capacities across western Oregon. While DEQ does not currently have a role in seismic resiliency, DEQ has several related roles including oil spill contingency planning, direct emergency response, and oversight of the cleanup of oil impacted soil, groundwater, and waterways.

DEQ implements the Oil Spill Prevention and Contingency Planning Program for vessels, oil pipelines transporting large quantities of petroleum in bulk, and large facilities that transfer petroleum over water. This program requires oil spill planning and preparedness to ensure protection of the navigable waters of the Columbia and Willamette Rivers and Oregon's coastal zone. DEQ works with industry to develop response strategies and tactics to help mitigate the impacts to human health and the environment when spills occur. DEQ also plans, staffs, and evaluates drills and exercises to ensure that plan holders in the program can respond to spills under the National Incident Management System.

DEQ's Emergency Response program responds to spills of oil and hazardous materials statewide. DEQ receives over 2,000 incident notifications from the Oregon Emergency Response System each year, representing the largest volume of OERS reports managed by any local or state agency. DEQ receives notifications of "reportable releases" 24 hours a day, seven days a week.

The DEQ Environmental Cleanup program protects human health and the environment by identifying, investigating, and remediating sites contaminated with hazardous substances including petroleum. The program's objective is to improve sites to the point where no further cleanup action is necessary to return them to productive use. Contamination may occur from current or former operating practices that resulted in releases of hazardous substances discovered during environmental assessments or complaints.

Additionally, DEQ implements through Federal delegation of authority the Underground Storage Tank (UST) program in Oregon. We require that storage tanks meet specific design, operation, and monitoring standards. We regularly inspect to see that the tanks are operated safely, and problems discovered are corrected quickly. Above ground tanks are not regulated by DEQ's UST program, but the issues and methods are analogous to those proposed in this bill. Fuel storage facilities have a wide variety of equipment, engineering, and operational considerations. They are supported by many different subject matter experts and organizations who develop essential industry operation and safety standards. The UST program routinely incorporates such industry standards, inspection protocols and outside professionals in our regulatory work so we

can be most effective and efficient.

To implement DEQ work described in SB 1567, DEQ would utilize a combination of new staff and contracted experts. Because of the unique engineering expertise needed and the compressed schedule, DEQ would rely on external engineers. They would be needed to both develop sound program assessment and mitigation criteria, and to help with engineering review of an estimated 24 assessment and mitigation plans. The required rulemaking effort would include a robust and interactive public involvement process. To do so in roughly one year is an ambitious but achievable goal matching the urgency of this risk.

The proposal to assess and mitigate the risk and scope of earthquake damage to large fuel storage facilities could prevent or limit problems before they occur. In the event of a Cascadia Subduction Zone earthquake, existing (but limited) emergency response resources are not expected to be quickly available for the facilities or the communities surrounding these tanks. Public health and our ecosystems cannot be protected by response alone.

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