

HB 3450 -1, -2 STAFF MEASURE SUMMARY

House Committee On Emergency Management, General Government, and Veterans

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Meeting Dates: 2/27, 4/8

WHAT THE MEASURE DOES:

The measure requires the Oregon Department of Energy develop an energy storage transition plan for the critical energy infrastructure hub.

Detailed Summary

- Defines ‘Critical Energy Infrastructure Hub’ as bulk oils or liquid fuel terminals as defined in ORS 468B.510.
- Requires the Oregon Department of Energy develop an energy storage transition plan for the critical energy infrastructure hub; describes report requirements.
- Requires the department to engage with stakeholders, experts, community members, government agencies and others to develop plan.
- Requires the department to assess the potential for requiring owners or operators of bulk oils or liquid fuel terminals to obtain insurance, bonds, or other evidence of financial assurance for potential release of fuels due to an earthquake.
- Allows that the department may work with the National Policy Consensus Center at Portland State University to coordinate and develop plan.
- Requires the department to submit a report and recommendations to the Legislature no later than December 15, 2026.
- Repeals the Act on January 2, 2027.
- Takes effect on the 91st day following adjournment sine die.

Fiscal impact -1: Fiscal impact issued

Revenue impact -1: No revenue impact

ISSUES DISCUSSED:

- Concerns about the environmental impact of fuel and oil spills
- Interest in including other agencies in the planning process, including the Oregon Department of Emergency Management

EFFECT OF AMENDMENT:

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- Adds the Oregon Department of Emergency Management, the State Fire Marshall, and the State Resilience Officer to the list of agencies the department will cooperate with to develop the plan.
- Requires the department to report to the interim committees of the Legislature related to emergency management, instead of energy.

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- Inserts ‘whereas’ clauses to describe the reason for the measure.
- Defines ‘Critical Energy Infrastructure Hub’ as bulk oils or liquid fuel terminals as defined in ORS 468B.510, located on the bank of the Willamette River in the City of Portland.
- Defines the terms oil and hydrocarbons.
- Requires the Oregon Department of Energy develop a comprehensive plan for safer fuel storage for the critical energy infrastructure hub; describes report requirements.

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- Requires the department to cooperate with the Department of Environmental Quality, the Department of Land Conservation and Development, the Department of the State Fire Marshal, the Oregon Department of Aviation and the Oregon Department of Emergency Management on the plan.
- Requires consultation with other agencies on the plan; lists the agencies required.
- Requires the department to convene and work group to advise the department on the development of the plan.
- Allows that the department may engage with the National Policy Consensus Center at Portland State University to coordinate and develop plan.
- Requires the department to consult with the Labor Education and Research Center at the University of Oregon regarding elements of the plan related to maintaining a skilled and trained workforce, as well as workforce transition planning.
- Requires the department to consider state and local laws, polices and targets; lists polices and targets for consideration.
- List requirements of the plan; including suggested pathways, models, and structures. Lists reporting requirements.
- Requires the department to submit a report and recommendations to the interim committees of the Legislative Assembly related to energy, no later than December 15, 2026. Lists reporting requirements.
- Repeals the Act on January 2, 2027.
- Takes effect on the 91st day following adjournment sine die.

BACKGROUND:

Oregon Revised Statutes 468B.510 describes “bulk oils or liquid fuels terminal” as industrial facilities located in Columbia, Multnomah or Lane County that are primarily engaged in the transport or bulk storage of oils or liquid fuel products and are characterized by having: marine, pipeline, railroad or vehicular transport access; transloading facilities for transferring shipments of oils or liquid fuel products between transportation modes; and one or more bulk storage tanks with a combined capacity of two million gallons or more.

According to Multnomah County, 90% of all liquid fuel in Oregon is stored at these facilities which are commonly called the Critical Energy Infrastructure Hub (CEI Hub). Built before the current understanding of the Cascadia Subduction Zone and potential earthquake risk, the CEI Hub is built on soil that has the potential to liquify in a major earthquake.