HB 3450-2
(LC 3523)
3/28/25 (STN/ps)

Requested by Representative TRAN

PROPOSED AMENDMENTS TO
HOUSE BILL 3450

On page 1 of the printed bill, after line 2, insert:

"Whereas in the event of a major seismic event, fire, train derailment or other disaster, the storage of liquid fuels, oils and chemicals at the critical energy infrastructure hub presents a critical environmental, health and safety risk and threatens Oregon's energy supply resilience; and

"Whereas because the critical energy infrastructure hub holds 90 percent of Oregon's fuels on liquefiable soils along a major Oregon river within the state's largest urban area, a forward-looking plan for bulk fuel storage that addresses these risks is essential to enhance long-term infrastructure safety and reliability to meet the state's evolving energy requirements and to protect Oregon's environmental and public health; now, therefore,".

Delete lines 4 through 29 and delete page 2 and insert:

"SECTION 1. (1) As used in this section:

"(a) 'Critical energy infrastructure hub' means all bulk oils or liquid fuels terminals, as defined in ORS 468B.510, located on the west bank of the Willamette River in the City of Portland.

"(b) 'Oil' or 'oils' means:

"(A) Oil, including gasoline, crude oil, bitumen, synthetic crude oil, natural gas well condensate, fuel oil, diesel oil, lubricating oil, sludge, oil refuse and any other petroleum related product;

"(B) Hydrocarbons; and

"(C) Liquified natural gas.

"(2) The purpose of this section is to develop a comprehensive plan for safer fuel storage at the critical energy infrastructure hub and to protect the public and the waters of the state from spills, releases or discharges of oil, hydrocarbons, liquid fuels or hazardous material from the critical energy infrastructure hub due to earthquake, fire, train derailment, flood or other disaster.

"(3) The State Department of Energy, in cooperation 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, shall develop an energy storage transition plan for oils and liquid fuels stored at the critical energy infrastructure hub.

"(4) In developing the plan, the State Department of Energy shall consult with the agencies listed in subsection (3) of this section, other relevant agencies and:

"(a) Federally recognized Indian Tribes;

"(b) Local governments;

"(c) Affected communities, including community members with a diversity of interests, perspectives, expertise, socioeconomic backgrounds and education;

"(d) Consumer and business end-users of oil and liquid fuels.

"(e) Technical experts;

"(f) Researchers, including the Labor Education and Research Center at the University of Oregon;

"(g) Industry stakeholders; and

"(h) Other interested parties.

"(5) The department shall convene a work group to advise the department on the development of the plan and on engagement with in-

terested parties described in subsection (4) of this section.

"(6)(a) The department may engage the services of the National Policy Consensus Center at Portland State University to coordinate engagement with interested parties described in subsection (4) of this section and assist in the development of the plan.

"(b) The department shall 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 for emergency response, seismic retrofiting, construction and deconstruction at the critical energy infrastructure hub, as well as protecting frontline communities and workers and workforce transition planning.

"(7) In developing the plan the department shall consider, at a minimum:

"(a) State and local laws, policies and targets regarding energy and greenhouse gas emissions, including but not limited to the climate protection program, as defined in ORS 468A.295.

"(b) State and local laws, policies and targets regarding land use, including but not limited to the statewide land use planning goals.

"(c) Natural resource impacts.

"(d) Existing energy and integrated resource plans.

"(e) Energy-related studies and data analyses, including but not limited to seismic, fire and derailment vulnerabilities of petroleum and nonpetroleum based oils and fuels.

"(f) Studies and reports regarding the seismic vulnerabilities of the critical energy infrastructure hub.

"(g) Risk and emergency preparedness studies and reports regarding nonseismic vulnerabilities, including but not limited to fire, flood and train derailment.

"(h) Regulatory requirements, including but not limited to the requirements under ORS 468B.510 to 468B.525, and any residual risk after

regulatory requirements have been met.

"(i) Energy resilience, as defined in section 29, chapter 508, Oregon Laws 2021.

"(8) The energy storage transition plan shall identify a preferred pathway and several alternative pathways for transitioning to safer fuel storage. Each pathway must describe short, medium and long-term goals for the critical energy infrastructure hub and include proposed timelines and measurable targets for meeting those goals and specific recommendations for implementation. The plan may provide a suite of options for each of the goals, with tradeoffs for each option included in the plan and comparison to the status quo. The plan must include evaluation of:

"(a) Alternative fuel storage and distribution models for Oregon's liquid fuel supplies that are safer for Oregon's population and its biodiverse environment, including but not limited to floating storage, system upgrades, inland relocation and hybrid models;

"(b) Alternative ownership or operating management structures that promote energy resilience and unified environmental risk management, including but not limited to joint ventures, public-private partnerships and public management;

"(c) Energy security and resilience, including the need for a dispersed fuel supply in the case of a natural disaster;

"(d) Opportunities for a skilled and trained workforce to perform deconstruction, seismic retrofit or new construction work at the critical energy infrastructure hub, and related infrastructure;

"(e) Opportunities for protecting frontline communities and protecting workers at the critical energy infrastructure hub;

"(f) Workforce transition planing to protect workers at the critical energy infrastructure hub, and related infrastructure, and workers in adjacent industries;

"(g) The environmental and social impacts of energy storage transition, including but not limited to options for decommissioning tanks, and the community benefits of restoring the area for alternative environmental, recreational, affordable housing or small business uses;

"(h) Market considerations, including but not limited to forecasted changes in needed fuel storage capacity due to changing energy needs and source mix, the feasibility of limiting critical energy infrastructure hub storage and throughput to ensure levels do not exceed those needed for Oregon and local southwest Washington markets and minimizing unnecessary risk from export fuels;

"(i) Funding mechanisms, including but not limited to potential incentives to support the preferred and alternative pathways; and

"(j) Any other relevant concerns raised by stakeholders or the public.

"(9) The plan must include explanation of:

"(a) The reasons for selecting the preferred and each alternative pathway.

"(b) An implementation roadmap for each pathway.

"(c) Recommendations for actions by the state necessary to implement the preferred pathway.

"SECTION 2. The State Department of Energy shall submit the energy storage transition plan developed under section 1 of this 2025 Act in a report to the interim committees of the Legislative Assembly related to energy, in the manner provided under ORS 192.245, no later than December 15, 2026. The report must include:

"(1) A summary of the preferred and alternative pathways to achieving the objective of safer fuel storage;

"(2) A description of the department's engagement process with the public, communities, governments, experts, labor and industry stakeholders and how those perspectives informed the plan; and

"(3) Recommendations for legislation or policy changes necessary to implement the plan.

"SECTION 3. Sections 1 and 2 of this 2025 Act are repealed on January 2, 2027.

"SECTION 4. This 2025 Act takes effect on the 91st day after the date on which the 2025 regular session of the Eighty-third Legislative Assembly adjourns sine die.".
