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House Bill 3450

The Honorable Thuy Tran
900 Court St. NE, H-285
Salem, Oregon 97301

Dear Representative Tran:

I am a resident of Portland and a retired engineer with over 35 years of industry experience, including most recently managing a $530 million crude oil storage and pipeline project for Chevron and ExxonMobil in Kazakhstan. I am presently the Chair of the Oregon Hanford Cleanup Board but am offering this testimony independent of any affiliation.

Leveraging my expertise in capital project management within the oil and gas industry, I can provide guidance to ensure House Bill 3450 is structured around a management framework that delivers a range of viable, actionable alternatives for legislative consideration. Integrating a project management framework into House Bill 3450 will establish a clear path to help the State make informed, strategic decisions toward developing an energy storage transition plan that aligns with industry best practices.

I would like to offer the following suggestions on **House Bill 3450:**

1. Include in the beginning of Section 1, an opportunity statement such as "In the event of a major seismic event, the storage of petroleum hydrocarbons along the Willamette River presents a critical environmental risk and threatens Oregon's energy supply resilience. An updated, forward-looking strategy is essential to mitigate these risks and enhance long-term infrastructure reliability to meet the State's evolving energy requirements." This statement will highlight the principal issues the Bill is designed to address and outline the high level objective.

2. Also in Section 1:

    a. Direct the agencies to benchmark three to five comparable petroleum storage and distribution sites, identifying key features, risks and mitigations. Benchmarking is essential to identify industry wide best practices as well as approaches to avoid. It also helps identify challenges to implementation that the study must address.

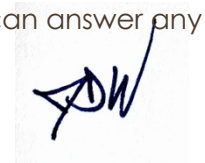
    b. Identify three to five alternatives, including maintaining the status quo. Conduct a preliminary assessment of the critical factors necessary for decision-making, including but not limited to cost, schedule, technical feasibility, environmental and social impact, regulatory and compliance requirements, market considerations, and the implementation roadmap. This step ensures a comprehensive evaluation of potential pathways, mitigating bias and enabling the study team to present a well-balanced, data-driven analysis.

    c. Recommend to the Legislature the next steps needed to develop one or more of the alternatives for action by the State. It is likely that at least one alternative must be developed in more detail before an overall decision can be made. For example, an engineering study, a formal environmental impact statement or a funding mechanism may be needed before final action can be taken. However, there is often "low hanging fruit" that industry partners can implement immediately to reduce risk or address market requirements.

While some may raise concerns about the cost and feasibility of implementing these recommendations, it is important to recognize that structured benchmarking and alternative assessments will help ensure that any proposed actions are cost-effective, practical, and aligned with industry best practices. By taking a systematic approach, the Legislature can prioritize efforts that provide the highest return on investment, both in terms of risk mitigation and long-term energy resilience

I appreciate the opportunity to provide input on this critical issue, and I urge the Legislature to incorporate these structured, results-driven measures into the bill to ensure its success. Please let me know if I can answer any questions or be of further assistance.

Sincerely,



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