

OIL TRANSPORTATION & SPILL RISK IN WASHINGTON STATE

Presented to Puget Sound Partnership Oil Spill Work Group

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Changes in movement of oil in and out of the state

- BP Cherry Point
- Phillips 66 Ferndale Refinery
- Tesoro Anacortes Refinery
- Shell Puget Sound
- Targa Sound Terminal
- US Oil and Refining
- Westway Terminal
- US Development
- Imperium Biodiesel
- Tesoro Savage Terminal

- Increase demand and production of oil sands from Canada, and Bakken shale oil from Montana and North Dakota.
- Change in mode of transportation of oil from vessel to rail.
- There are 10 existing and proposed terminals that could receive crude oil by rail.

Proposed & expanding facilities



Proposed Puget Sound Projects

Gateway Pacific Terminal	Projected Increase
Bulk carriers	new 487 ships/yr
Oil barges	new 228 fueling operations/yr

Kinder-Morgan TransMountain Pipeline & Burnaby export terminal	Projected Increase
Oil tankers	additional 358 ships/yr
Bunkering	additional 100 fueling operations/yr

Proposed Projects - Vancouver, BC area

Proposed Projects	Projected Increase
Deltaport expansion	Container ships = additional 15/yr Bunkering = additional 6 fueling operations/yr
Westshore expansion adjacent to Deltaport	Coal (bulk) ships = additional 104/yr Bunkering = additional 49 fueling operations/yr
Neptune	Bulk ships = additional 176/yr Bunkering = additional 83 fueling operations/yr
Fraser Surrey Docks/Texada	Coal (bulk) ships = new 40/yr Bunkering = new 19 fueling operations/yr
Richardson Grain	Grain (bulk) ships = additional 28/yr Bunkering = additional 13 fueling operations/yr
Deltaport expansion (Creating a new Terminal 2)	An uncertain number of container ships & fueling operations

What does this all mean?

Implications for Washington State Spill
Prevention, Preparedness & Response

Why are we concerned?



- More traffic from vessels and rail in and along our waterways.
- Several initiatives examining the oil spill risk associated with increasing vessel traffic in the state and particularly within Puget Sound and adjacent waters. These include:
 - Puget Sound Partnership / Ecology sponsored Vessel Traffic Risk Assessment(VTRA)
 - Gateway Pacific Terminal (GPT) Vessel Traffic Study
 - BP follow-on Vessel Traffic Assessment
 - US Coast Guard analysis comparing US and Canadian marine safety and environmental protection standards
 - US Coast Guard assessment of Canadian oil sands transportation risk
 - Several additional rail/vessel oil movement projects in Grays Harbor and on the Columbia River

Why are we concerned?

- Lack of prevention and response preparedness planning due to gaps in the state's regulatory authority for rail
- Oil property characteristics, what it might mean for:
 - ▣ Health and human exposure
 - ▣ Responder safety
 - ▣ Current cleanup technology in regards to the “sinking” oil
- Gaps in incident response framework between rail companies and the state adopted incident command system
- Anticipated decline in revenue to support Spills Program work
 - ▣ Crude coming into our state's refineries by ship are taxed (Oil Spill Administration Tax – commonly known as the barrel tax) per barrel of oil
 - ▣ Crude coming into our state by rail and pipeline are not taxed

Proposed Action



- 2014 Legislative Session
 - Eliminating the Vessel Response Account
 - No longer need for funding Neah Bay Response Tug
 - Change of definition of “oil”
 - Concern that current definition does not include undiluted bitumen
- 2015 Legislative Session
 - Additional resources to address increased risk as findings and recommendations from risk assessment studies and other gap analysis

What's Next?

Budget, Planning and Legislative Session

Budget & Program Planning



- Program budget is in take with all proposed budget legislation
- Ecology is in the 2013-15 Program Planning cycle
 - ▣ Program Plan expected July 2013
 - ▣ Update Strategic Plan to include:
 - New initiatives include analysis of risk posed by new and changing oil movement.
 - Risk assessment and management – outcome of risk studies

Legislation Timeline

Legislative Track 2014 -2015



- Agency Request Legislation (Initial Proposal)
- Budget Briefing Paper
- Draft Legislative Focus Sheet (Problem, Solution, Proposal Statements)
- Request Legislation Development Plan

- Draft Bill Language
- Decision Package
- Stakeholder Meetings
 - PSP Oil Spill Workgroup
 - Puget Sound Harbor Safety Committees
 - Tribes (G-G consultation)
 - Industry
 - Local officials and communities

- Identify legislative staff and potential sponsors
- Engage stakeholders in detail discussions

- Pre-file agency request legislation
- Supplemental session starts

QUESTIONS?

For more information:

Website:

<http://www.ecy.wa.gov/programs/spills/spills.html>

NWAC: www.rrt10nwac.com

How to report a spill: 1-800-OILS-911

Thank You.