OIL TRANSPORTATION & SPILL RISK IN WASHINGTON STATE

Presented to Puget Sound Partnership Oil Spill Work Group

Dale Jensen, Program Manager
Spill Prevention, Preparedness & Response Program
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.
Entrance to Strait of Juan de Fuca

Entrance to Grays Harbor

Entrance to Columbia River

Coos Bay, OR

Vancouver BC: Kinder Morgan

Vancouver BC: Delta Port

Cherry Point: BP Refinery

Cherry Point: Gateway Coal Terminal

Cherry Point: P66 Refinery

Grays Harbor: Imperium Oil Terminal

Grays Harbor: US Development Oil Terminal

Grays Harbor: Westway Oil Terminal

Port of St. Helens: Port Westward Oil Terminal

Port of Morrow OR: Morrow Pacific Coal Terminal

Longview: Millennium Coal Bulk Terminal

Vancouver: Tesoro Savage Oil Terminal

Tacoma: US Oil Refinery

Tacoma: Targa Oil Terminal

Anacortes: Shell Refinery and Tesoro Refinery

Vancouver BC: Delta Port

Port of St. Helens: Port Westward Oil Terminal

Oregon

Idaho

Oil and coal from western states by rail

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Data 

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### Proposed Puget Sound Projects

<table>
<thead>
<tr>
<th>Gateway Pacific Terminal</th>
<th>Projected Increase</th>
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<tbody>
<tr>
<td>Bulk carriers</td>
<td>new 487 ships/yr</td>
</tr>
<tr>
<td>Oil barges</td>
<td>new 228 fueling operations/yr</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Kinder-Morgan TransMountain Pipeline &amp; Burnaby export terminal</th>
<th>Projected Increase</th>
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</thead>
<tbody>
<tr>
<td>Oil tankers</td>
<td>additional 358 ships/yr</td>
</tr>
<tr>
<td>Bunkering</td>
<td>additional 100 fueling operations/yr</td>
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</table>
# Proposed Projects - Vancouver, BC area

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

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

- July – Sept
  - 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

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

- Dec – Jan
  - 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.