

August 30, 2022

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cc: Vancouver City Planning Commission; Vancouver City Council

Re: SEPA Checklist and SEPA Determination of Non-Significance for Vancouver Fossil Fuel Code Standards Proposal

Columbia Riverkeeper, Washington Environmental Council, Sierra Club Loo Wit, Washington Physicians for Social Responsibility, Oregon Physicians for Social Responsibility, Friends of the Columbia Gorge, Sunrise Southwest Washington, Vancouver Audubon Society, and the Alliance for Community Engagement support Vancouver's ongoing effort to develop a permanent ordinance prohibiting new or expanded bulk fossil fuel infrastructure in Vancouver. We offer the following comments on the Determination of Nonsignificance (DNS) and the State Environmental Policy Act (SEPA) Checklist for Vancouver's proposed Fossil Fuel Code Standards ("proposed code standards").

The proposed code standards represent an important step forward for protecting community health and safety from large-scale fossil fuel facilities in Vancouver. We agree with City staff that banning new large-scale fossil fuel facilities in Vancouver warrants a DNS, as reflected in Option A. We encourage Vancouver to ground the policy and the SEPA analysis firmly in health and safety concerns about these types of fossil fuel facilities and ensure that the final determination and code reflect these concerns.

1. Prohibiting new or expanded large-scale fossil fuel facilities will not have a probable significant adverse impact on the environment.

The proposed code standards will help to protect Vancouver communities from the health and safety impacts of new or expanded fossil fuel facilities, including air pollution, water pollution, and public safety hazards related to storing and handling large quantities of fossil fuels. Vancouver's SEPA Checklist demonstrates that the ordinance will address public and environmental health and safety impacts associated with fossil fuel facilities. In addressing whether there are environmental health hazards, including exposure to toxic chemicals, risk of fire and explosion, spill, or hazardous waste that could occur as a result of this proposal, the SEPA Checklist states, "Some industrial uses involving chemical manufacturing, smelting, or fossil fuel or renewable fuel processing, handling, and storage have risks, impacts, and vulnerabilities, such as: explosive and fire risks, spill, exposure to toxic chemicals, odor, stormwater, and waste products."¹ By highlighting the types of risks avoided through the passage of the fossil fuel ordinance, the City's SEPA analysis supports the DNS.

Vancouver has experience in reviewing the potential health and safety impacts of fossil fuel terminals. For example, the City of Vancouver participated extensively in the review process for the Tesoro-Savage oil train terminal. The environmental impact statement for that project concluded that fossil fuel trains could impose significant negative impacts: "The direct and indirect impact analysis determined that some significant impacts could be unavoidable, related to rail accidents, emergency response delays resulting from additional train traffic, and environmental justice impacts to minority or low-income populations along the rail corridor."² The proposed ordinance would avert these impacts for new large-scale fossil fuel facilities.

Specific examples of new potential large-scale fossil fuel facilities include liquefied petroleum gas or liquefied propane gas (LPG) facilities, liquefied natural gas (LNG) proposals, coal terminals, and other facilities such as natural gas liquids or fracked gas-based methanol facilities. The SEPA Checklist states that the ordinance is intended to "avoid and minimize any impacts to adjacent communities from fire or explosion." For facilities that invite long trains and large storage volumes of fossil fuels, the risks are tremendous. For instance, potential LNG train traffic drew sharp opposition from the National Association of State Fire Marshals³ and the National Transportation Safety Board due to unstudied and potentially catastrophic public health and safety risks.⁴ Storing LNG in rail cars or storage tanks poses significant public health and safety risks for communities within a large area near the LNG facility or rail car. In 2021, the Washington Post reported that scientists were alarmed by the potential ramifications of an LNG leak resulting in a vapor cloud and fire.⁵ E&E News reported in 2022, "…near-misses and environmental problems highlight the risk. Most recently, a fireball at a plant near Freeport, Texas, touched off a fire that burned for 40 minutes, led to the temporary closure of the plant and knocked about 20 percent of U.S. export capacity offline for months."⁶ These concerns

¹ SEPA Checklist, p. 14.

² Washington Energy Facility Siting Council. 2017. Final Environmental Impact Statement for the Tesoro-Savage Oil Train Terminal. p. ES-21.

³ National Association of State Fire Marshals (NASFM). 2019. Comment from re: Docket Number

PHMSA-2018-0025 (HM-264) – LNG by Rail. <u>https://www.regulations.gov/document/PHMSA-2018-0025-0096</u>
⁴ National Transportation Safety Board. 2019. Comment from re: Docket Number PHMSA-2018-0025 (HM-264) – LNG by Rail. <u>https://www.regulations.gov/document/PHMSA-2018-0025-0078</u>

⁵ Will Englund. June 3, 2022. Engineers raise alarms over the risk of major explosions at LNG plants. https://www.washingtonpost.com/business/2021/06/03/lng-export-explosion-vce/

⁶ Mike Soraghan and Mike Lee. June 28, 2022. LNG explosion shines light on 42-year-old gas rules. E&E News. <u>https://www.eenews.net/articles/lng-explosion-shines-light-on-42-year-old-gas-rules/</u>

underscore Vancouver's conclusion that the ordinance would not have a negative impact on the environment and instead avoid significant risks.

Train terminals that involve the storage and handling of large volumes of LPG would also pose major health and safety risks, including fire and explosion risks. A recent study published by the American Chemical Society notes,

LPG...possesses flammable and explosive properties. With its flammability, LPG is easily ignited, while it is leaking in the course of transportation and processing, thus causing fire or explosion, especially in a confined space. The explosion of LPG is characterized by a high diffusion rate and rapid combustion speed. The explosion disaster induced by LPG leakage has resulted in a high number of economic losses and casualties.⁷

Storage and transport of LPG both carry risks of explosion. Avoiding these types of risks will benefit Vancouver's environment and the health and safety of its communities. Accordingly, the DNS is correct in concluding that the avoidance of these risks will not have a negative impact on the environment.

The DNS correctly concludes that large-scale fossil fuel facilities pose spill risks, and that avoiding these risks would not have a negative impact on the environment. In passing the moratorium related to large-scale fossil fuel facilities, the City referenced significant spill risks from a large seismic event, such as a Cascadia Subduction Zone earthquake. The SEPA analysis provides clear evidence for the potential seismic risks that exist throughout industrial zones in Vancouver. Exhibit 2 of the SEPA Checklist depicts soil liquefaction hazards in Vancouver's industrial zones.⁸ The placement of additional flammable or toxic fuels in liquefaction zones could exacerbate existing spill, fire, and emergency response concerns related to existing facilities. The ordinance would help Vancouver avoid these significant new health and safety impacts while also providing flexibility for terminal operators to reduce these risks. The SEPA analysis highlights that the ordinance would not encumber seismic and safety upgrades at existing facilities, stating, "The City of Vancouver identified 6 existing large-scale (bulk) fossil fuel facilities. This non-project action will allow existing facilities and maintenance/upgrades provided there is compliance with City codes including seismic, fire protection, and spill prevention."⁹ Additionally, facilities that undergo seismic upgrades and convert to cleaner fuels may expand storage up to 15%.

⁷ Liang et al. 2021. Risk Assessment of Liquefied Petroleum Gas Explosion in a Limited Space. https://pubs.acs.org/doi/10.1021/acsomega.1c03430

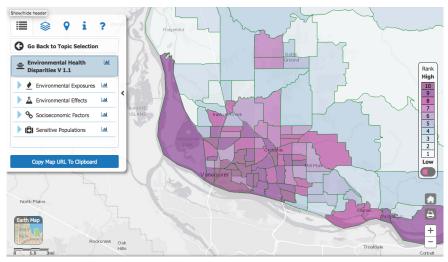
⁸ SEPA Checklist, p. 6.

⁹ SEPA Checklist, p. 16.

2. Prohibiting new or large-scale fossil fuel facilities will protect the health and safety of Vancouver residents, including BIPOC, lower-income, and other traditionally marginalized communities who already experience environmental health disparities.

The proposed code standards will help the City of Vancouver protect communities from the health and safety impacts of new or expanded fossil fuel facilities, including air pollution, water pollution, and public safety hazards related to storing and handling large quantities of fossil fuels. Although Vancouver has been working towards implementation of a Climate Action Plan (CAP) to diminish its fossil fuels for climate-related reasons, the prohibition on new large-scale fossil fuel facilities was originally conceived as a policy that would assist Vancouver in avoiding compounding environmental inequities already present, by reducing and averting health and safety risks.

Already, the environmental health impacts of fossil fuel facilities place disparate burdens on communities within Vancouver. Vancouver communities of color and low-income communities experience some of the most significant environmental health disparities in Washington, which would only be exacerbated by any new or expanded fossil fuel facilities.¹⁰ The proposed ordinance avoids worsening environmental health disparities already present in Vancouver and demonstrates an awareness of the difficulties these communities face.



Environmental Health Disparities in Vancouver.¹¹ Source: <u>Washington Environmental Health Disparities Map</u>. July 2022.

Data from the Washington Department of Health's Environmental Health Disparities Map support the prohibition of new bulk fossil fuel storage and handling facilities. Communities near

¹⁰ Washington Department of Health. Environmental Health Disparities Map. <u>https://fortress.wa.gov/doh/wtnibl/WTNIBL/</u>. Accessed 7.11.2022.

¹¹ *Îd*.

industrial and high-traffic areas experience elevated exposure to air pollution that causes respiratory illness, such as low-level ozone, diesel particulates, and other pollution. Vancouver's own experience with a proposed large, train-supplied fossil fuel terminal shows that fossil fuel train terminals have significant environmental justice implications. The Final Environmental Impact Statement for the Tesoro-Savage proposal concluded that there would be "environmental justice impacts to minority or low-income populations along the rail corridor."¹²

3. The DNS supports Option A regarding new cleaner fuel facilities and the requirement for a conditional use permit for facilities that choose to undergo conversion and expansion.

The DNS states, "Uses would be prohibited in most districts in the city and where allowed in the Industrial Heavy Zoning District would be regulated according to development standards addressing size, location, operation, and health and safety." The DNS and SEPA Checklist describe spill, fire, and other potential impacts that could result from new cleaner fuels facilities where they would be allowed—an indication that consideration of new facilities is better suited to a separate process from the proposed code standards. New cleaner fuel facilities could result in significant impacts distinct from current fossil fuel storage (and limited expansions), because they involve potentially new locations and differing risks. Given the SEPA Checklist's finding that industrial uses involving renewable fuel processing carry risks, impacts, and vulnerabilities,¹³ the DNS supports Option A.

We support the requirement for conditional use permits for projects that convert to new cleaner fuels with a potential 15% expansion. The conditional use process will provide the community with an opportunity to understand and provide input on the potential impacts of cleaner fuel expansions. The requirements for facilities to meet seismic, spill prevention, fire protection, and emergency response will help to ensure that converted facilities do not adversely impact communities in Vancouver. However, potential expansions could add millions of gallons of fuel storage to Vancouver, and Vancouver communities deserve the opportunity to weigh in on any conversion-expansion proposal in a public hearing.

4. New facilities deserve specific consideration in a separate process.

As articulated above, a DNS correctly upholds the focus on banning large-scale fossil fuel facilities and enabling, through a conditional use permit review process, the expansion of existing facilities that convert to cleaner fuels. However, we urge caution regarding new facilities under this SEPA determination. Energy facilities of all kinds come with a suite of impacts, including: transportation impacts, water use and quality impacts, and air pollution. Expanding

¹² Washington Energy Facility Siting Council. 2017. Final Environmental Impact Statement for the Tesoro-Savage Oil Train Terminal. p. ES-21.

¹³ SEPA Checklist, p. 14.

the code to allow new types of facilities that are linked to the City's CAP may have unintended consequences of impacting the health and safety of the neighborhoods and communities nearby. For example, the SEPA Checklist acknowledges that new cleaner fuel facilities may increase spill risks in new areas in Vancouver.¹⁴ That fact is highlighted by the February 2022 spill near Scappoose, Oregon, where a hazmat team was called to the site of a renewable diesel spill.¹⁵ The incident demonstrates that renewable diesel spills pose environmental risks to soil and water resources while also requiring a significant emergency response. Additionally, the potential aggregation of multiple new cleaner fuel facilities does not appear to be sufficiently addressed in Option B, creating potential concerns for areas that could see multiple new proposals. While the code limits each new facility to 1 million gallons of "cumulative" storage, it does not address the potential for multiple facilities to aggregate in an area.

To allow for a more robust assessment of impacts of facilities linked to the City's CAP, we recommend a separate process that can establish the right type of protective measures as part of the transition to a clean energy economy. We also recommend that the City ensure a robust SEPA review process and conditional use permit process for any new facilities that are ultimately allowed under this code change, should the Council choose Option B. This should include adequate time (e.g. at least a 60 day public comment period) and public notification and a public engagement process. These steps will help ensure that the risks of new facilities are understood on a case-by-case basis, and that the community has time to engage meaningfully in that process.

5. Conclusion

We strongly support the proposed ordinance and Option A moving forward, and we appreciate the time and diligence City staff have devoted to the process of developing the SEPA Checklist, DNS, and proposed ordinance language. Prohibiting new large-scale fossil fuel facilities warrants a DNS, and the DNS is supported by information in the City's SEPA analysis. The proposed ordinance could avoid worsening environmental health disparities in Vancouver, a core goal of the proposed ordinance and the moratorium currently in place. And, the City should be cautious about overextending this policy effort to an issue that requires more research and community engagement.

Sincerely,

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¹⁴ Id.

¹⁵ KATU. February 4, 2022. Hazmat team called to railcar leak in Scappoose. <u>https://katu.com/news/local/hazmat-team-called-to-railcar-leak-in-scappoose</u>

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