

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON**

**RESOLUTION NO. 2024-109**

Affirming the Board's commitment to urgently address the risks created by the fossil fuel infrastructure located in the Critical Energy Infrastructure Hub.

**The Multnomah County Board of Commissioners Finds:**

- A. Climate change is the greatest environmental challenge of the 21st century. The heat dome of 2021 set record-breaking high temperatures and claimed 69 lives related to hyperthermia. The ice storm of 2023 set record-breaking low temperatures and resulted in unprecedented deaths and emergency room visits related to hypothermia. Climate change will continue to place increasingly greater financial stresses on Multnomah County in the form of droughts, wildfires, floods, landslides, and severe weather, as well as costs associated with climate change mitigation and adaptation.
- B. Multnomah County recognized and outlined a plan for reducing the risks of fossil fuel infrastructure and climate change in its 2015 Climate Action Plan and Resolution 2016-001. Resolution No. 2017-046 committed Multnomah County to meeting county-wide energy needs with 100 percent renewable energy by 2050. Multnomah County's continuing efforts recognize the disparate impact of climate change on historically marginalized and underserved communities and address climate justice as a top priority in preparing for and adapting to climate change.
- C. Fossil fuels are a major component of today's energy system and the storage, refining, transport, trade, and combustion of fossil fuels exposes Multnomah County's public agencies, businesses, and residents to a wide range of health, safety, environmental, and economic risks that are costly to respond to.
- D. The Critical Energy Infrastructure (CEI) Hub located in Northwest Portland near the neighborhood of Linnton, adjacent to the Willamette River, and across the river from the neighborhood of St. Johns, includes liquid fuel port terminals, over 630 storage tanks, pipelines and transfer stations, natural gas transmission and storage, electrical substations, and high voltage transmission lines. There are no major petrochemical refinery operations in Oregon, so all of Oregon's liquid fuel is imported, and over 90 percent of the state's fuel, and 100 percent of the state's jet fuel, comes through fuel storage facilities in the Hub. The fossil fuel infrastructure located in the CEI Hub has significant known seismic vulnerability, and is located in the CSZ, a 600-mile fault line off the Pacific Coast of North America that has been responsible for major earthquakes occurring at relatively regular intervals over the past thousand years. There is a 37% chance of a major

earthquake occurring in the next 50 years. It is not a question of if a major earthquake will occur, but a matter of when.

- E. The impacts of a CSZ earthquake will be catastrophic, including immediate threats to life and safety, longer term pollution and health effects, and economic disruption to individuals and businesses. The burden of these impacts will fall disproportionately on communities of color and populations with low incomes, and in the absence of strong policy protections the cost of response and cleanup will be borne by taxpayers.
- F. Multnomah County has actively pursued investigation and development of policies to protect itself and the community from the costs of damage to fossil fuel infrastructure. With the support of Multnomah County, the Oregon legislature passed Oregon Senate Bill 1567, which established a seismic tank stability program requiring bulk oil or liquid fuel terminals to submit Seismic Vulnerability Assessments to the Oregon Department of Environmental Quality. Upon DEQ approval of the Seismic Vulnerability Assessments, regulated facilities have 6 months to develop a Seismic Risk Mitigation Implementation Plan and must implement the plan within 10 years of approval by the DEQ.
- G. As a next step, the County is pursuing adoption of a financial assurance policy that will shift financial responsibility for costs of damage associated with fossil fuel infrastructure to the companies that own and earn revenues from that infrastructure, and will act as a “safety net”, filling gaps in any coverage that may occur as a result of the nature, breadth and scale of worst-case spill or release from the CEI Hub. In particular, Multnomah County’s Office of Sustainability and Office of Emergency Management have been researching and developing a policy modeled after legislation passed in Washington in 2023 and adopted in new rules of Washington Annotated Code on June 14, 2024 ensuring that vessel and facility owners and operators have adequate financial resources to pay cleanup and damage costs arising from oil spills.
- H. In Washington, owners and operators of onshore facilities, offshore facilities, and certain vessels containing oil and fuel products are required to demonstrate proof that they are able to pay for the costs and damages of a spill up to a specified amount through a Certificate of Financial Responsibility. Financial responsibility can be evidenced by insurance policies, surety bonds, guarantees, or letters of credit. Financial responsibility requirements have been established based on the types of storage facilities being used and the volumes of fuel contained.
- I. During consideration of Multnomah County’s Fiscal Year 2025 budget, the Board of County Commissioners approved a Budget Note requiring that the Department of Sustainability brief the Board on a proposed plan for adoption of a financial responsibility program in County Code, including evaluation of the existence and

adequacy of insurance and other financial assurance mechanisms held by the fossil fuel companies that have infrastructure in the Hub.

- J. The history and process of developing a financial assurance policy, along with a draft concept ordinance, was presented to the Board during a briefing on November 7, 2024. This was posted on the County website for public comment. Over 200 comments were received, with 98.8 percent in favor of adoption of a financial assurance policy and the vast majority making recommendations regarding increasing the calculation of damages and civil penalties. A majority of comments also expressed a desire to decrease the duration of the proposed 18 month rulemaking process in order to hasten implementation. Some input reflected a desire to extend the time for adoption of a final ordinance to include further research and stakeholder engagement.
- K. A draft ordinance reflecting input from the hundreds of public comments and engagement with environmental, neighborhood, Tribal, and community advocates, along with the facilities represented in the CEI Hub, was brought before the board for a first reading November 21, 2024. The draft ordinance included calculations of damage based on the Seismic Risk Analysis commissioned by Multnomah County and the City of Portland in 2019, along with existing programs, particularly the program implemented in Washington and the seismic stability program implemented in Oregon. The ordinance contained an 18 month rulemaking period. The draft ordinance did not pass to a second reading.
- L. Further collaboration with the City of Portland and State of Oregon is desired to address the risks created by the fossil fuel infrastructure located in the Critical Energy Infrastructure Hub.

**The Multnomah County Board of Commissioners Resolves:**

- 1. To affirm the Board's commitment to mitigate the risks to human life and the environment resulting from fossil fuels and require the fossil fuel industry to bear the full cost of damages in the case of a worst case spill or release of their products.
- 2. To express the Board's sense of urgency and support policy work that will result in a finalized Financial Risk Ordinance.
  - a. The process for developing the Ordinance should build on the extensive foundation, work and relationships that have been established to date and include, at minimum:
    - i. A completed evaluation of the adequacy of existing financial assurance instruments to compensate for the cost of risks as well as the existence of instruments available in the private market that would

more fully compensate for costs borne by the community.

- ii. Inclusive and active engagement of all stakeholders with a vested interest in this policy, including environmental advocates, Tribal governments and those with treaty fishing rights on the Willamette and Columbia Rivers, BIPOC and other communities most negatively impacted by environmental harm and disasters, Linnton and St. Johns residents, and representatives of the fossil fuel industry with facilities at the CEI Hub.
    - iii. A consideration of the basis for potential inclusion of decommissioned tanks in the financial assurance policy.
  - b. The Ordinance brought should include at minimum the following:
    - i. A clear basis for formulas calculating damage.
    - ii. A clear basis for formulas calculating costs of damage, cleanup, mediation and restoration.
    - iii. A clear basis for consideration of a cap on damages and for determination of the amount of any cap.
    - iv. A clear basis for determining the amount of civil penalties to be applied.
    - v. A clear basis for the calculation of damage and process for addressing decommissioned tanks, if these are to be included in the ordinance.
    - vi. A demonstration of alignment to the extent possible with other local and regional policies that have already been adopted that relate to the County's proposed financial responsibility policy, including Washington State's Financial Responsibility Program and Oregon's Seismic stability program.
3. In recognition of the urgency of this policy work, the Board urges consideration of an ordinance on an expedited basis, with a goal of implementation no later than one year from the date of this resolution. The Board further supports consideration of the administrative and internal costs associated with this programming as part of the 2025-2026 budget process.
4. The Board recognizes that the catastrophic damage caused by a worst case spill or release of liquid fuel products and oil from the CEI Hub will not be limited to Multnomah County but will devastate the entire state. The Board therefore calls on the Governor and State Legislature to prioritize a statewide financial assurance

policy that aligns with its seismic stability program.

**ADOPTED this 19th day of December, 2024.**



BOARD OF COUNTY COMMISSIONERS  
FOR MULTNOMAH COUNTY, OREGON



---

Jessica Vega Pederson, Chair

REVIEWED:  
JENNY M. MADKOUR, COUNTY ATTORNEY  
FOR MULTNOMAH COUNTY, OREGON

By: 

---

Jenny M. Madkour, County Attorney

**SUBMITTED BY:** Commissioner Sharon Meieran