

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

RESOLUTION NO. 2019-091

Opposing the Expansion of Infrastructure for Transporting or Storing Fossil Fuels in Multnomah County, and Supporting Efforts to Require the Fossil Fuel Industry to Bear the Full Cost of Damages Caused by Transporting, Storing, or Using Fossil Fuels.

The Multnomah County Board of Commissioners Finds:

- A. Climate change is the greatest environmental challenge of the 21st century and will place significant financial and economic 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. The latest report from the Intergovernmental Panel on Climate Change (IPCC) gives our civilization under 11 years to cut greenhouse gas emissions by 45 percent below 2010 levels to have a chance of keeping warming below 1.5° Celsius. In practice, this will mean significantly reducing our reliance on fossil fuels.
- C. Multnomah County recognizes and outlines 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 commits Multnomah County to meeting community-wide energy needs in Multnomah County with 100 percent renewable energy by 2050.
- D. Fossil fuels are a major component of today's energy system, for example fossil fuels make up over 93 percent of the energy used for transportation fuels, which account for 38 percent of total energy use in the state of Oregon. The storage, refining, transport, trade, and combustion of fossil fuels, however, exposes Multnomah County's public agencies, businesses, and residents to a wide range of health, safety, environmental, and economic risks of events that are costly to clean up.
- E. The Critical Energy Infrastructure Hub located in Northwest Portland near the neighborhood of Linnton and adjacent to the Willamette River includes liquid fuel port terminals, 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 Critical Energy Infrastructure Hub has significant known seismic vulnerability.
- F. The impacts of an earthquake or another catastrophic event involving the Critical Energy Infrastructure Hub would be significant and could include immediate threats to life and safety, longer term pollution and health effects, and economic disruption. The burden of these impacts would fall disproportionately on communities of color and low income populations, and in the absence of strong policy protections the cost of response and cleanup would be borne by taxpayers.
- G. Multnomah County seeks to protect itself and the community from the cost of damage to fossil fuel infrastructure by exploring strategies to shift financial responsibility for costs of risks associated with fossil fuel infrastructure to the companies that own and earn revenues from the infrastructure.
- H. The federal government and some states use various forms of financial assurance mechanisms such as surety bonds, performance bonds, letters of credit, insurance, or trust funds to require companies to pay the cost of some risks of fossil fuel infrastructure.

- I. Fossil fuel risk bond requirements, which may fill a gap in other financial assurance mechanisms, could respond to financial risks stemming from fossil fuel infrastructure faced by Multnomah County and other local government jurisdictions.
- J. During consideration of Multnomah County's Fiscal Year 2020 budget, the Board of County Commissioners approved an amendment allocating funds to inventory costs associated with risks to the fossil fuel infrastructure located in the Critical Energy Infrastructure Hub as well as the existence and adequacy of insurance and other financial assurance mechanisms held by the fossil fuel companies that have infrastructure in the Hub.
- K. Multnomah County and the City of Portland are collaborating 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 make it the policy of Multnomah County to actively oppose new and expanded infrastructure for transporting or storing fossil fuels in Multnomah County.
2. To actively support efforts to require the fossil fuel industry to bear the full cost of damages potentially caused by transporting and storing fossil fuels, and to encourage the industry to mitigate risk of damage.
3. To support the Chair's efforts to complete in a timely manner a risk analysis that quantifies the potential costs of risks from existing fossil fuel infrastructure in the Critical Energy Infrastructure Hub. Critical components of a risk assessment would include an analysis of the potential costs, both to County government and to the community, of risks associated with catastrophic events affecting the Hub. The Board further supports a risk assessment that evaluates 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.
4. To support the Chair in investigating the feasibility and development of County Code amendments to strengthen the County's ability to require the owners of fossil fuel infrastructure to pay all costs of risks associated with fossil fuel storage in the Critical Energy Infrastructure hub.

ADOPTED this 31st day of October, 2019.

BOARD OF COUNTY COMMISSIONERS
FOR MULTNOMAH COUNTY, OREGON



Deborah Kafoury

Deborah Kafoury, Chair

REVIEWED:

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

By *Katherine Thomas*
Katherine Thomas, Assistant County Attorney

SUBMITTED BY: Commissioner Sharon Meieran, District 1.