Washington State

Ground Zero for Fossil Fuel Transportation

Accufacts Inc. Presentation to Citizens Committee on Pipeline Safety (“CCOPS”) 6/19/14
Today’s Discussion

• Based on information readily in the public domain

• Many incident investigations over 40 plus years

• One key is to know what to ask and where to look for the information!
Washington Transmission Pipelines
Washington Railroads
WA Oil Rail Terminals

Current Crude Oil-by-Rail Projects

- **Ferndale** (BP, Phillips 66)
- **Anacortes** (Tesoro, Shell)
- **Tacoma** (US Oil)
- **Grays Harbor** (US Development, Westway, Imperium)
- **Port Westward** (Global Partners)
- **Vancouver** (Tesoro)

From daily.sightline.org/2013/06/24/the-northwests-pipeline-on-rails/
Huge Economic Differentials

Driving change in carbon transportation mix within/across state

- Big $ and time value of money
  - Pricing “Spreads”
  - Playing with Pipelines/Railroads/Ships
- Competing fossil fuel transportation infrastructures may not be “ready” for:
  - Lighter “spiked” Bakken crudes
  - Canadian Dilbit
  - Exports
    - Coal
    - LNG
    - NGLs
Commonality in WA State

- Need to make public certain leveraging issues

- What’s really going on to prevent releases

- In the event of a release, how effective?
  - Emergency response
  - Oil Spill Response
CCOPS Pipeline Responsibilities

• Has confronted sensitive pipeline issues before
  ◦ Involved many hours discussion/interaction

• The public/local governments taking the real risks
  ◦ More information should and can be made public in Washington State
    • In fairness, not all
    • Balance will become obvious
      • Security or trade secret claims being way overplayed
CCOPS Charter

• Look ahead at possible critical pipeline matters

• Make independent recommendations
  ◦ Power of a Committee letter
  ◦ Skepticism and challenge is expected
  ◦ Don’t need to be a rocket scientist to spot propaganda
  ◦ Smart industry knows to convince
Many Outstanding Pipeline Issues
For Example -

- Materials Changing (Dilbit/HVL/Bakken Crude/Frac Gas)
- Emergency Response Planning
- Oil Spill Response Planning
- Safety Management System Approach
- Incorporation of Industry Standards by Reference (cutting out public)
- TIMP 2.0
- Class Location Update
- Integrity Verification & Hydrotesting
- Grandfathering of MOP/MAOP
- Remote/Automatic Valving
- Leak Detection
- Engineering Assessments
- Risk Management
- Right of Way Process
- Export impacts on pipelines
- Information that should be public
Advice to CCOPS

- Look ahead
  - Which issues might be most critical to the public/local governments?

- The voting members of CCOPS decide on the few issues to address and prioritize
  - Stay focused until relatively complete
  - CCOPS decides how often to meet!

- Can’t do everything
  - Nor can PHMSA
  - So work on the priority stuff
  - Deregulation = keep everyone so busy, under-resourced, can’t think or regulate!

- Look to lead for effective and clear recommendations