



Oil Spill Contingency Planning Annual Report

Fiscal Year 2022

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Executive Summary

This report documents fees collected for oil spill contingency planning and related activities conducted by the Oregon Department of Environmental Quality, for fiscal year 2022 beginning July 1, 2021, and ending June 30, 2022 (FY 2022). This report provides an analysis of the fees collected to ensure that revenue is sufficient to meet DEQ's budgetary needs to operate an effective oil spill contingency planning program.



State of Oregon
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Environmental
Quality

This report is required by ORS 468B.412 and ORS 468B.405, which establish fees to be submitted to DEQ for covered vessels and facilities. The fees are dedicated to implement work required of DEQ by ORS 468B.300 through 468B.500, the statutes governing oil spill contingency planning and preparedness. Each year DEQ publishes a report for the previous fiscal year documenting:

- Fees assessed and collected under ORS 468B.405 on covered vessels, and facilities located offshore and onshore
- DEQ activities conducted during the year as required by ORS 468B.410(4)
- Details on penalties received due to willful or negligent discharge of oil and the use of those funds

Fees collected by DEQ under ORS 468B.405 are used to review industry-prepared oil spill contingency plans, prepare geographic response plans for specific areas, and participate in drills and exercises to ensure plan holders and state responders may quickly and effectively respond to oil spills.

In early 2020, many exercise components of DEQ's Oil Spill Preparedness Program were postponed or altered by industry's and DEQ's inability to conduct in-person drills due to the onset of the COVID-19 pandemic. During FY 2022, DEQ was able to fully resume exercises and drills in a virtual command post setting.



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Program revenue and expenditures

DEQ has two mechanisms for funding its Oil Spill Preparedness Program: The Oil Spill Prevention Fund and the Oil Spill Control Fund. The prevention fund is primarily supported by fees paid by oil storage facilities that transfer oil over Oregon's navigable waters and fees on covered vessels. The control fund is supported by civil penalties imposed for willful negligence of oil discharges.

Oil Spill Prevention Fund

Oregon Revised Statute 468B.405 establishes fees to fund DEQ's oil spill contingency planning program. The allowable uses of the prevention fund include reviewing required contingency plans, conducting inspections of the facilities, exercises, training, and plan development activities required under ORS 468B.345 to 400. DEQ collects these fees from facilities (including pipelines) that transfer oil in bulk over state-defined navigable waters and covered vessels. Covered vessels include vessels more than 300 gross tons, tank ships, barges transporting oil in bulk and dredges. Specific definitions for covered vessels and facilities are in Oregon Revised Statute 468B.300.

Fee categories

Table 1 shows the fees for the various activities and facilities along with the fee-generating activities and revenue for FY 2022.

Table 1 – Fees by Category, Fee-Generating Activities and Revenue for FY 2022

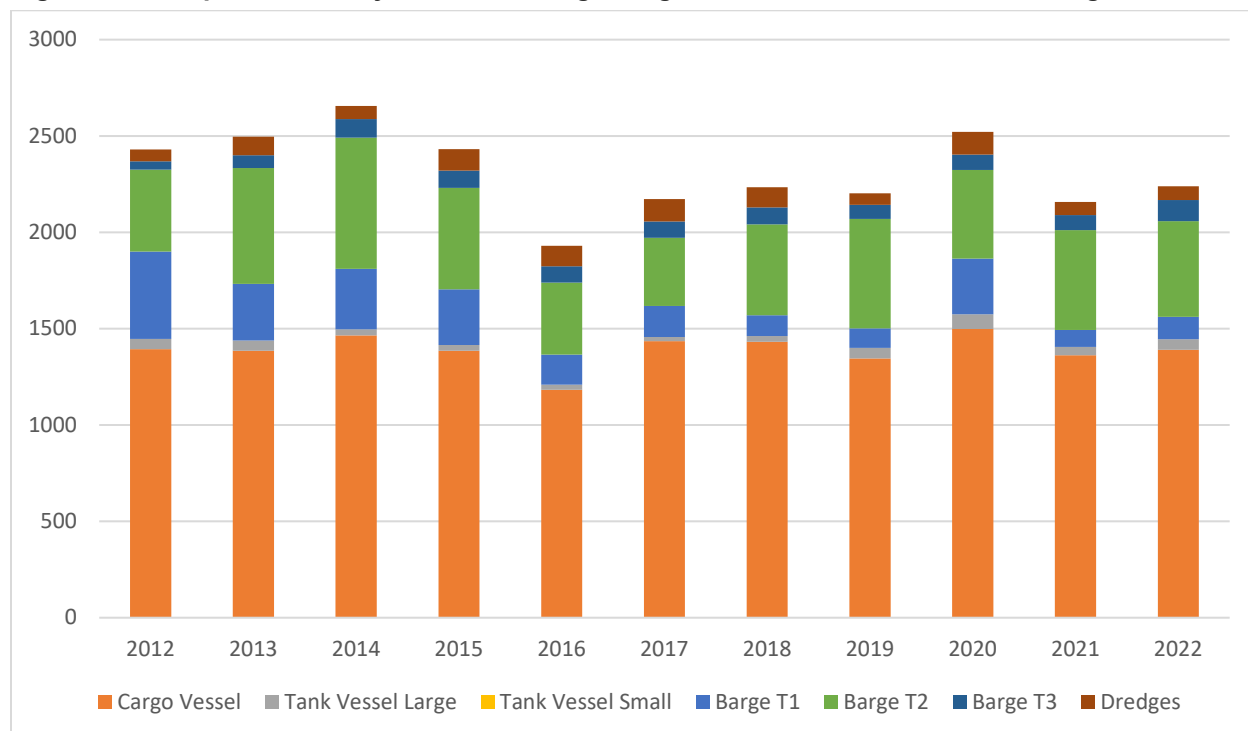
Activity Type	Fees	FY 2022 Activity	2022 Fee Revenue
Facilities	\$ 20,000	12	\$ 220,000
Pipelines <= 6"	\$ 15,000	1	\$ 15,000
Pipelines > 6"	\$ 25,000	4	\$ 100,000
Cargo Vessel	\$ 220	1,391	\$ 306,020
Tank Vessel >300T	\$ 5,500	54	\$ 297,000
Tank Vessel <300T	\$ 160	0	\$ -
Barge T1	\$ 160	117	\$ 18,720
Barge T2	\$ 220	496	\$ 109,120
Barge T3	\$ 1,850	109	\$ 201,650
Dredges (/Day Ops)	\$ 100	72	\$ 7,200
Total Revenue			\$ 1,274,710

Fee-generating activities

Facilities and pipelines are charged fees annually, and vessel fees are charged based on the number of trips conducted. A trip, for the purpose of assessing fees, means travel to the appointed destination and return travel to the point of origin within the navigable waters of the state (see ORS 468B.405). Table 1 (above) shows the actual fee-generating activities for FY 2022. Note that actual revenue (shown in subsequent section) versus fee-generating activities differ slightly based on the timing of arrivals and the actual billing and collection of the fees.

While oil handling facilities, Type 2 barge shipments and cargo shipments showed levels like those in FY 2021, Type 1 and Type 3 barges increased slightly in 2022. FY 2022 saw levels that are near average for the past 10-year period (see Figure 1 - Comparison of Key Fee-Generating Categories for Fiscal Years 2012 through 2022).

Figure 1 – Comparison of Key Fee-Generating Categories for Fiscal Years 2012 through 2022



The short-term variability and longer-term trends in the shipping industry make year-to-year projections for funding difficult and have had impacts on the stability of funding for DEQ's oil spill planning and prevention programs.

It continues to be challenging to forecast industry activities and the reasons for the variability are too complex to reliably predict. In 2019, Senate Bill 41 authorized DEQ to establish a revenue buffer to fund program requirements when shipping activities fluctuate to mitigate this risk. Although fee-generating activities have not yet returned to the levels averaged from Fiscal Years 2010 through 2015, the revenue has been stable since FY2020 (see Figure 2 – Oil Spill

Prevention Fund Revenue Breakdown for Fiscal Years 2020 to 2022 and Figure 3 - Oil Spill Prevention Fund Revenue, Expenses and Ending Balance for Fiscal Years 2017 through 2022).

The bulk of the Oil Spill Prevention Fund is used to pay for staff time preparing to respond to large oil spills within the oil transport industry. Positive ending balances have stabilized revenue and allow DEQ to continue participating in drills and exercises and continue work on planning and oil spill industry coordination. Additionally, DEQ will continue to utilize the funding to conduct non-railroad oil spill planning, training and other preparation to respond to oil spills.

Figure 2 – Oil Spill Prevention Fund Revenue Breakdown for Fiscal Years 2020 to 2022

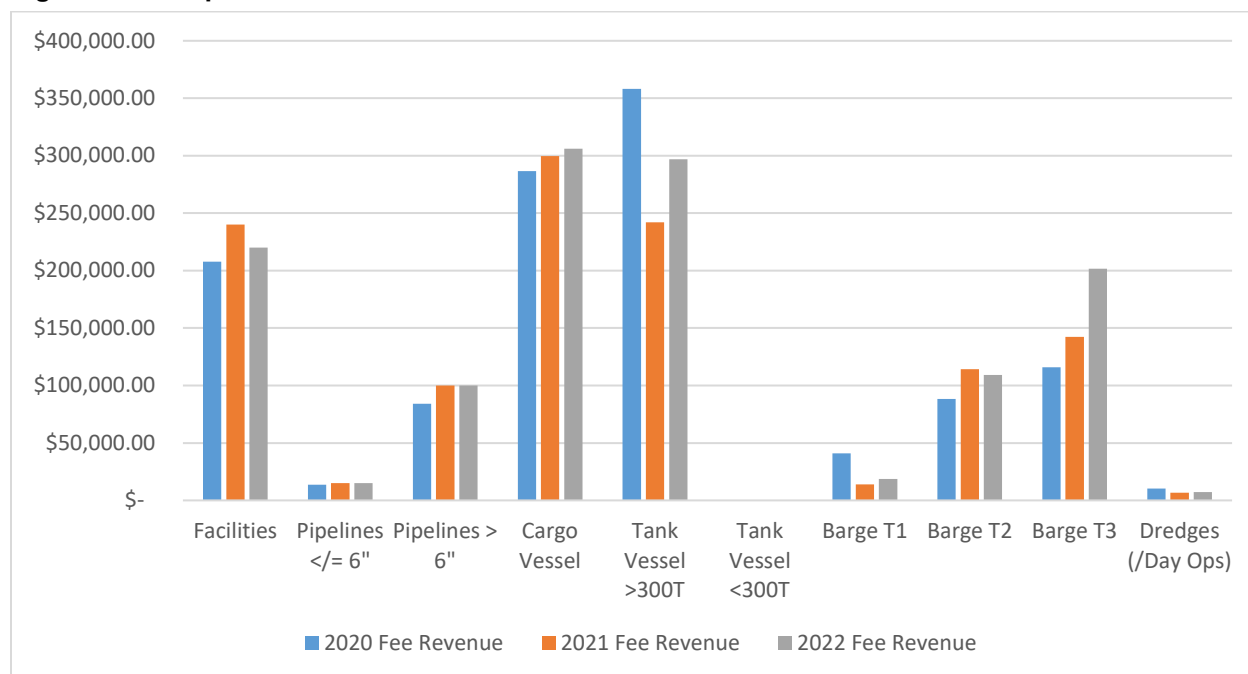
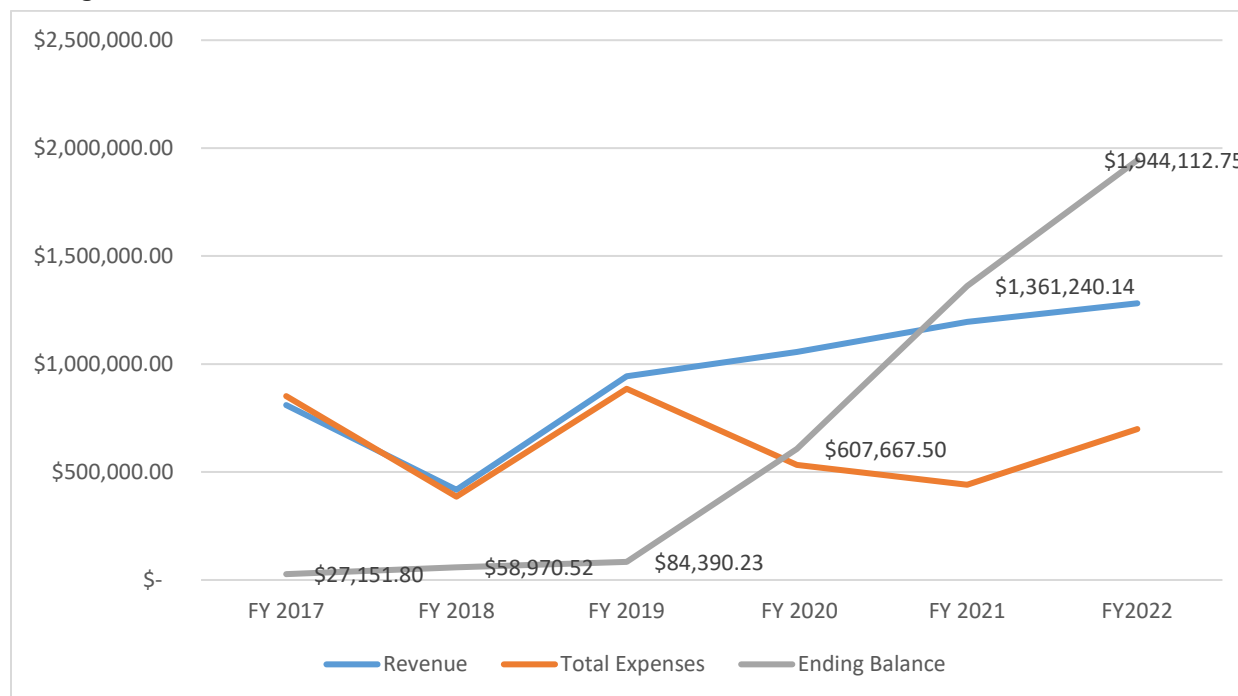


Figure 3 – Oil Spill Prevention Fund Revenue, Expenses and Ending Balance for Fiscal Years 2017 through 2022

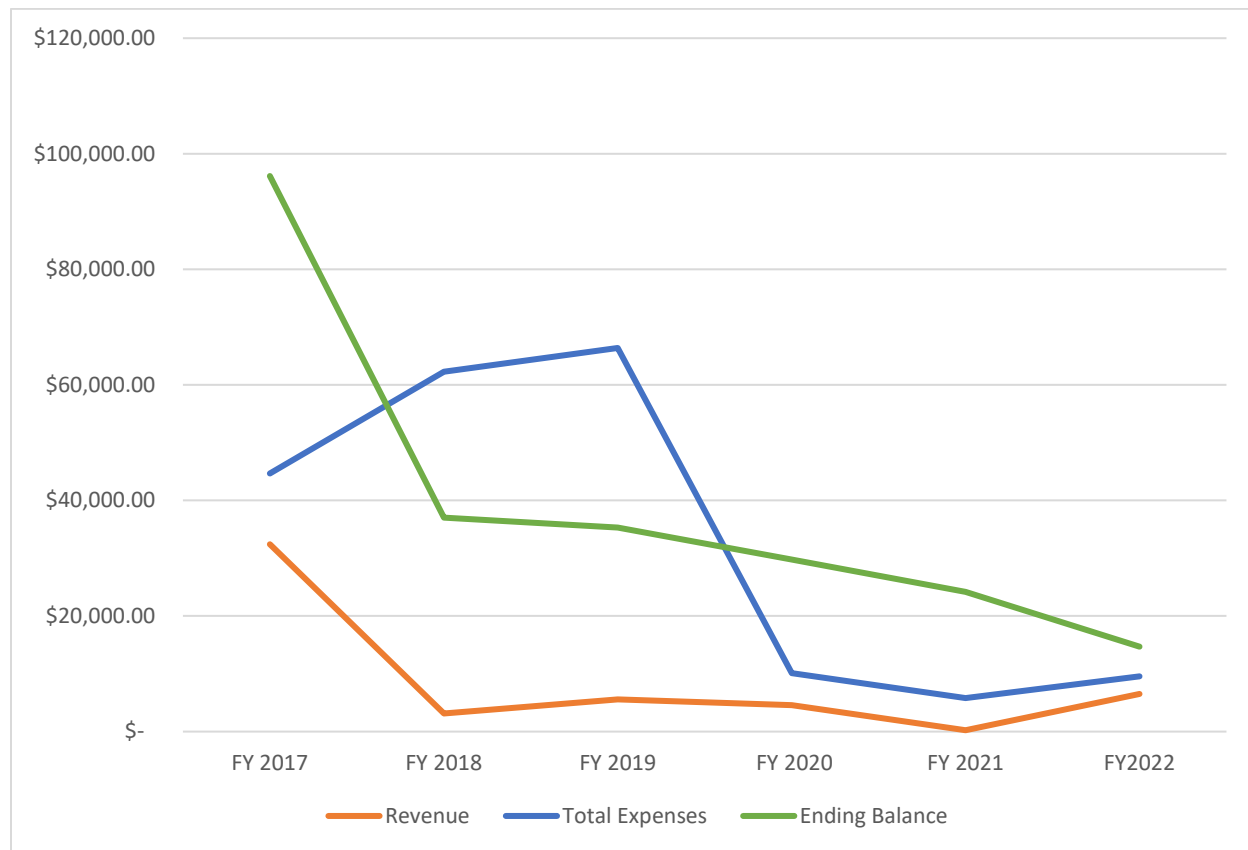


Oil Spill Control Fund

The original Oil Spill Contingency Planning Act, passed in 1991, established the Oil Spill Control Fund (Oregon Revised Statute 468B.455). All penalties recovered through civil penalties for violations related to the willful or negligent discharge of oil are to be deposited in this fund.

The control fund received \$6,537 from fines in FY 2022. Expenses of approximately \$9,582 were made from this fund in FY 2022, for an ending balance of \$21,139 (See Figure 4 - Oil Spill Prevention Fund Revenue, Expenses and Ending Balance for Fiscal Years 2017 through 2022).

Figure 4 – Oil Spill Control Fund Revenue, Expenditures and Ending Balance for Fiscal Years 2017 to 2022



Oil spill program activities conducted in fiscal year 2022

DEQ responsibilities under Oregon's statutes on oil spill contingency planning are:

- Ensure all regulated vessels and facilities have prepared oil spill contingency plans, and that those plans meet requirements specific to protecting Oregon's navigable waterways
- Verify that equipment listed in oil spill contingency plans is available and adequately maintained, that personnel listed in the plans are trained, and that drills and exercises are conducted
- Conduct drills and exercises in accordance with the [Northwest Area Contingency Plans](#) and promote a consistent approach to incident response to oil spills through the use of the Incident Command System throughout preparedness and response activities
- Develop and maintain an interagency response plan for oil or hazardous material spills

DEQ activities charged to the Oil Spill Prevention Fund include:

- Geographic Response Plan development and updates (excluding railroad routes which have separate funding)
- Northwest Area Committees and Regional Response Team participation
- Updates to the Northwest Area Contingency Plan/Regional Contingency Plan
- Reviewing the Sector Columbia River Area Contingency Plan
- Oil spill preparedness training and development of information needed for response
- Assisting plan holders in developing and conducting drills and exercises
- Participating in plan holder-led drills and exercises
- General oil spill planning and preparedness
- Participating in the Derelict Vessel Task Force
- Pacific States/British Columbia Oil Spill Task Force activities

Figure 5 depicts the relative proportions of various planning, plan review and exercise components conducted in FY 2022. The largest program activities during this period were for participation in oil spill drills and exercises (28%). Significant work took place on the reorganization and plan development under the NW Area Committee(s) and Regional Response Team (24%). DEQ continued to provide general oil spill training for staff to strengthen our core response team's readiness. Details of these program activities are covered in more detail in following sections.

Figure 5 –Program Planning Activities 2021 – 2022 (FY 2022)

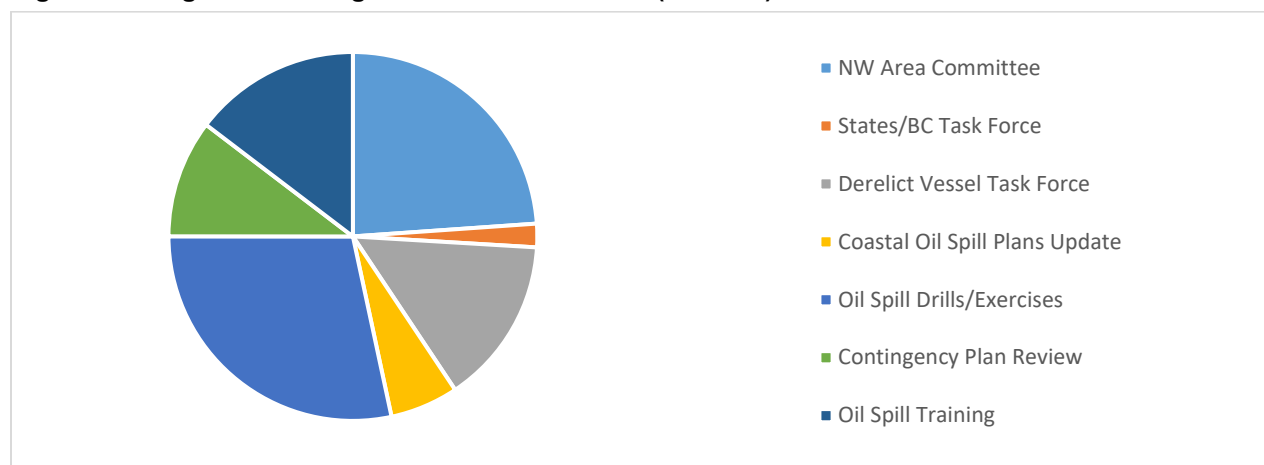
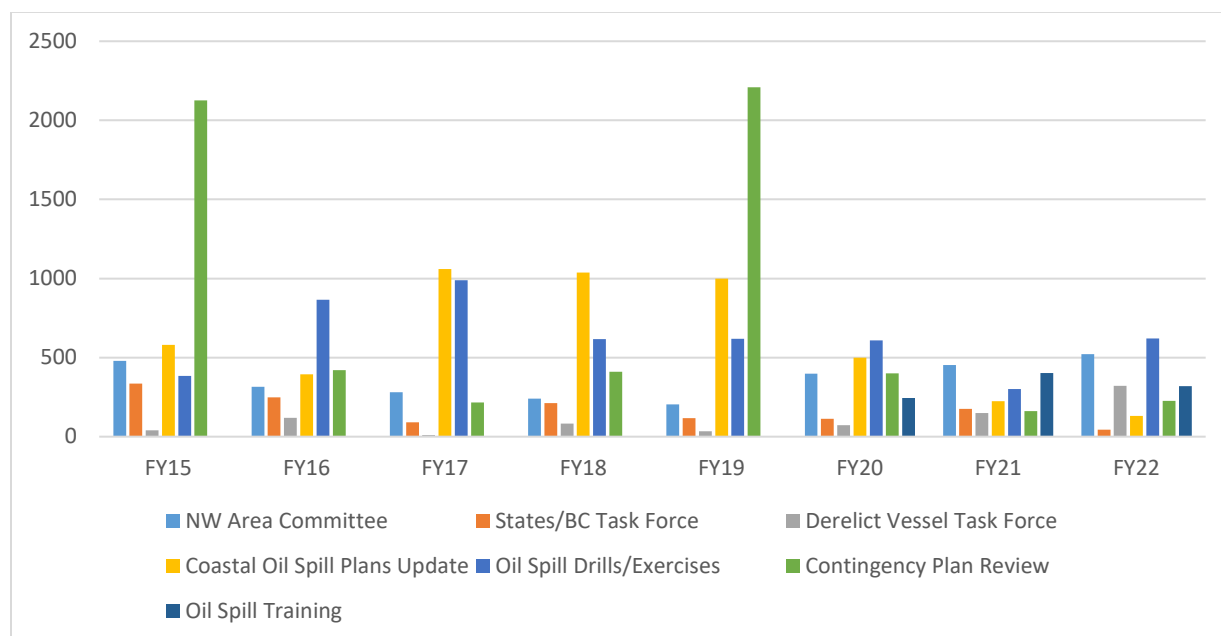


Figure 6 compares the time spent in various activities by year within DEQ’s Spill Preparedness Program. The variations in activities year to year are typically due to hosting a States/BC Oil Spill Task Force Annual Meeting, initiating a Geographic Response Plan update, or review and approval of a significant contingency plan change. Again, in FY 2022, significant time was spent in NW Area Committee activities and reconfiguring the NW Area Contingency Plan, due to the US Coast Guard requirement to separate the Area Contingency Plan from the Regional Contingency Plan, which had been combined since the early 1990s. This level of effort continued from FY 2021 into FY 2022 to complete the separation of these plans and develop individual area plans (Local Area Plans) for the coastal zones in the northwest area. A significant portion of the time was spent in the review and comment of the newest version of the Sector Columbia River Area Contingency Plan, with the goal of having a version that will be signed by the states of Oregon and Washington by December 31, 2023.

Figure 6 – Program Activities by Year (Staff Hours) FY 2015 to FY 2022

Contingency plan review and coordination

Fees collected by DEQ under ORS 468B.405 are used to review industry oil spill contingency plans and participate in drills and exercises to ensure plan holders and state responders quickly and effectively respond to oil spills. To be approved by DEQ, oil spill contingency plans must meet requirements specific to protecting Oregon's navigable waterways. Fourteen individual contingency plan holders submit plans for DEQ review and approval. Some of these plans are for multiple entities including 12 fuel storage/transfer facilities, five petroleum pipelines and three vessels that are regulated by DEQ.

DEQ approves plans for a five-year period and reviews any significant changes made during the year. DEQ has a public comment period of no less than 30 days for each plan under review. DEQ makes plans available for public review through its website or by hard copy at DEQ headquarters office.

Approximately one half of the plans are currently due for review and approval. The existing plans remain in effect until the revised plans are reviewed and approved, and plan reviews have resumed in 2022.

Drills and exercises conducted in 2022

Drills and exercises are an important aspect of the program to test the organizational and operational skills of plan holders and prevent or reduce the impact of possible future disasters. DEQ participated in eight virtual drills and exercises and one in-person exercise in FY 2022. Conducting drills virtually allowed for greater DEQ staff participation statewide, which significantly increased our ability to respond to incidents across the state.

Additionally, responses were often conducted with a core set of on-scene responders who are supported by subject matter experts and other Incident Command System specialists in virtual settings across Oregon. Before the FY 2022, DEQ drill participation was limited to Emergency Response Staff or the 12 After Hours Duty Officers who volunteer on nights and weekends. As we trained new staff in spill response, we increased our pool of skilled emergency response staff from 14 to 36 individuals. This includes staff from all three DEQ Regions and Headquarters. Virtual command post drills and exercises have allowed us to efficiently and effectively bring together these virtual resources to support on-scene responders and increase our response posture at real-world incidents.

DEQ follows the Northwest Area Contingency Plan and the Incident Command System at drills and exercises. DEQ typically staffs positions in the Unified Command including Command Staff, Joint Information Center, Planning Section, as well as Liaison, and GIS Specialist. Per the NW Area Contingency Plan, DEQ is responsible for staffing and leading the Environmental Unit in drills and actual responses.

Table 7 – Drills and Exercises Conducted in FY 2022

Plan Holder	Date	Drill Type	# DEQ Staff Attended	DEQ Hours
Coos Bay Response Coop	9/20/21	Virtual TTX	6	48
Columbia Pacific Bio Refinery	9/30/21	Virtual WCD	13	104
Kinder Morgan	10/6/2021	Virtual WCD	8	64
NuStar	10/7/2021	Virtual WCD	12	96
Zenith	10/13/2021	Virtual TTX	5	30
Phillips 66	10/21/21	WCD	9	72
Tidewater	10/27/21	Virtual WCDD	10	80
TLP Management	11/4/21	Virtual TTX	2	16
McCall Oil	11/17/21	Virtual WCD	12	96
Total Staff Time				620

TTX = Tabletop Exercise; Virtual = Participants connecting remotely via collaboration platform (MS Teams, etc.)

TTX/Deployment = Tabletop Exercise combined with an equipment deployment drill

WCD = Worst Case Discharge Exercise; GUIE = Government Initiated Unannounced Exercise

Eight plan-holders are scheduled for worst-case discharge exercises in FY 2023.

Regional Response Team/Northwest Area Committee

The Region 10 Regional Response Team consists of key federal and state agencies in Oregon, Washington and Idaho and member tribal nations involved in emergency response to hazardous materials. The team is chaired by the US Coast Guard, District 13 and the US Environmental Protection Agency, Region 10.

The USCG Sectors prepared individual area contingency plans for their areas of operation in response to the Commandant's directive. This directive ultimately required a reorganization of the Northwest Area Committee, which is still in progress. A new charter has been in development for a couple of years, and the long-standing committees and sub-committees also need to be reorganized to adapt to the new organizational model. The Regional Response Team member agencies, tribes, and departments, oversee the reorganization of the NW Area Committee. Although the urgency and necessity to complete the reorganization caused delays in updating the NW Area Contingency Plan, the postponed updates and additions to the plan were reinitiated in late CY 2021.

Throughout FY 2022, DEQ participated in the Steering Committee to guide the reorganization process, develop agendas for the three annual meetings, provided review and comment on the new Sector Columbia River Area Contingency Plan.

Additionally, DEQ participated in the reorganization effort, co-chaired the Geographic Response Plan Workgroup and the Tribal Engagement Task Force. In late FY 2021, DEQ became co-chair of the Tribal Engagement Task Force.

In FY 2022, DEQ participated in the following Northwest Area subcommittees:

Geographic Response Plan Sub-Committee: DEQ participated as co-lead with the Washington Department of Ecology. During FY 2022, the subcommittee completed work on resources at risk and GRP standardization and began to address Endangered Species Act compliance within the plan and an update and expansion of the Best Management Practices appendix. The updated sections (currently NWACP sections 9301 and 9404) will be incorporated into the 2022 version of the re-branded NW Regional Contingency Plan.

Tribal Engagement Task Force: DEQ was an advisory member to the Tribal Engagement Task Force until stepping into the role of co-chair. The task force conducted a tribal perspectives survey summary that was sent out to all tribes in the area to better understand the obstacles that tribes face in incident response. The Subcommittee also continues to pursue opportunities to engage with the Northwest Area Committee and Regional Response Team. This task force is responsible for developing a tribal needs and gap assessment and a timeline for filling these identified gaps through online surveys and other means.

In FY 2022, the task force continues to work with the GRP Sub-Committee/Resources at Risk Workgroup to determine the best ways to incorporate protection of resources important to tribes in the northwest. The Subcommittee is also working to ensure that area exercise and outreach

information is made available to interested tribes, as well as ongoing work to ensure tribal contact lists throughout the northwest stay updated.

Geographic Response Plan development update

DEQ develops and maintains Geographic Response Plans to cover the first 24 to 48 hours after a significant spill or release to coastal shorelines, bays, or major river systems. These plans identify sensitive resources and describe strategies to protect these resources and recover released oils. Response contractors and responding agencies use these plans to provide a coordinated initial response until a Unified Command is established. DEQ periodically updates the plans as information changes and/or becomes available.

In fiscal year 2022, DEQ planning staff continued the development of the updated geographic response plans for the Oregon Coast. DEQ also continued to develop the information and publishing systems needed to finalize the coastal GRPs.

The plans are available as GIS datasets and on dedicated data viewers on a provisional basis to support drills/exercises and incidents that occur before they can be finalized and officially adopted.

In March 2022, DEQ tested selected GRP strategies for the Willamette River (part of the Lower Columbia River GRP) in the Milwaukie, Oregon area in cooperation with the USCG Sector Columbia River and their response contractor. The information from testing will be incorporated into revised strategies at the next update of the Lower Columbia River GRP.

Pacific States/British Columbia Oil Spill Task Force

Oregon is a member of the Pacific States/British Columbia Oil Spill Task Force. The task force provides a regional forum for coordination and collaboration on oil spill prevention and response policy issues. Task force members are the state and provincial government directors of the oil spill prevention and response programs in Hawaii, California, Oregon, Washington, British Columbia, and Alaska. DEQ's Land Quality Administrator serves as Oregon's representative to the task force.

DEQ is selective about participation in task force activities, as some projects are not within scope of the Oregon Oil Spill Contingency Planning and Preparedness program. Task force projects that DEQ participated in during FY 2022 include:

- Crude oil transport information
- Abandoned & Derelict Vessels (ADVs)
- Oil spill data collection and statistics
- Drills & Exercise workgroup
- Mutual Aid Agreement
- Legacy awards
- Federal partnership meetings
- Assessment of state spill response capacity through personnel and training

- NOAA-sponsored Workshop on Renewable Fuels
- Oil spill research and development coordination

Due to new and emerging oils spill risks, the task force members review and refresh the strategic plan allowing for adaptation to new hazards. The strategic plan can be found on the [Pacific States – British Columbia Oil Spill Task Force Strategic Plan page](#). The task force also develops biennial work projects based on the strategic plan.