OREGON DEPARTMENT OF ENERGY

# OREGON PETROLEUM EMERGENCY PREPAREDNESS PROGRAM

**AUTHORITY:** In the event of an energy emergency, the Governor directs the state's overall response effort to protect public health and safety, the environment, and the region's economy. ORS Chapter 401, Section 035 states "the Governor is responsible for the emergency services system within the State of Oregon."

ORS Chapter 176, Section 785 authorizes the Governor to declare a state of emergency when he determines there is an existing or imminent severe disruption in the supply of one or more energy resources. The severe disruption can originate in Oregon or elsewhere. The Governor may by proclamation declare a state of emergency exists with regard to such resources only after consultation with the President and majority and minority leaders of the Oregon State Senate and the Speaker and majority and minority leaders of the Oregon State House of Representatives. In the proclamation, the Governor will cite with specificity the nature of the severe disruption in the supply of one or more energy resources.

**OREGON DEPARTMENT OF ENERGY:** ORS Chapter 176, Section 809 authorizes the Oregon Department of Energy (ODOE) to develop and maintain the Oregon Petroleum Contingency Plan to maintain emergency services, continue productivity and reduce hardship during a severe fuel oil shortage or any other emergency threatening the availability of any energy oil resource necessary to maintain essential services and transportation. ODOE could implement a Fuel Allocation Program to ensure adequate fuel is provided to the state's emergency and essential service providers.

**OREGON PETROLEUM CONTINGENCY PLAN:** Because Oregon has virtually no refining capacity and no crude oil reserves, the state faces unique challenges in the event of a petroleum emergency. Preparing for a fuel shortage and anticipating the impacts of a prolonged supply disruption are critically important due to the lack of easily accessible alternative sources for refined petroleum products.

To mitigate the effects of a petroleum supply or distribution emergency, ODOE developed and maintains the Oregon Petroleum Contingency Plan. This Oregon Petroleum Contingency Plan specifies alert and notification procedures as well as actions to assure the protection of public health and safety during severe and long-term fuel disruptions or shortages, regardless of the cause. The plan includes a fuel allocation program to provide gasoline and diesel to the state's emergency services (law enforcement, fire, and medical services) and essential service providers (utilities, telecommunications, transportation, public works, food, mass care and more).

**EMERGENCY RESPONSE ACTIONS:** The Oregon Petroleum Contingency Plan identifies emergency preparedness and response actions to monitor and track fuel disruptions. Tracking fuel disruptions allows ODOE decision-makers to assess the severity of supply shortages, determine appropriate mitigation measures, advise state policy makers, prioritize allocation of resources, keep state and local emergency organizations informed, and provide timely and accurate information to the public.

For planning purposes, the Oregon Petroleum Contingency Plan identifies four levels of fuel supply conditions to prepare for, respond to, and recover from. These four levels are consistent with NASEO's State Energy Assurance Guidelines.

| **Normal Conditions – Level 1**<br>**Monitor and Alert** | |
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| **CONDITIONS** | **ODOE PREPAREDNESS ACTIONS** |
| ➢ No discernable shortage<br>➢ Possible shortages elsewhere | Review and update Petroleum Emergency Contact List (Quarterly) |
| | Review and update Oregon State Energy Assurance Plan (Annually or as needed) |
| | Update the Oregon Petroleum Contingency Plan (Annually or as needed) |
| | Conduct Petroleum Exercises and Training (As Needed) |
| | Serve as Liaison to Petroleum Industry Partners |
| | Participate in Regional and National Energy Infrastructure Events (As Needed and as Resources Allow) |
| | Monitor Petroleum Markets, Supply, and Demand<br>1. Gasoline Consumption<br>2. Petroleum Product Demand<br>3. Wholesale and Retail Prices<br>4. Inventories and Production<br>5. Infrastructure Information<br>6. Source of Crude Oil |

| **Shortage – Level 2**<br>**Mild Fuel Shortage** | |
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| **CONDITIONS** | **STATE RESPONSE ACTIONS** |
| ➢ 5-10% reduction in petroleum supply for a week or more<br>➢ Isolated shortages could also trigger a Level 2 event. | Activate ODOE Emergency Operations Center (EOC) - Begin a limited activation of the ODOE EOC to monitor the event. |
| | Assess Severity of Petroleum Disruption - Contact petroleum industry partners to determine the nature, extent, and duration of a potential, impending, or actual fuel disruption. Assess potential impacts to the supply and distribution system. |
| | Issue Notifications - Alert and notify the governor's office, federal, state and local emergency response agencies as needed. |
| | Draft Situation Reports - Provide situation reports to keep the governor's office, legislative branch, federal, state, and local emergency response organizations informed about developing conditions in the event. |
| | Implement a Public Information Campaign - Issue news releases, conduct news conferences, compile media kits to provide information on Oregon's fuel supply and distribution system to promote voluntary conservation activities, and to prevent or limit panic buying and hoarding of fuel. Warn against price gouging as appropriate. |
| | Monitor Petroleum Energy Resiliency - The Infrastructure Security and Energy |

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| | Restoration Division within USDOE provides information and critical updates during energy emergencies. |

## Shortage – Level 3
### Intermediate Fuel Shortage

| CONDITIONS | STATE RESPONSE ACTIONS |
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| ➢ 10-15% reduction in petroleum products for three weeks or more<br>➢ Moderate to severe isolated shortages could also trigger a Level 3 event. | ***Continue Response Actions from a Level 2 Shortage*** |
| | Full Activation of ODOE EOC - Fully activate ODOE EOC to monitor the event. Procedures for ODOE EOC response positions are located in the Oregon Petroleum Contingency Plan. |
| | Convene Petroleum Advisory Group - The ODOE Director chairs this group, which meets as needed. The Petroleum Advisory Group's role during a crisis is to assist ODOE in determining:<br>1. Appropriate voluntary conservation measures for the public to encourage less consumption.<br>2. The need for mandatory conservation measures if voluntary measures fail to mitigate the expected impacts of a shortage or disruption. |
| | Implement Fuel Allocation, as appropriate - Consider the need for and implement the Fuel Allocation Procedures as appropriate to ensure fuel for the state's emergency and essential services sectors. |
| | Advise Governor - Recommend precautionary measures needed to end an existing shortage or to reduce the chances for or prevent a long-term disruption from occurring. |

## Shortage – Level 4
### Severe Fuel Shortage

| CONDITIONS | STATE RESPONSE ACTIONS |
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| ➢ Greater than 15% reduction in availability of petroleum products<br>➢ Severe or long-term isolated or widespread shortages could also trigger a Level 4 event. | ***Continue Response Actions from a Levels 2 and 3 Shortage*** |
| | ODOE EOC Operation - Maintain full activation of the ODOE EOC to direct and control Oregon's response throughout the duration of the event. |
| | Declare State of Emergency, if appropriate - Advise the Governor to declare a state of emergency so mandatory conservation measures and fuel allocation procedures can be implemented if needed. |
| | Issue Mandatory Conservation Measures, as appropriate - Consider and implement mandatory measures and recommend additional voluntary conservation measures as appropriate to mitigate a severe and/or long-term shortage or disruption. |
| | Implement Fuel Allocation, as appropriate - Consider the need for and implement the Fuel Allocation Procedures as appropriate to ensure fuel for the state's emergency and essential services sectors. . |
| | Implement Odd/Even Fuel Allocation, as appropriate - Consider the need for and implement the Odd/Even Fuel Allocation Procedures as appropriate to allocate fuel for the public. |
| | Issue Fuel Waivers, as appropriate - Consider waiving fuel or fuel additive requirements temporarily. Work with the Oregon Department of Environmental Quality and the U.S. Environmental Protection Agency to issue fuel waivers. |

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| | Request Federal Assistance, as appropriate - Consider requesting federal assistance when severe petroleum events exhaust state resources and Oregon's ability to recover rapidly from supply and distribution problems. |

**VOLUNTARY AND MANDATORY CONSERVATION MEASURES:** During petroleum shortages or disruptions, ODOE will recommend and implement various approaches to encourage the public to reduce fuel consumption depending on the severity of the event conditions. The goal of fuel conservation measures is two-fold. One is to reduce panic, prevent hoarding of fuel, and prevent price gouging at the gasoline pumps. The second is to reassure Oregon citizens that the state is taking the necessary steps to mitigate the impending or actual supply shortage situation.

Fuel conservation measures are designed to alleviate supply shortages or disruptions and hopefully prevent a crisis and the need to implement Oregon's Fuel Allocation Program. The state of Oregon's initial response to a forecasted supply problem is to implement a public information campaign to provide fuel saving tips to its citizens. If the supply shortage or disruption worsens, the plan establishes two broad types of efforts to reduce energy consumption. The first response is a public appeal for voluntary fuel conservation. If the voluntary conservation measures are ineffective in mitigating the fuel shortage situation, the second response is to issue a series of mandatory conservation measures to reduce petroleum consumption by all governmental agencies and political subdivisions in the state. Mandatory conservation measures require an Emergency Declaration by the Governor.

**OREGON FUEL ALLOCATION PROGRAM:** ODOE will implement the state's Fuel Allocation Program as appropriate. The purpose of Oregon's Fuel Allocation Program is to help mitigate shortages and hardships for priority users who are unable to acquire sufficient fuel at any price. ODOE will implement this program only after the governor proclaims a state of emergency and when market forces, voluntary conservation, or other mandatory programs are unable to provide for adequate and equitable distribution of fuel.
If fuel allocation becomes necessary, ODOE would administer the state's Fuel Allocation Program and designate the set-aside volume. ODOE is responsible for working with the state's petroleum suppliers and wholesalers to implement the set-aside volume for use by the state.

**SET-ASIDE PRIORITY PROGRAM :** The set-aside program is designed to interfere minimally with the market, using set-aside volumes that are sufficient only to satisfy hardship and emergency cases. The set-aside program makes no attempt to reduce or inhibit the market price of fuels. All fuel delivered through the program will be purchased at the market price, and whenever possible, through the usual supplier.

The percentage will be no larger than what is expected to be required to meet emergency supply needs. The percentage is based on the amount of fuel already in the state in storage and the amount estimated to enter the state from the prime suppliers each month.

| Set-Aside Percentages<br>Monthly Fuel Volume from Oregon Suppliers | |
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| Motor Gasoline.... ..... | up to 5 percent |
| Diesel ..... | up to 4 percent |
| Jet Fuel ..... | up to 5 percent |
| Propane..... | up to 3 percent |

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| Kerosene..... up to 2 percent |

ODOE's Fuel Allocation Program is designed to ensure emergency fuel to priority users performing life saving functions, restoring Oregon's critical infrastructure, and preventing community hardships.

ODOE uses a three-tiered approach for allocating fuel to these priority users. Tier 1 covers the state's emergency services providers. Tier 2 covers the state's essential services providers. Tier 3 allows for a community to request fuel supplies from the state set-aside. A community must show it has an emergency or hardship caused by a shortage of fuel or is receiving relatively less than other areas of the state. Providing emergency fuel to communities is the only element where retail service stations may receive a set-aside allocation. However, the State will not direct set-aside volumes to specific stations. It will direct prime suppliers to release a certain volume to an area through normal supply channels.

| Priority Fuel Users | |
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| **TIER 1 - Emergency Services Sector**<br>*Agencies and Organizations Performing Life Saving Functions*<br>ODOE will work with and rely on the expertise and assessments of each county emergency management agency to determine fuel needs for their respective jurisdictions. | ▪ Law Enforcement<br>▪ Fire Services<br>▪ Medical Services (Ambulances, Air Transport, and Hospitals) |
| **TIER 2 - Essential Services Sector**<br>*Agencies and Organizations Performing Critical Functions to Restore Oregon's Fuel Supply and Distribution System and Other Critical Infrastructure*<br>ODOE will work with and rely on the expertise and assessments of each Emergency Support Function (ESF) lead state agency to determine fuel needs for their respective sector(s). | • ESF 1: Transportation<br>• ESF 2: Communications<br>• ESF 3: Public Works and Engineering<br>• ESF 4: Fire Fighting<br>• ESF 5: Emergency Management<br>• ESF 6: Mass Care, Housing, & Human Services<br>• ESF 7: Logistics & Resource Support<br>• ESF 8: Public Health and Medical Services<br>• ESF 9: Search and Rescue<br>• ESF 10: Oil and Hazardous Materials<br>• ESF 11: Agriculture and Natural Resources<br>• ESF 12: Energy<br>• ESF 13: Public Safety and Security |
| **TIER 3 - Community Hardship**<br>*Cities and Counties Experiencing Hardships Caused By a Shortage of Fuel*<br>Emergency fuel requests from communities will be reviewed by ODOE on a case-by-case basis. | ▪ City<br>▪ County<br>▪ Other sectors as appropriate |

These tiers are simply guidelines. Fuel allocation will be driven largely by event conditions, the availability of fuel, and the Governor's priorities.

**FUEL ALLOCATION FOR OREGON CITIZENS:** During a fuel supply shortage situation, the need for a method to alleviate potentially long lines at retail service stations may arise. ODOE, at the direction of the Governor, could implement the Odd/Even Fuel Allocation Measure for the public. This measure is designed to help space purchases of gasoline and aids in its equitable distribution. The measure has the potential effect of shortening lines at gasoline retail outlets by cutting in half the number of customers that may attempt to get gasoline on any given day.

The Odd/Even Fuel Allocation Measure for the public may also provide a psychological benefit by reducing uncertainty regarding fuel availability. It may additionally encourage the conservation of fuel by causing trips to be better planned. Minimizing waiting lines may also reduce consumption by saving fuel that is used while idling. Under this plan, gasoline may be purchased or sold only in accordance with the following procedures.

| Odd/Even Fuel Allocation Measure | | |
|---|---|---|
| **ODD** Days of the Month | **EVEN** Days of the Month | **Sundays, Legal Holidays, & 31st of Any Month** |
| Vehicles with Oregon license plates:<br>• Ending with odd numbers<br>• Ending with letters A-M | Vehicles with Oregon license plates:<br>• Ending with even numbers<br>• Ending with letters N-Z | **Anyone** may purchase gasoline on Sundays, legal holidays, or the 31st of any month. |
| ***EXEMPTIONS***: The following vehicles are exempted from the odd/even gasoline purchase plan, but will wait their turn in line at any gasoline station:<br>Common carriers, including taxis, rental vehicles, commercially licensed vehicles, or private vehicles used for designated commercial purposes, and vehicles with out-of-state license plates. | | |

The Odd/Even Measure does not directly save any calculable amount of gasoline. It is designed as a distribution aid and not a conservation measure. Enforcement responsibility rests with service station personnel.

**REQUESTING FEDERAL ASSISTANCE:** When an incident occurs that exceeds or is anticipated to exceed local and State resources, the Governor can request federal assistance under the Stafford Act. The Stafford Act authorizes the President to provide financial and other assistance to state and local governments to support response, recovery, and mitigation efforts following Presidential emergency or major disaster declarations.

**FUEL SUPPLY:** In the event of a severe or long-term fuel emergency, ODOE can advise the Governor to request the federal government assist Oregon to obtain fuel, (gasoline, diesel, jet fuel, etc), assist in fuel delivery, as well as provide portable fueling locations to support the state's response and recovery efforts. This includes requesting generators to ensure the state's petroleum distribution terminals and pipeline companies can assess and address damages promptly to restart facility and system operations without delay. As the lead state agency for ESF 12, ODOE would work with the U.S. Department of Energy

(USDOE), the federal ESF 12 lead agency, to request and coordinate the delivery of supplies, equipment and systems, and personnel.

**FUEL WAIVERS:** ODOE can advise the Governor to request the federal government to waive a fuel or fuel additive requirement if doing so will alleviate the fuel supply crisis. The U.S. Environmental Protection Agency (EPA) with the concurrence of USDOE may temporarily waive a fuel or fuel additive requirement under the Clean Air Act Section 211(c)(4)(C). A fuels waiver can be issued for gasoline and diesel fuel only. If the fuels waiver criteria have been met, EPA may grant a waiver to allow use of a fuel that normally is not allowed in a particular time period or geographic area. If approved, the waiver is effective for a period of 20 calendar days or less.

**DRIVER HOUR WAIVERS:** ODOE can also advise the Governor to request the Federal Motor Carrier Safety Regulations (FMCSR) to lift driver hour requirements to ensure fuel deliveries proceed without delay to ensure public health and safety. FMCSR provides relief from compliance with most safety regulations when an emergency is declared. According to 49 CFR 390.5 an "emergency" means any storm, earthquake, explosion, blackout, or other occurrence, natural or manmade, that interrupts the delivery of essential services or supplies such as food and fuel or otherwise immediately threatens human life or public welfare.

**DISSEMINATING EMERGENCY INFORMATION:** During forecasted or actual fuel emergencies, ODOE is responsible for developing and disseminating emergency information to decision-makers, responders, the news media, and the public. The information includes, but may not be limited to information on fuel supply outlook, fuel conservation measures implemented, and Oregon's Fuel Allocation Program. Timely and accurate information increases awareness and understanding of the fuel crisis situation and helps minimize public panic, topping off gas tanks, and hoarding fuel.

**DRILLS AND EXERCISES:** To ensure that Oregon is prepared to respond to a fuel crisis, ODOE will coordinate, implement, and participate in workshops and seminars, tabletops, drills, and exercises that provide opportunities for state and county decision-makers and responders to demonstrate the ability to:

- Alert and notify key responders to report to emergency centers or locations as appropriate.
- Direct and control the overall state response to petroleum emergencies. This includes assessing the severity of the event, determining potential impacts to Oregon, and determining appropriate protective actions.
- Issue voluntary and mandatory conservation measures and implement Oregon's fuel allocation program.
- Provide timely emergency information and instructions to the public. This includes activating, staffing and operating the Telephone Information Center and the News Center.
- Communicate with industry, federal, state, and local emergency response organizations throughout the duration of the fuel crisis. This includes demonstrating primary and backup communication systems.

**PLAN REVIEW AND UPDATE:** ODOE will review and update Oregon's Petroleum Contingency Plan annually or as needed. Revisions will include improvements identified through drills and exercises. ODOE's Emergency Preparedness Manager is responsible for conducting the review and coordinating revisions with industry, federal, state, and county emergency response agencies.

## FOR MORE INFORMATION

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