

# HOUSE BILL REPORT

## HB 2206

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**As Reported by House Committee On:**  
Technology, Energy & Communications

**Title:** An act relating to conducting a study of pipeline utility corridor capacity.

**Brief Description:** Reviewing pipeline capacity and distribution in southwest Washington.

**Sponsors:** Representatives Curtis, Fromhold, Morris, Hankins, Wallace, Armstrong, Moeller and Orcutt.

**Brief History:**

**Committee Activity:**

Technology, Energy & Communications: 2/21/07, 2/27/07 [DPS].

**Brief Summary of Substitute Bill**

- Requires the Energy Facility Site Evaluation Council to study pipeline utility corridor capacity in southwest Washington.

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### HOUSE COMMITTEE ON TECHNOLOGY, ENERGY & COMMUNICATIONS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Morris, Chair; McCoy, Vice Chair; Crouse, Ranking Minority Member; McCune, Assistant Ranking Minority Member; Eddy, Ericksen, Hankins, Hudgins, Hurst, Takko and VanDeWege.

**Staff:** Kara Durbin (786-7133).

**Background:**

Olympic Pipe Line System

The Olympic Pipe Line Company operates an interstate pipeline that runs along a 229-mile corridor from Blaine, Washington to Portland, Oregon. The Olympic Pipe Line system consists of two parallel lines, a 16-inch and a 20-inch pipeline, starting near the refineries in Skagit and Whatcom counties and running south to Renton, Washington. After delivering fuel to Seattle and Sea-Tac International Airport, the two pipelines combine into one 14-inch line that proceeds south to Portland, Oregon. This system transports gasoline, diesel, and jet

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fuel. The fuel originates at four Puget Sound refineries, two in Whatcom County and two in Skagit County, and is delivered to bulk terminals at Seattle's Harbor Island, Sea-Tac International Airport, Olympia, and Vancouver, Washington, as well as Portland, Oregon. This pipeline system delivers approximately 12,300,000 gallons of fuel a day.

The capacity of the Olympic Pipe Line system has not increased since the pipeline was built in sections between 1965 and 1970.

#### Energy Facility Site Evaluation Council

The Energy Facility Site Evaluation Council (EFSEC) was created in 1970 to provide one-stop licensing for large energy projects. The EFSEC's jurisdiction includes the siting of large intrastate natural gas and petroleum pipelines, electric power plants above 350 megawatts, new oil refineries, large expansions of existing facilities, and underground natural gas storage fields. For intrastate petroleum pipelines, the EFSEC has jurisdiction over the siting of those intrastate petroleum pipelines that transport crude or refined liquid petroleum products through a pipeline larger than six inches in diameter with a total length of at least 15 miles.

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#### **Summary of Substitute Bill:**

The EFSEC must review the status of pipeline utility corridor capacity and distribution for petroleum in southwest Washington.

The EFSEC must review the following issues:

- whether pipeline utility corridor capacity constraints exist, and if so, to what extent;
- whether there is adequate pipeline utility corridor capacity in the state to meet existing demand; and
- whether the current pipeline utility corridor system is expected to meet projected demand growth in southwest Washington.

The EFSEC may also examine capacity and distribution of pipelines in other areas of the state to the extent that those pipelines may have an impact on supply to southwest Washington.

By December 1, 2007, the EFSEC must submit its findings to the Legislature.

#### **Substitute Bill Compared to Original Bill:**

The substitute bill removes natural gas and biofuels from the scope of the study. The substitute bill removes the requirement that the EFSEC identify needed improvements in pipeline capacity and make recommendations on proposed projects to the Legislature.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect 90 days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:**

(In support) I appreciate you hearing this bill. The funding of \$250,000 was inadvertently left out, and I would appreciate an amendment putting the funding back in. If there was damage to our current pipeline, southwest Washington would be greatly impacted. If the pipeline were to break, southwest Washington would see a severe increase in prices. When the pipeline broke in 1998, it resulted in a shortfall and an increase in prices in fuel. This pipeline has not been expanded since it was built in 1971. It is no longer meeting the needs of the community. Pipeline corridors need to be identified early on.

There is a need for increased supply in southwest Washington. This area has grown tremendously over the last 30 years. Taking a look at distribution for natural gas and biofuels make sense.

(Information only) This proposes an extensive study of the pipeline corridor in southwest Washington. We're pleased that EFSEC was chosen to do this project. However, this bill does not provide funds for the study, and we do not have funds available for this effort.

(Opposed) None.

**Persons Testifying:** (In support) Representative Curtis, prime sponsor; and Charlie Brown, Washington Oil Marketers Association.

(Information only) Allen Fiksdahl, Energy Facility Site Evaluation Council.

**Persons Signed In To Testify But Not Testifying:** None.