



Related Emergency Fuel Topics

Western Regional Emergency Fuel Coordination Meeting

California Energy Commission
Sacramento, CA

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California Energy Commission

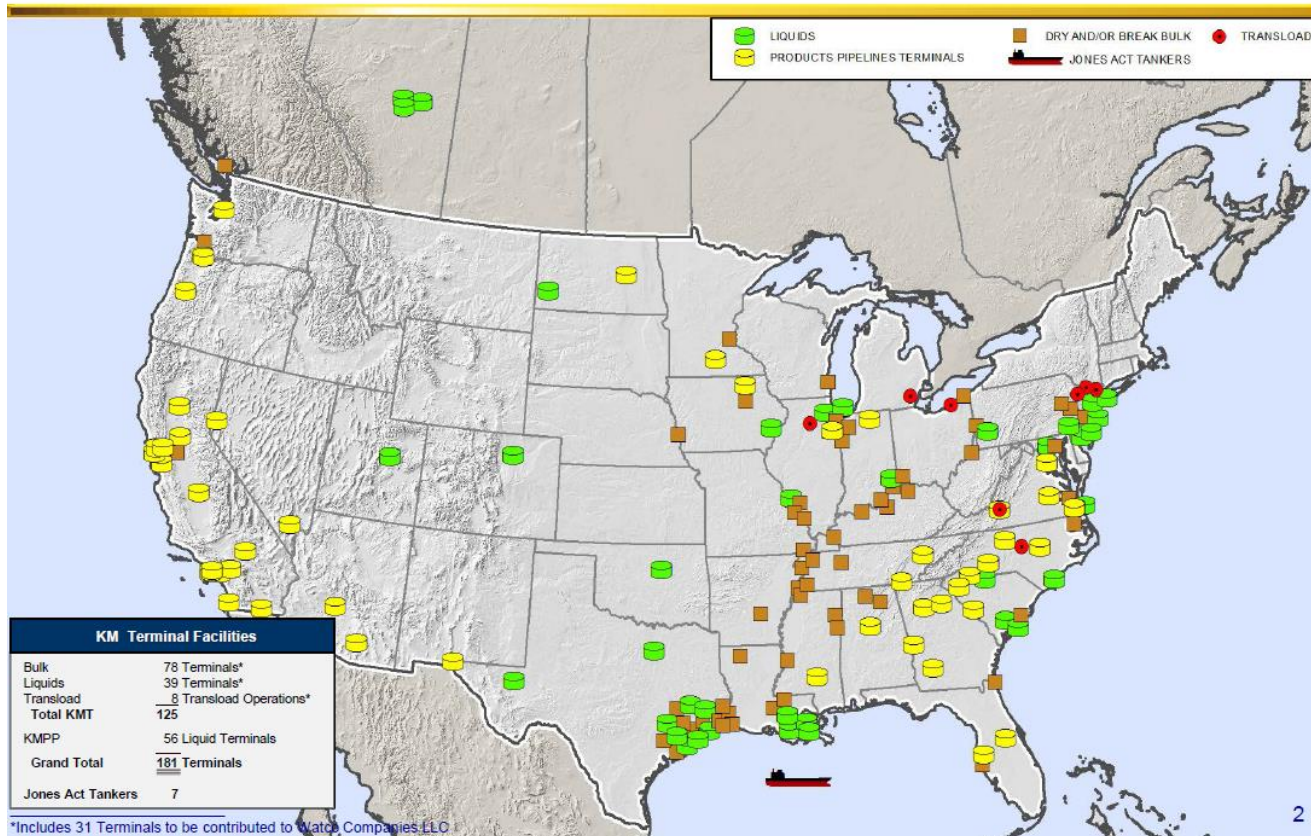


Alternative Re-supply - Rail

- Why rail re-supply should be examined
- Catastrophic earthquake and anticipated subsequent regional fuel supply shortage cannot be adequately resupplied by transporting fuels from outside the region using tanker trucks
 - Not enough trucks, time nor drivers
- Importation of transportation fuels using rail tank cars eliminates the need for additional tanker trucks and drivers
 - One rail tank car equivalent to three tanker trucks
 - One unit train (100 rail cars) equals 300 tanker trucks
- Rail tank cars can be unloaded using transloading techniques
 - Tanker trucks that cannot pick up fuel at empty or damaged distribution terminals can be redirected to alternative rail receipt locations

Terminal Network

Largest Independent Terminal Operator in North America



Kinder Morgan operates 8 facilities in the eastern United States

Rail Transloading

- Potential re-tasking of existing rail receipt terminals
 - Can rail terminals be repurposed to receive rail cars of gasoline and diesel fuel rather than ethanol, biodiesel or crude oil?
 - Which locations may be feasible candidates and what effort/equipment modifications would be required?
- Identification of potential rail sites that could be proactively developed for use during a catastrophic event
 - Should target locations nearest distribution terminals



Source: Vidal Street Industrial Park.



Source: City of Alexandria, Virginia.



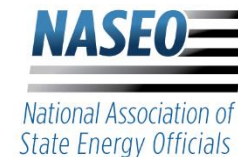
Potential Activities – Backup Power

- Gas stations inside damaged zone will likely be without power
- Could identify stations that would be used to distribute fuel using backup generators – permanent or portable
 - New York has PON for \$12 million that will be used for permanent back-up generators at key service stations – 12/15/16 grant application deadline
 - Some state laws require pre-wiring to accept portable generators for key service stations
 - CEC will be including additional questions on their annual retail survey form (A15) related to back-up power capability





SF Bay Area Gas Stations Average Sales



Should consider focusing efforts on stations with greatest throughput, storage tank capacity and dispensers - hypermarts

Analysis of A15 Retail Survey Data From CY 2012

California Bay Area County	Retail Sites	Average Gasoline Throughput Gallons/Month	Retail Sites 500,000 to 1,000,000 Gallons/Month	Average Gasoline Throughput Gallons/Month	Retail Sites Greater Than 1,000,000 Gallons/Month	Average Gasoline Throughput Gallons/Month
Alameda	371	127,583	32	671,635	15	1,572,757
Contra Costa	291	119,989	37	695,126	8	1,678,949
Marin	68	131,127	8	661,454	2	1,822,102
Napa	37	130,631	5	649,739	1	2,102,774
San Francisco	100	124,167	12	701,016	2	1,187,214
San Mateo	197	129,442	19	651,417	6	1,777,563
Santa Clara	393	147,795	28	651,525	13	1,660,441
Subtotals	1,457	131,778	141	672,228	47	1,646,712

Source: California Energy Commission



Red Dye Diesel Waivers

- Diesel fuel is taxed at point of first distribution – excise tax
 - “...for use in the propulsion engine of a diesel-powered highway vehicle or diesel-powered train”
- All diesel that will be used for a non-tax purposes must be dyed red to enable enforcement downstream of distribution terminals
 - IRS and some state regulations require seller to notice buyers that the dyed diesel may not be used on highway
- How would a waiver from IRS be helpful?
 - Significant volumes could be made available for use in on-highway vehicles
 - In California dyed diesel volumes averaged 24.2 percent of total diesel fuel use between January 2010 and December 2015
 - Roughly 69.2 million gallons each month
 - Fluctuates between 21 and 28 percent on any given month
- IRS has ability to waive dyed diesel notice and tax payment requirements – did so during Sandy – *who should make the request?*
 - Relief in New Jersey, New York, and Pennsylvania from 10/30/12 through 11/20/12



Potential Way Forward

- Emergency response plan for Bay Area Catastrophic Earthquake updated by OES & FEMA
- Fuel delivery Course of Action development has revealed a possible way forward
- Development of a Fuels Task Force
 - Consisting of representatives from various federal, state, local, and selected private entities
- Responsibilities grouped by core activities
 - Increasing fuel supply availability & distribution capability
 - Waivers
 - Decreasing/moderating fuel demand
 - Odd-even rationing
 - Situational awareness
 - Status of refineries, fuels receiving & distribution system, and marine tanker availability



Near-term Activities - FTF

- Develop Fuel Task Force (FTF) structure documentation
- Identify appropriate agencies and responsibilities
- Obtain agreements for participation
 - Points of 24/7 contact and back-ups
- Create templates for waivers/actions in advance
 - Several fuels waivers already have been issued – can be tailored to meet needs of California, Nevada, Arizona, and other regional states
 - Same for Jones Act
 - Review Odd-Even fuel distribution plans from other areas/events
 - Develop regional template
 - **Identify any legislative needs**
- Conduct additional tabletop discussions/exercises to improve communication and identify gaps in knowledge or process



Questions?



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