



Proposal: Request City Council to Initiate a Fossil Fuel Risk Assessment for City of Eugene

The Eugene Sustainability Commission recommends that the Eugene City Council initiate a Fossil Fuel Risk Assessment and Gap Analysis process. The results of this study would inform the city as to any need for additional assurances against possible financial liabilities due to accident, failure, or abandonment of local fossil fuel infrastructure.

Costs relating to fossil fuel accidents and other related issues, including infrastructure abandonment, have been rising nationally. These costs often end up falling upon local public agencies and jurisdictions, as companies walk away or don't have adequate insurance coverage to fully pay the costs.

A risk assessment and gap analysis is the important first step toward considering possible Fossil Fuel Risk Bond mechanisms in the future, should these be needed. The Risk Assessment and Gap Analysis process would:

1. inventory relevant infrastructure risks,
2. estimate costs associated with each risk, assuming a "reasonable worst case" event,
3. determine current company insurance levels and other funds that would likely be available to address each such event,
4. determine the gaps between possible costs and existing assurances.

Two counties and one city are currently involved in this process, and a handful of states are drafting legislation about this topic.

This recommendation follows an initial investigation by the Commission. This work resulted in an invited presentation by Dr. John Talberth and Daphne Wysham from the Center for Sustainable Economy. This presentation was held the evening of March 17, 2021, to which all Council members were invited. (It can be viewed [here](#).)

Learn more about fossil fuel risk bonds:

- [Article](#) from Center for Sustainable Economies
- [Article](#) from Sightline Institute

Thank you for considering this important topic to protect our city from financial and environmental risks from fossil fuel infrastructure in Eugene.

Sincerely,
The Eugene Sustainability Commission



Eugene Sustainability Commission

Appendix I.

Partial Inventory of Local Fossil Fuel Infrastructure Sites

- Carson Oil, Tyree Oil, Kinder Morgan
- Gas Stations, Auto Dealerships, Auto Repair Shops
- Georgia Pacific Adhesives, Murphy Plywood, Flakeboard, Seneca, McFarland Cascade Rosboro, Bohemia, Zip o log
- JH Baxter
- Wildish Const., Delta Sand Gravel
- Cascades Electro Plating, Printing Co.
- Northwest Solvents and Supply

Bulk Chemical Transport on High Hazard Train Route - UP Tracks

- Fuel Additives & Fossil Gases - crude oil, ethanol, methanol, isopropyl alcohol, butanol, toluene, benzene, kerosene, ketones
- Liquid natural gas (LNG) - <https://www.sightline.org/2021/03/22/railroaded-by-the-gas-industry/>
- Wood processing and preserving chemicals
- Adhesives and glues and associated chemicals