Date:	Tue, 28 Jan 2025 9:59:25 PM (UTC)
Sent:	Tue, 28 Jan 2025 9:59:15 PM (UTC)
Subject:	FW: Letter from Portland Metro Chamber re: Zenith Permit Land Use Compatibility Statement (LUCS).
From:	Jon Isaacs <jisaacs@portlandalliance.com >
To:	Pirtle-Guiney, Elana <Elana.Pirtle-Guiney@portlandoregon.gov >;
CC:	Sept, Natalie <Natalie.Sept2@portlandoregon.gov >;
Attachments:	20250123-ZenithPermit-letter.pdf

President Pirtle-Guiney,

I believe this went to the wrong e-mail address. Apologies.

Best,

-Jon-

Jon Isaacs *(he/him)*
Executive Vice President, Public Affairs
PORTLAND METRO CHAMBER
p: 503-224-8684 |m: 503-757-5721 | jon@portlandmetrochamber.com

Greater Portland's Chamber of Commerce
DowntownPortland.org | Portlandmetrochamber.com | PartnersinDiversity.org

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From: Jon Isaacs <jisaacs@portlandalliance.com >
Date: Tuesday, January 28, 2025 at 1:44 PM
To: "elana.pirtleguiney@portlandoregon.gov " <elana.pirtleguiney@portlandoregon.gov >, "michael.jordan@portlandoregon.gov " <michael.jordan@portlandoregon.gov >, "Donald.Oliveira@portlandoregon.gov " <Donald.Oliveira@portlandoregon.gov >, "mayor@portlandoregon.gov " <mayor@portlandoregon.gov >
Cc: "Coghlan, Aisling" <Aisling.S.Coghlan@portlandoregon.gov >, "natalie.sept2@portlandoregon.gov " <natalie.sept2@portlandoregon.gov >, Andrew Hoan <Ahoan@portlandalliance.com >
Subject: Letter from Portland Metro Chamber re: Zenith Permit Land Use Compatibility Statement (LUCS).

Dear Mayor Wilson, Council President Pirtle Guiney, City Administrator Jordan, and Deputy City Administrator Olivera,

Please find attached a letter from Chamber President & CEO Andrew Hoan communicating our concerns regarding athe Zenith LUCS.

In summary, if any decision is made to reverse approval of the Zenith LUCS we request that there are meetings convened immediately regarding the alternative plan to meet the city's renewable fuel standard, which is supported by the Chamber and is one of the most aggressive in the nation. The phase in of the RFS is correctly calibrated with the availability of the cleaner renewable diesel replacement fuel. The letter explains that this goal cannot be met without the capacity available, and the renewable diesel supply contracts entered into by Zenith.

The RFS policy is, in fact, working now, and would be disrupted by any city action to reverse course on the Zenith LUCS.

As always, we offer our assistance in navigating difficult decisions such as this and will continue to support the city's RFS policy of phasing out old, dirty, carbon intensive fuels as we work to ensure the necessary supply for clean, sustainable replacement fuels become available.

-Jon-

Jon Isaacs *(he/him)*

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January 27, 2025

RE: Portland City Council Listening Session - Zenith Public Comments

Portland City Councilors:

On behalf of Portland Metro Chamber, I am writing in support of the Portland Permitting & Development's approval of Zenith Energy's pending application for a Land Use Compatibility Statement (LUCS).

The Portland Metro Chamber (Chamber) represents the largest, most diverse network of businesses in the region and advocates for business at all levels of government to support commerce, community health and the region's overall prosperity. We represent more than 2,300 members, from 27 counties, 13 states and virtually every industry sector. More than 80% of our members are small businesses.

The Chamber is a formal partner of the city's Clean Industry Initiative to decarbonize Portland's industrial sector. We have committed publicly to lead the effort to meet the city's 2050 industrial carbon emission reduction goals through the Portland Clean Industry Hub. As part of this partnership to reduce industrial emissions, the Chamber participated in negotiations and supported the city's ordinance, adopted in 2022, to adopt a renewable fuel standard (RFS) which would phase out traditional diesel fuel by 2030.

As our region transitions to electrification, one of the best ways to reduce carbon emissions is the use of low-carbon, renewable fuels. The city has recognized this with its RFS, which intends to eliminate the use of traditional diesel by 2030. The standard and the related ordinance recognize that the primary barrier to achieving this objective is the availability of the necessary supply of the low carbon replacement fuel - renewable diesel. Renewable diesel can be used in existing vehicles and reduce emissions by up to 80% over traditional fossil-based fuel.

For the aviation industry to meet carbon reduction goals, the only option is to have access to a blended product known as sustainable aviation fuel (SAF). Unlike what renewable diesel is to petroleum diesel, jet fuel does not have a drop-in replacement renewable fuel. To support our aviation industry partners, the sustainable aviation component must be blended with conventional jet fuel to a 50/50 blend. Portland is competing with virtually all other major west coast cities, who are also moving to establish this supply of low carbon renewable fuels, to support their economies swift transition to a low carbon economy. With this economic reality in mind, Portland is incredibly lucky to have the terminal and tank capacity offered by Zenith for a market of our size. Zenith is already one of the largest providers of 100% renewable sustainable aviation fuel but needs the ability to move jet fuel and sustainable diesel with new infrastructure so that it can be delivered to Portland businesses.

It is a fact that Oregon has no renewable fuel production, and only limited storage options for imported fuel. The Zenith Terminal is the largest renewable fuel storage facility in the state, making it essential to Oregon's goal of reducing carbon emissions. In short, there is no way to comply with the region's aggressive carbon reduction targets in the transportation sector without Zenith's terminal, including phasing out diesel in the next five years.

In October 2022, the City of Portland issued a LUCS to Zenith, that established an important agreement to transition Zenith's storage capacity from crude oil to renewable fuels. The company has invested $30 million in new infrastructure to achieve this agreement, and they are ahead of schedule to meet the October 2027 deadline.

At the Portland City Council's January 21st work session on Zenith, a few councilors appeared to suggest that the council take decision making authority on this new LUCS application from city staff. Portland, like other government entities, has established regulations, rules and procedures to provide certainty to citizens, organizations and companies doing business with the city. Those processes and authorities can be changed but must be done within the established legal and policy framework. Quite simply, this procedure is specifically designed to limit political influence or arbitrary decision making in what must be a standardized process based on clear criteria. To ensure the integrity of this system, state law prevents changed regulations, rules and procedures retroactively.

Finally, the Chamber recognizes the historic task you have in organizing a new city government. A core principle of this new, more traditional structure is to have an Executive Branch, that executes administrative function, and a legislative branch to adopt guiding policies, budgets, and provide oversight. To be successful and maintain the integrity of the separation of powers, this basic division of roles and responsibilities must be kept clear with administrative functions clearly left to the Executive Branch. As we work to reignite private investment in housing, infrastructure, new businesses, and growth it is imperative that the permitting process be predictable and stable within the administrative branch. Without this discipline, the city will continue to feel the chill on private investment, as evidenced by the dearth of permits being processed currently by the city.

Thank you for your willingness to serve the City of Portland in this new role.

Sincerely,



Andrew Hoan, President & CEO

cc: Mayor Keith Wilson
City Administrator Michael Jordon