

ENERGYWIRE

An E&E Publishing Service

TRANSPORT: Green groups sue oil-by-rail giant in permitting dispute (Thursday, July 3, 2014)

Blake Sobczak, E&E reporter

Environmental groups in Oregon have filed suit against fuel logistics firm Global Partners LP, alleging it sidestepped federal permitting rules under the Clean Air Act.

The plaintiffs claim Global Partners LP failed to go through a fresh federal permitting process when it repurposed an ethanol terminal in Clatskanie, Ore., to transfer large volumes of crude oil from rail cars onto barges en route to coastal refineries.

The Columbia Pacific Bio-Refinery, run by Global subsidiary Cascade Kelly Holdings LLC, was originally cleared to handle ethanol but sought approval for processing crude two years ago as oil production surged in states such as North Dakota. The lawsuit alleges that the facility's crude-by-rail operations constitute a new, major source of emissions that require a prevention of significant deterioration permit under federal law.

"Global Partners and Cascade Kelly are trying to game the system and use a facility permitted for ethanol production to ship dangerous crude oil through our backyards without telling the public, doing the proper analysis, or having proper Clean Air Act pollution controls," said Marla Nelson with the Northwest Environmental Defense Center, one of the plaintiffs in the [suit](#).

Other plaintiffs include Earthjustice, the Center for Biological Diversity and the Portland-based community group Neighbors for Clean Air.

Global Partners said it has not yet received the complaint but is operating in full compliance with its existing permits.

The company's Clatskanie terminal has previously landed in hot water over permitting.

In March, Oregon's Department of Environmental Quality [fined](#) Cascade Kelly \$117,000 for allegedly overstepping its annual crude oil transfer quota.

The facility is currently permitted to process 50 million gallons of crude oil each year, according to the DEQ. The agency said Global Partners "far exceeded that amount" in 2013, transloading nearly 300 million gallons of crude throughout a 12-month period ending in November. That translates to about two mile-long oil trains per day.

Oregon DEQ spokeswoman Marcia Danab said her department has issued a draft air contaminant discharge permit that would allow the facility to process more crude, but the agency is still reviewing public comments on the document.

The lawsuit arrives just one year after an oil train derailment in Lac-Mégantic, Quebec, killed 47 people and brought heightened scrutiny on the business of moving crude by rail across North America.

Oil train terminal operators such as Global Partners have come under fire from New York to Oregon as green groups seek to slow the North American oil-by-rail boom until safety regulations can catch up ([EnergyWire](#), Jan. 13).

Yesterday's lawsuit calls for a court order to cease operations at the Clatskanie terminal until Global Partners can secure all the allegedly needed permits.

Reporter Ellen M. Gilmer contributed.

Want to read more stories like this?

[Click here](#) to start a free trial to E&E -- the best way to track policy and markets.

About EnergyWire

EnergyWire is written and produced by the staff of E&E Publishing, LLC. EnergyWire is designed to bring readers deep, broad and insightful coverage of the transformation of the energy sector. EnergyWire focuses on the business, environmental and political issues surrounding the rapidly expanding unconventional energy industry and the numerous factors -- from expanding natural gas use to renewables and more -- that are altering the traditional electric utility industry. EnergyWire publishes daily at 9:00 a.m.



E&E Publishing, LLC
122 C St., Ste. 722, NW, Wash., D.C. 20001.
Phone: [202-628-6500](tel:202-628-6500). Fax: [202-737-5299](tel:202-737-5299).
www.eenews.net

All content is copyrighted and may not be reproduced or retransmitted without the express consent of E&E Publishing, LLC. [Click here](#) to view our privacy policy.