November 3, 2025

To: Washington State Department of Ecology
Clean Energy Coordination

Re: Formal comments on Scoping for Sustainable Aviation Fuel Programmatic Environmental Impact Statement

Thank you for the opportunity to provide scoping comments for WA Department of Ecology's *PEIS on Sustainable Aviation Fuel Production Pathways, Including Blending and Distribution, in Washington State*.

To be clear on the focus of review, I note the definition of SAF on p. 14, "SAF is a drop-in jet fuel replacement that is produced through a variety of pathways and results in a reduction in lifecycle emissions compared to conventional jet fuel." Also noted, "SAF is currently the only feasible solution to decarbonize the long-haul aviation sector (DOE et al. 2025)."

As a drop-in jet fuel replacement SAF will be required to duplicate the chemical and energy characteristics of current kerosene-based petroleum aviation fuel. (As an aside, kerosene was first produced from coal in the mid-1800s and used as lamp oil before cheaper produced petroleum became available, and Nazi Germany produced kerosene-based aviation fuel from coal in WW2.)

Hydrocarbon Refineries

When talking about "a variety of pathways" what is really meant are hydrocarbon refineries supplied with various feedstocks using well-known and experimental technologies. Hydrocarbon refineries and their environmental hazards have been known in Washington since 1952. https://www.sightline.org/2021/09/22/the-history-of-northwest-refineries/

The petroleum refineries in this state also produce aviation fuel and have undergone numerous environmental reviews. A SAF refinery will not be much different, by definition. **In the PEIS, start with what is already known about the environmental hazards of hydrocarbon refineries in this state.** The hazards of storage and distribution pipelines will be the same. The marine tanker hazards on our waterways will be the same. Hazards of oil feedstock deliveries will be the same. There will be similar refinery air and water pollution in the communities where they are located. There may be similar energy requirements (or more) to run the refinery processes. There will be similar explosion risks. The safety and health hazards of SAF refineries will be the same as other hydrocarbon refineries.

Hydrocarbon refineries which produce fossil petroleum products will likely be quickest to pursue conversions to producing aviation fuel from other feedstocks.

Par Pacific bought U.S. Oil and Refining in Tacoma and is working with Par Pacific to produce alternative fuels.
https://www.parpacific.com/operations/refining-logistics/washington
https://www.parpacific.com/sites/par-pacific-holdings/files/sustainability-reports/2024%20Par%20Pacific%20Sustainability%20Report.pdf

Chevron has been in the business of producing biodiesel for over ten years and currently operates the Grays Harbor Biorefinery, with a nameplate capacity of 100 million gallons of biodiesel per year. (2.4 million barrels)https://www.regi.com/
https://www.regi.com/services/find-fuels/grays-harbor-wa

Scoping should consider the environmental, safety, and health impact histories of existing biorefineries for pertinent questions to be resolved in environmental review.

New ideas, new government mandates, grants and subsidies will encourage entrepreneurs to propose new projects. **Who will have the jurisdiction to conduct environmental reviews of new energy projects?**

According to the Washington Energy Facility Site Evaluation Council (EFSEC), EFSEC would have environmental review jurisdiction over-

New facilities that can refine more than 25,000 barrels of petroleum or biofuel per day, except when processing biofuel at existing facilities.
[9,125,000 barrels/year; about 1 million gallons per day, enough to fill a storage tank about 31 feet high and 74 feet in diameter]
https://efsec.wa.gov/siting-process/who-we-regulate

The PEIS should clarify the government entities most capable in reviewing new refineries, especially for projects involving new technologies, large volumes of explosive products, or in communities with little expertise or capacity to conduct competent and thorough environmental reviews or do financial viability analysis. The NWIW methanol refinery at Kalama and the Pacific Coast Fertilizer anhydrous ammonia plant in the city limits of Longview come to mind.

Feedstock

What makes SAF different from conventional petroleum-based fuels is feedstock. The destruction of our climate from combustion of fossil fuels is well-known. The destruction of carbon sinks like forests and soils from indiscriminate cutting of forests and industrial agriculture is well-documented. To pursue climate responsible replacements for fossil fuels is a needed and noble effort.

According to page 19 of the Scoping Document, ASTM international identifies 11 approved processes that convert various feedstocks into pure SAF. On page 20 it states the U.S. Department of Energy identifies four of the processes as the most cited production pathways. As to commercial readiness, the Scoping Document states only the HEFA production process has been deployed on a commercial scale.

The PEIS should determine if only the HEFA process SAF at this time be considered part of the Department of Commerce's portfolio of fuels. Also, as the only current carbon intensity pathway to be included in the Clean Fuel Standard.

The PEIS should also determine what it means for a production pathway to be viable on a commercial scale. Does it mean the SAF product can compete in the market on a level basis with petroleum derived aviation fuel? Will it require government subsidies to compete and how much? When should processes still in research and development be considered ready to scale up commercially? Should being ready also mean proof of low carbon lifecycle intensities and non-significant impacts to the environment, health and safety?

The Scoping Document states HEFA is the most mature production pathway. It also states that waste fats, oils, and greases used in the HEFA process are almost all already under contract and

not available in the northwest and would have to be sourced elsewhere**. As other areas of the country will also be pursuing this pathway for alternative fuels, is it feasible to expect this pathway will be able to meet GHG reduction goals for aviation fuel in Washington state?**

The WSU and Port of Seattle Feedstock Report states that regionally grown oil seed feedstocks are not viable for the near-term and have future challenges.
https://www.portseattle.org/sites/default/files/2020-08/PofSeattleWSU2019updated_appendix.pdf

Potential Northwest Regional Feedstock
and Production of Sustainable Aviation Fuel
2019 Report from the Port of Seattle and Washington State University
Prepared February 2020

Vegetable oil, from NW oilseed crops, is not a viable feedstock in the near term. Oilseed crops for fuel production are purpose-grown crops with minimal current production and demand in the region. The NW does have potential to expand oilseed crops but in the best-case scenario, it would take many years of continual progression for oilseed production to approach the theoretical maximum. Several developments would need to occur to result in greater production. Most importantly, the economics of growing oilseeds must be beneficial for each individual farmer. Economic concerns pertaining to risk-taking can be abated as the collective knowledge of farmers and extension agents within the NW is further developed (Ghadim et al., 2005). The return on growing oilseeds must also exceed the returns of the alternatives, keeping in mind that the NW is currently a globally significant producer of several varieties of specialty wheat and high-value legumes (Schillinger et al., 2006). Oilseeds do offer agronomic benefits that can help improve the overall health of multiple years (Pan et al., 2016). Regional vegetable oil is not a large enough volume to be a viable feedstock option in the near term.

p.17

The NREL report on feedstocks for the HEFA pathway lists constraints for the larger country.

https://docs.nrel.gov/docs/fy24osti/87803.pdf?utm_medium=email&utm_source=govdelivery

Rosales Calderon, Oscar, Ling Tao, Zia Abdullah, Michael Talmadge, Anelia Milbrandt, Sharon Smolinski, Kristi Moriarty, et al. 2024. *Sustainable Aviation Fuel State-of-Industry Report: Hydroprocessed Esters and Fatty Acids Pathway.* Golden, CO: National Renewable Energy Laboratory. NREL/TP-5100-87803. https://www.nrel.gov/docs/fy24osti/87803.pdf

All industrial stakeholders identified feedstock supply as a major barrier to scale up production of SAF via the HEFA pathway. These stakeholders mentioned that securing feedstock supply is challenging for plants in operation and for those under construction. Multiple industries (including biofuels) in the U.S. utilize the entire 23 million tons of domestic HEFA feedstock produced annually. Due to land use, trade, and infrastructure constraints, it is not anticipated that the U.S. production of HEFA feedstock will increase significantly. Soybean oil, the most abundant HEFA feedstock in the country, accounts for 57% of total domestic feedstock production, followed by fats, oils, and greases (FOG) comprising about 28%, and corn oil making up roughly 9%. The remaining portion of HEFA feedstock is from canola and other vegetable oils. The HEFA SAF industry is severely feedstock constrained and may have to depend on imported feedstock in the near term and work toward developing technologies for alternative feedstocks like algae and oilseed cover crops in the long term. It is important to account for the environmental impact of feedstock

production, which can impact availability for fuel producers and end users. Many producers prefer the use of inedible animal fats, sustainably produced resources, or waste materials as part of a circular economy. FOG may be preferred from this perspective, but its generation is linked to human and livestock/poultry population growth. As a result, expected growth is not significant in the future (~33% increase by 2050). Cover crops (such as camelina and pennycress) and algae are considered attractive alternatives, as they do not require additional land that would otherwise be used for food and feed production.

In the U.S., the top five states for producing animal fats are Nebraska, Texas, Kansas, Iowa, and North Carolina, while waste greases are processed at various locations across the country. Vegetable oil production facilities are mostly located in Iowa, Illinois, and the North and East regions (including Indiana, Kentucky, Maryland, Ohio, Pennsylvania, and Virginia). Transportation of these materials across long distances to fuel facilities in the West, particularly in states such as California that have low-carbon fuel standards, results in increased carbon intensity (CI) scores and additional logistic expenses for HEFA SAF production.

Additional Inputs Required for the HEFA Pathway
Sourcing hydrogen is a major challenge for HEFA SAF facilities. Hydrogen needs are significantly higher than for fossil jet production, between 2 and 19 times more per gallon of fuel produced. Concerns have been raised by industry stakeholders regarding the potential difficulties for refineries to obtain sufficient hydrogen. Some feedstocks such as palm oil will require renewable hydrogen to meet the GHG emissions reductions targets under the SAF Grand Challenge. If a refinery does not have sufficient hydrogen capacity, the use of HEFA processing may be limited. The source of hydrogen has a significant impact on its CI score, which in turn affects the eligibility of the fuel for incentives. Some industry stakeholders are concerned about the availability and costs of hydrogen produced through electrolysis using renewable electricity. Though it has a lower CI score, this is a relatively new commercial-scale technology that requires a significant capital investment and renewable electricity.

Because regional feedstock is severely limited for the most viable HEFA pathway, the alternative to import from farther afield presents the additional challenge that transporting the feedstock will add to its carbon intensity. **In developing the geographic scope of the PEIS, analysis should be made to determine the increased carbon intensity of feedstocks which will be transported to pre-processing and biorefinery sites, whether that transportation distance is from Midwest fields or forest fiber resource sites.**

Obtaining sustainable low carbon intensity feedstocks and other sustainable inputs are significant challenges to meeting goals for sustainable aviation fuel in quantities that will make a difference in reducing greenhouse gases.

Weeding out unsupported claims of speculators and competitors for R&D grants and development funds is necessary to establish credibility for public support and funding. Biorefinery projects have come and gone in our area for decades. While the aviation industry is Washington state's largest export by value, it will do no good to greenwash the industry with claims the solution to meeting low carbon aviation fuel is just around the corner. It is not.

To illuminate and remind you of environmental impact and social issues in siting or vastly expanding biorefineries, I am appending news reports from multiple sources covering Riverside/Waterside Energy's attempt to site a biorefinery at the Port of Longview ten years ago. While the port commissioners eventually officially turned down the project due to its shaky financial picture, left out was the fact that public opposition to the project required the port to move their meetings on the project to larger meeting room venues.

The company successors moved their project across the Columbia River to Port Westward, renaming it NEXT. The environmental impacts of the project in a diked farming community on an environmentally sensitive river are huge and so is the public opposition. To produce 50,000 barrels a day of biodiesel, bio jet fuel, or whatever they think will appeal to investors, NEXT has claimed a succession of feedstocks, from used cooking oil, to imported vegetable oils, to fish oil, to camelina.
https://www.columbiariverkeeper.org/campaigns/nxt-energy-refinery/

A previous biorefinery at Port Westward failed, taking with it Oregon state funding.

Speculative projects making unsupported claims take their toll on communities in time and money better spent on pursuing honest well-planned businesses. SAF appears to be the next big thing speculators will be setting their sights on**. The PEIS needs to send the message that projects will be held to strict accountability in the accuracy and viability of their business plans.**

Recent news stories reporting Port of Longview is being wooed by an apparent speculator with shaky financials to turn timber waste into bio jet fuel for Delta, Northwest Advanced Bio-Fuels, to be located at the port's diked greenfield Barlow Point site, would seem déjà vu.
https://archive.ph/ns5lj
https://www.bizjournals.com/seattle/news/2025/07/24/saf-fuel-site-longview.html
https://www.nwabiofuels.com/

If the project intends to produce 60 million gallons annually (abt 1.5 million barrels) of pure SAF, the quantity is not under EFSEC jurisdiction. However, if blended with 95% conventional fossil-based fuel, the resulting product quantity would fall under EFSEC jurisdiction. My experience is these types of projects like to play numbers games to avoid triggering regulatory oversight. I suspect the plan is to transport the pure SAF to another refinery for blending considering there are no area hydrocarbon refineries producing conventional fuels. Local residents have already expressed overwhelming opposition to hydrocarbon refineries in their midst and on the river. This project will draw the same now more experienced opposition.
Insist that new SAF hydrocarbon refineries be located on or near current refinery sites where the intent is to blend them. Creating new polluting refinery infrastructure in greenfields is counterproductive, unnecessary, and environmentally irresponsible.

The PEIS needs to ascertain what constitutes timber waste, how much is there actually out there, and is the highest best use of timber for mitigating climate change to leave it in the forest.
See https://www.nature.com/articles/s41586-025-09381-5#citeas
Matters Arising, Published: 29 October 2025
Reply to: Carbon implications of wood harvesting and forest management
Timothy D. Searchinger, Steven Berry & Liqing Peng
Nature volume 646, pagesE20–E23 (2025)

Bottom Lines

If SAF feedstock cannot prove availability, sustainability, with less lifecycle carbon intensity than conventional feedstocks, then it will not meet goals to decarbonize aviation fuel.

If hydrocarbon refineries blending SAF with conventional jet fuel cannot prove they are annually significantly reducing the conventional fossil feedstock percentage of their combined product, then they will not meet goals to reduce fossil feedstock inputs. If they use the SAF inputs to greenwash market their product with the goal to sell increasing quantities of blended product, they may even increase overall fossil feedstock inputs. The public will not be fooled. We can do the math.

As long as aviation fuel requires putting hydrocarbon-based fuels into the tanks and GHGs are coming out of the exhaust, the aviation industry will continue to contribute to our warming unstable climate. Can aviation find other ways to reduce and mitigate its impact? I hope so. More fuel efficient plane design, less aviation traffic congestion in the air and around airports, more electric powered short hop air vehicles, elimination of frequent-flyer programs, eliminating incentives to fly and to increase military fleets are some suggestions.

Thank you for the opportunity to comment. Your work to make sure Washingtonians and the planet have the best options available to protect our environment and the health and safety of citizens is very much appreciated.

Diane L. Dick
13 Saint Helens Lane
Longview, WA 98632

2015 Biorefinery Longview, WA

https://www.opb.org/news/article/first-refinery-proposed-for-columbia-river/

Refinery Proposed Last Year For Columbia River, Records Show

By Conrad Wilson (OPB) and **Tony Schick** (OPB)

Portland, Oregon April 15, 2015 10:45 a.m.

Washington's Port of Longview says it is in talks with an energy company that last year submitted plans for a crude oil refinery on the Columbia River.

Details of the company's planned refinery surfaced Wednesday through public records obtained and released by Columbia Riverkeeper.

A potential agreement between Riverside Energy, Inc. and the port, outlined in an unsigned memo of understanding dated July, 2014, described plans for the development of the first refinery on the Columbia River and the first on the West Coast in 25 years. The refinery would have a capacity of 30,000 barrels per day and produce a mix of diesel, gasoline and jet fuel all primarily for regional use, according to the documents, which were sent Wednesday to media organizations.

Port of Longview spokeswoman Ashley Helenberg said the proposal detailed in the documents is not an active proposal. She said the port is still working with Riverside Energy and is awaiting an updated proposal from the company. Helenberg said the port did not yet know what the new proposal would include, but that it would likely be for a crude oil refinery.

Oil prices have dropped sharply in recent months and oil production in North Dakota has fallen off, as well.

The newly released documents indicated that oil would travel to Longview by rail from the Bakken fields of North Dakota, creating an estimated traffic of 10 trains per month. The refined products would then travel by water.

Several trains carrying crude oil have derailed and exploded in recent years.

Columbia Riverkeeper Executive Director Brett VandenHeuvel said he would not want to see the proposed refinery materialize.

"This is shocking new information. Refineries are extremely polluting. Highly toxic air pollution," he said. "And to combine a refinery with explosive oil trains — it's the worst of both worlds."

A presentation from Riverside Refining LLC estimated the project would create more than 400 construction jobs and 150 permanent positions, with an average annual wage of $75,000. The refinery would use “state-of-the-art processing technology” and “will have a lower carbon footprint than existing West Coast refineries,” according to the documents.

The refinery described in the documents would be smaller than the existing refineries in Washington. British Petroleum, Phillips 66, Tesoro and Shell own refineries in Northwest Washington, each of which has a capacity of at least 100,000 barrels per day. Tacoma’s U.S. Oil & Refining Co. has a capacity of 39,000 barrels per day.

This story will be updated.

https://tdn.com/news/oil-refinery-faces-host-of-hurdles-before-coming-to-longview/article_9ae19125-a7d4-5438-b259-94daf8ee7a68.html

Oil refinery faces host of hurdles before coming to Longview

Marissa Luck May 29, 2015 0

A northern view of an oilseed-crushing and biodiesel plant in Odessa, Wash., operated by TransMessis Columbia Plateau, which shut the plant down last year due poor financial backing and falling oil prices. Some former TransMessis officials are involved in the proposed oil refinery and propane terminal in Longview.
EPA

Port of Longview made national headlines this week when it announced it would pursue a deal with a startup company for a new $800 million oil refinery. But how likely is it that the plant would actually be built?

Many factors work against Riverside Refining's favor: There will be fierce opposition from environmental groups and a lengthy permitting process. In addition, a lawsuit against top company officials could undermine confidence in the project.

"If I had to bet a $100, there's no question of what I would do. They've got a gauntlet of different things that have to go right for this to work," said Tom Kloza, global energy analyst at Oil Price Information Service.

But other factors could improve Riverside's prospects, too. The company says it has financial backing and potential customers. Despite an improving unemployment rate, Longview is still

hungry for jobs, and the community is accustomed to heavy industry. And port commissioners and candidates are open to it.

“We’re supposed to open to any project that can pass our due diligence and is good for the community, and safe. Sometimes people don’t see that in that manner with oil, but we need to stay open and not be negative on everything,” said Port Commission President Bob Bagaason.

Dozens of potential clients propose projects to the port every year, said port spokeswoman Ashley Helenberg, but before reaching the negotiation stage a company has to first pass an initial review, which Riverside has. That review includes a preliminary evaluation of how the project would affect the port, what land it would encumber, how many jobs it would create and what potential revenue it could bring. The company will go through a more thorough vetting process during negotiations, including a check on Riverside’s financial backers, she said.

Riverside Refining and its parent, Waterside Energy, are both Houston-based startups. Soumas said that neither he or his business partner Chris Efird have started or operated an oil refinery. But both have worked in the energy business a combined 23 years, he said, and they are working with experts in the industry.

One local environmental group, Columbia Riverkeeper has already questioned Riverside’s credibility, pointing out that top Riverside officials are being sued in Lincoln County over their involvement in an Odessa, Wash., biodeisiel company called TransMessis Columbia Plateau.

TransMessis operated the $4.3 million plant for the Odessa Public Development Authority, but it shut down after six months after failing to finance an expansion and falling $200,000 behind on its rent, according to OPDA. Up to 28 employees were laid off and a seed company is suing TransMessis for nonpayment of $1.6 million in canola seed.

The suit names Soumas, Efird, Joseph Rozelle and Damon Pistulka as defendants, according to court documents. Pistulka, who was the CEO of TransMessis, is a contracting project manager for Riverside, Soumas said. Soumas was CEO of Evergreen Renewable and Efird is CEO of Access Global Investments, which both backed TransMessis**.**

But Soumas said Riverside has no affiliation with TransMessis.

Financing for the TransMessis project failed to materialize due to poor market conditions, as plummeting gas prices made biodiesel projects less attractive to investors. Financing for oil projects is a different story, Soumas saiid.

However, Kloza, the OPIS analyst, said investors can be spooked by stringent regulations and environmentalists in the region. You’re more likely to build a flying car than get financing for an energy project in this region, because delays are so likely, he quipped.

He pointed to the proposed Tesoro Corp.’s proposed oil terminal at the Port of Vancouver: Port commissioners there approved it in 2013, but it still is not permitted. It would take even longer to permit a refinery, Kloza said.

But Soumas, a former Northwest resident, said the region is not as opposed to oil projects as outsiders may think.

“Everybody outside the Northwest thinks that’s where energy projects go to die. ... We believe that a properly managed projects can go through.”

Washington's refineries

Longview — Riverside Energy (proposed)

- Daily processing: 30,000 barrels (1.25 million gallons) of crude oil.
- Products: liquid petroleum gas, gasoline, diesel/jet fuel and kerosene.
- Markets: Pacific Northwest regional markets.

Tacoma — U.S. Oil

- Daily processing: 35,000 barrels (1.5 million gallons) of crude oil.
- Products: gasoline, diesel and jet fuels, residual fuels and asphalt.
- Markets: truck and trailer, marine and rail loading for fuels and asphalt in Tacoma; jet fuel to the military via a pipeline.

Ferndale — ConocoPhillips

- Daily processing: 105,000 barrels (4.4 million gallons) of crude oil.
- Products: gasoline and diesel fuel, residual fuel oil.
- Markets: Pacific Northwest marine markets

Cherry Point – British Petroleum

- Daily processing: 225,000 barrels (9.5 million gallons) of crude oil.
- Products: transportation fuels (gas and diesel).
- Markets: gas to Washington and Oregon, jet and diesel fuel to Seattle International Airport and U.S. military, gas and jet fuel to Vancouver, B.C., California, Arizona and Nevada.

Anacortes – Shell Oil

- Daily processing: 145,000 barrels (6 million gallons) of crude oil.
- Products: gasoline, fuel oil, diesel fuel, propane, butane and petroleum coke.
- Markets: West Coast.

Anacortes – Tesoro

- Daily processing: 120,000 barrels (5 million gallons) of crude oil.
- Products: gasoline, jet fuel and diesel fuel.
- Markets: western Washington and Oregon.

– Shari Phiel, The Daily News

https://www.sightline.org/2015/07/09/the-proposed-longview-refinery-understanding-the-basics/

The Proposed Longview Refinery: Understanding the Basics

Eric de Place Maoulay Adjorlolo

July 9, 2015

Earlier this summer, a spate of news stories tried to draw a link between Washington Governor Inslee's office and the backers of an oil refinery proposed for the shores of the Columbia River at Longview. (The Governor's office categorically denies supporting the project.) These stories sparked sudden interest in the proposal, which has resulted in substantial confusion for many, in part because the project itself has been shrouded in secrecy and ambiguity.

So to set the record straight, and as a resource to the public, here is Sightline's review of what we know—and what we don't—about the Longview Refinery.

The nickel summary

A heretofore unknown firm calling itself Riverside Refining has proposed constructing a so-called micro-refinery at the Port of Longview. According to the limited information now available from the project backers, the refinery would cost at least $800 million to build and have a production capacity of 45,000 barrels per day. According to the proponents, the refinery's "feedstock" would be composed of one-third renewable biofuels from foreign sources brought in by tanker vessels and two-thirds shale oil delivered by rail from the Bakken formation.

There is no known timeline for the project's permitting or construction.

How the project came to light

[prettyquote align=right]"The refinery would cost at least $800 million to build and have a production capacity of 45,000 barrels per day."[/prettyquote]

The project first came to the public's attention after the environmental group Columbia Riverkeeper filed a Public Records Request with the Port of Longview in December 2014. In April 2015, Riverkeeper published a press release summarizing their findings along with links to key documents that outline Riverside's plans to build a refinery at the Port of Longview. Among these was an unsigned Memorandum of Understanding between the Port and Riverside dated July 2014.

Riverkeeper's press release prompted coverage from the *Columbian* newspaper on April 15, 2015. The Port's spokeswoman, Ashley Helenberg, was quoted: "We do expect to receive an updated proposal. We're still in conversations with Riverside… not all proposals become actual projects."

Then, on May 26, 2015, the Port of Longview issued its own press release stating that, "more than a month since the Port of Longview announced a dormant Riverside Refining proposal, the company has returned with a revised project that made it past the Port's initial review stage."

What are the project's benefits?

In a presentation to the Port of Longview the lead project backer, Louis Soumas, claimed the proposed refinery offers a number of benefits to the Northwest. (This presentation for the "revised project" seems to refer to Riverside Refining as a subsidiary of another firm, Waterside Energy, Inc.) According to Soumas, the refinery would be the largest "advanced renewable fuels refinery" in the US; and its construction would create 400 construction jobs during the 28-month build-out plus 150 permanent local jobs to operate the facility. The project backers claimed the facility would generate $31 million per year in local spending on utilities, services, and other purchases, along

with $8 million in annual tax revenue to support schools and local government. The project's backers have also advertised it as a purveyor of environmentally friendly fuels.

What are the project's risks?

The project backers say they expect to receive 30,000 barrels per day of crude oil by rail—roughly 2.5 to 3 unit trains per week—from the Bakken formation in western North Dakota, where light shale oils are typically produced using a combination of fracking and advanced drilling technologies. Oil trains have proven to be notoriously susceptible to catastrophic fires—at least 10 in the last two years—as well as leaks and spills.

In addition, one-third of the refinery's input—15,000 barrels per day, delivered by 2 to 3 vessels per month—would be what the project backers refer to as "sustainable seed and vegetable oil, used cooking oils (UCO), or other renewable feedstocks." Yet the sustainability of these fuel sources is far from clear.

The advocacy organization Rainforest Action Network (RAN) points out that one major source of international biofuel, palm oil production, is responsible for many human rights abuses as well as deforestation in foreign countries.

In a memo outlining common misconceptions about biofuels, RAN writes: "Taking into account the slash-and-burn deforestation and drainage of peat swamps that occur to make way for palm oil plantations, as well as chemically intensive cultivation and energy-intensive refining and transcontinental shipping, palm oil is one of the worst fuel sources for the climate." In addition, biofuel production is connected to mistreatment of indigenous communities and small-scale family farmers, according to researchers at RAN.

[prettyquote align=right]"Increased vessel traffic increases the risk of #oilspills on the Columbia River."[/prettyquote]

The proposed refinery would also increase vessel traffic on the Columbia River, both to deliver biofuel to the site and to distribute the refined product to consumer markets. Increased vessel traffic increases the risk of spills on the Columbia River.

Columbia Riverkeeper also points to air pollution risks associated with the project, including carcinogens and neurotoxins that refineries emit. These risks may be especially pronounced because the refinery would be sited less than one-quarter mile from homes and commercial businesses.

Moreover, Northwest biofuel refineries have a checkered past. An ethanol plant, the Columbia Pacific Bio-Refinery near Clatskanie, Oregon, was built with substantial public subsidies but never actually operated as a renewable fuel facility. Instead, it became one of the first facilities in the region to begin receiving crude oil by rail, which it stores and transfers to oceangoing vessels. Similarly, the Imperium Biodiesel Refinery in Hoquiam, Washington is apparently not economically viable as a renewable fuel provider and is now seeking permits to begin operating as a crude oil train terminal.

Will the refinery get built?

An April 15, 2015 article in the *Seattle Times* made it seem as though neither the Port nor the project backers were still pursuing the Longview refinery project. Yet it is clear from the May 26 Port of Longview press release that the Riverside Refinery Project has cleared initial review and will now proceed towards "further vetting and preliminary negotiations on possible deal points."

Although the Port is not specific about who will be doing the vetting and preliminary negotiations, it seems safe to assume that these next steps will be carried out by the Port staff, or possibly the

Washington State Energy Facility Site Evaluation Council (EFSEC), the state permitting agency that governs large energy projects like refineries. The EFSEC certification itself is thorough, consisting of a six-step process that culminates in a recommendation to the Governor. It's a process that can take several years to complete and that will provide the public some opportunities to review and comment on the project. (The most high-profile EFSEC proceeding now underway is the large oil-by-rail terminal planned for Vancouver, Washington.)

The refinery backers have apparently retained the services of Strategies 360, a public relations and lobbying firm with close ties to the Governor's Office.

Legitimacy concerns

Dan Leahy, a sustainability advocate and retired Evergreen State College professor, discovered curious information about the companies and people involved with the project. For example, the name of the company that owns the new refinery project has changed several times. The original Memorandum of Understanding from July 2014 refers to "Riverside Energy, *Inc*., " yet one early PowerPoint presentation to the Port of Longview was delivered by "Riverside Refining, *LLC*." The most recent PowerPoint is marked by "*Waterside* Energy, *Inc*.," but names "Waterside Energy, *LLC"* as the developer. Finally, a letter from Louis J. Soumas to EFSEC, written on March 18, 2015, identifies him as CEO of "Waterside Energy, Inc."

Odder still, as Leahy points out, none of the firms appears to exist except on paper. The Washington Secretary of State's website, where individuals and companies must file for incorporation in the state, has no record of any of these firms.

Neither does Texas. Although news reports have stated that the company in charge of the project is Texas-based, similar searches with the Texas Secretary of State reveal only Riverside Energy, Inc. listed as a registered entity. Yet Texas labels the firm's entity status as "forfeited existence" and its name status as "inactive."

Delaware, home state for many corporate registrations, does yield some clues. Both Riverside Energy, Inc. and Riverside Refining, LLC, are listed in the Secretary of State's company database. According to Delaware, Riverside Energy Inc. was incorporated in January of 1992, although its current entity type is listed as "closed." Meanwhile, Riverside Refining, LLC, was incorporated in June 2014—just one month before the unsigned Memorandum of Understanding with the Port of Longview was dated. And a Waterside Energy, *LLC*—the project developer from the most recent PowerPoint—apparently incorporated in Delaware in May 2015, two months after the company sent a letter to EFSEC.

The PowerPoint presentation to the Port of Longview names Lou Soumas, Chris Efird, and Damon Pistulka as primary team members for the project. As Leahy discovered, they're a team that has run into trouble before.

In September of 2014, the Wolfkill Feed & Fertilizer Corporation filed a legal complaint against Pistulka, Soumas, Efird, and fourth man, Joseph Rozelle. According to that complaint, while conducting business as CEO (Pistulka), Director (Soumas), CFO (Rozelle), and Director (Efird) of a company called Transmessis Columbia Plateau, LLC, the men failed to pay back over $1.6 million in loans they had accumulated between November 2013 and April 2014. (Transmessis operated an oilseed and biodiesel production company in Odessa, Washington, until it closed due to "market conditions" in July 2014, after operating for less than a year.) The complaint accuses Transmessis of supplying false credit information and failing to pay back funds loaned to them by Wolfkill. Moreover, "on information and belief, [Transmessis] chose to divert its revenues to pay its officers and directors varying levels of compensation, including Defendant Pistulka, Defendant

Joseph Rozelle, Defendant Christopher Efird, Defendant Louis Soumas and potentially other entities owned or controlled by these individuals.”

What’s next?

It’s far from clear how (or even whether) the Longview Refinery project will proceed. Given the lack of clarity about key features of the project backers, their timeline for proceeding, and the regulatory process for evaluating the proposal, it’s difficult to know how serious the idea really is. Yet we know from public records requests that senior officials in both local and state government have had multiple meetings with the project’s proponents, so it’s reasonable to conclude that their plans will develop into a concrete proposal relatively soon. When more information becomes public, Sightline is committed to a full public analysis of the project.

Port

Port of Longview cuts off talks with oil refinery proponent

Marissa Luck
Feb 23, 2016

The area shaded in red, lower left, is the site of the proposed oil refinery. The area shaded in blue, lower middle, the site of the proposed propane/butane export facility.
Courtesy Port of Longview

Marissa Luck

Port of Longview commissioners Tuesday morning cut off talks with the proponent of a $1.25 billion oil refinery and a propane terminal, in effect killing the project.

The 3-0 vote followed a determination that Texas-based Waterside Energy failed to prove it had financial backing for the project, according to the port.

"This decision is not about fossil fuels. It's about the proponent not living up to his requirements and fulfilling his obligations," Commissioner Doug Averett said.

The decision led to a pointed response from Lou Soumas, CEO of Waterside.

"I'm sure there's those in the room who are happy. When you're still looking for jobs in the community, I hope you're still happy," Soumas told the commissioners.

Waterside had proposed two projects: An $800 million oil refinery, called Riverside Refining, that would process 15,000 barrels of vegetable seed oil and 30,000 barrels of crude oil daily. Waterside also proposed a $450 million liquid propane terminal to handle 75,000 barrels per day of butane and propane.

Waterside said its two projects would create 700 construction jobs and 180 permanent direct jobs and generate up to $24 million in revenue for the port annually. The port's annual budget this year is about $37 million (combining capital and operating costs).

The facilities would not have been built on port property, but Waterside would have had to cross port land with a pipeline and use a port-based dock to load ships.

On Jan. 12, Waterside Energy signed an agreement with the port pledging to prove it had the financial backing for the propane terminal by Feb. 11.

Waterside verbally provided the financial information to port staff in a phone conversation on either Feb. 12 or earlier, but the two sides don't agree on the date. In any case, the port didn't receive a written "letter of interest" from a key investor until Feb. 17, though it was dated Feb. 9, according to documents the port provided.

In an interview, Soumas said the investors, a large international group, wanted to remain anonymous until negotiations advanced further. It took about a week for port and company attorneys to discuss the topic, which is why the letter wasn't emailed until Feb. 17, he said.

"The investors are sensitive. ... We have environmental groups that will malign this project, and they don't want to be drug into this battle until the port" signed a binding agreement with Waterside, Soumas said Tuesday.

Soumas questioned whether the commissioners' action violates a provision in the Jan. 12 document to bargain in good faith for 75 days.

Interim Port CEO Norm Krehbiel said in a phone interview that even though the 75-day period isn't complete, Waterside failed to bargain in good faith when it missed the 30-day deadline for financial documentation.

He acknowledged that Soumas had verbally told him the names of the investors, but he (Krehbiel) never told the commissioners. Regardless, he said, the port lost interest because Waterside never proved it had financial backing, that the backers were reputable and experienced and that any foreign investment complied with federal law.

"We spent months going over dockage and wharfage (fees). ... But we left left out a key element. ... Where's the money? When we did set a time limit, it wasn't met," Bob Bagaason, commission president, said during Tuesday's commission meeting.

"The promise of jobs is not going to supersede our proper financial due diligence," added Commissioner Jeff Wilson.

Waterside is the second high-profile energy project the port commissioners have rejected in less than a year, following their unanimous vote against the Haven Energy propane export proposal last spring.

Soumas told the commissioners he suspects they reached a decision behind closed doors and lamented the breakdown in talks that have lasted for more than a year.

"We're continuing on with our project somewhere in the Northwest. We'd love to continue with the port if it decides to get back in business," he said.

Several of Waterside's opponents voiced their support for commissioners' decision at Tuesday's meeting. The packed commission meeting room broke into applause after the commission vote.

"We cannot afford to gamble the safety of our citizens an the cleanliness of our river on Waterside. ... The port's mission statement says, 'for the benefit of our community.' There's not enough benefit to outweigh the downsides of Waterside's project," said Bob Griffith of Longview.

"It's over for the oil industry as we've known it over the last 100 years," said Les Anderson, vice president of Landowners and Citizens for a Safe Community."Remember we didn't move out of the caves as cavemen just because we ran out of rocks. We moved out because someone had a better idea."

Commissioners maintained, though, that they aren't opposed to fossil fuels and will evaluate all projects on their own merits.

"We are very much open for business. We very much care about the economy and jobs," Wilson said. "We will consider any and all projects."