

## Huge increase in crude oil by rail to Bay Area concerns local leaders

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The first victim of a runaway oil train's explosive derailment in the Quebec town was identified Thursday, more than five days since the disaster, which left behind a scorched scene so dangerous that it slowed the search for 50 people presumed dead. (AP Photo/Ryan Remiorz, The Canadian Press File)

**RICHMOND** -- Bakken crude oil from North Dakota is part of the mix of increased crude-by-rail shipments into Contra Costa County, raising concerns from local leaders about whether current regulations are sufficient to minimize risks of transporting the volatile fossil fuel.

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"There's a lot more to be learned, but Bakken (crude) is coming in now," said Contra Costa County Hazardous Materials Division Director Randy Sawyer. "How much, I don't know."

Kinder Morgan, at 303 S. Garrard Blvd. in Richmond, secured a permit last month to transfer crude from rail cars to trucks, according to county Supervisor John Gioia, of Richmond, and is the only facility in the Bay Area that receives crude shipped on Burlington Northern Santa Fe trains, according to the California Energy Commission.

Domestic oil harvesting has increased in recent years, most notably in North Dakota, where drillers use hydraulic fracturing, or "fracking," to fracture rock and extract oil. As the haul has increased, more oil is coming by rail to California refineries for processing.

Northern California volume of crude by rail increased 57 percent during 2013, from 74,332 barrels in January to 116,657 barrels in December, according to California Energy Commission statistics. But the bulk of the increase statewide went to Southern California refineries, as total state volume spiked from 155,841 barrels in January to 1,180,662 barrels in December. Only about one tenth of all crude-by-rail imports came to Northern California.

About 85 percent of the crude by rail delivered to Northern California in 2013 came from North Dakota, followed by 12.5 percent from Colorado, according to the commission. Four of the five Northern California oil refineries listed by the commission are in Contra Costa County, with the other in Benicia.

Local officials say they may need to revisit the county's Industrial Safety Ordinance to see whether modifications should be made to ensure safety in dealing with Bakken crude, which is more volatile and susceptible to explosion than heavier crude blends.

"On the one hand, this (Bakken) crude requires less energy to refine and may have less emissions," Gioia said. "On the other hand, it has a lower flash point and so is potentially more flammable and explosive, which raises safety concerns."

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What local agencies can do to regulate the rail cargo, which is typically covered by federal interstate commerce laws, is limited.

"While most railroad safety regulations are under federal purview, Gov. (Jerry) Brown's administration proposed a significant strengthening of the state's ability to respond to emergency oil spills in the January 2014 budget," California Energy Commission spokeswoman Teresa Schilling wrote in an email.

The changes come as resistance to increased refining of continental oil has been building.

In the past month, critics hosted town hall meetings in Richmond, Martinez and Pittsburg decrying planned increases in crude-by-rail shipments into the Bay Area. Activists drew attention to rising accident numbers, with particular emphasis on a train explosion in July in Lac-Mégantic, Quebec, where 47 people were killed. Other derailments and explosions have occurred in the past year in Alabama and North Dakota.

Richmond Mayor Gayle McLaughlin, a frequent critic of the oil industry, said she was not aware of the statistics but that the tragedy in Lac-Megantic "should be a warning to us all."

"I can tell you that our community does not want this explosive Bakken crude transported through Richmond," McLaughlin wrote in an email.

Kinder Morgan spokesman Richard Wheatley declined to say where the oil delivered to Richmond comes from, saying the information is protected by customer confidentiality agreements. Gioia said Kinder Morgan received a permit in February from the Bay Area Air Quality Management District to offload crude.

A Tesoro spokeswoman said last week that it processes crude by rail at its Golden Eagle refinery near Martinez but would not say whether Golden Eagle processes Bakken crude.

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Chevron, which operates the Bay Area's largest refinery in Richmond and hopes to begin a \$1 billion modernization project this year, said it continues to process mostly crudes from Alaska and the Middle East.

"Crudes like Bakken, which are lighter, are not ideal for the Richmond refinery," Chevron spokeswoman Melissa Ritchie said in an email. "The modernization project will not change this."

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