1 **CITY OF HOMER** 2 **HOMER, ALASKA** 3 Aderhold **RESOLUTION 19-088** 4 5 6 A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, COMMENTING ON REGULATORY COMMISSION OF ALASKA 7 DOCKET NO. P-19-017 IN THE MATTER OF THE JOINT 8 9 APPLICATION FILED BY BP PIPELINES (ALASKA) INC., AND HARVEST ALASKA, LLC FOR APPROVAL OF THE TRANSFER OF A 10 CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY NO. 311 11 AND OPERATING AUTHORITY THEREUNDER FROM BP PIPELINES 12 (ALASKA) INC. TO HARVEST ALASKA, LLC. 13 14 WHEREAS, BP Pipelines (Alaska) Inc. (BPPA) and Harvest Alaska, LLC (owned by Hilcorp 15 Alaska, LLC) have applied to the Regulatory Commission of Alaska (RCA) for joint approval of 16 the transfer of a certificate of public convenience and necessity and operating authority 17 thereunder from BPPA to Harvest Alaska, LLC, and the RCA has assigned the matter Docket No. 18 P-19-017; and 19 20 WHEREAS, Some residents of the City of Homer make their livelihoods in the waters of 21 22 Prince William Sound and in the Alaska oil and gas industry, making safe and environmentally sound operations of oil and gas infrastructure of paramount importance to our residents; and 23 24 WHEREAS, Residents of the City of Homer were impacted by the Exxon Valdez oil spill 25 that occurred in Prince William Sound in March 1989; and 26 27 WHEREAS, The Prince William Sound Regional Citizens' Advisory Council (PWSRCAC) 28 was formed under the Oil Pollution Act of 1990 in the aftermath of the Exxon Valdez oil spill; 29 30 and 31 WHEREAS, The City of Homer is a member of the PWSRCAC; and 32 33 34 Whereas, The mission of the PWSRCAC is to promote environmentally safe operation of the Valdez Marine Terminal and associated tankers; and 35 36 37 WHEREAS, The continued safe and transparent operation of the Valdez Marine Terminal and associated tankers are of utmost importance to the residents of the City of Homer; and 38 39 WHEREAS, The Trans-Alaska Pipeline, Valdez Marine Terminal, and tanker loading and 40 escort operations are operated by Alyeska Pipeline Service Co.; and 41

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WHEREAS, If approved by the RCA, BPPA's operational responsibilities to Alyeska Pipeline Service Co. would be transferred to Harvest Alaska, LLC; and

WHEREAS, Comments by Hilcorp Alaska, LLC representatives assert that Harvest Alaska, LLC and/or Hilcorp Alaska, LLC intends to reduce operating costs, which would likely adversely impact funding for programs and personnel dedicated to safety, maintenance, and quality control for the Valdez Marine Terminal and associated tankers; and

WHEREAS, In PWSRCAC's comments to RCA on Docket No. P-19-017, the organization documents a history by Hilcorp Alaska, LLC of regulatory noncompliance and safety and environmental incidents which include the death of an employee in 2018, the near deaths of three rig personnel in 2015, and a 2017 gas leak in Cook Inlet that remained unrepaired for more than four months while it leaked roughly 100,000 cubic feet of natural gas per day; and more recently, Hilcorp Alaska, LLC is reportedly responsible for a 302-gallon crude spill on August 3, 2019 and a 126-gallon crude spill on October 20, 2019; and according the Alaska Department of Environmental Conservation records, over the course of its operations in Alaska, which began in 2012, Hilcorp Alaska, LLC is responsible for more than 90 crude oil spills or discharges; and

WHEREAS, The RCA has the authority under AS 42.06 to prescribe such requirements as are necessary for the safety, accommodation, and convenience of the public and of the pipeline's users and to place terms and conditions on the transfer of operating authority sufficient to ensure the best interest of the public is protected.

NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, provides the following comments to the RCA on Docket No. P-19-017 in the matter of the joint application filed by BPPA and Harvest Alaska, LLC for approval of the transfer of a certification of public convenience and necessity No. 311 and operating authority thereunder from BPPA to Harvest Alaska, LLC:

 Hold Harvest Alaska, LLC to the same high standard as BPPA for its portion of the management of Alyeska Pipeline Service Co. and the operation of the Trans-Alaska Pipeline, Valdez Marine Terminal, and tanker loading and escort operations.

  Ensure that existing dismantlement, removal, and restoration requirements of the Trans Alaska Pipeline and Valdez Marine Terminal remain in place or are improved upon.

  Require public access to information sufficient to assess whether the transfer of operating authority from BPPA to Harvest Alaska, LLC is in the best interest of the public.

 Require terms and conditions sufficient to ensure the transfer of operating authority is in the public's best interest.

• Establish conditions for approval of the Application consistent with the recommendations set forth in these comments and specifically incorporating those

conditions suggested in the 1999 Charter for Development of the Alaskan North Slope between the State of Alaska, BP, and ARCO relating to ongoing obligations to maintain programs, personnel, and resources to safely and reliably operate the Valdez Marine Terminal and associated tankers. An oil company's social license to operate in Alaska requires placing environmental, employee, contractor, and public safety above all else. PASSED AND ADOPTED by the Homer City Council this 9th day of December, 2019. CITY OF HOMER KEN CASTNER, MAYOR ATTEST: Fiscal note: N/A