A storage container reading "T-100 Aviation," at Zenith Energy's facility. Zenith wants permission to blend jet fuel into sustainable aviation fuel at its facility on the Willamette River, and transport it to the Portland Airport. (Photo by Jeremiah Hayden)

Zenith Energy seeks to add 'sustainable aviation fuel' blending to its operations, according to public records

Zenith is quietly coordinating with the city of Portland, Port of Portland and DEQ to supply the Portland Airport. Environmental advocates call it a greenwashing campaign.

by **Jeremiah Hayden** **(/users/jeremiah-hayden)** | 19 Dec 2024

Zenith Energy is quietly coordinating with the Port of Portland to bring what it calls "sustainable aviation fuel," or SAF, to Portland International Airport, according to public records obtained by Street Roots. The company is also requesting that the city of Portland approve an additional Land Use Compatibility Statement, or LUCS, to allow the company to install new valves, piping and other components necessary to handle jet fuel blended with SAF at its facility and neighboring facilities along the banks of the Willamette River, and adjacent to Forest Park.

Zenith sent a letter to Portland Permitting and Development, or PPD, on Dec. 11, in response to a Dec. 6 request that the company provide a new LUCS to the Department of Environmental Quality, or DEQ.

“Sustainable aviation fuel component (‘SAF’) must be blended with jet fuel in order to have a SAF jet fuel blend that can be supplied to the Portland International Airport,” the letter said.

While DEQ’s Dec. 6 request said Zenith needed a new LUCS

"Earth to Oregon" is a recurring column by Jeremiah Hayden covering developments in environmental policy and litigation in Oregon.

(https://www.streetroots.org/news/2024/12/09/deq-fines-zenith-energy-requests-new-land-use-statement-city-portland) to account for pipes it illegally installed and used between April 2021 and June 2024 at an adjacent property, the proposal to blend and transport aviation fuel at Zenith’s facility has not been made public.

Environmental advocates say DEQ’s request — and the associated $372,600 civil penalty — was a significant setback (https://www.streetroots.org/news/2024/12/17/environmental-advocates-letter-puts-city-notice-over-zenith-energy) for the Houston-based fossil fuel transport and storage company.

However, new public records show the Port of Portland, the city of Portland, and DEQ are all aware of Zenith’s project seeking to handle SAF at its facility but have not communicated Zenith’s proposal to the public despite myriad opportunities at public meetings over concerns about Zenith’s practices. When reached for comment, most agencies were tight-lipped, sharing few details.

READ MORE: DEQ fines Zenith Energy, requests new land use statement from the City of Portland (https://www.streetroots.org/news/2024/12/09/deq-fines-zenith-energy-requests-new-land-use-statement-city-portland)

Nick Caleb, Breach Collective climate and energy attorney, said Zenith has a long record of dishonesty and greenwashing, and the public should be generally skeptical of its claims.

“Whether the use of a so-called renewable fuel is an improvement on the status quo depends on if there are carbon emissions reductions in the life cycle of the fuel and if it is displacing existing higher carbon intensity fuel use,” Caleb said. “New renewable fuels infrastructure simply opens more capacity for fossil fuel storage and transfer. Per usual, Zenith is trying to rush a decision on a secretive project that includes new elements that have not been properly publicly vetted.”

'Do not share this email'

While the public has largely been left in the dark about the proposal, public records obtained by Street Roots show an ongoing coordinated effort to accommodate Zenith's efforts.

Grady Reamer, Zenith's chief commercial officer, forwarded an email Nov. 20 to Andrea Simpson, Zenith's vice president of commercial, in response to DEQ's evaluation of its current LUCS, issued Oct. 3, 2022.

"Do not share this email," Reamer said. "See below and call me with questions. We can bring jet across Chevron dock until we get situation resolved."

The forwarded email outlined why DEQ interpreted Zenith's proposal as out of compliance with its current land use. David Graiver, DEQ air quality permit writer, initially sent the email to Reamer and Carlos Munguia, Zenith vice president of operations and major projects, on Oct. 10, saying Zenith's LUCS explicitly does not allow for conventional jet fuel to be unloaded from rail car racks.

"Additionally, the blended sustainable aviation fuel is also unable to be unloaded or loaded through these racks because it doesn't meet the (Portland City Code) definition of 'renewable fuel,'" Graiver said.

Portland City Code, or PCC, defines renewable fuels as: "Renewable fuels (such as biodiesel, biomethane, and clean hydrogen) are produced from non-petroleum, non-natural gas renewable resources and have less than 5 percent fossil fuel content."

In the email, Graiver said neither the SAF nor the conventional jet fuel meet that definition.

"Because these fuels are not 'renewable fuels' the LUCS does not permit the handling of them in any new or modified piping, headers, pumps, valves, or racks," Graiver said. "The classification and exemptions for 'Bulk Fossil Fuel Terminal' in PCC 33.920.300 do not affect this decision."

Cassandra Jackson, Port of Portland's air quality and energy manager, was in contact with Simpson at least as early as Nov. 14, according to the records.

Public records show Zenith believed the proposal was moving ahead quickly. On Nov. 21, Simpson emailed Jackson and Andrea Caudill, Port of Portland climate and energy consultant, requesting a phone call.

READ MORE: Environmental advocates' letter puts city 'on notice' over Zenith Energy (https://www.streetroots.org/news/2024/12/17/environmental-advocates-letter-puts-city-notice-over-zenith-energy)

"We are getting close on SAF to PDX but I have a few questions," Simpson said.

Jackson requested to speak with Reamer Nov. 22, asking to talk with someone closely familiar with the city and DEQ's interpretation of the SAF proposal.

"Grady Reamer (copied) is our Chief Commercial Officer and he has been working with the city and DEQ," Simpson said.

Reamer responded Nov. 25, setting up the phone call, and Simpson confirmed. Public records do not reveal whether or not the call took place.

While public records show Graiver and Lisa Ball, DEQ Northwest air quality manager, were aware of Zenith's proposal at least as early as Oct. 10, the public has been kept in the dark. DEQ held public information meetings about Zenith April 28, Oct. 28 and added another on Dec. 16, but made no mention of the SAF proposal in any meeting.

Michael Loch, DEQ public affairs specialist, said those meetings were not for that purpose specifically.

"The purpose of the April and October 2024 public information meetings was to share information and answer questions about how DEQ regulates the Zenith facility and how the ACDP would regulate emissions and air pollutants," Loch said.

For its part, Zenith argues the additional LUCS it seeks is compatible with the city's 2035 Comprehensive Plan. In its new application, Zenith outlined the details, saying it is proposing no new development of facilities for handling fossil fuels.

However, it said the updated LUCS would allow the company to "mix, store and transload renewable fuels, jet fuel, and SAF jet fuel blend, or otherwise effectuate the activities described in this application," according to the application.

Street Roots asked Donnie Oliveira, deputy city administrator, when the city became aware of Zenith's proposal to mix and transport "sustainable aviation fuel" to the Portland Airport, whether he agreed with DEQ's interpretation that Zenith's current 2022 LUCS does not allow for aviation fuels, and when the city intends to make the public aware of the proposal.

"On December 17, Portland Permitting & Development received Zenith's new LUCS application and is processing it," Oliveira said. "The City continues to make building and land use permit applications publicly available, including any applications we receive from Zenith. As a Service Area, we are committed to sustainability and safety for all Portlanders, now and in our future."

Loch said Zenith included details on handling SAF in its Air Contaminant Discharge Permit application submitted in November 2022 and provided DEQ with a copy of its LUCS application submitted to the City on Dec. 11, 2024. (The discrepancy in date is unclear.)

"Zenith can transport jet fuel in its existing infrastructure (which includes the Chevron dock infrastructure), however the October 2022 LUCS imposed renewable-only conditions on new infrastructure." Loch said.

Background

While Zenith has previously stored SAF, the proposal to mix and transport the fuel is a new concept to the public.

Zenith received its first shipment of SAF from Montana Renewables at its Portland storage facility on June 5, 2023, according to a June 7, 2023 announcement on its website (https://www.zenithterminals.com/news/zenith-energy-announces-receipt-of-first-shipment-of-sustainable-aviation-fuel).

"Zenith is proud to uphold its commitment to help Portland, and the broader West Coast, advance its clean energy transition," Reamer said in the announcement. "We look forward to completely eliminating crude oil at our Portland storage terminals over the next few years, and Sustainable Aviation Fuel will be a key part of this transition."

The announcement said Montana Renewables produces an estimated 30 million gallons of SAF yearly. It said Zenith's Portland location "will be pivotal in redirecting the use of low-carbon fuels that will be used in air travel and shipping."

At the time, Zenith said it would store the SAF for Shell to distribute across the West Coast.

Street Roots asked Jackson and Caudill how long the Port of Portland has been aware of Zenith's proposal. Street Roots also asked if the Port of Portland knew Zenith's history of flouting local regulations and whether the public has had an opportunity to weigh in.

Allison Ferré, Port of Portland media relations manager, said she could only comment in a limited capacity given it is not involved in Zenith's permit application.

"Any engagement between Port staff and Zenith has been about our commitment to making Sustainable Aviation Fuel (SAF) available at PDX," Ferré said. "As a renewable alternative to conventional jet fuel, SAF has the potential to reduce emissions and improve air quality, but also faces certain infrastructure and market obstacles that all parties involved in the supply chain need to work together to address."

Zenith did not respond to Street Roots' request for comment.

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