NEVADA FUEL RESILIENCY COMMITTEE (NV-FRC)

Status Report

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Nemequ Analytics and DSC Advising developed this report for the Nevada fuel resiliency committee, who reserves the option to utilize the findings and preliminary recommendations “as is” or repackage as necessary, including attribution.

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Overview and Purpose

This document is intended to provide a status report on key findings and preliminary recommendations associated with our work supporting the Nevada Fuel Resiliency Committee. That Committee was created at the direction of Governor Joe Lombardo and the Homeland Security Commission with a clear mission statement to *secure Nevada's transportation fuel supply by identifying vulnerabilities, strengthening infrastructure, diversifying supply sources, and ensuring statewide readiness in the face of regional refinery closures, supply disruptions, and national security threats*.

Restoring fuel availability in an emergency is a three-legged stool: (1) effective administrative processes to quickly address immediate issues, such as fuel use prioritization, (2) temporal mitigation through using strategic reserves in place, and (3) strategic investments in infrastructure that support alternative supply chains. The primary focus of this status report is to inform on a suite of potential options and pathways for the NV-FRC members to consider that are designed to modify the state's fuel infrastructure in a manner sufficient to compensate for a long-term loss of pipeline supply. Those proposed enhancements would include new infrastructure to enable:

• receipt of transportation fuel via rail tank car

• increased supply of fuel in storage sufficient to bridge the time gap to ramp up rail receipt of transportation fuels.

This document also provides several proposed actions for the Committee to consider that are designed to enhance Nevada's fuel resiliency preparedness to maximize availability of fuel supplies for emergency response activities (life and property), critical goods movement, and protection of the state's economy.

Why This Matters Now

Nevada has no in-state oil refining producing transportation fuels and typically holds only about a week of fuel in its terminals. Nearly every gallon of gasoline, diesel, and jet fuel arrives by pipeline, and most of it originates in California, either refined there or imported through California ports. Short pipeline interruptions from flash floods, third-party damage, leaks, or power shutoffs typically last a few days to a week, and currently the market largely is able to absorb them. The primary risk to Nevada's fuel supply is a loss of pipeline deliveries that last several weeks or months.

The most plausible cause of such a sustained loss is a catastrophic earthquake in California or other natural disaster. A major earthquake in the San Francisco Bay Area or

Southern California could cut off both California refinery output and marine imports moving through California ports, and could damage the pipelines, pump stations, and terminals that carry fuel to Nevada. However, other possible scenarios that could interrupt fuel supplies for several weeks or months are related to deliberate actions by individuals, groups and nation-states that are intended to inflict significant damage pipeline and port operations via cyber-attacks, sabotage, and nation-state hostilities. Recovery of this infrastructure after a major earthquake would depend on repairs to refineries, ports, storage, and pipelines that Nevada does not own or control. This is why Nevada's efforts to identify options and pathways to invest in alternative means of transportation fuel supply in conjunction with enhanced fuel resiliency measures are critical to reducing the state's exposure to such catastrophic loss of supply scenarios.

A 2024 study found that over a range of scenarios, on average three California refineries could close by 2035, with eight refineries closing in the most extreme case. [1] The closures of the Phillips 66 Los Angeles and Valero Benicia refineries were after this study was published and removed 17 percent of California's refining capacity. Refinery consolidation in California is likely to continue due to further declines in gasoline and petroleum-based diesel fuel, as well as a regulatory and enforcement environment in the state that has contributed to much higher capital and operating costs compared to other regions of the United States. Any additional refinery closures in California would necessitate increased imports through a marine terminal infrastructure that in some cases already is nearing maximum throughput capacity during peak periods of demand. This development means that Nevada's fuel supply loss risk is also increasing as a growing share of Nevada's fuel passes through California marine terminals before it enters the pipelines.

This summary draws on public data, agency briefings, and confidential one-on-one interviews with refiners, pipeline and storage operators, and project proponents. Their engagement and informed advice are an invaluable contribution to the Fuel Resiliency Committee process and objectives.

Nevada Fuel Supply and Infrastructure

In 2025, Nevada consumed about 1.2 billion gallons of gasoline, 561 million gallons of jet fuel, and an estimated 740 to 820 million gallons of diesel. About 430 million gallons of the diesel was used on-road; while the rest mostly went to off-road uses, such as agriculture and mining. Southern Nevada (Las Vegas region) accounts for about 75 percent of statewide gasoline demand, 67 percent of diesel, and 95 percent of jet fuel; the rest is

[1] TESCII (Transportation Energy Supply Chain Infrastructure and Investment) Study Report, Turner Mason & Company, June 2024.

consumed in northern Nevada. The following table breaks down the fuel consumption estimates for the two regions of the state in millions of gallons for 2025. The table also contains an average daily truck volume delivery equivalent, recognizing that most of the jet fuel delivered to the airports is via pipeline, rather than truck delivery.

Fuel Type	2025 Northern Nevada Millions of Gallons	2025 Southern Nevada Millions of Gallons	2025 Statewide Millions of Gallons
Gasoline	300	900	1,200
Diesel Fuel	240 - 270	500 - 550	740 - 820
Jet Fuel	31	530	561
Totals	571 - 601	1,930 - 1,980	2,501 - 2,581
	Trucks per Day	Trucks per Day	Trucks per Day
Gasoline	94	280	374
Diesel Fuel	85 - 96	178 - 196	263 - 292
Jet Fuel	10	179	189
Totals	189 - 200	637 - 655	826 - 855

For most of the past decade, gasoline demand grew faster than the national average. It rose 8.8 percent between 2014 and 2024, compared with 2.6 percent for the rest of the country, as population grew 14.8 percent and licensed drivers increased by 28.4 percent. However, pipeline capacity into the state did not increase over that period. The demand trend has since reversed: gasoline consumption fell 4.1 percent between 2022 and 2025 despite continued population growth, reflecting remote work, better fleet fuel economy, more electric vehicles, and a downturn in tourism in 2025. Looking toward 2040, gasoline demand is expected to decline gradually, driven mainly by continued gains in fleet fuel economy and, to a lesser degree, by growing electric vehicle use. In the event gasoline demand eventually does decline, Nevada will still be exposed to the risks related to loss of liquid fuel supply for the foreseeable future. Slightly lower fuel demand over time will not eliminate any of Nevada's risks to sustaining sufficient fuel supply.

Diesel demand is expected to ease slightly as truck efficiency improves, partly offset by growth in mining and other industrial use. Jet fuel demand is expected to rise with air travel through Las Vegas and Reno. Despite rising jet fuel demand, combined fuel demand over the forecast period is expected to be accommodated by Nevada's existing pipeline delivery capacity. Lower demand does not reduce Nevada's exposure to a pipeline outage, as terminals likely would still hold only about a week of future demand volume.

In addition to no refineries that produce transportation fuels, Nevada also lacks active in-state production of ethanol, biodiesel, or sustainable aviation fuel (SAF). The New Rise

Renewables facility in Reno is currently producing renewable fuel and is assessing if SAF production could commence later this year. The Edgewood Renewables facility in North Las Vegas is underdevelopment having recently been awarded a tax abatement incentive from the Governor's Office of Economic Development on May 14, 2026.[2] The plant is designed to produce up to 22 million gallons per year of renewable gasoline once at full capacity.

Nearly all gasoline, diesel, and jet fuel is imported from refineries and marine import terminals in Northern and Southern California and from refineries in the Salt Lake City area. Most of that fuel is transported to Nevada in three different pipeline systems described below. However, the rural northeastern portion of the state receives fuel brought in with trucks and rail tank cars that provide essential sources of fuel for agricultural, ranching and mining activities important to the state's economy.

- **Kinder Morgan North Line (San Francisco Bay Area to Reno-Sparks)**. A pipeline delivery capacity of between 40 and 45 thousand barrels per day (1.7 to 1.9 million gallons per day) of gasoline, diesel, and jet fuel, pumped over the Sierra Nevada mountain range. From the Reno terminal, jet fuel moves by pipeline to Reno-Tahoe International Airport and 63 miles to Naval Air Station Fallon. Between 215 to 245 truck trips per day would be required to transport the same volume of fuel at the upper end of the North Line pipeline capacity.
- **Kinder Morgan CALNEV (Colton, California to Las Vegas)**. A pumping capacity of between 120 and 125 thousand barrels per day (5.0 to 5.2 million gallons per day) on two lines, one dedicated to jet fuel, the other a mix of gasoline and diesel. Imported and Southern California-refined fuel enters Nevada after passing through a pumping station at Colton, California. From Las Vegas, jet fuel moves by pipeline to Harry Reid International Airport and Nellis Air Force Base. Between 600 to 680 truck trips per day would be required to transport the same volume of fuel at the upper end of the CALNEV pipeline capacity.
- **HF Sinclair UNEV (Salt Lake City to North Las Vegas).** The system began operations in 2012 and was the first new pipeline capacity into Nevada since 1992. The pipeline between Salt Lake City and North Las Vegas has 60 thousand barrels per day (2.5 million gallons per day) maximum pumping capacity. The pipeline has two distribution terminals that receive shipments located in Cedar City, Utah and North Las Vegas. Currently gasoline and diesel fuel is delivered to the two terminals but no jet fuel. Further the pipeline is not operated at full capacity due to the lack of

[2] A link to the announcement of the award is as follows: https://goed.nv.gov/wp-content/uploads/2026/05/4-A.-Edgewood-Renewables-LLC-Board-Packet.pdf

incremental fuel supply for the refiners in Salt Lake City that are primarily used to provide fuel for Utah and neighboring states. Between 290 to 330 truck trips per day would be required to transport the same volume of fuel as the maximum pumping capacity of the UNEV pipeline.

Petroleum product pipelines deliver fuel in scheduled batches, on cycles of about six to eight days, to distribution terminals in Reno-Sparks, Las Vegas, and North Las Vegas. Terminal tanks are sized to handle peak seasonal deliveries, not to hold reserves, so terminals rarely have more than about a week of supply on hand. Ethanol, blended into all Nevada gasoline at 10 percent, and biodiesel arrive by rail and truck and are blended as tanker trucks load at the terminals just before heading to end-users at gas stations and truck stops. Statewide, Nevada uses conventional rather than the tighter specification reformulated gasoline. The Kinder Morgan lines run at or near capacity during peak demand. When Nevada fuel demand exceeds the maximum pipeline delivery capability, refiners and other marketers have to utilize trucks to haul fuel into Nevada from refineries located in California and Utah. Trucking delivery costs from out of state vary according to truck driver and equipment availability but can normally be three to five times more expensive than using the pipeline systems.

Key Findings

1. **Inventory, not throughput, is the binding constraint.** When a pipeline goes down, deliveries fall to zero regardless of its size. Storage capacity at Nevada distribution terminals is usually designed to match up with the highest seasonal weekly delivery volume by fuel type related to Kinder Morgan and HF Sinclair pipeline cycles (six to eight days). Longer-term storage opportunities at existing terminals are either limited or prohibited by the operational terms and conditions for shippers that use the pipeline systems. An exception to this condition is storage capacity associated with the Harry Reid International Airport and selected terminals not connected to pipelines. Stakeholders consistently rank additional in-market tankage, first at Las Vegas and then at Reno, as the single highest-value resiliency investment, ahead of expanding pipeline capacity.

2. **Northern Nevada is more exposed than southern Nevada.** Reno-Sparks depends on one pipeline fed by the two remaining Bay Area refineries in California, through the Concord lateral pipeline with five feed lines competing to ship volume and little spare capacity. NAS Fallon's jet fuel also moves through the North Line. Unlike

southern Nevada, there are no inland alternatives as Las Vegas draws on both Los Angeles and Utah/Wyoming supply.

3. **California closures have shifted supply sources and have deepened Nevada's dependence on import logistics.** California set record gasoline import volumes in the spring of 2026. Nevada now depends on Los Angeles-area marine and terminal infrastructure as much as on refineries. Congestion or disruption at those terminals could cut off imported and refined barrels alike.

4. **Western Gateway pipeline project helps the south, but not the north.** The Western Gateway pipeline project, which reached a final investment decision in August 2026, will bring Gulf Coast and Midcontinent supply to Phoenix and Southern California by 2029. It adds supply options at the CALNEV origin but no new pipeline capacity into Las Vegas. The planned system involves construction of a new pipeline between Borger, Texas and Phoenix, Arizona with a capacity of 240 thousand barrels per day (10.1 million gallons per day). Other aspects of this project involve the reversal of the West Line between Colton, California and Phoenix, currently delivering up to 125 thousand barrels per day (5.2 million gallons per day) of refined products, as well as reversal of the 16-inch pipeline between Watson, California (Los Angeles area) and Colton. A greater quantity of fuel being sourced from the east would improve southern Nevada fuel resiliency by decreasing but not eliminating consequences of a catastrophic southern California earthquake once the system is operational during 2029. Nevada should support the Western Gateway Project and an efficient permit approval process to help ensure completion by the 2029 in-service timeline.

5. **HF Sinclair Go-West pipeline project plans would also help the south, but not the north.** HF Sinclair, owner and operator of the Utah-Nevada pipeline (UNEV), has announced a couple of projects built in phases that are designed to increase the volume of transportation fuel being shipped to their North Las Vegas distribution terminal. The "Go-West" project initial phase would fill some of the available UNEV capacity by providing more supply from some pipeline expansions between Wyoming and Salt Lake City, along with debottlenecking of the UNEV system. A final investment decision (FID) on whether to move forward with the project is expected by the end of 2026. If constructed, an additional 35 thousand barrels per day (1.5 million gallons per day) of refined products could be delivered into the North Las Vegas terminal by 2029. That potential incremental supply is roughly 27 percent of southern Nevada's transportation fuel demand for 2025. This project would increase

diversity of fuel supply for the Las Vegas region and reduce the dependence on the periodically constrained CALNEV system into Las Vegas. Other phases for increasing delivery capacity into North Las Vegas involve some pipeline reversals to enable additional shipments into and through Salt Lake City but have yet to be approved by HF Sinclair. Nevada should support a final investment decision (FID) approval by HF Sinclair for Phase 1 of their expansion plan.

6. **Rail is the only overland resupply option at scale, but Nevada is not equipped to use it.** Rail delivery of transportation fuels is economically marginal compared with pipeline tariffs in normal operations. Currently, Nevada has little infrastructure for receiving fuel by rail in volume, absent quantities of ethanol sourced primarily from Midwest ethanol producers. In a disruption, rail tank cars likely would quickly become scarce, as market participants scramble to obtain available cars almost immediately. Creation of rail receipt infrastructure sufficient to displace volumes normally supplied via pipelines will require hundreds of millions of dollars and several years to complete and would need to be developed in conjunction with increased storage capacity to provide additional time to ramp up rail delivery following a long-term loss of pipeline delivery capability.

7. **Emergency readiness preparedness measures increase Nevada's response capabilities to diminish the consequences of significant events.** Nevada is working on an update to their Emergency Response plans that will put the state in an improved position to respond to events that could create fuel supply disruptions. Some of the enhanced resiliency measures being developed require shorter timelines and little to no capital investment to be put in place. These activities are considered the most near-term action steps that Nevada can pursue. These improved emergency response capabilities are one of the three primary lines of efforts coupled with strategic investment in rail receipt and fuel storage capabilities.

8. **Regional strategic storage already exists.** Salt-cavern storage at Sawtooth Caverns in Delta, Utah, currently has 7.5 million barrels (315 million gallons) of capacity and is permitted to 20 million barrels (840 million gallons). Because the cavern uses brine water to fill space, the absence of oxygen means gasoline can be stored for years without degradation. It is suited to a strategic reserve rather than in-market supply. The facility is in close proximity to the UNEV pipeline (approximately four miles) but currently has no physical connection to that pipeline. An infrastructure project to enable a connection to the UNEV pipeline would be subject to a commercial agreement with the pipeline operator, HF Sinclair. This facility

provides a potential fuel supply location option for Nevada to consider that can be established sooner than construction of new storage tanks in Nevada. Nevada should work with Sawtooth and HF Sinclair representatives to determine the feasibility of an interconnection between the Sawtooth Caverns facility and the UNEV pipeline.

9. **Air quality issues may result in gasoline specification change for Las Vegas.** Clark County has been classified as a "serious" nonattainment area for the federal ozone standard since January 2025. If the Las Vegas Valley does not reach attainment by August 3, 2027, it will be reclassified as "severe." Federal law would then require reformulated gasoline and prohibit conventional gasoline beginning the following summer, cutting the summer volatility limit from 9.0 to 7.4 psi. Such a change would make gasoline more costly to produce for refiners and importers that continue to serve the Las Vegas market. Nevada should work with US EPA to identify any potential mitigating factors that may justify either the avoidance of this potential redesignation or delay an implementation of federal reformulated gasoline use.

10. **Increased use of EVs and other higher fuel efficiency vehicles help to reduce fuel demand over the mid to long-term.** Federal and state incentives have shown to be one strategy to increase the percentage of these types of vehicles in the existing fleet. However, such initiatives can be expensive and should be properly assessed for potential fiscal impacts for Nevada weighed against the state's various policy goals.

Preliminary Recommendations

Nevada's exposure comes from its near-total dependence on pipelines and the small amount of fuel held in the state. Plans, contracts, and waivers can stretch the fuel that is available and speed deliveries, but they cannot replace pipeline volumes lost for weeks or months. That exposure can be reduced only by two structural changes: building infrastructure able to receive fuel by rail in volumes large enough to replace lost pipeline deliveries for an extended period; and holding more fuel in or near Nevada through added storage tank capacity that provides additional days of supply while rail deliveries begin to ramp up.

These preliminary recommendations are grouped into seven categories: (1) enhanced existing rail receipt capability and development of new rail infrastructure; (2) increased storage capacity at existing and new sites to increase the volume of transportation fuel on hand in Nevada or an adjacent state; (3) identification of potential funding sources for

infrastructure development and possible need for new or revised statutory authority; (4) emergency readiness actions to improve Nevada's preparedness for events that could threaten or impede the state's fuel supply adequacy, as well as development of various enhanced resiliency measures; (5) increased Department of Agriculture staff structure to lead and manage NV Fuel Resiliency improvements over the next several biennium. These efforts will utilize a task force to assist their work, along with new legislative authority to coordinate these activities, build in-state government agency expertise for advising decision-makers, and appropriate statutory authority to enable the collection of all necessary fuel-related information from private sector stakeholders and maintain the confidentiality of that business-sensitive information; (6) continued and expanded engagement with California and Utah on matters related to adequacy of Nevada fuel supplies; and (7) support ongoing and proposed fuel supply diversification projects that would benefit the state.

1. **Rail Receipt Infrastructure - Develop sufficient rail receipt infrastructure to replace and sustain deliveries through an extended pipeline outage.**
   A. Engage with existing private sector stakeholders to determine the potential for these businesses to provide incremental rail receipt capability from existing sites as a near-term line of effort in advance of any state-sponsored rail receipt infrastructure development. These companies include operators of the Golden Gate SET Fuel Terminal, Omega Partners, and US Energy.
   B. Identify rail receipt facility design parameters, estimate capital and operating costs, and locations. Our initial assessment concludes that northern Nevada would require one facility, with an additional two to three facilities in southern Nevada. Priority should be given to northern Nevada.
   C. Identify potential funding sources and permissible mechanisms to pay for the rail infrastructure development and/or fuel purchases. Need to verify budget limits and verification of ownership, contracting, and leasing options.
   D. Until permanent rail receipt capacity is in place, assess the feasibility to pre-identify and develop interim transload sites that can begin operations within 72 to 96 hours. Evaluate emergency contracts and costs required to have such a capability in place. Work with stakeholders to assess rail car availability in conjunction with import volume estimates to determine if the operational timeline of 96 hours is achievable or needs to be modified.

2. **Increase fuel supplies on hand for Nevada from 7 to 14 days – inside or outside the state.**
   A. *Identify existing Nevada distribution terminal locations that have available space for construction of new storage tanks* and actively engage with operators of these facilities to determine near-term potential for increased storage capacity. Potential sites for new-build storage tank facilities in greenfield locations would be part of this work. These efforts should include a particular focus on some more isolated or distant portions of Nevada, such as the northeast portion of the state.
   B. *Engagement with out-of-state Sawtooth Caverns to identify the feasibility for Nevada to utilize this commercial facility as a Western States Reserve for long-term storage of emergency fuel supplies*. The Governor's Office is seeking clarification from the Office of the Attorney General to determine if fuel held by Sawtooth could be owned by Nevada or a contract option to withdraw fuel from a third party with volume being held in Sawtooth.
   C. *Identify a range of capital and operating costs for increased storage capacity,* potential funding sources and permissible mechanisms to pay for infrastructure development and/or fuel purchases. Need to verify budget limits and verification of ownership, contracting, and leasing options.
   D. *Identify potential incentives such as tax abatements, capacity payments, or cost rebates to shippers who commit to storage*. Tax abatements are likely to attract private investment more effectively than permitting assistance alone; the permissible uses of abated infrastructure, and any limits on them, need to be verified.
   E. *Identify opportunities for Nevada to provide permitting assistance for private sector storage capacity and petroleum product pipeline enhancement projects*. Such efforts should also include potential federal assistance for permitting assistance through such mechanisms as the Title 41 of the Fixing America's Surface Transportation Act (FAST-41).
   F. *Avoid minimum-inventory mandates on existing private-sector storage*, which would decrease availability of working inventory and create an additional, unnecessary bureaucratic layer of regulation and permissive decision-making in day-to-day private sector operational activities to maintain sufficient transportation fuel supplies.

3. **Funding Options and Strategies.**
   A. *Identify potential sources of Nevada funding (bonds, fee assessments, and budget allocations) to pay for fuel infrastructure projects*, such as, increasing

storage and rail receipt capability. Verify the applicable uses for these funding sources as they pertain to state-owned fuel infrastructure projects. Identify annual or biennial limits on these expenditures and potential barriers that could be overcome through revised statutory authority.

B. *Identify potential sources of federal funding through existing legislation and budgeting that could be used for increased storage and rail receipt infrastructure projects*. We encourage the State of Nevada to work with the federal administration to determine availability of funding that could be sourced via the Defense Production Act (DPA) process, other potential existing federal authority or even near-term pending opportunities.

C. *Pursue the development of new federal funding opportunities through Nevada's Congressional delegation*. Brief the delegation on Nevada's exposure and ask it to support or initiate federal funding pathways for incremental storage capacity and rail receipt infrastructure, as well as federal refined-product reserve legislation. One such concept would be to establish a federal program funded entirely from residual federal oil and gas leasing revenue that would otherwise be deposited in the Treasury General Fund. The suggested design of this proposed program would provide funding to states that do not have refining capacity and are mostly dependent on pipeline deliveries, approximately 12 states including Nevada. The proposed design details, funding sources, allocation methodology and potential range of funding available to Nevada will be contained in the Final Report. Permissible uses of funds could include:
    i. Storage of motor gasoline, distillate fuel oil, kerosene-type jet fuel, or other specialty fuel blends in excess of commercial inventory norms.
    ii. Alternative-fuel logistics infrastructure, including rail terminals, port facilities, and intermodal transfer capacity for alternative fuels.
    iii. Cybersecurity and physical hardening of US refining facilities, where applicable
    iv. Port unloading capacity for refined petroleum products, including terminal storage interconnections.
    v. Rail terminal capacity for receiving refined petroleum products by rail.
    vi. Emergency fuel distribution planning and exercises.
    vii. Specialty fuel blend reserves and contingency blending capacity.
    viii. Interconnection studies and feasibility assessments for redundant pipeline or marine supply routes.
    ix. Mutual aid agreements with other states, regional entities, or private operators for emergency fuel supply.

4. **Emergency Readiness – continue with and expand upon enhanced resiliency action steps already ongoing by Nevada's Office of Emergency Management.**
   A. *Make near-term resiliency action steps executable.* Develop and maintain confidential contact lists, with primary, secondary, and tertiary contacts, for fuel suppliers, terminals, and carriers and for the relevant state and local agencies. Continue engagement with fuel supply stakeholders to identify opportunities to leverage their logistical capabilities in the aftermath of a declared fuel supply emergency, including a verification of key waivers required to maximize their response capabilities. Develop and execute ready-to-sign MOUs or emergency contracts with suppliers, terminals, and carriers, including big-box retail and truck-stop chains, to keep fuel available for first responders and critical goods movement. Identify key fueling locations and critical function facilities that could benefit from emergency generator capability and options to fund or incentivize such modifications. Update and verify the volumes, delivery points and last mile logistics for all emergency fuel-related needs developed as part of the unified Fuels Disruption Plan.
   B. *Pre-script emergency waivers.* After a catastrophic loss of pipeline supply, the ability to draw on every alternative source of fuel, and to deliver it quickly to emergency operations, depends on rapid approval of waivers from federal, state, and local agencies. Nevada should identify every waiver that could apply, determine the request sequence and redundant points of contact that minimize approval time, and prepare draft requests for:
      i. Fuel waivers to allow any available gasoline, diesel, or aviation fuel to be used regardless of local or regional specifications: Nevada and federal fuel specifications, summer gasoline volatility limits, and on-road use of tax-exempt red-dye diesel (Governor, state agencies, U.S. EPA, IRS).
      ii. Logistics waivers to increase the number of tanker trucks and rail tank cars available and shorten delivery times: truck weight limits, driver hours and qualifications, and pipeline product codes (Governor, Nevada Highway Patrol, FMCSA, FERC, and pipeline operators).
      iii. Emission limit waivers to keep fuel infrastructure operating beyond normal permit limits: continuous operation of emergency generators, lower floating-roof tank levels at distribution terminals, and vapor recovery limits during fuel transfers (U.S. EPA, Clark County and Washoe County air quality agencies).
   C. *Plan for fuel prioritization and demand reduction.* Define how fuel would be prioritized for critical users during an emergency, including whether a set-aside program is warranted, and identify demand-reduction and distribution

measures. Public communication must be planned carefully: announcing priority or set-aside programs can trigger panic buying that deepens shortages.

5. **Increase Department of Agriculture staff structure to lead and manage NV Fuel Resiliency improvements over the next several biennium. Utilize a task force to assist their work to improve emergency preparedness, implement agreed to enhanced resiliency measures and infrastructure investments.**
   A. *Establish authority to collect and protect business-sensitive fuel supply information*. Designate the appropriate state agency to collect and analyze fuel supply information, including California refinery status, Nevada inventories, pipeline utilization, and fuel-specification actions, and to advise state leadership both under normal conditions and during declared emergencies. The Office of Attorney General should work with the Department of Agriculture to identify the Nevada statute or statutes that must be amended to grant this authority and protect the information from disclosure. The agency should convene a standing industry-government coordination body and report annually to the Governor and Legislature. Following a review of existing statutory authority, Nevada should identify any necessary statutory amendments and work with interested legislators to pursue an appropriate legislative vehicle during the 2027 Legislative Session.
   B. *Build a Task Force*. Identify private and government stakeholders to participate in a Task Force whose activities and efforts will operate within a technical working groups structure focused on preparedness, enhanced resiliency measures, infrastructure projects, viable funding pathways, and identification of additional legislative authority to achieve these goals.
   C. *Engage with private sector on enhanced fuel supply measures and coordination of efforts*. One-on-one meetings should be conducted with the Department to elicit opportunities for public-private partnership enhanced fuel supply actions that can be achieved over the near-term, including but not limited to cost-sharing that could more economically enable additional storage to be contracted at some of the existing locations in Nevada.

6. **Continued and expanded engagement with California and Utah on matters related to adequacy of Nevada fuel supplies.**
   A. *California engagement*. These efforts with California should at a minimum include:
      I. a detailed assessment of California marine terminal throughput capacity that is shared with the Department of Agriculture;

II. permitting assistance for companies attempting to construct new or expand existing petroleum product pipeline capacity within California's borders;
III. permitting assistance for companies attempting to expand storage tank capacity at existing refineries and third-party merchant terminals within California;
IV. permitting assistance for companies attempting to debottleneck or increase import throughput capability at existing marine terminal facilities within California;
V. an encouragement of policy adoption or changes that retain and supports California-based petroleum refining; and discussion of potential changes to California's At-Berth regulation for product tankers to ensure continued or expanded access to California marine terminals; and
VI. Nevada (potentially with other western states) should seek to become members of the California Energy Commission's *Transportation Fuel Assessment* working group. A working understanding of the evolution of California's transportation policy would benefit Nevada's resiliency options, while bringing a regional perspective would likely benefit California's analysis.

B. *Utah engagement*. These efforts with Utah should at a minimum include:
   a. permitting assistance for companies attempting to construct new or expand existing petroleum product pipeline capacity within Utah's borders; and
   b. a discussion of potential Western regional strategic fuel reserve concepts that could be beneficial to both states.

7. Support ongoing and proposed fuel supply diversification projects that would benefit the state. Nevada should:

A. Support the Western Gateway Project and an efficient permit approval process to help ensure completion by the 2029 in-service timeline.
B. Support a final investment decision (FID) approval by HF Sinclair for Phase 1 of their expansion plan supplying their UNEV pipeline system.
C. Work with Sawtooth and HF Sinclair representatives to determine the feasibility of an interconnection between the Sawtooth Caverns facility and the UNEV pipeline.

Next Steps

1. Complete the remaining key stakeholder interviews, as well as follow-up discussions on infrastructure cost estimates, thorough identification of all relevant fuel and logistical waivers, and private sector-government collaboration opportunities to enhance emergency fuel enhanced resiliency efforts.
2. Nevada DMV and Department of Agriculture take lead to quantify primary sources and routes of fuel imports via tanker trucks and rail.
3. Nevada Office of Emergency Management (NV OEM) takes the lead to quantify critical-user fuel requirements with the appropriate state agencies.
4. Nevada Office of Emergency Management (NV OEM), Nevada Department of Transportation (NDOT), and Nevada Division of Environmental Protection (NDEP) work with appropriate private sector stakeholders to identify candidate emergency fueling and rail transload sites.
5. Governor's Finance Office (GFO) and the Office of Attorney General take the lead to verify budget limits and ownership, contracting, and leasing options for state-funded storage, reserve, and rail receipt capacity projects.
6. Deliver a detailed draft report containing verified feasibility pathways for increased storage and rail receipt infrastructure capabilities, enhanced resiliency efforts and identification of outstanding gaps related to authority, funding pathways, collaboration efforts, and essential elements of information. The report will also contain:
   A. Near-term historical fuel consumption estimates;
   B. Projected demand by fuel type through 2035;
   C. Sources of fuel by pipeline, truck and rail;
   D. California refinery closures and impact on fuel supplies;
   E. Approved and proposed petroleum product pipeline projects and implications for Nevada transportation fuel supplies;
   F. Fuel infrastructure asset details for all existing terminals, pipelines and rail facilities;
   G. Descriptions of threats to Nevada's fuel supplies;
   H. Fuel infrastructure asset key vulnerabilities; and
   I. Disruption scenarios and risk prioritization.
7. Develop specific action plans for each recommendation with specific timelines through execution.

Preliminary Recommendations – Summary Overview and Detailed Breakdown

The Status Report provides numerous preliminary recommendations related to specific findings, as well as associated with areas of effort that can be grouped into three primary categories (or legs) of Emergency Readiness, Strategic Reserves and Storage, and Supply Diversification. Those primary category lists are noted below in Appendices 1 through 3. Additional recommendations have been grouped into four categories of similar activity that are intended to *enable* the development of the primary recommendations, such as: Funding and Incentives; Permitting and Regulatory; Governance, Authority and State Capabilities; and Partnerships and Intergovernmental Engagement. Those enabler lists are noted below in Appendices 4 through 7. Each of the recommendation tables list a timeframe designation as near, mid or long-term. **Near-term** is up to 12 months; generally low capital and administrative in nature. **Mid-term** is roughly 1 to 3 years; typically requires funding decisions, agreements, or permitting. **Long-term** is more than 3 years involving major new infrastructure. Assumed lead state agencies and suggested supporting partners are provided for each of the preliminary recommendations.

A very brief higher-level summary of potential Executive and Legislative Actions is presented in the following tables prior to the Appendices.

Potential Executive Actions

Issue	Action	Timing
State Board of Finance	Determine ability and amount that state bonds could be used for investments in liquid fuels infrastructure	TBD
Public-Private Partnerships	Meet with private sector counter-parties on potential ways to jointly work on enhancing Nevada fuel resiliency	ASAP

Potential Legislative Actions

Issue	Action	Timing
Handling Business Sensitive Information	Draft and adopt statutory authority for the Division of Measurement Standards in the Department of Agriculture to collect and protect data from participating companies related to all relevant aspects of the transportation fuel supply chain	TBD

Build Fuels Market Capability	Appropriate sufficient funds for Division of Measurement Standards in the Department of Agriculture to build and maintain sufficient staffing with required capabilities to adequately monitor fuels market dynamics	TBD
Fuels Resilience Investments	Appropriate funds to invest in fuels resilience based on the outcome from the Office of Attorney General opinions	TBD

Appendix 1: Leg 1 – Emergency Readiness

Administrative, low-capital measures that stretch available fuel and speed deliveries.

Recommendation	Lead State Entity	Supporting Partners	Timeframe	Lead Basis
Develop and maintain confidential contact lists (primary, secondary, tertiary) for fuel suppliers, terminals, carriers, and relevant state and local agencies.	Office of Emergency Management (NV OEM)	NDA-DMS; GOE; local emergency managers	Near	Proposed
Continue engagement with fuel supply stakeholders on logistical capabilities available after a declared fuel supply emergency, including verification of key waivers needed to maximize their	Dept. of Agriculture – Div. of Measurement Standards (NDA-DMS)	NV OEM; GOE	Near	Proposed
Develop and execute ready-to-sign MOUs or emergency contracts with suppliers, terminals, and carriers, including big-box retail and truck-stop chains, to keep fuel available for first responders and critical goods movement.	Office of Emergency Management (NV OEM)	State Purchasing Div.; NDA-DMS; AG (contract review)	Near	Proposed
Update and verify volumes, delivery points, and last-mile logistics for all emergency fuel needs in the unified Fuels Disruption Plan.	Office of Emergency Management (NV OEM)	NDA-DMS; NDOT; local emergency managers	Near	Proposed
Pre-script fuel waivers: Nevada and federal fuel specifications, summer gasoline volatility limits, and on-road use of red-dye diesel.	Dept. of Agriculture – Div. of Measurement Standards (NDA-DMS)	Office of the Governor (issues waivers); U.S. EPA; IRS; NV OEM	Near	Partners stated in report; state lead proposed
Pre-script logistics waivers: truck weight limits, driver hours and qualifications, and pipeline product codes.	Dept. of Public Safety – Nevada Highway Patrol (NHP)	Office of the Governor; NDOT (weight permits); FMCSA; FERC; pipeline operators; NV OEM	Near	Partners stated in report; state lead proposed
Pre-script emission limit waivers: continuous emergency generator operation, lower floating-roof tank levels, and vapor recovery limits.	Div. of Environmental Protection (NDEP)	Clark County and Washoe County air quality agencies; U.S. EPA; NV OEM	Near	Partners stated in report; state lead proposed
Plan fuel prioritization for critical users (including whether a set-aside program is warranted), demand-reduction and distribution measures, and careful public communication to avoid panic buying.	Office of Emergency Management (NV OEM)	NDA-DMS; Office of the Governor (public communications)	Near	Proposed
Pre-identify and develop interim rail transload sites able to begin operations within 72–96 hours; evaluate emergency contracts and costs; assess rail tank car availability against import volume estimates to confirm or adjust the 96-hour window.	Office of Emergency Management (NV OEM)	NDA-DMS; NDOT (rail planning); rail carriers; NDEP	Mid	Proposed
Identify key fueling locations and critical function facilities that would benefit from emergency generator capability, and options to fund or incentivize those modifications.	Office of Emergency Management (NV OEM)	GOE (funding/incentives); NDA-DMS	Mid	Proposed

Appendix 2: Leg 2 – Strategic Reserves and Storage

Measures that increase fuel held in or near Nevada from about 7 days to 14 days.

Recommendation	Lead State Entity	Supporting Partners	Timeframe	Lead Basis
The Governor's Office is seeking clarification from the Office of the Attorney General regarding the State's statutory authority to own strategic fuel reserves in Nevada or another state.	Office of the Attorney General	Requested by Office of the Governor / NDA-DMS	Near	Stated in report
Target: increase fuel supplies on hand for Nevada from about 7 days to 14 days, inside or outside the state.	Dept. of Agriculture – Div. of Measurement Standards (NDA-DMS)	GOE; NV-FRC	Mid	Proposed
Identify existing Nevada terminals with space for new tankage and engage operators on near-term expansion; evaluate greenfield sites, with particular focus on isolated areas such as northeast Nevada.	Dept. of Agriculture – Div. of Measurement Standards (NDA-DMS)	GOE; NDEP (permitting); terminal operators	Mid	Proposed
Assess Sawtooth Caverns (Delta, UT) as a Western States Reserve for long-term emergency fuel storage; the Governor's Office is seeking clarification from the Office of the Attorney General on state ownership of stored fuel; and a contract option to withdraw third-party volumes would need to be identified if this ability does not exist.	Dept. of Agriculture – Div. of Measurement Standards (NDA-DMS)	Office of the Attorney General; State of Utah	Mid	AG role stated in report; lead proposed
Support development of an interconnection between the Sawtooth Caverns facility and the UNEV pipeline.	Governor's Office of Energy (GOE)	NDA-DMS; Office of the Governor; State of Utah	Mid	Proposed
Discuss Western regional strategic fuel reserve concepts with Utah that could benefit both states.	Office of the Governor	NDA-DMS; GOE	Mid	Proposed
Pursue public-private cost-sharing to more economically contract additional storage at existing Nevada locations. (Also Enabler D.)	Dept. of Agriculture – Div. of Measurement Standards (NDA-DMS)	State Purchasing Div.; GFO; terminal operators	Mid	Proposed
Avoid minimum-inventory mandates on existing private-sector storage.	Dept. of Agriculture – Div. of Measurement Standards (NDA-DMS)	Office of the Governor; Nevada Legislature	Policy position	Proposed

Appendix 3: Leg 3 – Supply Diversification

Rail is the only overland resupply option at scale; northern Nevada is the priority.

Recommendation	Lead State Entity	Supporting Partners	Timeframe	Lead Basis
The Governor's Office is seeking clarification from the Office of the Attorney General regarding the State's statutory authority to own liquid fuels infrastructure capacity.	Office of the Attorney General	Requested by Office of the Governor / NDA-DMS	Near	Stated in report
Support the Western Gateway Project with an efficient permit approval process to help ensure completion by the 2029 in-service timeline. (Also Enabler B.)	Governor's Office of Energy (GOE)	NDEP; Office of the Governor; federal permitting agencies	Near	Proposed
Support a final investment decision (FID) by HF Sinclair on Phase 1 of its expansion plan supplying the UNEV pipeline system.	Office of the Governor	GOE; GOED	Near	Proposed
Engage existing private operators (Golden Gate SET, Omega Partners, US Energy) on incremental rail receipt capability from existing sites, ahead of any state-sponsored development.	Dept. of Agriculture – Div. of Measurement Standards (NDA-DMS)	GOE; NDOT (rail)	Mid	Proposed
Identify rail receipt facility design parameters, capital and operating costs, and locations: one facility in northern Nevada and two to three in southern Nevada, with priority to the north.	Dept. of Agriculture – Div. of Measurement Standards (NDA-DMS)	NDOT (State Rail Plan); GOE; GOED (siting)	Long	Proposed

Appendix 4: Enabler A – Funding and Incentives

Funding sources and incentives for Legs 2 and 3.

Recommendation	Lead State Entity	Supporting Partners	Timeframe	Lead Basis
Identify Nevada funding sources (bonds, fee assessments, budget allocations) and permissible mechanisms for storage and rail receipt infrastructure and/or fuel purchases; verify permissible uses, budget limits, ownership, contracting and leasing options, and statutory barriers.	Governor's Finance Office (GFO)	State Treasurer; AG; NDA-DMS	Near	Proposed
State Finance Board: determine whether, and in what amount, state bonds could be used for liquid fuels infrastructure.	State Board of Finance	State Treasurer; GFO	Near	Stated in report
Identify existing federal funding sources, including through the Defense Production Act (DPA) process and other existing or pending federal authority.	GFO – Office of Federal Assistance	GOE; Office of the Governor (federal relations)	Near	Proposed
Brief Nevada's Congressional delegation and pursue new federal funding pathways, including a program funded from residual federal oil and gas leasing revenue (≈$100 million per year for Nevada) and federal refined-product reserve legislation.	Office of the Governor	GOE; NDA-DMS	Near	Proposed
Identify incentives such as tax abatements, capacity payments, or cost rebates for shippers who commit to storage; verify permissible uses of abated infrastructure.	Governor's Office of Economic Development (GOED)	Dept. of Taxation; NDA-DMS	Mid	Proposed
Appropriate funds for fuels resilience investments based on the outcome of the Attorney General opinions.	Nevada Legislature	GFO (budget request); NDA-DMS	Mid	Stated in report

Appendix 5: Enabler B – Permitting and Regulatory

Permitting assistance in Nevada and neighboring states, plus federal air-quality engagement.

Recommendation	Lead State Entity	Supporting Partners	Timeframe	Lead Basis
Efficient permit approval process for the Western Gateway Project. (Cross-listed from Leg 3b.)	Governor's Office of Energy (GOE)	NDEP; federal permitting agencies	Near	Proposed
Work with U.S. EPA to identify mitigating factors that could justify avoiding a "severe" ozone redesignation for the Las Vegas Valley	Div. of Environmental Protection (NDEP)	Clark County Dept. of Environment & Sustainability; NDA-DMS; U.S. EPA	Near	Proposed
Provide state permitting assistance for private storage and petroleum product pipeline enhancement projects, including	Governor's Office of Energy (GOE)	NDEP; county permitting agencies; Federal Permitting Council	Mid	Proposed
Permitting assistance for new or expanded petroleum product pipeline capacity within California.	Office of the Governor	GOE; State of California agencies	Mid	Proposed
Permitting assistance for expanded storage tank capacity at California refineries and third-party merchant terminals.	Office of the Governor	GOE; State of California agencies	Mid	Proposed
Permitting assistance to debottleneck or increase import throughput at existing California marine terminals.	Office of the Governor	GOE; State of California agencies	Mid	Proposed
Permitting assistance for new or expanded petroleum product pipeline capacity within Utah.	Office of the Governor	GOE; State of Utah agencies	Mid	Proposed

Appendix 6: Enabler C – Governance, Authority and State Capabilities

Staffing, statutory authority, and standing coordination structures.

Recommendation	Lead State Entity	Supporting Partners	Timeframe	Lead Basis
Establish statutory authority to collect, analyze, and protect business-sensitive fuel supply information; identify the statute to amend. Following a review of existing statutory authority, Nevada should identify any necessary statutory amendments and work with interested legislators to pursue an appropriate legislative vehicle during the 2027 Legislative Session.	Dept. of Agriculture – Div. of Measurement Standards (NDA-DMS)	Nevada Legislature (BDR); AG	Near	Stated in report
Build a Task Force of private and government stakeholders operating through technical working groups (preparedness, resiliency measures, infrastructure, funding, legislative authority).	Dept. of Agriculture – Div. of Measurement Standards (NDA-DMS)	NDEM; GOE; GFO; industry	Near	Proposed
Convene a standing industry-government coordination body that reports annually to the Governor and Legislature.	Dept. of Agriculture – Div. of Measurement Standards (NDA-DMS)	Office of the Governor; GOE; industry	Mid	Proposed
Increase Department of Agriculture (Division of Measurement Standards) staffing, with appropriated funds, to lead fuel resiliency efforts and monitor fuels market dynamics over several biennia.	Nevada Dept. of Agriculture (NDA)	GFO; Nevada Legislature	Mid	Stated in report

Appendix 7: Enabler D – Partnerships and Intergovernmental Engagement

Public-private and interstate engagement.

Recommendation	Lead State Entity	Supporting Partners	Timeframe	Lead Basis
Conduct one-on-one meetings with private sector counterparties to identify near-term public-private partnership actions to enhance fuel supply.	Dept. of Agriculture – Div. of Measurement Standards (NDA-DMS)	GOE; Office of the Governor	Near	Proposed
Obtain a detailed assessment of California marine terminal throughput capacity, shared with the Department of Agriculture.	Dept. of Agriculture – Div. of Measurement Standards (NDA-DMS)	California Energy Commission; GOE	Near	Recipient stated in report; lead proposed
Seek membership (potentially with other western states) in the California Energy Commission's Transportation Fuel Assessment working group.	Dept. of Agriculture – Div. of Measurement Standards (NDA-DMS)	GOE; other western states	Near	Proposed
Encourage California policy adoption or changes that retain and support California-based petroleum refining.	Office of the Governor	GOE; other western states	Mid	Proposed
Discuss potential changes to California's At-Berth regulation for product tankers to ensure continued or expanded marine terminal access.	Office of the Governor	GOE; NDEP; California Air Resources Board	Mid	Proposed