

## BNSF Environmental

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JUNE 28, 2019

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### **Environmental Operations**



### **Environmental Management System** Plan Act Check Do **Oil Handling** Air **Stormwater** Waste Water **Waste Management**

### **Environmental Operations- Air Emissions**





**Sand Towers** 



Fueling



**Boilers** 



**Fuel Storage** 



**Back-up Generators** 



**Cargo Handling Equipment** 

### **Environmental Operations- Stormwater**





Fueling



**Car Maintenance** 



**Equipment Washing** 



**Spill Response** 



**Locomotive Maintenance** 



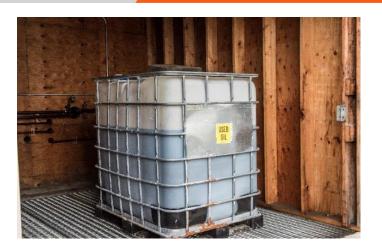
**Material Storage** 

### Environmental Operations- Oil Handling (SPCC)















### **Environmental Operations- Waste Management**















### **Environmental Engineering**

# •Wastewater Treatment Plants and Oil/Water separators

- Upgrade, maintenance and operation
- Support fueling and mechanical maintenance operations

# •Other structural pollution control equipment

Sand towers, bag houses, storm water controls

### •Pipeline testing and design

- •Petroleum storage tanks
  - Internal inspections and upgrade





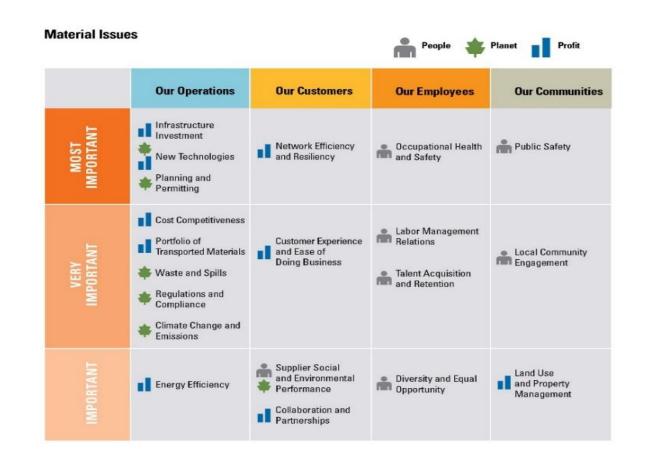


### Sustainability

#### Sustainability

Meeting today's needs without compromising future needs
Focus on "Material Issues"
People, Planet, Profit
Corporate Responsibility and Sustainability Report



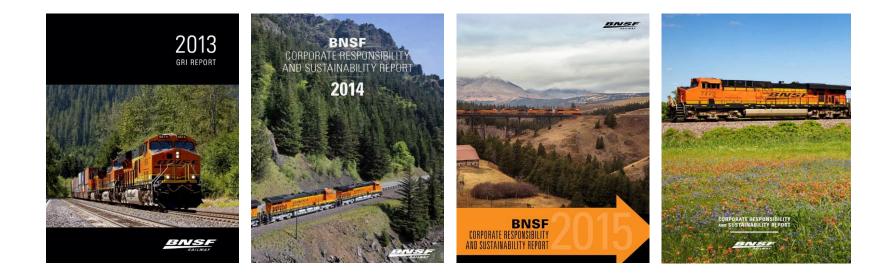




### What's a Materiality Assessment

**Materiality Assessment -** An exercise that prioritizes the most significant or "material" sustainability issues through engagement with internal and/or external stakeholders.

Materiality Assessment helps develop core focus and theme for sustainability reporting.



### Material Issues to BNSF





### Material Issue: Planning & Permitting

- BNSF is typically the Applicant
- Sometimes an Advocate (i.e. customer projects)
- BNSF Stakeholders:
  - Federal, State and Local Community Affairs
  - Engineering
  - Environmental Permitting
  - Sustainability
  - Tribal Relations
  - Economic Developmer
  - Sales and Marketing
  - Leadership Team
  - Consultants



### **Planning and Permitting: Agencies**

Empower

public engager

High level of

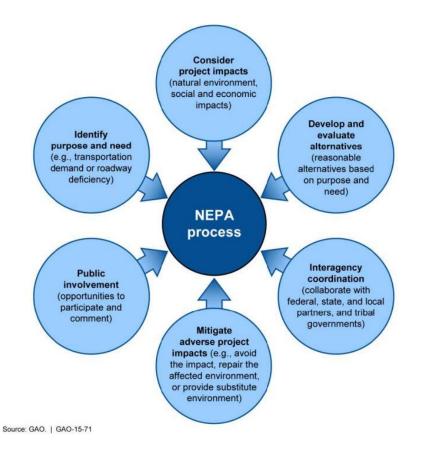
- National Environmental Policy Act
  - Environmental Impact Statement
  - Environmental Assessment
- Most often United States Coast Guard and Army Corps of Engineers

Involve

Mid level of

public engage

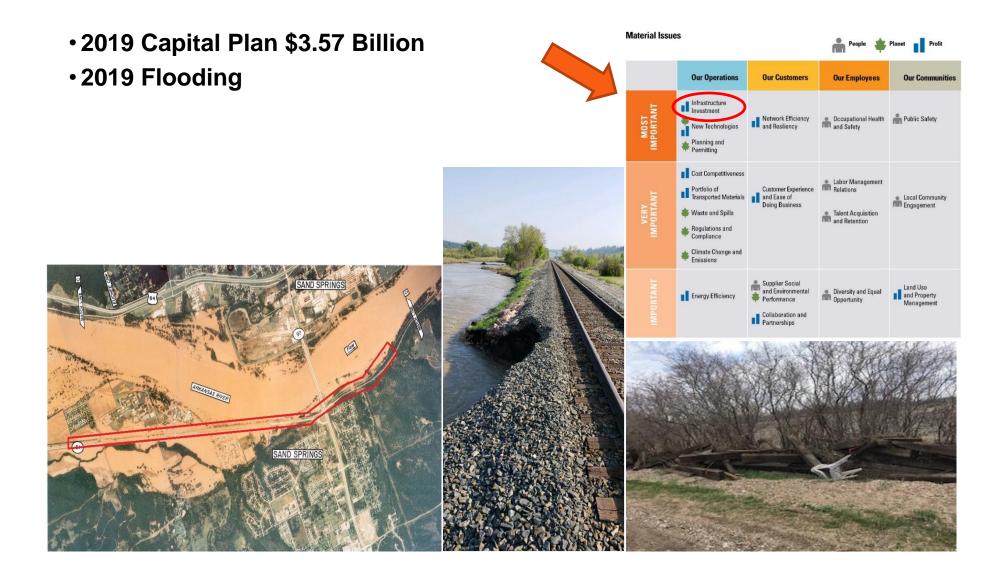




Inform

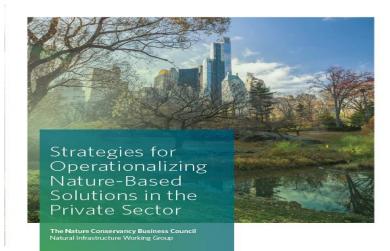
Low level of public engagem

#### Material Issue: Infrastructure Investment



#### Material Issue: New Technology / Network Efficiency & Resiliency

- Engineered Green Infrastructure
- TNC White Paper
- Charter/Mission & Team
- Examples: TX (Trinity River Bridge), on-site mitigation banks, others?







### Material Issue: Energy Efficiency

<u>Initiative</u>: Leverage battery storage and electric power/motor technologies to reduce total cost of ownership and environmental impact

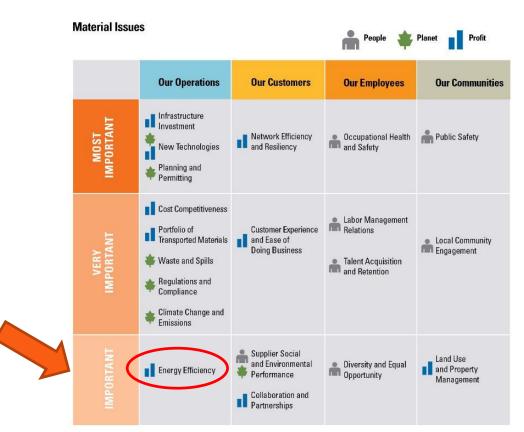
#### Technology Opportunities:

- Hybrid locomotive consist with a battery-electric and standard diesel locomotives
- Battery and electric trucks, cranes and other cargo handling equipment at intermodal hubs
- Onsite power and battery storage

#### Market Dynamics:

- Opportunity to improve efficiency, but challenging current economics
- Battery energy density improving while battery cell price dropping with increasing production volumes
- Manufacturers seeking long-term assurances to invest in technology
- Adjacency development and application opportunities

BNSF Requirements: Safety, Return on Investment, Reliability, Maintainability



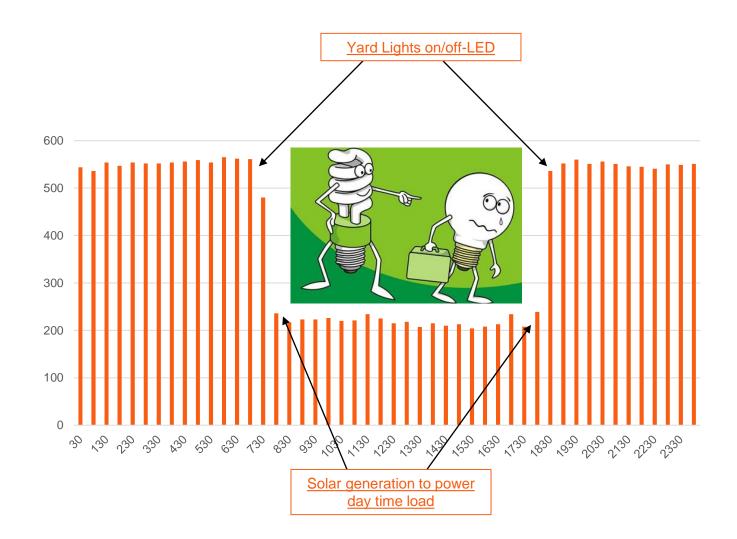


## **BNSF Energy Program**

#### **Three phase process to onsite generation**

- 1. Identify and remove waste
  - RR paid utility accounts that don't belong to RR
  - Bill pay for overcharges
- 2. Improve on energy efficient opportunities
  - LED Retrofits
  - Switch heater cabinets
  - Air Compressors
- 3. <u>Design onsite renewable generation</u> & Implement Electric vehicle opportunities

### Railyard load profile



### LED Retrofit (Before / After)



### Air Compressors- Old versus New



New 100hp air compressor

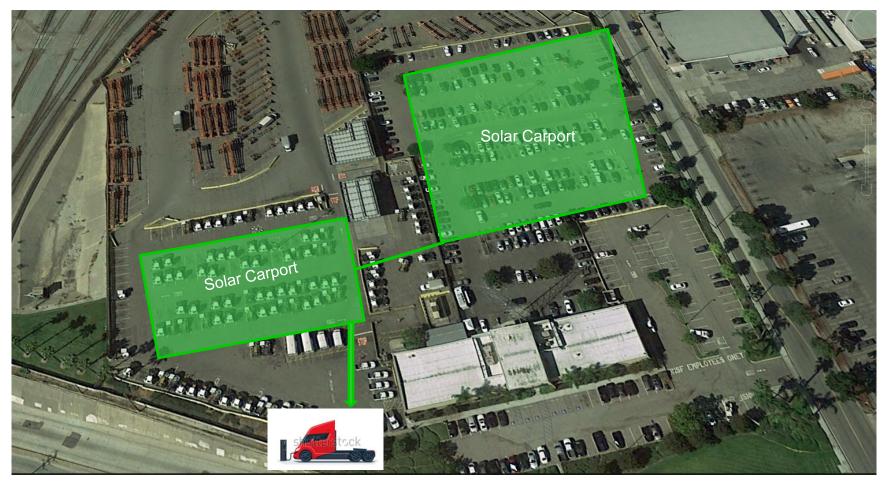
reduction in annual operating cost

Older 100hp air compressor



#### Solar Generation for EV Hostler Charging

Hobart Electric Hostler charging stations



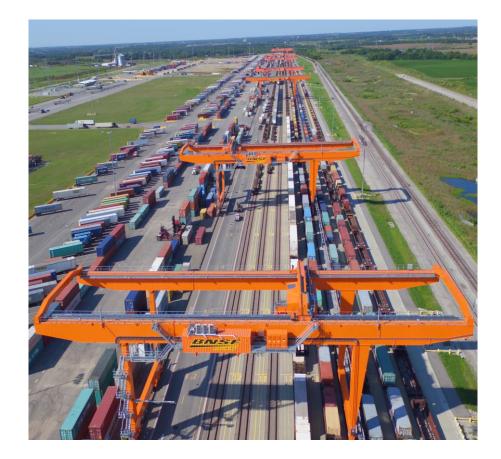
### Alternative energy sources

- Solar powered signals
- increase in solar panels post 2018



### Intermodal Hubs

- Wide-span electric cranes
  - Stack up, rather than spread out = more productivity per acre
  - No onsite emissions
- Automated gates
  - Technologies RailPASS mobile app for truckers, biometrics, cameras, etc.
  - Double throughput = half the emissions
  - Truckers get more turns per day with BNSF



### **Battery-Electric Yard Trucks**

- Partners BYD (BRK cousin company), Southern CA Edison, CA Air Resources Board
- Technologies batteries, charging infrastructure
- Business Value
  - Subsidies available to offset higher capital cost
  - Lower operating costs
    - Electrical system efficiency better than diesel
    - Lower maintenance
    - Fewer moving parts



### **Sustainability 101**

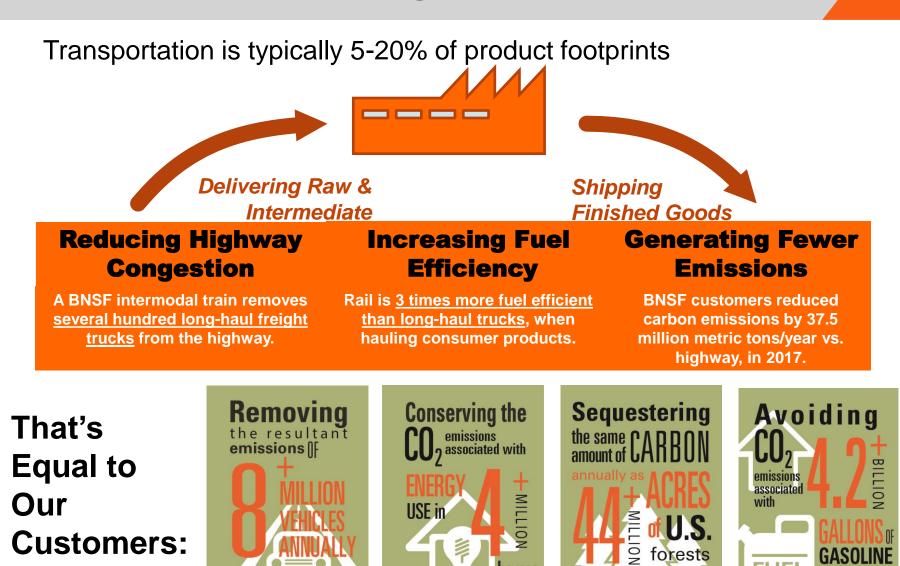
"...development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

The Brundtland Commission, "Our Common Future," 1987

Sustainable businesses balance and enhance long-term environmental, economic and social value - the Triple Bottom Line

### Why Transportation Matters to Customer Sustainability





INMA

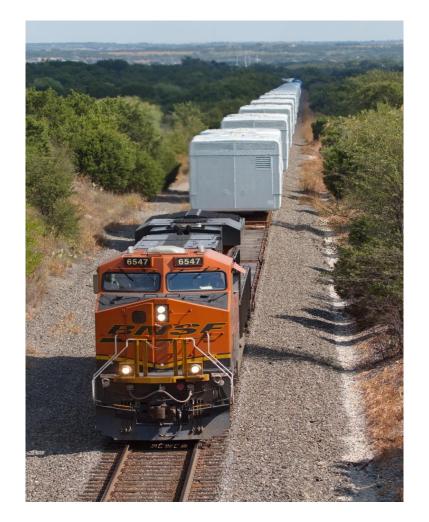
#### Sustainable Freight Leadership





### **BNSF Sustainable Solutions Examples**

- Sustainable sourcing & supply chain
- Locomotives
- Green infrastructure landscapes, lighting and renewable energy
- Intermodal electric cranes and trucks
- What's next?
  - Electrified hubs
  - Battery-electric/hybrid locomotives

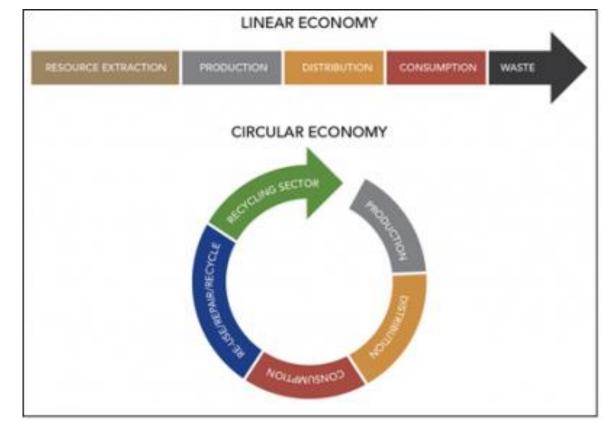


### Sustainable Sourcing & Supply Chain



Furniture, from Linear to Circular Economy

- Old system
  - BNSF paid to dispose old furniture, creating waste
- New system
  - Davies Furniture (WBE) takes furniture for reuse/remanufacture
  - BNSF gets credits towards furniture purchase
  - Eliminates BNSF warehousing/disposal costs





### Sustainable Sourcing & Supply Chain



#### **Category Rationalization**

 Reduced chemical products in supply chain

- Minimize waste
- Leveraging spend
- Reduced number of products

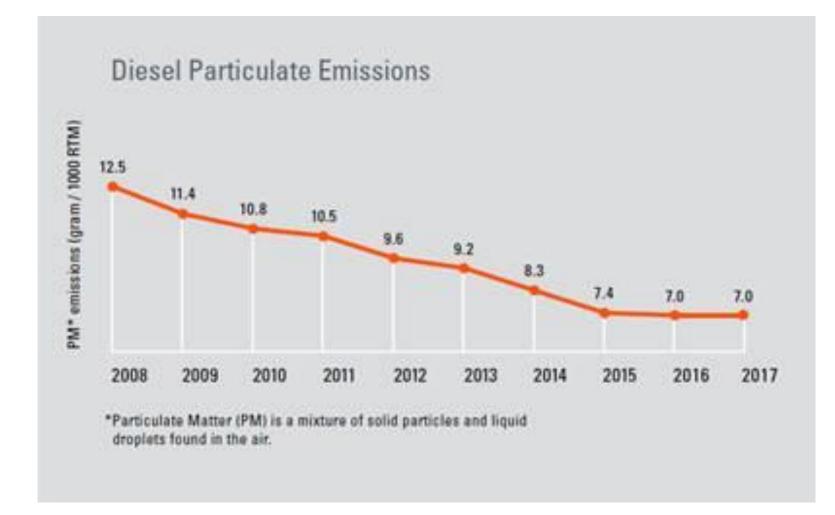


### Locomotive Investments

- Newest fleet in North America
- 30- to 40-year assets are remanufactured every 6-8 years (circular economy example)
  - Less metal/resources used
  - Lower operating costs
  - Fewer emissions
- Fuel efficiency efforts
  - Energy management systems
  - Idle control
  - Top of rail lubrication
  - Right-size horsepower per trailing ton



#### Results – Significant Reduction of Particulate Matter Emissions



### Sustainable Landscaping

- Simulated short grass prairie at HQ
- •Sustainability Benefits
  - Improve and modernize aesthetics
  - Lower water and pesticide use
  - Lower maintenance costs



#### Natural Stormwater Treatment Everett, WA





- BNSF activities: fueling, railcar maintenance, material storage
- Naturally vegetated ditch = 28 quarters of successful pollutant removal
- The Nature Conservancy's Business
   Council
  - BNSF among corporate partners
  - Developing corporate green infrastructure guidance
  - Yale is academic partner

#### Vegetation for Erosion Control Orin Line, WY





- Permanent erosion and sediment control measures at 4 bridge locations
- Native grasses, wildflowers, rock reinforcement, down drains and drainage tees.

#### Sustainable Solutions Provide Competitive Advantage to BNSF

- Rail is the most sustainable mode of long-distance land freight transport
- BNSF's is an industry leader
  - Cleanest fleet
  - Innovation opportunities
- BNSF sustainability investments provide economic & business win-wins that benefit BNSF and its stakeholders



#### Discussion/Questions

