Dear fellow members of the OEPC:

I appreciate the work that has gone into the “benchmarks” draft and, as I stated in our last meeting, I support the idea that the state’s energy policy must be developed wholistically in order to ensure that we are bringing maximum benefit to Oregonians. That said, I am concerned about the direction of the benchmark document. While realizing this is only a draft, I am having difficulty seeing how it would be productive to procede down the path of debating and editing its content as presented. While the draft contains some general principles we can probably all agree on to guide the state’s strategy, the document suggests numerous specific targets/goals that are not feasible, are not widely accepted as a preferred path for the state, and/or tend to evolve into an expectation for future regulatory enforcement. I recommend that we stick to including an overall set of goals/principles and provide additional detailed focus to the immediate need the state has to improve the ability to site transmission in order to meet our renewable energy goals, reliability needs, and create much-needed jobs. It is also important to link up the work we are doing developing an energy strategy with the energy strategies being developed for the Oregon Business Plan, so we’ll want to make sure that our joint suggestions are shared in that forum as well.

I share your desire to meet the challenge set out by Governor Kulongoski and deliver a thoughtful, useful report that helps the state move forward on critical issues. I hope we can focus on the areas we can have the most immediate impact on, which does justify the special focus on resolving the siting conflicts that make it harder to get Oregonians back to work.

Please see attached my specific recommendations in that regard.

Pat

The following comments are for consideration in upcoming Oregon Energy Plan discussions regarding general energy plan goals and streamlining the siting and permitting processes required for transmission.

General Comments

1. The plan should suggest energy plan goals/principles in the following areas:
   - Maintain competitive energy costs
   - Assure a high level of regional and local system reliability
   - Promote a clean energy economy and jobs through new business and workforce development
   - Meet state commitments on green house gas emission performance standards
   - Meet state commitments on development of renewable resources

2. Support development of a balanced energy infrastructure necessary to support a clean energy economy and new energy resources. Consider transmission and other infrastructure requirements to safely and reliably deliver renewable resources.

Transmission Siting and Permitting

1. Currently there are two different and distinct processes required when permitting energy projects in Oregon: one permitting process is designed for non federal lands and the second is for permitting and siting facilities on federal lands. With federal lands in Oregon equal to approximately 40% of total lands, dual permitting processes have the potential to significantly add to the time and money it takes to site a facility in the state.

   Recommendation:
   When siting a facility that includes a federal permitting process, the overall permitting time could be streamlined and costs reduced if the Energy Facility Siting Council were to become a consulting agency to the federal lead under the Federal process and adopt the Federal process. The Energy Facility Siting Council could participate as a consulting agency under the federal lead to complete the necessary environmental studies, project need and plan of development, public process and comments along with all other Federal required documentation. The Energy Facility Siting Council would then adopt the work completed by the federal agency lead thereby streamlining its process and avoiding duplicate efforts. To meet the additional or differing state requirements the Energy Facility Siting Council would then supplement the federal documents in a timeline within the overall federal permitting process timeline.

2. Existing permitting process requirements and requirements to reach an ultimate decision are not always clear.

   Recommendation:

Clarify the permitting process and timeline for siting transmission and other linear type facilities in the state of Oregon. This would include a full description of the step-by-step process and an established timeline to complete each step with scheduled reviews of the process and performance including feedback from permit requesters in efforts to improve the process moving forward. Process clarification and adherence to timelines (as close as possible) by the agency provides the applicant the upfront information required to make educated decisions on the actions moving forward and to formulate a plan the meets the agency needs.

3. Responding to applicant requests within pre-defined deadlines places uneven demand on State resources and can lead to delays.

   Recommendation:
   Consider adopting the process used by federal agencies at the Energy Facility Siting Council whereby the applicant hires the third-party environmental consultant or other contractors to perform work on behalf of the agency. This mitigates the costs associated with the need for full time staff to provide otherwise cyclical or project specific work and helps ensure appropriate staffing levels are in place to address siting and permitting applications.

4. State to state collaboration is required during the permitting process for interstate projects. A defined process outlining how the states will work together through completion of the permitting processes is needed.

   Recommendation:
   States need to designate a lead state agency that would permit the line across state boarders with other state(s) as consulting parties.

5. Oregon statue current requires separate processes for both EFSC and to acquire a Certificate of Public Convenience and Necessity (CPCN).

   Recommendation:
   A change in Oregon statute that removes the need for a separate process to gain a Certificate of Public Convenience and Necessity (CPCN) from the Oregon Public Utility Commission and combining the process with the EFSC permitting process. As a minimum the process steps and timelines should be fully developed. Another option would be granting the CPCN once a project has been recognized by the Oregon PUC.

6. Renewable energy typically requires transmission upgrades and expansion to deliver new resources to markets. Today renewable resources can be developed in 18 months, whereas transmission lines may require 5-7 years.

   Recommendation:
   If the plan proposes expedited processes for the siting of renewable energy resources the same expedited processes should be applied to the transmission infrastructure that provides access to new resources associated with the project.

Encourage counties to be aware of transmission planning activities including the interconnection-wide planning conducted at the Western Electricity Coordinating Council as under Transmission Expansion Planning Policy Committee (TEPPC). The expanded planning process would benefit from key participants involved in approving and moving forward transmission projects, such as counties, which have not historically been active in the planning process. The energy plan should promote and support projects which meet the needs identified in Transmission Expansion Planning and Policy Committee interconnection wide plan.

7. Recent and ongoing changes in federal and regional national grid security and safety standards there is a risk that permitting standards or stipulations may contradict these federal and regional mandates.

   Recommendation:
   A review of the EFSC standards and goals as compared to national grid security and system safety objectives should be reviewed to determine if conflicts exists and if so a plan developed to remove these inconsistencies.