

**MINUTES OF  
THE SIXTH OWWG MEETING  
THE DALLES  
MARCH 16, 2004**

By  
Carel DeWinkel  
Oregon Department of Energy  
Phone: 800-221-8035 (in state) or 503-378-6099  
carel.dewinkel@state.or.us.

**General comments**

This Sixth OWWG meeting was used to update the participants on a variety of issues discussed during previous meetings. In addition, the afternoon was focussed on providing comments on the wind energy sections of the draft of Oregon's Renewable Action Plan. Over 50 people attended our OWWG meeting. The Agenda is shown on page 4 of these minutes.

**The Program**

*PURPA*

The meeting started by Carel DeWinkel, Oregon Department of Energy (ODOE), with an overview on the Oregon Public Utility Commission Staff investigation of electric utility purchases from qualifying utilities under the Public Utility Regulatory Policy Act (PURPA). Currently, the privately owned utilities offer a 5-year contract and published standard rates for systems of 1 MW or less. For small-scale wind farm development, a 5-year contract is too short to get financing. The 1 MW maximum size means that all systems over that size need to negotiate with the utility to get a power purchase agreement (PPA), which is a time consuming and therefore costly process. It also means another uncertainty that may make finance negotiations more difficult. In practice, a small wind farm using even only one modern utility-size wind turbine would have to go through this PPA process.

Several groups, including one that is the result of networking among OWWG members, the OPUC staff and the Oregon Department of Energy, are advocating a 15 to 20 year contract and a maximum size limit of about 10 MW. Settlement meetings are scheduled for this spring.

*Wind monitoring in the Northwest*

Next, Carel DeWinkel introduced the discussion on the *publicly owned* high tower wind monitoring system of the Northwest, which has proven to be important for the development and continued operation of large-scale wind farms in the Northwest.

Key issues are:

- Lack of resources at BPA has closed down two sites and threatens several more sites to be closed down.
- No investments have been made in recent years to expand publicly owned wind characteristics monitoring sites, except for the new Vansycle high tower site established in 2002.
- Communities that want to explore their own wind farm development often lack the resources to put up their own wind monitoring towers, a necessary requirement for their feasibility studies.
- The anemometer loan program funded by the Energy Trust of Oregon can only be used in the service territories of PGE and PacifiCorp. Thus, citizens throughout a large region of the state do not have access to an anemometer loan program.

Several organizations and companies are discussing ways to enhance the wind monitoring system of the NW and to find a steady source of income to maintain this system. The Oregon Department of Energy has a NREL grant and matching funds from PGE and PacifiCorp that will be used to help expand the monitoring system.

#### *Farm Bill*

The next topic of discussion was an update on the Farm Bill.

Two experts joined us by phone. Carol Werner of the Environment and Energy Study Institute, Washington DC, gave an overview of Section 9006, which offers grants for energy efficiency and renewable projects. Kim Leval, Center for Rural Affairs, discussed the Value-Added (VA) program. Timelines for submitting proposals were discussed. No specific new plans were proposed. The Sherman County project may apply for a 9006 grant (see below). The Summit Ridge Landowners Group, a group of farmers in The Dalles area that obtained a VA grant last year, does not have its feasibility study ready yet, so this group will not apply for a 9006 grant this year. No landowners groups have stepped forward to apply for a VA grant this year to date.

#### *Arlington Wind Farm Project*

Chris Crowley, president of Columbia Energy Partners, LLC, described in detail his proposed 4.95 MW wind farm that is planned for a site SW of the Port of Arlington, 50 miles east of The Dalles. Among other things, Chris gave a very interesting overview of the financial arrangements of making this project happen. This includes a loan and a business energy tax credit from the Oregon Department of Energy, a contribution from the Energy Trust of Oregon, an up-front payment from a financial firm in exchange for the federal production tax credits, and a power purchase agreement with PacifiCorp. He also highlighted the significant up-front cost of the planning phase of this type of project that may run into several hundred thousands of dollars before ground breaking takes place.

#### *Sherman County/China Hollow Community Wind Project*

Sherman County Judge Mike McArthur, consultant Paul Woodin, Western Wind Power, and farmer Tom Martin gave another update on this project. Although the preliminary results looked promising, as reported at our last meeting, additional wind speed data showed that the wind resource at the site of the county's Fairgrounds is insufficient for a

successful project. This project has now merged with a planned small wind farm by two farmers who live just to the north of the Fairground, Dan Coats and Tom Martin. These farmers have come to an agreement with the county to share the income from this project. Part of the reason for this merger is the limited transmission capacity in PacifiCorp's local service area. Financing the project has not been completed, yet. We continue to plan to make the RFP, the Feasibility Study, and the financial model widely available as a *Template* to other interested parties in the state. More updates to follow.

#### *Energy Trust of Oregon*

Peter West, Director of Renewable Energy of the Energy Trust of Oregon, was scheduled to talk about the Trust's Community Wind Program. Unfortunately, Peter couldn't attend the meeting, so this will be a topic on one of the upcoming meetings.

### **Afternoon Program**

#### *Oregon's Draft Renewable Action Plan*

The first part of the afternoon was focussed on the state's Draft Renewable Action Plan that ODOE and other agencies have put together ( a copy of the most recent version of this Plan can be found at [www.energy.state.or.us](http://www.energy.state.or.us)).

Extensive comments from diverse stakeholders have been received by ODOE. A series of public meetings are held with specific renewable resource related interest groups. This session is used to ask for input on the wind energy sections of this plan. In general, the attendees of this meeting liked this draft. Additional meetings were scheduled for April. A second draft is expected to be ready for public review some time in June.

#### *OWWG's Action Plan (attachment)*

We planned to discuss our Action Plan, but didn't have sufficient time to do so in a thorough way. It is clear that the timeline of most items has to be changed due to other work activities. Many of this Plan's action items are included in the state's Draft Action Plan. We concluded that we would take a close look at OWWG's Action Plan in the near future.

### **Wrap-up and Next Steps**

The next OWWG is scheduled to take place in July or August 2004. The location has not been determined, yet.

***Oregon Wind Working Group (OWWG)<sup>1</sup>***  
***Sixth Meeting, The Dalles, OR, March 16, 2004***

**When:** Tuesday, March 16, 2004, 9 AM to 4:00 PM  
**Where:** The Columbia Gorge Discovery Center, in The Dalles, Oregon

<b>Agenda</b>
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- 09:00 – 09:15 Welcome – Carel DeWinkel, Oregon Department of Energy
- 09:15 – 09:30 Update on the OPUC’s investigation of electric utility purchases from qualifying facilities (PURPA related)<sup>2</sup>, Carel DeWinkel
- 09:30 – 09:45 “Wind characteristics monitoring: how to keep the current system going and expand?”, Carel DeWinkel
- 09:45 – 10:15 Farm Bill: Section 9006 (Carol Werner, Environm. & Energy Study Inst.) and Value-Added Program (Kim Leval, Center for Rural Affairs)
- 10:15 – 10:45 4.95 MW Arlington Wind Farm Project, Chris Crowley, Columbia Energy Partners, LLC
- 10:45 – 11:00 Break
- 11:00 – 11:30 Sherman County/China Hollow Community Wind Project, Judge Mike McArthur, Don Coats and Tom Martin
- 11:30 – 12:30 Energy Trust’s Community Wind Program, Peter West
  
- 12:30 – 01:30 Lunch in cafeteria (own expense)
  
- 01:30 – 03:00 Discussion of the state’s Draft Renewable Energy Plan<sup>3</sup>
- 03:00 – 03:15 Break
- 03:15 – 04:00 Discussion of the OWWG Action Plan<sup>4</sup> and reports from the subcommittees
- 04:00 – 04:15 Discussion of where to go from here

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<sup>1</sup> As part of its *Wind Powering America* program, the U.S. Department of Energy (USDOE) is funding the formation of an Oregon Wind Working Group (OWWG) and its activities over a four-year period, beginning June 1, 2002. The Office of Energy is the lead organization. The group includes representatives of utilities, government agencies, environmental groups, farming and rural interests, and developers.

<sup>2</sup> For more information, see <http://www.energy.state.or.us/renew/Wind/OWWG/OWWG.htm>

<sup>3</sup> Posted on <http://www.energy.state.or.us>, see announcement in the middle column on the home page

<sup>4</sup> Posted on <http://www.energy.state.or.us/renew/Wind/OWWG/OWWG.htm>. All of these subcommittee meetings are open to whoever is interested

Oregon Wind Working Group's

*Action Plan*

*For*

*Achieving Its Strategic Objectives*

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November 2003

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OWWG Contact: Carel C. DeWinkel, Oregon Department of Energy,  
Phone 503-378-6099, Fax 503-373-7806, [carel.dewinkel@state.or.us](mailto:carel.dewinkel@state.or.us).  
Oregon Department of Energy, 625 Marion Street NE, Salem, OR 97301.

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## PREFACE

A wind working group was formed in Oregon in July 2002 under the US Department of Energy's *Wind Powering America* initiative. The Oregon Wind Working Group ("OWWG") adopted the following

### Mission Statement

**"The Oregon Wind Working Group will be a proactive group of individuals and organizations recognized for its cooperative efforts to promote the development of wind energy in Oregon, with an *emphasis on rural economic development aspects of small and medium sized wind energy projects*".**

Consistent with this Mission Statement, and with a view to removing obstacles to the development of wind energy in Oregon, the OWWG adopted the following:

### Strategic Objectives

1. Improve the prospects for Small Wind Systems.
2. Evaluate the effectiveness of various Renewable Portfolio Standards.
3. Streamline the state and local permitting processes for wind energy development.
4. Work with stakeholders to develop information on Technical, Procedural/Legal and Economic (tariffs, rates, and fees) issues related to distributed (up to 20 MW) wind energy development.
5. Work to identify and subsequently reduce transmission barriers. Promote appropriate upgrades to and expansion of the grid.
6. Assist in the development of one or more locally owned small wind farms as demonstration projects.
7. Investigate the desirability and feasibility of a wind resource assessment program to collect publicly owned wind characteristics data with 50-meter high meteorological towers.
8. Provide technical support to stakeholders and increase the general public awareness regarding Oregon's wind energy resources and their applications.

## **ACTION PLAN**

The purpose of this Action Plan is to provide a road map for achieving the OWWG's Strategic Objectives for the period November 2003 through July 2004.

This document is a "work in progress" and may be expanded and/or refined as the OWWG matures and as activities are developed.

This Plan identifies key Action Items that must be completed in this time frame in order to achieve each of the OWWG's Strategic Objectives. It establishes a deadline for completing each action item, and makes an OWWG subcommittee accountable for completing the item.

**Strategic Objective #1: Improve the prospects for small wind systems.****Action Items**

1. Ongoing until achieved, work with stakeholders to make distributed generation interconnection procedures and net metering provisions clear and uniform throughout Oregon.<sup>5</sup>
2. By March 1, 2004, develop web-based information on net-metering and interconnection issues and regularly update that information.
3. By March 1, 2004, initiate discussions with BPA, the Energy Trust of Oregon and others on how to expand the Trust's anemometer loan program to all areas of Oregon.
4. By March 1, 2004, initiate discussions with the Energy Trust of Oregon on how to expand the Trust's incentives for small wind turbines.
5. By July 1, 2004, develop a position on whether the maximum capacity for net metered wind turbines should be increased beyond 25 kW. If yes, include a recommended maximum size for such net metering and address the issue of the maximum net metering capacity per utility service area.
6. After the development of OWWG's position, make this position on net metering known to stakeholders including utilities, the Oregon Public Utilities Commission, and the Oregon Department of Energy.

**Responsible sub-committee: Small Wind Turbines**

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<sup>5</sup>Many of these issues cover both the small, net metered wind systems and the larger units. The division between "small" and "large" is arbitrary and not clear-cut. As an example, the Interstate Renewable Energy Council (IREC)'s Guide "Connecting to the Grid", 4th Edition 2003, uses 2 MW as a logical limit for its "small" procedures. It notes: "These procedures are intended to be used for interconnections to distribution systems (typically radial circuits at voltages less than 69kV). A 2 MW limitation was selected as both the practical limit for expedited interconnections (above 2MW is typically precluded from expedited treatment because the size of the DG unit is often greater than the 10% limit for circuit peak load) and units greater than 2 MW, should, in many cases, be analyzed for power flows onto the transmission system – an analysis not included in these procedures")

## **Strategic Objective # 2: Evaluate the Effectiveness of Various Renewable Portfolio Standards. <sup>6</sup>**

### **Action Items**

1. By January 31, 2004, initiate outreach to Oregon utilities about barriers to additional wind development in the state. Focus on interconnection issues for wind generation (small to large turbines/wind farms) as well as other potential concerns, such as cost and integration issues. Distribute survey and collect results by February 28, 2004.
2. By January 31, 2004, initiate outreach to stake holders - such as the Farm Bureau and other agricultural organizations, environmental groups, wind developers, AARP, low income and consumer advocates – about the possibility of advancing an RPS in the 2005 legislature.
3. By March 31, 2004, assess results of initial outreach and provide the information to the group that is formulating a preliminary RPS for Oregon and to those assembling the fact sheets for interconnection of distributed generation.
4. By July 1, 2004, complete an investigation of the effectiveness of RPS in other states, and formulate a preliminary RPS for Oregon.
5. By August 1, 2004, OWWG as a whole decides whether to propose an Oregon RPS to the 2005 Legislative Assembly.

### **Responsible sub-committee: RPS**

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<sup>6</sup> *This issue is somewhat complicated in our state because an RPS was put on the back burner when SB1149 "the Public Purpose Charge" was negotiated between the various parties some time ago. A significant fraction of the PPC monies are being invested in renewables in our state. Nevertheless, the OWWG deems it useful at this time to at least investigate this issue.*

### **Strategic Objective #3: Streamline the state and local Permitting Processes for Wind Energy Development.**

#### Action Items

1. Ongoing until new amendments have been adopted, assist in the development of needed revisions to Oregon Department of Environmental Quality administrative noise rules applicable to wind projects.
2. By July 1, 2004, assess existing county wind development ordinances and, if determined necessary, propose a Model Ordinance for use in the state. *Depending upon the availability of resources*, this may involve
  - primarily review and suggested revisions to the Department of Energy’s proposed model ordinance and/or drafting a new model ordinance.
  - a review of ordinance language from other jurisdictions around the country that attempt to address property line setbacks for wind facilities (i.e., setbacks to protect “wind rights”—the ability of downwind property owners to be protected from upwind neighbors constructing new wind facilities that might degrade the property owner’s ability to develop his/her own wind facilities). That review would involve gathering examples of such language and a review of any court cases that have established precedent related to the protection of “wind rights.”
3. By July 1, 2004, develop a guidance document for permitting small wind projects. (NWSeed will investigate whether it can do this project).

#### **Responsible sub-committee: Permitting**

**Strategic Objective #4: Work with Stakeholders to Develop Information on Technical, Procedural/Legal and Economic (tariffs, rates, fees) Issues Related to Distributed (up to 20 MW)<sup>7</sup> Wind Power Development.**

**Action Items:**

1. By July 1, 2004, in collaboration with investor owned and publicly owned utilities, the Public Utilities Commission, the Energy Trust of Oregon and others, develop fact sheets related to connecting distributed wind generation projects to the grid. Address technical requirements, typical power purchase agreements and rates, load flows, system protection, etc. Use information from established projects where possible.
2. Ongoing until established, assist in the development of uniform statewide interconnection rules and model agreements.

**Responsible sub-committee:            Education and Technical Support**

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<sup>7</sup> We use the somewhat arbitrary upper limit of 20 MW. This is identical to what FERC is using for its Rulemaking for “small generator interconnections”. The Interstate Renewable Energy Council (IREC)’s Guide “Connecting to the Grid”, 4th Edition 2003, also uses 20 MW as a logical limit for its model agreement for interconnection and parallel operation of distributed generation.



**Strategic Objective #6: Assist in the development of one or more Locally Owned Small Wind Farms as Demonstration Projects.**

**Action Items:**

1. By March 1, 2004, make available a template for a Request for Proposal for a community-based small to medium sized wind energy projects.
2. By March 1, 2004, make available the “how-to” and results of a feasibility study for such a community-based project.
3. Within three months of the start of the operations of an actual community-based project, make the results available to interested local governments, private organizations and individuals throughout Oregon.
4. Ongoing, assist groups of land owners with the development of locally owned wind farms and make the results available throughout Oregon.
5. Ongoing, assist Oregon landowners with applications for federal grants available through USDA’s Farm Bill and others agencies.

**Responsible sub-committee: Education and Technical Support**

**Strategic Objective #7: Investigate the Desirability and Feasibility of a wind resource assessment program to collect publicly owned wind data using 50-meter high meteorological towers.**

**Action Plans:**

1. By March 1, 2004, work towards getting the recently removed long-term high towers re-installed and data collection resumed.
2. By March 1, 2004, develop a plan for a countywide tall tower study.
3. By March 1, 2004, investigate a tall tower study on state lands.
4. By July 1, 2004, report back to the OWWG on the desirability and feasibility of a statewide project. If considered appropriate, include in the report a work plan and budget for the project.

**Responsible sub-committee: Education and Technical Support**

**Strategic Objective #8: Provide Technical Support to Stakeholders and Increase the General Public Awareness Regarding Oregon's Wind Energy Resources and Their Applications.**

**Action Items:**

1. Ongoing, provide through regular OWWG meetings, a web site and other means, forums for exchanging information between OWWG members.
2. By March 1, 2004, establish an agreement with Wind Powering America on the use of its mobile display on wind power at fairs and other events.
3. By March 1, 2004, assist with the development of a handbook on "Steps to be taken for the development of a locally owned wind farm".
4. By March 1, 2004, issue a summary report on financing options for distributed wind power development.
5. By July 1, 2004, develop and regularly up-date web based information for stakeholders (Oregon's rural citizens, Cities, Counties, farmers, ranchers), addressing (among other topics):
  - An overview of wind power applications and benefits
  - Recommended resources, including a bibliography, links to other web sites, state and local contacts, etc.
  - Fact sheets on how to develop locally owned wind farms, interconnection procedures, etc.
  - Fact sheets on the economic development aspects of wind farms.
6. By July 1, 2004, identify specific state and local resources that assist in the dissemination of information on small to medium sized wind energy projects (less than 20 MW).
7. By July 1, 2004, investigate the feasibility of creating a corps of resource persons throughout Oregon who would provide access to information and resources on wind energy development.
8. By July 1, 2004, develop a program with funds for wind resource assessments and feasibility studies for locally owned or community-owned small to medium sized wind energy facilities.

**Responsible sub-committee: Education and Technical Support**