

**Minutes
Energy Facility Siting Council Meeting
Oregon Department of Energy
625 Marion St. NE
Salem, Oregon
Conference Room C/D
Telephone Conference
November 7, 2005**

*Approved by the Energy Facility Siting Council without revision
January 20, 2006*

Energy Facility Siting Council

Hans Neukomm, Chair
David Ripma, Vice-Chair
Lori Brogoitti
Martha Dibblee
Karen Green
Robert Shiprack
David Tegart

Oregon Department of Energy:

Michael Grainey, Director
Tom Stoops, Council Secretary
Adam Bless, Senior Analyst
Catherine Van Horn, Senior Analyst
John White, Senior Analyst
Sisily Fleming, Administrative Assistant

Oregon Department of Justice:

Jan Prewitt, Assistant Attorney General

Interested Parties:

Bob Hall, Governmental Relations

Chair Hans Neukomm called the meeting to order at 8:32 a.m.

I. Information Item:

A. Consideration of Treasure Valley Renewable Resources (TVRR) Ontario Ethanol Plant – Request for Exemption

Adam Bless, Senior Analyst for the Oregon Department of Energy (ODOE) began the discussion noting that the manager of TVRR, LLC, John Hamilton, was unable to make it to the teleconference. Mr. Bless reviewed the progress of TVRR. In September of this year the ODOE received the exemption request. He stated that ORS 469.320(2) lists a number of types of facilities that are exempt from EFSC site certificate jurisdiction. A biomass refinery that produces ethanol or other liquid fuel is exempt from EFSC jurisdiction if it meets certain criteria. Not all ethanol-producing facilities are energy facilities; there is a threshold of production capability of 6 billion BTU per day. TVRR's proposed facility's projected production is 30 million gallons of fuel grade ethanol per year, which translates to 6.9 billion BTU/day.

Mr. Bless continued with the conditions in ORS 469.320 as outlined in his memo of October 27th, which states that a biomass refinery that produces ethanol is exempt from EFSC jurisdiction if it:

- (a) Uses biomass exclusively from grain, whey or potatoes as the source of material for conversion to a liquid fuel. Mr. Bless stated that TVRR would be using corn, wheat and barley.
- (b) Has received local land use approval. Mr. Bless said the facility site, located in Ontario, was EFU land, but in response to a zone change request by TVRR, Malheur County granted an exception from Statewide planning goal 3, which is farmland protection. The exception was challenged by a group called Concerned Citizens of Malheur County, and appealed to the Land Use Board of Appeals (LUBA) where it was upheld. The County then did a site plan review, which was also appealed by the Concerned Citizens of Malheur County, this time to the Malheur County Circuit Court. ODOE just received a letter from the attorney for Concerned Citizens of Malheur County stating they are dropping their appeal on the site review plan. Karen Green made a comment that in the memo where reference is made to the Malheur County Court, it is actually the Malheur County Commission. Mr. Bless stated that he did just receive confirmation that Malheur County's comprehensive land use plan is acknowledged by LCDC, that it complies with all applicable statewide planning goals, and that no statewide goals or DLCDC regulations apply directly to the facility under ORS 197.646(3).
- (c) Requires no new electric transmission lines or gas or petroleum product pipelines that would require a site certificate under subsection (1) of this section. Mr. Bless stated that ODOE has received a letter from Cascade Natural Gas confirming they have a pipeline within one mile with enough

capacity to serve the facility, and the extension from the pipeline to the site would be below the EFSC jurisdictional limits. Idaho Power also sent a letter to ODOE stating that it is already providing electric service at the site, without building any new transmission lines to carry the extra load.

- (d) Produces a synthetic fuel, at least 90 percent of which is used in an industrial or refueling facility located within one mile of the facility or is transported from the facility by rail or barge. TVRR has committed to ship at least 90 percent by rail, and also ODOE has a letter from the railroad stating they have the capacity to handle that amount.

Mr. Bless said in following the Council's rules at OAR 345-015-0370, the Department issued a notice of filing. The next step would be to review the information and draft an order for the Council to consider at the next meeting. There was discussion among Council members for a time when there would be a quorum.

II. Action Items:

A. Appointment of a Hearing Officer for the proposed Klondike III Wind Project

John White reviewed the project. The application was received in May of 2005. The Department has requested more information, and the applicant is in the process of providing it. When the application is complete, a notice will be given to reviewing agencies to give comments, which will be followed by the Department issuing a Draft Proposed Order. After that, a public hearing will be held, which necessitates appointing a Hearing Officer. The public hearing could possibly be in January, and the Department recommends John Burgess to be the hearing officer. Mr. White reviewed the experience that John Burgess has had over the last ten years with the Department and the Siting Council.

Chair Neukomm asked about the time schedule on this project and the Biglow Canyon Wind Farm, for which John Burgess is also recommended as the hearing officer. Cathy Van Horn discussed the Biglow project and Mr. White also explained discussions he has had with Mr. Burgess regarding his availability to work on both projects.

Bob Shiprack made a motion to appoint John Burgess as the hearing officer for the proposed Klondike III Wind Project. David Tegart seconded the motion and the Council approved unanimously:

Lori Brogoitti	Yes	David Ripma	Yes
Martha Dibblee	Yes	Bob Shiprack	Yes
Karen Green	Yes	David Tegart	Yes
Hans Neukomm	Yes		

B. Appointment of a Hearing Officer for the proposed Biglow Canyon Wind Farm

Catherine Van Horn summarized the Biglow Canyon Wind Farm application, submitted by Orion Sherman County Wind Farm LLC.

Dr. Van Horn noted that EFSC only has one hearing officer. Jan Prewitt, Oregon Department of Justice, council members and staff discussed the process of appointing hearing officers.

Karen Green moved to appoint John Burgess as the hearing officer for the proposed Biglow Canyon Wind Farm. Martha Dibble seconded the motion and Council unanimously approved:

Lori Brogoitti	Yes	David Ripma	Yes
Martha Dibblee	Yes	Bob Shiprack	Yes
Karen Green	Yes	David Tegart	Yes
Hans Neukomm	Yes		

Michael Grainey gave an update regarding the alert at the Hanford Nuclear Reservation that happened November 10th. He stated there was not a release of contamination, and no injuries.

Bob Shiprack stated he had a concern regarding the limits of grains used at a biomass facility, especially referring to the sugar beet industry in the Ontario area. Mr. Grainey said legislation just passed new rules expanding this to include ethanol from any agriculture or forest waste, which will also apply to biodiesel. He did point out that the application for TVRR would fall under the existing rules.

Karen Green asked Ms. Prewitt for an understanding on the rulemaking, as a result of the new legislation. Mr. White said there isn't an urgency to do this, but probably after the first of the year it will be considered, along with other issues.

There was discussion of meeting dates.

Chair Neukomm adjourned the meeting at 9:20 a.m.