

**Minutes  
Energy Facility Siting Council Meeting  
Oregon State Capitol  
Hearing Room 343  
Salem, Oregon  
December 2, 2004**

*Approved without revision by the Energy Facility Siting Council  
January 28, 2005*

**Oregon Energy Facility Siting Council**

Karen Green, Chair  
Hans Neukomm, Vice Chair  
Lori Brogoitti  
Martha Dibblee  
Russ Dorran  
Robert Shiprack

**Department of Energy:**

David Stewart-Smith, Assistant Director  
Adam Bless, Project Officer  
Phil Carver, Project Officer  
Sam Sadler, Project Officer  
Catherine Van Horn, Project Officer  
John White, Project Officer  
Sisily Fleming, Administrative Assistant

**PGE:**

Arya Behbenhani-Divers

**Northwest Natural:**

Michael Hayward, Senior Analyst

**Renewable Northwest Project:**

Troy Gagliano, Senior Policy Associate

**Concerned Citizen:**

George Hortnagl

Chair Karen Green called the meeting to order at 9:12 a.m.

David Stewart-Smith introduced the new Council member Lori Brogoitti. Ms. Brogoitti gave a brief background of herself.

Mr. Stewart-Smith requested a change to the meeting agenda. He stated the need for the Council to adopt the Fee Schedule as required by law. Martha Dibblee made a motion to add this item to the meeting agenda for discussion. Bob Shiprack seconded the motion; Council was polled and unanimously approved:

<b>Lori Brogoitti</b>	<b>Yes</b>	<b>Karen Green</b>	<b>Yes</b>
<b>Martha Dibblee</b>	<b>Yes</b>	<b>Hans Neukomm</b>	<b>Yes</b>
<b>Russ Dorran</b>	<b>Yes</b>	<b>Bob Shiprack</b>	<b>Yes</b>

**I. Consent Calendar:**

**A. Approval of the July 23, 2004 EFSC meeting minutes.**

There was discussion of changes to be made by Martha Dibblee and also Chair Green said any scrivener errors are to be given to Sisily Fleming, Administrative Assistant, for correction. Bob Shiprack made a motion to direct Staff to make the corrections; Russ Dorran seconded the motion and it passed unanimously.

**B. Approval of the September 24, 2004 EFSC meeting minutes.**

There was discussion about the September 24 meeting minutes and it was decided to table the minutes so that Staff could review a section of the tapes to verify a question.

Chair Green asked for announcements.

Sam Sadler, Oregon Department of Energy introduced himself. Mr. Sadler said that notice was received from the Sumitomo Corporation and from National Energy and Gas Transmission (NEGT). Currently the Hermiston Generating Project is owned 50% by PacifiCorp and 50% is owned by several limited liability partnerships (LLP) that form the Hermiston Generating Company (HGC). Within the 50% owned by the LLPs that form the HGC, the parent corporation of half of that group (25% overall) has been the Sumitomo Corporation; the other 25% has been owned by LLPs under NEGTE, which has been going through bankruptcy. Sumitomo has notified the Department of Energy that they are buying out the other 25% of the partnership from NEGTE. Ownership of the Hermiston Generating Project will then be 50% HGC (composed of LLPs under Sumitomo Corporation) and 50% PacifiCorp. The owners are retaining the same operating company that has been running the plant since it came on line. Mr. Sadler said a transfer of the site certificate is not necessary, since Sumitomo Corporation was already a part owner, and it is just buying the remaining shares of HGC, which is one of the two site certificate holders. Chair Green asked if there were questions; there were none.

Catherine Van Horn, Oregon Department of Energy, introduced herself. She asked that the Council schedule a conference call meeting in order to move ahead with consideration of a Declaratory Ruling for PGE on the purchase by Oregon Electric. There was a conference call scheduled for December 16<sup>th</sup> at 10:00 a.m.

Bob Shiprack asked if the PUC ruling that may be held in December would affect the telephone conference meeting. Mr. Stewart-Smith said they would be two separate issues. Arya Behbenhani-Divers, from PGE, explained that there is a PUC information meeting on December 13<sup>th</sup>, but that no decision will be made.

**II. Action Items:**

**A. Coyote Springs Cogeneration Project, Phase 2: Request for Partial Transfer of Site Certificate.**

Catherine Van Horn, project officer, introduced Avista's request for partial transfer of ownership of the Coyote Springs Cogeneration Project, Phase 2. She explained that the request is a reverse of action the Council took about two years ago. At that time, the Council transferred 50 percent of the project from Avista to Mirant Oregon. Today, Mirant's parent company, Mirant Corporation, is undergoing bankruptcy proceedings, and Avista would like to buy back the transferred 50 percent. The transfer would return Coyote Springs, Phase 2 to Avista's sole ownership.

Dr. Van Horn highlighted the fact that the Department of Energy had issued notices to Mirant and Avista that each company was in violation of the site certificate because they had delayed giving the Council updated letters of credit now due while they worked through the transfer. She noted that the Department had issued the notices to follow correct procedure, but that the Department expected updated letters of credit from each company prior to the expiration date of the current letters of credit.

Chair Green asked Council members for questions. Bob Shiprack moved to approve the order for partial transfer of the site certificate, including the minor changes noted by Mr. Van Horn. Martha Dibblee seconded the motion. The Council was polled and unanimously approved the motion:

<b>Lori Brogoitti</b>	<b>Yes</b>	<b>Karen Green</b>	<b>Yes</b>
<b>Martha Dibblee</b>	<b>Yes</b>	<b>Hans Neukomm</b>	<b>Yes</b>
<b>Russ Dorran</b>	<b>Yes</b>	<b>Bob Shiprack</b>	<b>Yes</b>

Martha Dibblee moved to approve the final fourth amended site certificate for the Coyote Springs Cogeneration Project. Hans Neukomm seconded the motion. The Council was polled and unanimously approved the motion:

<b>Lori Brogoitti</b>	<b>Yes</b>	<b>Karen Green</b>	<b>Yes</b>
<b>Martha Dibblee</b>	<b>Yes</b>	<b>Hans Neukomm</b>	<b>Yes</b>
<b>Russ Dorran</b>	<b>Yes</b>	<b>Bob Shiprack</b>	<b>Yes</b>

**B. Request for Approval of the Forms and Issuer of Letters of Credit for Retirement Fund and Monetary Path Payment Requirements for the Port Westward Generating Project.**

Sam Sadler said Portland General Electric is preparing to begin construction of the Port Westward Generating Project and has brought to the Council the forms of the letters of credit for the retirement fund and the offset funds and also the proposed issuer of those letters of credit. There has been a slight change in the form of the letter of credit for the offset funds, which requires some changes to the memorandum of understanding with The Climate Trust. Mr. Sadler continued by reviewing each of the changes.

Under condition D.3 (5) Mr. Sadler said the certificate holder must provide financial assurance for the retirement fund. He referred to the first item, the proposed stand-by letter of credit. This is similar to the letter of credit approved recently by the Council for the Hermiston Power Project. He reviewed the three conditions on the letter of credit.

The next item Mr. Sadler discussed was the standby letter of credit for the monetary path payments, which PGE is requesting. With this stand-by letter of credit, The Climate Trust would invoice PGE instead of drawing on the letter of credit, giving PGE 10 business days to pay. If it didn't pay on time, The Climate Trust could immediately draw the funds from the letter of credit. The letter of credit continues to provide the security required by statute. He further explained the procedures. He reported that the Climate Trust concurs that it can accommodate this extra ten days in receiving funds after requesting them from PGE.

Mr. Sadler referred to the Memorandum of Understanding, which is an attachment to the site certificate. Due to the change to a stand-by letter of credit, the wording has to be changed in the Memorandum to reflect that The Climate Trust would first request funds from PGE rather than drawing them directly from the letter of credit.

PGE requested that the Council approve US Bancorp as the issuer of the letters of credit. Mr. Sadler reported that David Stevens from the Department's Small Scale Loan Program had investigated the credit rating of US Bancorp. Mr. Stevens recommended that the Council find that US Bancorp is creditworthy as an issuer of the letters of credit.

The Staff recommended that the Council approve US Bancorp as the issuer of the two standby letters of credit, that it approve the forms of the letters of credit, and also approve the conforming changes to the Memorandum of Understanding (MOU). The staff also recommended that the Council find that the changes to the letter of credit for the monetary path and the MOU do not require a site certificate amendment.

There was discussion between Chair Green and Staff regarding the wording of the motion to be made. Martha Dibblee made a motion to approve the form of the letter of credit for

the retirement letter of credit as submitted. Bob Shiprack seconded the motion. Council was polled and unanimously approved:

<b>Lori Brogoitti</b>	<b>Yes</b>	<b>Karen Green</b>	<b>Yes</b>
<b>Martha Dibblee</b>	<b>Yes</b>	<b>Hans Neukomm</b>	<b>Yes</b>
<b>Russ Dorran</b>	<b>Yes</b>	<b>Bob Shiprack</b>	<b>Yes</b>

Another motion was made by Martha Dibblee to approve the form of the letter of credit for the offset funds. Hans Neukomm seconded the motion. Council was polled and unanimously approved:

<b>Lori Brogoitti</b>	<b>Yes</b>	<b>Karen Green</b>	<b>Yes</b>
<b>Martha Dibblee</b>	<b>Yes</b>	<b>Hans Neukomm</b>	<b>Yes</b>
<b>Russ Dorran</b>	<b>Yes</b>	<b>Bob Shiprack</b>	<b>Yes</b>

The next item for voting was a motion made by Hans Neukomm to approve the memorandum of understanding, including the changes regarding the letter of credit specifically referred to in the memorandum of understanding, with the understanding that by the Council's action the Council is concluding that the change proposed in the memorandum of understanding does not require a change to the site certificate. Martha Dibblee seconded the motion. Council was polled and unanimously approved:

<b>Lori Brogoitti</b>	<b>Yes</b>	<b>Karen Green</b>	<b>Yes</b>
<b>Martha Dibblee</b>	<b>Yes</b>	<b>Hans Neukomm</b>	<b>Yes</b>
<b>Russ Dorran</b>	<b>Yes</b>	<b>Bob Shiprack</b>	<b>Yes</b>

Hans Neukomm made a motion to approve the US Bancorp as the issuer of both letters of credit. Martha Dibblee seconded the motion. Council was polled and unanimously approved:

<b>Lori Brogoitti</b>	<b>Yes</b>	<b>Karen Green</b>	<b>Yes</b>
<b>Martha Dibblee</b>	<b>Yes</b>	<b>Hans Neukomm</b>	<b>Yes</b>
<b>Russ Dorran</b>	<b>Yes</b>	<b>Bob Shiprack</b>	<b>Yes</b>

### **C. Appointment of the hearing officer for the Klamath Peakers.**

Adam Bless, Oregon Department of Energy, began discussion of the Klamath Peaker Project by explaining the project's background. The Klamath Peaker Project is already built and operating. In the 2001 session, the Oregon Legislature passed a one-time exemption, which they called temporary energy facilities. They defined these as an energy facility smaller than 100 megawatts and exempt from Council jurisdiction for two years. At the end of two years, they would have to stop the operation or come to the Council for a full site certificate. One thing they were not exempt from was the CO<sub>2</sub> standard. At the Staff level, they went through the analysis of carbon dioxide emissions and paid funds to The Climate Trust. The Klamath Peaker Project two-year exemption

ended in May of 2004. They submitted a full site certificate application, but did not have to file a Notice of Intent, since they had been in operation. The application is under completeness review and next will come the public notice, public comment, the draft proposed order, and then the Department will schedule the hearing on the draft proposed order. The Staff is recommending that the Council appoint John Burgess as the hearing officer, but has not confirmed yet that Mr. Burgess is available, so this item will be tabled.

Bob Shiprack asked who the owner is of the Klamath Peaker Project. Mr. Bless said there are three EFSC site certificates, one existing, and two under review. They are all on the same site, but are three separate facilities. The City of Klamath Falls owns the Klamath Cogeneration Project, which sells steam to the adjacent wood products facility. The original developer was a subsidiary of PacifiCorp. The Klamath Generation Facility is proposed by a subsidiary of Pacific Power Marketing, which is a subsidiary of PacifiCorp. The Klamath Expansion Peakers, which is the 94 megawatt peaker unit being reviewed is operated by Klamath Energy, which is a subsidiary of Pacific Power Marketing and was created for the purpose of operating these peakers.

Chair Green discussed with Council and Staff the decision to table the decision of the hearing officer until the conference call meeting in December.

#### **D. Fee Schedule**

David Stewart-Smith said the new Fee Schedule to be adopted has no changes from the Schedule that was adopted two years ago by the Council. Mr. Stewart-Smith reviewed the Notice of Intent Fee and the Application Fee, which is set by administration order. There was discussion of fees and the variance of fees, which is due in part to changes that the applicant may decide, or if there is a more contentious contested case.

Hans Neukomm made a motion to accept the Fee Schedule and Bob Shiprack seconded the motion. Council was polled and unanimously approved:

<b>Lori Brogoitti</b>	<b>Yes</b>	<b>Karen Green</b>	<b>Yes</b>
<b>Martha Dibblee</b>	<b>Yes</b>	<b>Hans Neukomm</b>	<b>Yes</b>
<b>Russ Dorran</b>	<b>Yes</b>	<b>Bob Shiprack</b>	<b>Yes</b>

### **III. Information Item:**

- A. Briefing by staff on current energy issues facing Oregon:**
  - 1. Import of Liquefied Natural Gas (LNG)**
  - 2. Oregon's Renewable Energy Plan**
  - 3. The Governor's Global Warming Initiative**

David Stewart-Smith said the Department is anticipating receiving Notices of Intent, followed by applications for liquefied natural gas import terminals.

Phil Carver, Oregon Department of Energy, introduced himself. He began his presentation discussing what a liquefied natural gas plant would look like. Liquefied Natural Gas (LNG) is about 90% methane and approximately 10% ethane and other slightly longer hydrocarbons. Mr. Carver said methane is the smallest and lightest hydrocarbon and in some sense the cleanest. It is very desirable and less dense, which makes it difficult to transport overseas. Japan has received almost all of its natural gas from LNG. There are four LNG import facilities in the United States that have been operating, and two LNG storage facilities on Northwest Natural Gas systems that take gas off the system, liquefy it and use it to meet peak loads in the winter; one is in Portland and the other in Newport.

Chair Green asked what the EFSC would have jurisdiction over. Mr. Stewart-Smith said an LNG terminal would consist of the dock, the pipelines that would connect the dock to a storage tank, and some of the facilities being proposed along the Columbia River would have a storage tank of approximately a million gallons. The tank is double walled with a great deal of insulation between the two walls and in most cases surrounded by a pre-stressed concrete shield. The facility would include a building that would add heat to this extremely cold liquid to expand it back to its gaseous form and at the correct pressure put it back into the pipeline.

Chair Green asked where the Council would have jurisdiction. Mr. Stewart-Smith said it would be over the facilities and the pipelines, which would be considered supporting facilities. Typically, most of these facilities would have a "buffer zone", a significant amount of land surrounding it for safety reasons. Those requirements are imposed by the Federal Energy Regulatory Commission, which also has to approve the plants. Mr. Stewart-Smith said that one way the LNG facilities are different is that there is a federal license. A natural gas power plant does not have a federal license; if a natural gas pipeline has a federal license then the Council has no jurisdiction under Oregon law. The only other facility where the Council had concurrent jurisdiction with the federal agency is the Trojan Plant.

Mr. Stewart-Smith said there have been media reports about a lawsuit that is being filed by the State of California. The Federal Energy Regulatory Commission (FERC) issued an administrative order to the California Public Utility Commission asserting exclusive federal jurisdiction over a proposed LNG facility in California. He further explained that FERC has been contacted by the Oregon Department of Energy to work cooperatively and FERC has agreed.

Chair Green asked about a couple of LNG facilities already being operated by Northwest Natural. Mr. Stewart-Smith said they are not import facilities; they are end of the pipeline liquefaction storage facilities that take gas off the pipeline. If they were just being built they would be under the Council's jurisdiction, but at the time they were built, they were not, so they are grandfathered in.

Hans Neukomm asked about the Newport Plant and the buffer zone. He brought out that facility is around a lot of recreational facilities and wondered whether the requirements of the buffer zone have changed. Adam Bless explained the requirement comes from a calculation of the distance at which the consequences reach a certain level of severity. One thing that has changed is the computer modeling, which calculates it differently. Martha Dibblee asked about who would control which regulations. Mr. Stewart-Smith said FERC and DOE would have jurisdiction concurrently.

Chair Green asked if the Council rules cover this, or would there be a need for rulemaking. Mr. Stewart-Smith said there are no unique rules specific to a LNG facility, so if any areas were identified where the need to bolster the standards might arise. The LNG would have to go through the general requirements plus the need for a facility standard that a power plant does not have to meet. Generally, they won't be proposed by regulated utilities so they will not be the subjects of integrated resource plans; therefore there will have to be a different rule in Division 23, the economically reasonable analysis. The NW Natural South Mist pipeline was subject to a need standard but because it was called for in the action plan of an integrated resource plan acknowledged by the PUC, it met that standard.

Chair Green asked if there is anything in the FERC standards that would suggest that Oregon's standards are lacking in any regard. Mr. Stewart-Smith said that FERC would focus to a greater extent in engineering details of the plant. Dr. Phil Carver, Senior Policy Analyst also added that the Coast Guard has jurisdiction in relation to the ship until it has docked. He also said FERC and EFSC jurisdictions generally are aligned. Mr. Bless said that the Trojan project gave a lot of experience in working with a large federal agency. He suggested having an Information Item on the FERC process to provide knowledge and background in the process involved. There was discussion of the upcoming Notice of Intent meeting at Coos Bay on January 19<sup>th</sup>, in which FERC will be in attendance. There are also two other facilities, which may file their Notice of Intent – Calpine is proposing a facility for Warrenton, near Astoria; and the Port Westward LNG, LLC is proposing a facility adjacent to Port Westward.

Martha Dibblee questioned whether Measure 37 would have an effect on EFSC jurisdiction. Mr. Stewart-Smith said it is unknown at this time, but there will be a briefing scheduled when more is known.

Dr. Phil Carver next discussed the "Energy Update" given to Council members. First, he explained the graph showing the "Natural Gas Price Trend." Mr. Neukomm asked what the driving forces were for the dramatic changes in the chart. Dr. Carver said from September to October, the increase in cost was due to the hurricanes that destroyed some of the pipeline infrastructure in the Gulf of Mexico. Mr. Neukomm asked about the forecast on available resources for gas. Dr. Carver said it is an uncertain picture because of not knowing what is available in areas that are inaccessible.

Dr. Carver discussed the next two slides, "Wholesale Energy Prices" and "Electricity Resource Adequacy". In reference to the statement that the Northwest is adequate

through 2008 at least, Mr. Neukomm asked at what growth rate had that been figured. Dr. Carver said a little under 2%, but a lot of the load growth being met by conservation and energy efficiency. Currently the Oregon wind nameplate is 259 mw.

In regards to the subject "Transmission", Dr. Carver said that the Northwest system has not added capacity in the last 20 years. The system is undergoing significant stress. The modern markets are using the lines constantly. A new entity that would help operate the grid, Grid West, but it is controversial and a ways off in the future.

Dr. Carver said Bonneville Power Administration has a list of twenty projects; six or seven which are being constructed presently. One project is the McNary-John Day line, connecting the sub-stations and proposed a 500 kV line. It is dependent on new power plants being built, beyond what is already operating. It is unclear whether they will meet this need.

Dr. Carver reviewed the "Renewable Energy Action Plan". He said the goal is to meet 10 percent of Oregon's energy load by 2015 through additional renewable projects. There has been good progress on wind projects. Also, by 2025, the goal is to meet or exceed 25 percent of the load. He also stated that about 40%+ of the current electric load is met by hydro-generation.

In discussing the "Annual Electric Renewable Goal", Dr. Carver said there are transmission constraints that could prevent further development. The Governor's Office is interested in removing these constraints, particularly the McNary-John Day constraint, and others in the I-5 corridor from Longview to Troutdale. There are stability and thermal limits on the lines that can't be overloaded.

Another requirement to meet the renewable goals, Dr. Carver said, is the federal production tax credit extension. The credit extension expires December 31, 2005, and it takes a little less than one year to erect a wind turbine. He also said that transmission improvements and support by utilities and the Public Utility Commission play a key role in meeting the goals.

Russ Dorran mentioned that Bonneville Power Administration (BPA) is in the process of raising the rates from 18 to 20% on transmission, because of lines wearing out. Also, Mr. Dorran referred to non-wire transmission projects and asked Mr. Carver's opinion. Mr. Carver said that BPA has been active in looking at the non-wire effort to meet loads at the least cost. Dr. Carver said if the net load is less the non-wire transmission can work, but to build a wind project in Eastern Oregon and get the power to loads requires a transmission project. It does help to have small wind projects embedded within local rural distribution systems, which are in a sense, a non-wire alternative. The large wind farms like Stateline require new wires to be built.

Chair Green asked about the Green Power initiatives that the power companies are promoting, much of which is wind generation, and how they are doing. Dr. Carver said

they are doing quite well and have grown dramatically in 2003. The wind energy is approximately 1%, and the Green Power is a part of that.

Bob Shiprack explained an article he cut out of a magazine regarding new technology on transmission lines. Dr. Carver said BPA, which is one of the largest transmission entities in North America, has done a lot of research on transmission elements. He did say there are two constraints on transmission loading: one is thermal and the other is a stability limit. He further explained the blackout that happened in 1996 when the grid went out. The grid has to withstand whatever can happen. The limits on the lines have since been lowered, and are related to what happens if a cascading outage happens.

Martha Dibblee asked about underground transmission lines. Dr. Carver said the cost is sometimes about ten times as much, but they do have a high rate of reliability, especially in regards to hurricanes. Most outages in the Northwest are related to trees falling on lines. Chair Green said some underground lines where she lives go out because of rodents.

Mr. Neukomm asked about the hydrogen economy. Dr. Carver said it is potentially one of the most useful and interesting "batteries" that can be used for many applications depending on the kind of fuel cell, but it is not a source of energy. It is merely a transfer medium. The only current source for the hydrogen would be from reformation of natural gas; therefore, it wouldn't make much sense. Mr. Neukomm mentioned that in Germany they are using solar resources to produce hydrogen. Dr. Carver said if there are really remote solar cells, it might be the most economical way to transfer that energy rather than build a power line in a remote area.

Chair Green asked if there were any questions. There were none.

Chair Green asked about the January 28<sup>th</sup> meeting in Portland. There was discussion about the upcoming meetings.

Chair Green asked for public comments. Mr. George Hortnagl, a property owner along the South Mist Pipeline, introduced himself. He distributed pictures of his property and explained the pictures. He has a shallow well; 18 feet deep and always had good water. After Northwest Natural started drilling, the water in his cows' water trough turned murky white. He talked to the foreman on the site and was told to call NW Natural. The field agent came and took a water sample. Northwest Natural attorneys did not acknowledge the issue, so Mr. Hortnagl took samples to an independent lab, which determined it to be contaminated, but they needed a material safety data sheet to analyze what products were being used. After two weeks time the field agent still could not produce the material safety data sheet.

Mr. Hortnagl further explained events that happened, including a diesel fuel leak. The equipment and machinery that was being used was not in good shape, having leaks in almost every piece.

Chair Green asked Mr. Bless about provisions in the site certificate that dealt with disputes between Northwest Natural and landowners. Mr. Bless said that in the agricultural mitigation plan there is a provision, which does state that if Northwest Natural and the property cannot come to agreement, then the Council could appoint someone for a binding arbitration situation. Mr. Bless said this provision was put in with regards to crop damage, simply because that is what was being discussed at the time. There was not an intention to exclude groundwater contamination. Ms. Lori Brogoitti said raising cattle is considered a "crop," and it should be considered agricultural.

Chair Green questioned Mr. Bless about the process of appointing an arbitrator. There was further discussion with Mr. Hortnagl regarding the steps he had taken. There was a meeting between Mr. Bless, Mr. Hortnagl and Northwest Natural. Mr. Bless explained the outcome of the meeting, which resulted in Northwest Natural offering Mr. Hortnagl \$2,000, with the agreement that there would be no further allegations. Mr. Bless explained to Mr. Hortnagl that the Department of Energy could not force Northwest Natural to raise their offer; it would probably have to go to the Courts. Mr. Hortnagl said he wanted to meet with the Council, since the Council granted the Site Certificate and he feels the Council should help him.

Chair Green explained the process in initiating the arbitration process and advised Mr. Hortnagl to discuss this with his legal counsel. Mr. Hortnagl said he is not waiting for Northwest Natural to settle with him before he begins construction on a new well and he has already spent \$9,000 on legal fees. Northwest Natural has agreed to do proper water sampling, along with Mr. Hortnagl taking samples to his independent lab, which he brought out would cost him another \$10,000.

Mr. Michael Hayward, Senior Environmental Specialist for Northwest Natural introduced himself. Mr. Hayward said they could not do anything until the claims are substantiated, which Mr. Hortnagl has not been cooperative with. Chair Green said since there are not enough Council members present for a quorum to make a decision, the decision to set up an arbitrator will be decided at the December teleconference meeting.

Martha Dibblee pointed out the photographs show the date 1994. For the record, she wanted to have it clarified when the pictures were taken, which Mr. Hortnagl said was in August of 2004.

Chair Green asked if there were any further public comments. Mr. Troy Gagliano, with the Renewable Northwest Project (RNP) in Portland, introduced himself. In reference to the Green Power programs, he said that RNP follows the programs and he could get information to the Council regarding these programs. Also, in regards to an LNG facility and what it looks like, Mr. Gagliano had a copy of a facility near the Louisiana/Texas border. He also questioned whether the Staff has considered any of the LNG facilities being offshore, due to being attractive targets for terrorist activities.

Mr. Stewart-Smith said any developers he has talked to have not talked about any offshore facilities. He further said the Council is not in a position to recommend types of proposals.

Chair Green adjourned the meeting at 12:20 p.m.