

Minutes
Energy Facility Siting Council Meeting
Oregon Department of Energy
Clatskanie, Oregon
December 15, 2006

Approved by Energy Facility Siting Council
February 2, 2007

Energy Facility Siting Council

David Ripma, Chair
Martha Dibblee, Vice Chair
Lori Brogoitti
Jake Polvi
Robert Shiprack
David Tegart
Bryan Wolfe

Oregon Department of Energy:

Tom Stoops, Council Secretary
Adam Bless, Project Officer
John White, Project Officer
Shelley Carlson, Administrative Assistant

Oregon Department of Justice:

Jan Prewitt, Assistant Attorney General

Others:

Dave Fillipi, Representative for Summit Westward

Chair David Ripma called the meeting to order at 10:50 a.m.

I. Consent Calendar:

A. Announcements.

There were no announcements.

B. Approval of the August 25, 2006 Energy Facility Siting Council meeting minutes.

Martha Dibblee noted some scrivener errors to be changed. Martha Dibblee moved to approve the August 25, 2006 minutes with corrections; Bob Shiprack seconded the motion and Council was polled:

Lori Brogoitti	Yes	Bob Shiprack	Yes
Martha Dibblee	Yes	David Tegart	Yes
Jake Polvi	Yes	Bryan Wolfe	Yes
David Ripma	Yes		

C. Approval of the September 29, 2006 Energy Facility Siting Council meeting minutes.

Martha Dibblee moved to approve the September 29, 2006 minutes; Bryan Wolfe seconded the motion and Council was polled:

Lori Brogoitti	Yes	Bob Shiprack	Yes
Martha Dibblee	Yes	David Tegart	Yes
Jake Polvi	Yes	Bryan Wolfe	Yes
David Ripma	Yes		

II. Action Items:

A. Altra Exemption Request

Adam Bless, Project Officer for Oregon Department of Energy, stated the Altra exemption request is for a proposed ethanol facility at the Port of Morrow industrial area near Boardman, Oregon. Previous exemptions were granted for two other bio-ethanol facilities, Oregon Ethanol which is being developed by Greenstock Resources in January of 2006. In May a request was received by Pacific Ethanol to put a larger facility in the same industrial area. Since then Pacific Ethanol has come in with a request for a site certificate because they want to ship their product by truck, which violates the exemption request.

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Pacific Ethanol has started construction under the exemption, which they are free to do. Oregon Ethanol has not started construction. The Port of Morrow feels it has enough land, water and utilities to support all three. Altra has submitted evidence showing they meet the various criteria for the exemption from site certificate requirements. Mr. Bless reviewed the four criteria for exemption and the evidence provided. Staff is recommending the Council approve the request for exemption.

Chair Ripma asked for questions from Council members. There were none.

Chair Ripma asked about Pacific Ethanol shipping by truck and dropping their exemption. Mr. Bless stated there is nothing to stop him from shipping by truck as long as they meet the standards. None of the others have submitted a Notice of Intent (NOI), which is the first step for a site certificate. Pacific Ethanol submitted their NOI in February.

Martha Dibblee asked what other transportation is available. Mr. Bless said barge and rail, which the Port of Morrow is very well served by being located on the Columbia River and on the rail line.

Bryan Wolfe stated that with the Interstate also located right there, he felt there would be more flexibility in shipping to smaller places. Also, he stated that getting rail deliveries on time is tremendously difficult.

Bob Shiprack asked about the timeline on Pacific Ethanol's site certificate application. Mr. Bless said it may take about a year. Mr. Shiprack questioned why shipping by truck could not be included for an exemption. Mr. Bless stated it is not an EFSC rule; it is a statute so it cannot be changed.

Jan Prewitt, Oregon Department of Justice, stated she was involved when the statute was adopted. She stated it was deliberate to control infrastructure impact on the already overloaded highways. Mr. Bless also added that at the time of adoption the Port of Morrow facilities were not available so the impact on the highway being considered was not Interstate 84.

Lori Brogoitti stated there are local producers of commodities that will be trucking to the facility rather than using rail or barge and possibly that is part of the impact that was being considered.

Bob Shiprack made a motion to approve the request for exemption by Altra Ethanol. Bryan Wolfe seconded the motion and Council was polled:

Lori Brogoitti	Yes	Bob Shiprack	Yes
Martha Dibblee	Yes	David Tegart	Yes
Jake Polvi	Yes	Bryan Wolfe	Yes
David Ripma	Yes		

B. Summit Westward Power Plant Termination Order

Adam Bless stated that Summit Westward was issued a site certificate in 2002 to build a natural gas fired power plant on the Port Westward Industrial area four miles north of Clatskanie. The site certificate had a two-year shelf life which had the condition they had to begin construction by October 2004. They had not begun construction but applied for a renewal of the site certificate for another two years, which the Council granted in September 2004. The construction date expired on October 4, 2006. Staff has visited the site numerous times, since it is next to the Port Westward site which is under construction. There has been no evidence of construction and written confirmation from Summit Westward stated there is none. After counsel with the Department of Justice, Staff has determined there should be a Final Termination Order. Staff recommends the Council approve the Final Termination Order.

Chair Ripma asked if there is anything to clean up. Mr. Bless said there has not been anything done to the property. Mr. Bless also noted the applicant knows the Termination Order is coming.

Martha Dibblee made a motion to approve the Termination Order of the Summit Westward Power Plant. Bob Shiprack seconded the motion and Council was polled:

Lori Brogoitti	Yes	Bob Shiprack	Yes
Martha Dibblee	Yes	David Tegart	Yes
Jake Polvi	Yes	Bryan Wolfe	Yes
David Ripma	Yes		

C. Approval of Special Advisory Group for the Summit Westward Energy Integrated Coal Gasification Combined Cycle Power Plant (IGCC)

Mr. Bless stated that a Notice of Intent was submitted in September by Summit Westward Energy for an Integrated Coal Gasification Combined Cycle power plant on the same property that Summit Westward received the Final Termination Order on. A public information meeting was held on November 15, 2006.

Mr. Bless stated that the Oregon Department of Energy requests applicable land use criteria from the land use authority that would have jurisdiction over this property. In this case it would be unincorporated Columbia County. Under statute ORS 469.480 the Council is required to designate a special advisory group, the local governing body of the local government, which is the Columbia County Board of Commissioners. Mr. Bless introduced Rita Bernhard of the Columbia County Board of Commissioners. Mr. Bless also noted this was the first time for a member of any special advisory group appointed by EFSC to be present at the meeting appointing the group.

Mr. Bless said the formal name of the IGCC power plant is Lower Columbia Clean Energy Center (LCCEC).

Martha Dibblee moved to approve the Columbia County Board of Commissioners as the Special Advisory Group for the Summit Westward IGCC. Bob Shiprack seconded the motion and Council was polled:

Lori Brogoitti	Yes	Bob Shiprack	Yes
Martha Dibblee	Yes	David Tegart	Yes
Jake Polvi	Yes	Bryan Wolfe	Yes
David Ripma	Yes		

III. Information Items:

Tom Stoops stated that Adam Bless would review a list of topics that Staff has recommended be discussed at future EFSC meetings.

Adam Bless stated that 2005 and 2006 were not busy in terms of decisions. More controversial and larger projects are coming up in 2007. The pre-2005 cases presented more contentious decisions and there were some contested cases. The COB contested case was particularly challenging, and in February 2007 the site certificate will expire. They have submitted a request for renewal and unlike Summit, the COB facility was highly opposed. This renewal process will be more hotly contested so the technical material really needs to be understood as the same issues will be revisited. The model for renewal is that in two years things can change, new facts emerge, maybe a new standard has been adopted, or new circumstances will change the decision. The facts of COB are very complicated and technical.

Mr. Bless also discussed the IGCC plant at Summit, which is a new type of plant. It is a coal gasification plant combined with a power plant. There will be a new host of issues so self education needs to be done before the application is reviewed.

There is a wind generation facility unlike other wind generation facilities because it is not in a national designated scenic area but it is near one. This may be a tough issue. There is also a large wind generation facility, Shepherd's Flat, that John White will discuss.

Staff has also been meeting regularly discussing the language for the change in rulemaking. On the horizon also is the possibility of transmission lines requesting site certificates. These information meetings that need to be scheduled tend to be longer than decision meetings and they may be done more frequently.

Chair Ripma asked where the transmission lines would be located. Mr. Bless said one would be an off shore line, starting at a large electrical substation about ten minutes from Clatskanie and would go out to the coast underwater. Mr. Bless said it could be a 500 kv direct current line all the way to San Francisco. Depending on how far offshore the line would be, it could be in Oregon territorial waters and be jurisdictional. Even if it is in

international waters there would be more than ten miles on land from the substation to the coast.

The second transmission line would be at the eastern end of the state, called Northern Lights. It would come from Canada down through eastern Washington, entering Oregon at a point east of Pendleton and travel east to west entering the Columbia Gorge. Some plans call for it to end at a Celilo station or it may go on from there. These are huge transmission lines, 500 kv lines, higher than the normal lines of 230 kv from current power plants.

Martha Dibblee asked about how large the underwater lines would be. Mr. Bless said they would be 500 kv also.

There was discussion between Council members and Staff regarding meeting schedules. Mr. Bless said to understand the IGCC technology carbon sequestration would need to be studied, which could take at least a couple of hours.

Tom Stoops also mentioned Staff would like to bring in discussions about land use also. Chair Ripma asked about having the IGCC and land use discussions together. Jan Prewitt said Richard Whitman is ready to schedule this information. Dave Filipi, representative for Summit, also said consultants and attorneys would like to be present for Summit.

Mr. Bless said on November 15th the public information meeting on the IGCC facility was a standing room only group. Eric Redman, chief spokesman for the project, spoke for about ½ hour and answered a lot of questions, a very heated debate. Mr. Bless said he stated his legal, regulatory and policy position why he believes in this project. Mr. Bless said the Council needs to hear this information from Mr. Redman.

Chair Ripma asked about COB. Mr. Bless said there application for renewal was not complete. Staff sent a fairly demanding Request for Additional Information (RAI). The Department of Environmental Quality (DEQ) directed them to redo their air emissions modeling. Mr. Bless said that would take three or four months to do. There is new metrological data available that DEQ directed them to factor in. There are also new seismic maps to review so there is a lot of work ahead for them. Mr. Bless said that by applying for the renewal they do have until Staff is done reviewing their request.

Chair Ripma questioned COB's incomplete application for renewal. Mr. Bless said when an RAI is sent a deadline can be imposed. Jan Prewitt said an adequate review may sometimes take six months or more and Staff would not want to be pushed to deny a renewal just because there hasn't been enough time to review the request.

John White, Oregon Department of Energy, stated that the rules are different in the two cases. The rules are different in cases of an extension request, which is an amendment preceding, versus an application for a site certificate. The Department always has the option of denial of the amendment request.

Chair Ripma asked if there is an RAI in place now. Mr. Bless said the first RAI was December 1st, which Summit responded to, but they also deferred some questions regarding DEQ air modeling. Another RAI was sent with a deadline of the end of the year.

Chair Ripma asked when the request from DEQ was delivered to Summit. Mr. Bless said late September. Chair Ripma expressed his concern that three months have gone by and he feels they are not exhibiting diligence. Martha Dibblee agreed.

Lori Brogoitti asked if Council members are allowed to discuss this with DEQ. Mr. Bless said it is encouraged. Ms. Dibblee said in the past DEQ has come and talked with Council members and asked if they could come to the future meeting scheduled. Mr. Bless said Staff would arrange the items to be discussed, and tentative dates were set.

Bob Shiprack stated he read about the Governor's budget and that he has requested a huge amount of energy items. Mr. Shiprack asked if the Department has an outline of the Governor's initiative in energy issues, which is very comprehensive. There was some discussion about the subject.

Mayor Diane Pohl of Clatskanie introduced herself and welcomed everyone. She also stated the city is very supportive of the Port Westward Energy Park.

Chair Ripma adjourned the meeting at 12:00 p.m.