

Secretary of State
STATEMENT OF NEED AND FISCAL IMPACT

A Notice of Proposed Rulemaking Hearing or a Notice of Proposed Rulemaking accompanies this form.

Energy Facility Siting Council
Agency and Division

OAR Chapter 345
Administrative Rules Chapter Number

Amend Carbon Dioxide Emission Standard for Non- Base Load Power Plants
Rule Caption

In the Matter of: Amendments to the Carbon Standard for Non-Base Load Power Plants and associated definition of Non-Base Load Power Plant in rules of the Energy Facility Siting Council.

Statutory Authority: ORS 469.470, ORS 469.503

Stats. Implemented: ORS 469.501, ORS 469.503

Need for the Rule(s): The Energy Facility Siting Council (“Council”) rules include standards for net carbon dioxide emissions from natural gas fueled electric power plants. Those rules implement statutes at ORS 469.503, which sets forth carbon dioxide emissions standards for base load power plants and authorize the Council to adopt standards for other types of fossil fueled power plants. The Council has adopted a definition of a non-base load power plant at OAR 345-001-0010(38).

When the Council first adopted a standard for non-base load power plants, it addressed power augmentation or “duct firing” at large gas fired combustion turbine combined cycle power plants. That type of non-base load electric generation is typically used in an on-off fashion. Therefore, the standard and the definition are currently written in terms of hours of operation, with the assumption that each hour of operation will normally be at full rated capacity.

The proposed amendments to these rules were suggested by Portland General Electric (PGE) in a petition submitted pursuant to OAR 1367-001-0070. PGE notes that with the increased reliance on wind power, it is necessary to have variable generation plants in order to accommodate the variable nature of wind power. These plants would be designed to operate for many hours at part power. The power level would vary in time, depending on the wind availability. The current rule treats all hours as full power hours, and requires that carbon dioxide emissions be reported based on hours of operation, treating all hours as full power hours. PGE notes that this could require a site certificate holder to report more carbon emissions than were actually emitted. PGE also notes that with new technology and new reporting requirements of the Oregon Department of Environmental Quality (DEQ) or the US Environmental Protection Agency (USEPA), it is possible to report actual emissions rather than emissions based on hours of operation.

An amendment is also proposed to the definition of non-base load power plant at OAR 345-001-0010(38). This definition currently is based on annual hours of operation, treating all hours as full power hours. PGE suggests an alternate definition whereby hours of operation would be calculated by dividing actual electric generation in a year by the electricity that would be generated over that year with the plant operating full time at full rated capacity. This definition effectively treats an hour of generation as a partial hour if the plant is only operating at part power.

Documents Relied Upon, and where they are available:

[PGE Petition for Rulemaking, submitted by July 22, 2009 letter from Richard Allan to Tom Stoops pursuant to OAR 137-001-0070.](#)

The Oregon Department of Energy (ODOE) will post the petition on its website at www.oregon.gov/ENERGY/announce.shtml

Fiscal and Economic Impact:

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

The proposed amendment is not expected to have any fiscal impact to agencies, units of local government or the public. The proposed amendments modify existing reporting requirements and change a method of calculation but do not add any new requirements or increase the difficulty of reporting. The proposed change to the definition of non-base load plants would allow some plants to be non-base load that might otherwise be treated as base load plants.

2. Cost of compliance effect on small business (ORS 183.336): The proposed amendment is not expected to have any effect on small business. Site certificate holders for generation facilities large enough to fall under Council jurisdiction are typically large companies such as Portland General Electric. Moreover, the proposed amendment does not increase the cost of compliance with the Carbon Dioxide standard.

a. Estimate the number of small businesses and types of business and industries with small businesses subject to the rule: The businesses subject to this rule are developers of electric generation plants that are greater than 25 Megawatts.

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

The proposed rule does not add new reporting requirements, recordkeeping or administrative requirements. It modifies existing reporting requirements and allows the site certificate to use reporting requirements already in place under DEQ or USEPA regulations.

c. Equipment, supplies, labor and increased administration required for compliance:

The proposed rule does not require new or different equipment, supplies or labor beyond what is already required in the current rule or by DEQ or USEPA.

3. Housing cost impact statement: The proposed amendment is not expected to have any measurable effect on housing cost. The only parties required to comply with the Council's carbon dioxide standard are operators of electric power plants larger than 25 MW. The amount of power generated by the variable generation plants addressed by this amendment is a very small fraction of total power. Also, the amendment is not expected to increase the cost of compliance with the standard.

How were small businesses involved in the development of this rule?

Small businesses were not involved in development of this proposed amendment. The amendment was suggested in a petition submitted by PGE pursuant to OAR 137-001-0070.

Administrative Rule Advisory Committee consulted?:

An Administrative Rule Advisory Committee was not convened. However, the proposed rule was suggested in a petition submitted by PGE, which is one of the companies subject to the rule. Also, ODOE announced a workshop on August 25, 2009 to allow other parties an opportunity to participate in creating proposed language.

Signature

Printed name

Date

Administrative Rules Unit, Archives Division, Secretary of State, 800 Summer Street NE, Salem, Oregon 97310. ARC 925-2007