



March 5, 1996

Energy Facility Siting Task Force
625 Marion Street, N.E.
Salem, OR 97310

Dear Energy Facility Siting Task Force Members:

Thank you for your willingness to serve on the Energy Facility Siting Task Force. The issues surrounding the siting of energy facilities are complex and controversial, and I appreciate your help to resolve them.

Protecting Oregon's environment has been a long-standing commitment for Oregonians. I believe a strong state role in siting energy facilities is an essential piece of that protection. However, the state's siting statutes were enacted in 1975 and significant changes in both the electricity and natural gas industries have occurred since then. It is time to take a fresh look at the issue and clarify what it is the state seeks to achieve from its energy facility siting process.

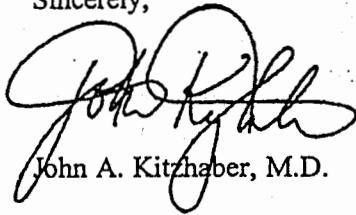
Both the 1993 and 1995 Legislatures made some revisions to the siting statutes, but some basic tenets of the law remain in question. Accordingly, SB 951 calls for a task force to more fully review the issues and make recommendations to me and the 1997 Legislature. The scope of the review can be as broad or as narrow as the task force sees fit. At a minimum, however, the review should consider the following questions:

1. **What is the appropriate scope of state siting authority?** What energy facilities should be subject to state review? Should state siting decisions pre-empt or bind state agencies and/or local governments? If so, under what circumstances should that occur?
2. **How should the decision to permit new facilities be made?** If using a set of standards is reaffirmed as the most appropriate approach, are the current standards the ones to use? Should the siting body have the authority to adopt new standards or waive old standards as circumstances change?
3. **Should a determination of need be required before a facility can be built?** If so, how should the determination be made? Should the determination be made before approving a facility or before its construction begins?

4. **What should be the process to approve or deny requests to build new energy facilities?** At what point and to what degree should the public participate? Should there be a deadline by which a decision must be made? Should the process use a contested case, mediation or some other means of reaching a decision? Who should be able to appeal the decision?

I appreciate your guidance on this issue and look forward to your report.

Sincerely,

A handwritten signature in black ink, appearing to read "John A. Kitzhaver". The signature is fluid and cursive, with the first name "John" being particularly prominent.

John A. Kitzhaver, M.D.

JAK:GS:NR:sm