

## NEED FOR FACILITY ISSUES WORKSHEET

**ISSUE:** Resource Diversity/Encouragement of Renewables and Conservation

<p><b>1. Is there a public interest that should be addressed by state policy? Does the state have a role to play?</b></p>
<p><i>Yes Avoid uncertainty produced by heavy reliance on one resource</i>  <i>Yes Because they cost more, deployment of renewables may require state intervention</i>  <i>Yes State intervention may encourage development of renewable energy causing fewer external costs</i>  <i>Yes Like any other energy facility, renewables must undergo a siting process</i></p>
<p><b>2. Can the public interest be promoted effectively through EFSC siting standards?</b></p>
<p><i>Probably not Preventing one type of facility will not necessarily lead to development of another type of facility</i></p>
<p><b>3. Can objective standards by rule make clear what is expected of a siting applicant with precision and specificity?</b></p>
<p><i>Not applicable The state can advance the public interest more effectively by means other than siting of individual energy facilities.</i></p>
<p><b>4. Can the state advance the public interest more effectively by means other than siting of individual energy facilities?</b></p>
<p><i>Yes</i></p>
<p><b>5. Identify those other means with precision and specificity.</b></p>
<ul style="list-style-type: none"> <li>◆ <i>Tax credits</i></li> <li>◆ <i>Financial incentives</i></li> <li>◆ <i>Internalization of externalities for fossil fuel, e.g., carbon tax</i></li> <li>◆ <i>PUC and/or other portfolio approach</i></li> <li>◆ <i>Subsidized research and development</i></li> <li>◆ <i>Permit individual consumers to choose higher-cost "green" power</i></li> <li>◆ <i>For every 100 Mw of non-renewable projects, require development of a specified level of renewables</i></li> </ul>

## NEED FOR FACILITY ISSUES WORKSHEET

ISSUE: Global Warming (Climate Change)

<b>1. Is there a public interest that should be addressed by state policy? Does the state have a role to play?</b>
<i>Yes Encourage the reduction of greenhouse gas emissions</i> <i>Yes Make conscious public policy choices to address uncertainty</i> <i>Yes Take a proactive approach in anticipation of more burdensome impositions at the federal level</i>
<b>2. Can the public interest be promoted effectively through EFSC siting standards?</b>
<i>Yes At the margins, siting can have an effect</i>
<b>3. Can objective standards by rule make clear what is expected of a siting applicant with precision and specificity?</b>
<i>Yes Limitation on CO<sub>2</sub> emissions</i> <i>Yes Btu/KWh offset</i> <i>Yes CO<sub>2</sub> offset</i>
<b>4. Can the state advance the public interest more effectively by means other than siting of individual energy facilities?</b>
<i>Yes</i>
<b>5. Identify those other means with precision and specificity.</b>
<i>◆ Memorialize Congress and the President to pursue federal and international action</i> <i>◆ Carbon tax</i> <i>◆ Air quality standard (ODEQ)</i>

## NEED FOR FACILITY ISSUES WORKSHEET

ISSUE:    **Transmission Reliability**

<b>1. Is there a public interest that should be addressed by state policy? Does the state have a role to play?</b>
<i>Yes To ensure there is sufficient transmission to serve the needs of Oregon's residential, commercial, agricultural and industrial consumers</i>
<b>2. Can the public interest be promoted effectively through EFSC siting standards?</b>
<i>Yes Provision of supersiting capability to facilitate certification of required transmission facilities</i> <i>Yes Controlling the location of new generating facilities may forestall unnecessary transmission facilities</i>
<b>3. Can objective standards by rule make clear what is expected of a siting applicant with precision and specificity?</b>
<i>Yes Ensure the costs of new transmission are borne by causal generating facilities</i>
<b>4. Can the state advance the public interest more effectively by means other than siting of individual energy facilities?</b>
<i>Yes Transmission reliability is regional in scope. While transmission <u>impacts</u> may be addressed by siting, transmission <u>reliability</u> may be more appropriately addressed by FERC and regional reliability councils.</i>
<b>5. Identify those other means with precision and specificity.</b>
<i>◆ Coordinate with FERC and regional reliability councils</i> <i>◆ Promote development of generation at or near load centers</i>

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**ISSUE:** Distant Transmission Impacts from New Generating Facilities (Not Related and Supporting Facilities)

<b>1. Is there a public interest that should be addressed by state policy? Does the state have a role to play?</b>
<i>Yes Provide a forum for continued assessment of potential health impacts of electromagnetic fields (EMF)</i> <i>Yes Protect fish and wildlife, aesthetics, and cultural resources</i>
<b>2. Can the public interest be promoted effectively through EFSC siting standards?</b>
<i>Probably not</i>
<b>3. Can objective standards by rule make clear what is expected of a siting applicant with precision and specificity?</b>
<i>Not applicable</i>
<b>4. Can the state advance the public interest more effectively by means other than siting of individual energy facilities?</b>
<i>Yes</i>
<b>5. Identify those other means with precision and specificity.</b>
<i>◆ EFSC site certificate for transmission facilities <math>\geq 230</math> kV</i> <i>◆ Local land use laws</i> <i>◆ EIS when crossing federal lands</i>

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ISSUE: Internalization of External Costs

<b>1. Is there a public interest that should be addressed by state policy? Does the state have a role to play?</b>
<i>Yes Proper price signals get sent</i> <i>Yes Energy facilities are not built at public expense</i>
<b>2. Can the public interest be promoted effectively through EFSC siting standards?</b>
<i>Yes Approval/rejection of application can be tied to showing that all external costs are accounted for (addressed under specific standards and not as a matter of need)</i>
<b>3. Can objective standards by rule make clear what is expected of a siting applicant with precision and specificity?</b>
<i>Yes It ought to be (and it can)</i>
<b>4. Can the state advance the public interest more effectively by means other than siting of individual energy facilities?</b>
<i>Yes Depends on the type of externality, e.g., carbon tax in case of CO<sub>2</sub> for all sources</i> <i>Yes Use siting standards until a broad brush approach comes along</i>
<b>5. Identify those other means with precision and specificity.</b>
<i>◆ Carbon tax</i> <i>◆ Memorialize Congress and the President to pursue federal and international action</i> <i>◆ Air quality standard (DEQ)</i>

## NEED FOR FACILITY ISSUES WORKSHEET

**ISSUE:** Prevention of noncompetitive entities from building, expanding, or buying costly facilities or the output from costly facilities

<b>1. Is there a public interest that should be addressed by state policy? Does the state have a role to play?</b>
<i>Yes Protect captive consumers from monopoly abuse</i>
<b>2. Can the public interest be promoted effectively through EFSC siting standards?</b>
<i>No</i>
<b>3. Can objective standards by rule make clear what is expected of a siting applicant with precision and specificity?</b>
<i>Not applicable</i>
<b>4. Can the state advance the public interest more effectively by means other than siting of individual energy facilities?</b>
<i>Yes</i>
<b>5. Identify those other means with precision and specificity.</b>
<i>◆ OPUC ◆ Least-cost planning ◆ Retail wheeling (Future competition)</i>

## NEED FOR FACILITY ISSUES WORKSHEET

**ISSUE:** Preserving the rationale for overriding local or other-agency decisions

<b>1. Is there a public interest that should be addressed by state policy? Does the state have a role to play?</b>
<i>Yes, but not exclusive to the following:</i> <ul style="list-style-type: none"><li>◆ <i>Linear multi-jurisdictional facilities</i></li><li>◆ <i>Radioactive waste</i></li><li>◆ <i>Renewables</i></li><li>◆ <i>Environmental</i></li></ul>
<b>2. Can the public interest be promoted effectively through EFSC siting standards?</b>
<i>Yes</i>
<b>3. Can objective standards by rule make clear what is expected of a siting applicant with precision and specificity?</b>
<i>Yes</i>
<b>4. Can the state advance the public interest more effectively by means other than siting of individual energy facilities?</b>
<i>No</i>
<b>5. Identify those other means with precision and specificity.</b>
<i>Not applicable</i>

**NEED FOR FACILITY ISSUES WORKSHEET**

**ISSUE: Stranded investment**

<b>1. Is there a public interest that should be addressed by state policy? Does the state have a role to play?</b>
<i>Yes Protect jobs and tax base</i> <i>Yes Preserve system reliability</i> <i>Yes Ensure affordable energy</i>
<b>2. Can the public interest be promoted effectively through EFSC siting standards?</b>
<i>No</i>
<b>3. Can objective standards by rule make clear what is expected of a siting applicant with precision and specificity?</b>
<i>Not applicable</i>
<b>4. Can the state advance the public interest more effectively by means other than siting of individual energy facilities?</b>
<i>Yes</i>
<b>5. Identify those other means with precision and specificity.</b>
<i>◆ OPUC rate regulation</i> <i>◆ Retail wheeling (Future competition)</i> <i>◆ Legislation</i> <i>◆ Transition charge ("jumping ship" charge)</i>

## NEED FOR FACILITY ISSUES WORKSHEET

ISSUE:    **The Need Standard**

<b>1. Is there a public interest that should be addressed by state policy? Does the state have a role to play?</b>
<i>Probably not, at this point</i>
<b>2. Can the public interest be promoted effectively through EFSC siting standards?</b>
<i>No</i>
<b>3. Can objective standards by rule make clear what is expected of a siting applicant with precision and specificity?</b>
<i>Not applicable</i>
<b>4. Can the state advance the public interest more effectively by means other than siting of individual energy facilities?</b>
<i>Yes</i>
<b>5. Identify those other means with precision and specificity.</b>
◆ <i>Marketplace in the new world</i>