

To the Governor of Oregon and the 69th Legislative Assembly:

Attached is the Final Report of the Oregon Energy Facility Siting Task Force.

The Task Force was established by the last session of the Oregon Legislature to review the public interest in the siting of energy facilities and to make recommendations to you.

The scope of the Task Force's review was very broad. At one extreme, we could recommend that Oregon's energy facility siting laws, first enacted in the early 1970s, be repealed and the Energy Facility Siting Council abolished. At the other extreme, we could recommend no change at all. Anywhere along the spectrum in between, we could recommend that Oregon's energy facility siting laws be tweaked, a lot or a little, to accommodate changes in the energy environment since the 1970s.

The Task Force recommends that the laws be tweaked -- a little.

We recommend elimination of the "need-for-power" standard for proposed electric generating facilities. We deem it anachronistic in today's competitive environment for power production.

Coupled with that recommendation, we urge adoption of a statutory climate change standard, expressed in terms of reduced carbon dioxide emissions, for natural gas fired powerplants, the generation technology of choice at the present time. The standard would require that CO₂ emissions be significantly less than those from the most efficient and least polluting fossil fueled powerplant operating in the U. S. today and could be made even more stringent after 2 years upon a finding that there is a more efficient new powerplant in operation anywhere in the U. S.

In addition to modest changes designed to conform other laws to elimination of the need standard, we urge (a) development of a model energy facility siting ordinance for local governments, and (b) evaluation of existing statutory findings with a view to adopting more contemporary state energy policies.

That's it in a nutshell.

The seven Task Force members comprise a broad range of backgrounds and interests. One, a state senator and professor of political science, was appointed by the President of the Senate. Another, a state representative and businessman, was appointed by the Speaker of the House. The others --- a professor of economics and former PUC chairman; an eastern Oregon county planning director; a labor union official and former state representative; a state environmental policy coordinator currently detailed to a federal natural resource agency who is also a former law school professor; and a business council president and former state official --- were appointed by the Governor.

ENERGY
FACILITY
SITING
TASK FORCE

Chairman
Mike Katz

Members
Senator Ron Cease
Tamra Mabbott
Bob Shiprack
Anne Squier
Representative Jim Welsh
Duncan Wyse

John A. Kitzhaber
Governor



1600 SW Fourth Avenue
Suite 770
Portland, OR 97201
Phone: 503-227-7611
FAX: 503-227-7723
e-mail:
pacific.energy.systems
@msn.com

The issues considered by the Task Force are contentious, to put it mildly. Parties at interest include utilities, environmentalists, powerplant developers, consumer representatives, the Oregon Office of Energy, and the Energy Facility Siting Council. Although the Task Force had pretty well made up its collective mind towards the end of its deliberations, we endorsed creation of a work group of competing interests to hammer out, if they could, some of the details (in which, as everyone knows, the Devil dwells).

After intense negotiations, the work group crafted a statutory climate-change standard. If enacted, it will focus greater attention on, and provide significantly greater internalization of, putative environmental climate-change impacts of fossil fueled powerplants than is the case anywhere in America, well ahead of whoever is in second place. It will not be cheap.

As expected, none of the participants was overjoyed. Industry representatives thought it went too far. Environmentalists and some members of the Energy Facility Siting Council thought it did not go far enough. Nevertheless, the hammered-out proposal was adopted by the work group by "complete consensus." Each participant has agreed unqualifiedly to support the recommendation in the 1997 legislative session.

The parties deserve congratulations for their hard work and willingness to compromise, in the best sense of that word, in order to reach consensus.

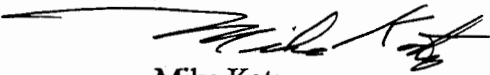
Throughout the Task Force's deliberations, many of the participating publics, in particular staff of the Oregon Office of Energy, worked hard to provide useful testimony, position papers, and comments on drafts of the Task Force's final report. They have our gratitude.

I want to compliment John Larson, the project manager representing the independent contractor providing staff support for the Task Force. In addition to being well informed, Mr. Larson was exceedingly conscientious and, considering the contentious nature of the study and the range of viewpoints of the interested publics and the Task Force members, evenhanded and honorable. He was ably assisted by Mary Beth Buffum.

Some of the Task Force members would have wanted its recommendations to be more sweeping. Others may feel they are excessive. I want to express my sincere appreciation to all of the members whose diligence, patience, respect for the views of the public, and civility towards one another, made it all possible.

Here is something notable: The Task Force's recommendations are unanimous.

Sincerely,



Mike Katz
Chairman