Oregon Department of ENERGY

Energy Facility Siting Council Meeting

Virtual Meeting Webex

June 1, 2023









Opening Items:

- Call to Order
- Roll Call
- Announcements



Announcements:

- Reminder that this meeting is being held in its entirety via teleconference and webinar.
- Reminder to Council and to anyone addressing the Council to please remember to state your full name clearly, and no not use the speakerphone feature, as it will create feedback.
- You may sign up for email notices by clicking the link on the agenda or the Council webpage.
- You are also welcome to access the online mapping tool and any documents by visiting our website.



Announcements continued:

- Please silence your cell phones
- Please use the "Raise Your Hand" feature in Webex to speak during the public comment period, or press *3 to raise your hand if you are participating by telephone.
- Energy Facility Council meetings shall be conducted in a respectful and courteous manner where everyone is allowed to state their positions at the appropriate times consistent with Council rules and procedures. Willful accusatory, offensive, insulting, threatening, insolent, or slanderous comments which disrupt the Council meeting are not acceptable. Pursuant to Oregon Administrative Rule 345-011-0080, any person who engages in unacceptable conduct which disrupts the meeting may be expelled.



Agenda Item A (Action Item & Information Item)

Consent Calendar

June 1, 2023

- March Council Meeting Minutes
- Council Secretary Report



Compliance Updates - Findings

Facility	Incident Date	Incident Type	Findings and/or Comments
Biglow Canyon Wind Facility (PGE)	4/13/2023	Open Substation door	During the operational inspection, a man door of the substation was found unlocked inconsistent with a condition of approval. This is the second occurrence of an unlocked door. A correction action plan will be requested by the department.
WREF-1 (PGE)	5/10/2023	Open Turbine door	During the operational site inspection, a turbine tower was found unlocked inconsistent with a condition of approval. A correction action plan will be requested by the department.
South Mist Extension (NWN)	4-5-2023	Annual operating hours and fuel use	Calculated excess emissions were found to be negative for several years due to errors in reporting fuel usage and hours of operation. The Department has requested NWN to accurately report fuel usage and hours of operation.



Agenda Item B (Information Item)

Presentation of the Department of Land Conservation and Development's Farm and Forest

June 1, 2023
Hillary Foote, Department of Land Conservation and Development
Farm and Forest Specialist







Presentation to EFSC on the 2020-2021 Farm & Forest Report

June 1, 2023

Hilary Foote Farm Forest Specialist

ORS 197.065:

LCDC must submit a biennial report to the Legislature:

- "analyzing applications approved and denied" for certain land uses in exclusive farm use and forest zones, and
- "such other matters pertaining to protection of agricultural or forest land as the commission deems appropriate."



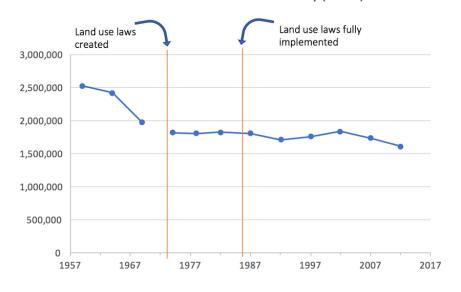
"You can't manage what you can't measure."



Historical Context for Farmland Conservation

Growing populations expanding into suburbs resulted in a significant loss of prime farmland in the post-war era.

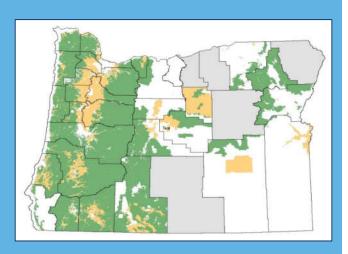
Land in farms in Willamette Valley (acres)



Year	Milestone
1899	Oregon legislature declares 30 miles of beach as a public highway from Columbia River to south line of Clatsop County.
1913	Legislature amends 1899 law, and declares all beaches as a state highway.
1919	Legislature permits city to zone private land.
1947	Legislature permits counties to zone private land.
1961	Legislature allows special farm tax assessment program
1963	Legislature creates Exclusive Farm Use (EFU) zone (ORS Chapter 215).
1971	Oregon Legislature adopts Senate Bill 10. Most cities and counties do not develop plans.
1973	SB 100 approved creating LCDC and DLCD. SB101 creates statewide protections for farmland by further amendments to the EFU zone (ORS 215).



Agricultural Lands Program



Restrictive Zoning:

- Restrictive zoning is applied to lands inventoried as agricultural land.
- Limited opportunities for dwellings and development of non-farm uses.
- Type-1 uses: allowed outright
 Type-2 uses: farm impacts test.
- Minimum parcel sizes.

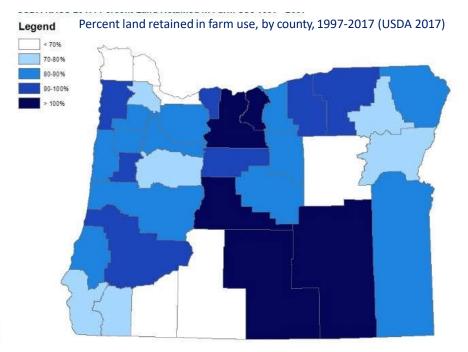
Compensatory Benefits:

- Special assessment program.
- Exemption from new special assessments.
- Right-to-Farm laws protect agricultural activities.
- Counties prohibited from regulating farm practices on EFU.

Farmland Conversion:

Zone changes and UGB expansions

	2017	2007	1997	1987
USDA NASS Acres in Farm Use	15,962,322	16,399,647	17,658,213	17,809,165
DLCD Acres in Exclusive Farm Zoning	16,077,028	16,097,640	16,104,926	16,112,212



Exclusive Farm Use Zoning

- 16,070,006 acres zoned EFU in 2021.
- 99.7% of land zoned EFU in 1987 was still zoned EFU in 2021.
- More than 42,000 acres have been removed from EFU zoning since 1987.





Farmland Conversion:

Zone changes and UGB expansions

Area of non-federal land in Oregon by land use class and year (ODF 2018)					
	1984	2018	Change in Acreage	% Retained	
Wildland Forest	10,570,000	10,433,000	-137,000	98.70%	
Wildland Range	9,164,000	8,990,200	-173,800	98.10%	
Mixed Forest/Agriculture	901,000	851,600	-49,400	94.52%	
Mixed Range/Agriculture	664,000	708,200	44,200	106.66%	
Intensive Agriculture	5,806,000	5,751,700	-54,300	99.06%	
Low-Density Residential	1,060,000	1,309,100	249,100	123.50%	
Urban	453,000	582,000	129,000	128.48%	

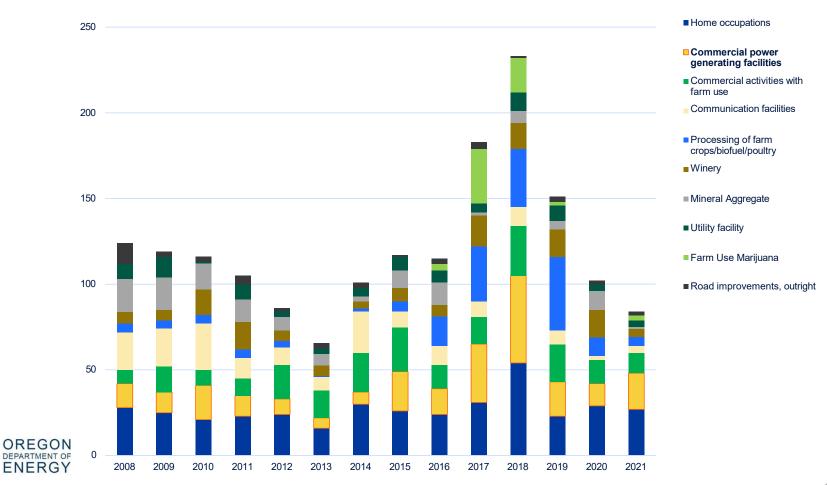
Forest Zoning

- 11,756,108 acres zoned forest in 2021.
- 99.9% of land zoned Forest in 1987 was still zoned Forest in 2021.
- More than 10,400 acres have been removed from Forest or Mixed Farm-Forest zoning since 1987.

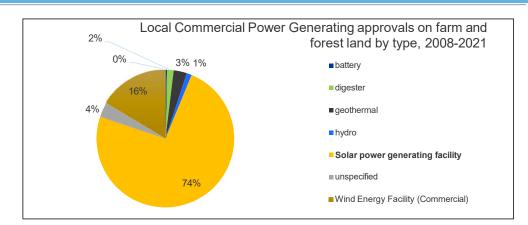




Top-10 Non-Resource Use Permit Approvals on EFU Lands, 2008-2021

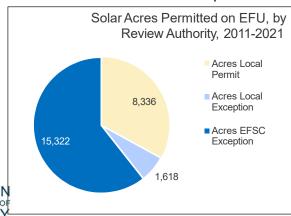


Non-resource Use Approvals on EFU: Solar



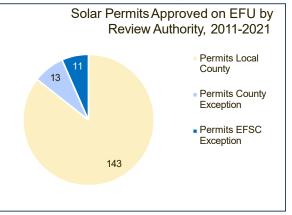
Since 2008, the majority of power generators approved on farmland have been solar projects.

Acres of Farmland Impacted



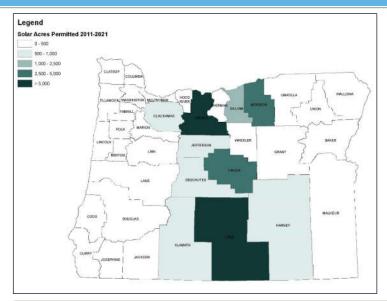
Since 2011, solar permits have been issued on 25,276 acres of farmland (~40 square miles).

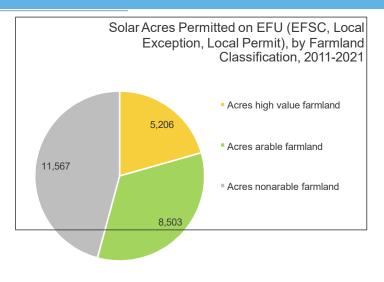
of Permits Approved

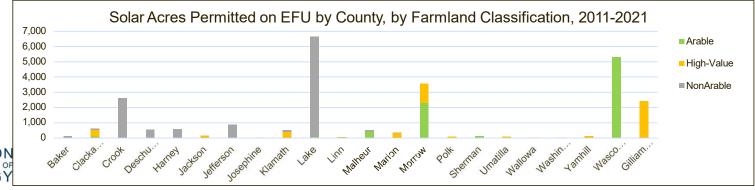




Non-resource Use Approvals on EFU: Solar















DLCD

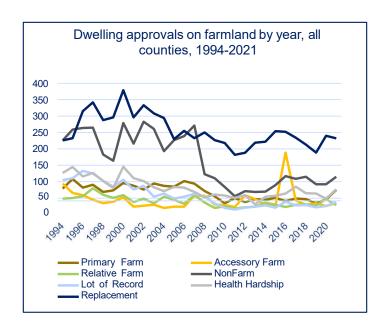
Department of Land Conservation & Development





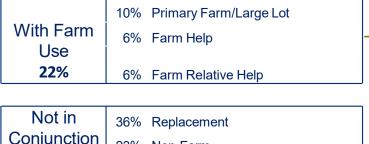
Hilary Foote, Farm and Forest Lands Specialist Hilary.Foote@DLCD.Oregon.gov / 971-301-1849

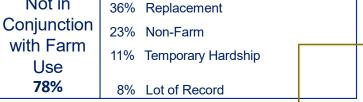
Dwelling approvals on farmland by type 1994-2021

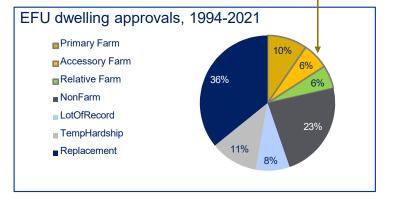


Since 1994, just under 20,000 dwellings have been approved on EFU lands.

OREGON
DEPARTMENT OF
ENERGY







Solar projects permitted on EFU by farmland type occupied and review authority, 2011-2021

Solar Projects Permitted on EFU (Including Exceptions), 2011-2021

Review Authority	Farmland Type	Number of Projects	Use Area (acres)
county	high value farmland	89	1,433
county	arable farmland	17	281
county	nonarable farmland	37	6,622
	TOTAL LOCAL PURSUANT TO DLCD RULES	143	8,336
county exception	high value farmland	3	243
county exception	arable farmland	8	621
county exception	nonarable farmland	2	754
	TOTAL LOCAL EXCEPTIONS	13	1,618
EFSC exception	high value farmland	4	3,530
EFSC exception	arable farmland	5	7,601
EFSC exception	nonarable farmland	2	4,191
	TOTAL EFSC EXCEPTIONS	11	15,322
Total	Total high value farmland	29	5,206
Total	Total arable farmland	97	8,503
Total	Total nonarable farmland	41	11,567
TOTAL EFSC & Local EFU Approvals		167	25,276**



^{**25,276} acres is equivalent to 39.5 square miles

Note: Seven (7) approvals for solar projects on EFU were issued by counties prior to 2011 with a use footprint of 427 acres. Farmland classification information for these projects is not available.



High Value Farmland ORS 195.300

- Land in a tract composed predominantly of certain soils.
- Tracts growing specified perennials.
- Land that is within the place of use for an irrigation water right or within the boundaries of an irrigation or drainage district on June 28, 2007.
- Land that contains not less than five acres planted in wine grapes.
- Land that has certain characteristics and is within an American Viticultural Area.



DLCD's rules are designed to encourage solar siting on nonarable lands by allowing larger projects on nonarable lands and prohibiting project components to be located on high value soil units.

ORS 215.243 Agricultural Land Use Police

The Legislative Assembly finds and declares that:

- (1) Open land used for agricultural use is an efficient means of conserving natural resources that constitute an important physical, social, aesthetic and economic asset to all of the people of this state, whether living in rural, urban or metropolitan areas of the state.
- (2) The preservation of a maximum amount of the limited supply of agricultural land is necessary to the conservation of the state's economic resources and the preservation of such land in large blocks is necessary in maintaining the agricultural economy of the state and for the assurance of adequate, healthful and nutritious food for the people of this state and nation.
- (3) Expansion of urban development into rural areas is a matter of public concern because of the unnecessary increases in costs of community services, conflicts between farm and urban activities and the loss of open space and natural beauty around urban centers occurring as the result of such expansion.
- (4) Exclusive farm use zoning as provided by law, substantially limits alternatives to the use of rural land and, with the importance of rural lands to the public, justifies incentives and privileges offered to encourage owners of rural lands to hold such lands in exclusive farm use zones.



Agricultural Lands Definition

- •Lands classified by the U.S. Natural Resources Conservation Service (NRCS) as predominantly Class I-IV soils in Western Oregon and I-VI soils in Eastern Oregon;
- •Land in other soil classes that is suitable for farm use as defined in ORS 215.203(2)(a), taking into consideration soil fertility; suitability for grazing; climatic conditions; existing and future availability of water for farm irrigation purposes; existing land use patterns; technological and energy inputs required; and accepted farming practices; and
- •Land that is necessary to permit farm practices to be undertaken on adjacent or nearby agricultural lands.

Land in capability classes other than I-IV/I-VI that is adjacent to or intermingled with lands in capability classes I-IV/I-VI within a farm unit, shall be inventoried as agricultural lands even though this land may not be cropped or grazed.



Farm Impacts Test ORS 215.296

- (1)A use allowed under ORS 215.213 (2) or (11) or 215.283 (2) or (4) may be approved only where the local governing body or its designee finds that the use will not:
- (a) Force a significant change in accepted farm or forest practices on surrounding lands devoted to farm or forest use; or
- (b) Significantly increase the cost of accepted farm or forest practices on surrounding lands devoted to farm or forest use.
- (2) An applicant for a use allowed under ORS 215.213 (2) or (11) or 215.283 (2) or
- (4) may demonstrate that the standards for approval set forth in subsection (1) of this section will be satisfied through the imposition of conditions. Any conditions so imposed shall be clear and objective.



Agenda Item C (Information Item)

PUBLIC COMMENT

Phone Commenters: Press *3 to raise your hand to make comment, and *3 to lower your hand after you've made your comment.

Webinar Commenters: Open the Participant list, hover over your name and click on the "Raise Your Hand

icon".





How to Raise Your Hand in Webex:

Webinar Participants

The bottom right of the main window is a set of icons:

Click on "Participants"

The bottom right of the participant window is a hand icon, click on the hand:

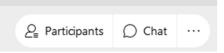
Clicking on it again will lower your hand.

Phone Participants

Press *3 on your telephone keypad to raise your hand.

Press *3 again on your telephone keypad to lower your hand.





Participants

○ Chat

> Q&A

Agenda Item D (Information Item)

Analysis of Organizational Expertise and Financial Assurance Standard (Information Item)

June 1, 2023
Patrick Rowe, Oregon Department of Justice Senior Assistant Attorney General



EFSC Standards: Organizational Expertise Retirement & Financial Assurance

Patrick Rowe
Oregon Department of Justice
June 23, 2023 EFSC Meeting



(1) To issue a site certificate, the Council must find that *the applicant* has the organizational expertise to construct, operate and retire the proposed facility in compliance with Council standards and conditions of the site certificate.

To conclude that the applicant has this expertise, the Council must find that the applicant has demonstrated the ability to design, construct and operate the proposed facility in compliance with site certificate conditions and in a manner that protects public health and safety and has demonstrated the ability to restore the site to a useful, non-hazardous condition.

The Council may consider the applicant's experience, the applicant's access to technical expertise and the applicant's past performance in constructing, operating and retiring other facilities, including, but not limited to, the number and severity of regulatory citations issued to the applicant.

Applicant reliance on parent companies

Applicants are often project-specific limited liability companies.

They rely upon the organizational expertise of their parent company to demonstrate compliance with the standard.

OAR 345-025-0006(15) Mandatory Condition

Before any transfer of ownership of the facility or ownership of the site certificate holder, the certificate holder must inform the Department of the proposed new owners. . . .

Additional Organizational Expertise Conditions re: changes in parent company management, etc.

- Example 1: The certificate holder shall report to the Department, within 7 days, any material change in the control, financial condition, governance, or management of the certificate holder's parent company, including any change that may affect the certificate holder's access to resources, expertise, or personnel relied upon for the construction, operation and retirement of the facility. The certificate holder shall provide sufficient information for the Department to evaluate whether the material changes could result in a significant adverse impact that the Council has not addressed in an earlier order and the impact affects a resource or interest protected by an applicable law or Council standard (specifically Organizational Expertise and Retirement and Financial 5 Assurance Standards).
- Example 2: During construction and operation of the facility, the certificate holder shall report to the Department, within 21 days, any change of the parent companies, . . . such as changes within the Board of Directors, President or Chief Executive Office, where the certificate holder considers such change to impact its access to the resources or expertise of the parent companies.

Additional Organizational Expertise Condition – access to qualified technical experts

Example 1. The certificate holder shall:

a.Before beginning construction of the facility or a facility component, notify the Department of the identity, telephone number, e-mail address and qualifications of the full-time, on-site construction manager. Qualifications shall demonstrate that the construction manager has experience in managing permit and regulatory compliance requirements and is qualified to manage a utility-scale solar facility construction project.

b.Before beginning operation, notify the Department of the identity, telephone number, e-mail address and qualifications of the facility/asset manager. Qualifications shall demonstrate that the operations manager has experience in managing permit and regulatory compliance requirements and is qualified to manage operation of a utility scale solar facility.

c.Before beginning facility retirement, notify the Department of the identity, telephone number, e-mail address and qualifications of the personnel or entity responsible for facility decommissioning and restoration activities. Qualifications shall demonstrate that the identified personnel have experience in managing permit and regulatory compliance requirements and are qualified to decommission a utility-scale solar facility.

d. The certificate holder shall notify the Department within 72-hours upon any change in personnel or contact information provided to satisfy Condition 6(a) through (c).

Example 2. Before beginning construction of the facility, the certificate holder shall notify the Department of the identity and qualifications of the major design, engineering and construction contractor(s). The certificate holder shall select contractors that have substantial experience in the design, engineering and construction of similar facilities. The certificate holder shall report to the Department any changes of major contractors.

Additional Organizational Expertise Condition - Noncompliance

 Any matter of non-compliance under the site certificate is the responsibility of the certificate holder. Any notice of violation issued under the site certificate will be issued to the certificate holder. Any civil penalties under the site certificate will be levied on the certificate holder.

Council Enforcement Authority

- **ORS 469.430**: EFSC has continuing authority over the site, including to **inspect** the site to ensure it is being operated consistently with the terms and conditions of the site certificate.
- ORS 469.992: Council has authority to impose civil penalties for violation of any site certificate or amended site certificate, up to \$25,000 per day for each day of violation.
- ORS 469.440: Site certificate or amended site certificate can be revoked or suspended for failure to comply with its terms or conditions.





- To issue a site certificate, the Council must find that:
- (1) The site, taking into account mitigation, can be restored adequately to a useful, non-hazardous condition following permanent cessation of construction or operation of the facility.
- (2) The applicant has a reasonable likelihood of obtaining a bond or letter of credit in a form and amount satisfactory to the Council to restore the site to a useful, non-hazardous condition.

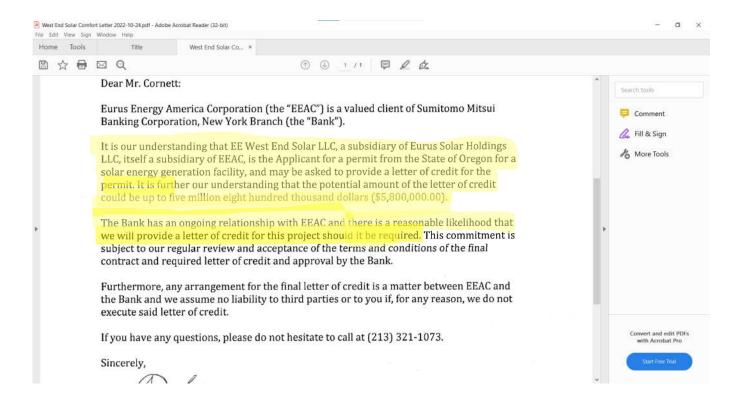
Application must include site restoration information OAR 345-021-0010(1)(w)

- Exhibit W. Information about site restoration, providing evidence to support a finding by the Council as required by <u>OAR 345-022-0050</u> (<u>Retirement and Financial Assurance</u>)(1). The applicant must include:
- (A) The estimated useful life of the proposed facility;
- **(B)** Specific actions and tasks to restore the site to a useful, non-hazardous condition;
- **(C)** An estimate, in current dollars, of the total and unit costs of restoring the site to a useful, non-hazardous condition;
- **(D)** A discussion and justification of the methods and assumptions used to estimate site restoration costs; and
- **(E)** For facilities that might produce site contamination by hazardous materials, a proposed monitoring plan, such as periodic environmental site assessment and reporting, or an explanation why a monitoring plan is unnecessary.

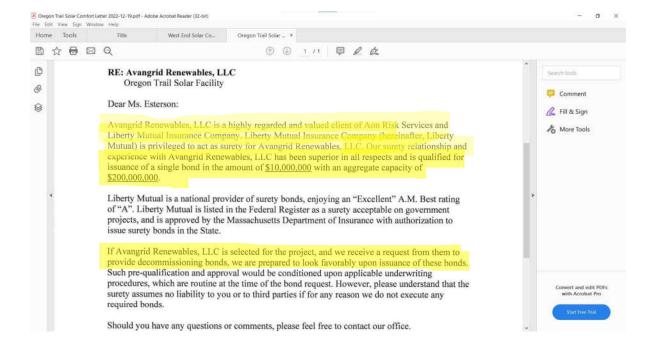
OAR 345-025-0006(8) Mandatory Condition

• (8) **Before beginning construction of the facility**, the certificate holder must submit to the State of Oregon, through the Council, a bond or letter of credit in a form and amount satisfactory to the Council to restore the site to a useful, non-hazardous condition. The certificate holder must maintain a bond or letter of credit in effect at all times until the facility has been retired. The Council may specify different amounts for the bond or letter of credit during construction and during operation of the facility.

Comfort letters



Comfort letters



OAR 345-025-0006(7) Mandatory Condition

• (7) The certificate holder must prevent the development of any conditions on the site that would preclude restoration of the site to a useful, non-hazardous condition to the extent that prevention of such site conditions is within the control of the certificate holder.

OAR 345-025-0006(9) Mandatory Condition

• (9) The certificate holder must retire the facility if the certificate holder permanently ceases construction or operation of the facility. The certificate holder must retire the facility according to a final retirement plan approved by the Council . . . The certificate holder must pay the actual cost to restore the site to a useful, non-hazardous condition at the time of retirement, notwithstanding the Council's approval in the site certificate of an estimated amount required to restore the site.

OAR 345-025-0006(16) Mandatory Condition

• (16) If the Council finds that the certificate holder has permanently ceased construction or operation of the facility without retiring the facility according to a final retirement plan approved by the Council . . . the Council must notify the certificate holder and request that the certificate holder submit a proposed final retirement plan to the Department within a reasonable time not to exceed 90 days. If the certificate holder does not submit a proposed final retirement plan by the specified date, the Council may direct the Department to prepare a proposed final retirement plan for the Council's approval. Upon the Council's approval of the final retirement plan, the Council may draw on the bond or letter of credit described in section (8) of this rule to restore the site to a useful, non-hazardous condition according to the final retirement plan, in addition to any penalties the Council may impose under OAR chapter 345, division 29. If the amount of the bond or letter of credit is insufficient to pay the actual cost of retirement, the certificate holder must pay any additional cost necessary to restore the site to a useful, non-hazardous condition. After completion of site restoration, the Council must issue an order to terminate the site certificate if the Council finds that the facility has been retired according to the approved final retirement plan.

Additional Retirement & Financial Assurance Conditions

Before beginning construction of the facility or a facility component, the certificate holder shall submit to the State of Oregon, through the Council, a bond or letter of credit naming the State of Oregon, acting by and through the Council, as beneficiary or payee. . . . [Recent addition] Council reserves the right to adjust the financial assurance amount if it determines its appropriate and necessary to ensure that the amount is adequate to maintain health and safety of the public and environment.

Discussion:
Rule
revisions?
Other
Conditions?

Do you believe the Organizational Expertise standard should be revised to explicitly allow applicants to rely on parents to meet the standard? (In addition to stating Council may consider applicants' access to technical expertise).

If an applicant relies on a parent to meet the Organizational Expertise (or any other standards), do you believe a parent company should be required to be a "cosite certificate holder" along with its subsidiary/LLC? For example, require the parent to sign the site certificate and agree to be responsible along with the subsidiary/LLC for compliance with the site certificate, or at least to be responsible for complying with those conditions related to the standards on which the subsidiary is relying on the parent? (This would require input from developers / stakeholders)

Discussion:
Rule
revisions?
Other
Conditions?

Add a condition requiring parent company to provide a signed document stating that, regardless of what internal corporate documents (such as an Operating Agreement) might state regarding the responsibility of the parent for actions of the site certificate holder LLC, for purposes of the site certificate holder's responsibilities under the site certificate, the parent will provide any funding or other resources the site certificate holder needs to ensure that the site certificate holder complies with the terms and conditions of the site certificate? (This would require input from developers / stakeholders)

Other thoughts?

"Don't Cry Because It's Over, Smile Because It Happened." DR. SEUSS

Agenda Item E (Action Item)

Cascade Renewable Transmission SAG Appointments

June 1, 2023
Christopher Clark, ODOE Senior Siting Analyst



Introduction

- On March 7, 2023, the Oregon Department of Energy (ODOE) received a Notice of Intent to File an Application for a Site Certificate for the Cascade Renewable Transmission System.
- The applicant is Cascade Renewable Transmission, LLC, a joint venture of PowerBridge, LLC and Sun2o Partners, LLC.
- Due to size and location, the proposed facility is an "energy facility" subject to siting review by the Energy Facility Siting Council (EFSC).

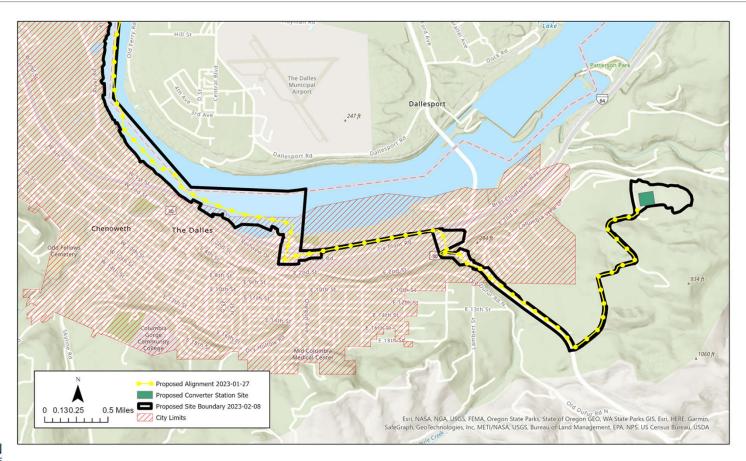


- Proposed 300-kV DC transmission line spanning ~100 miles between The Dalles and Portland:
 - Majority of line buried in bed of Columbia River using "jet plow"
 - Additional segments buried in road rights-of-way or installed using HDD
- Two converter stations and connecting AC lines proposed near points of interconnection:
 - ~500 ft. of overhead 500-kV AC line to interconnect with Big Eddy Substation.
 - ~3 mi. of 230-kV AC line buried underground and installed under
 Willamette River using HDD to interconnect with Harborton Substation

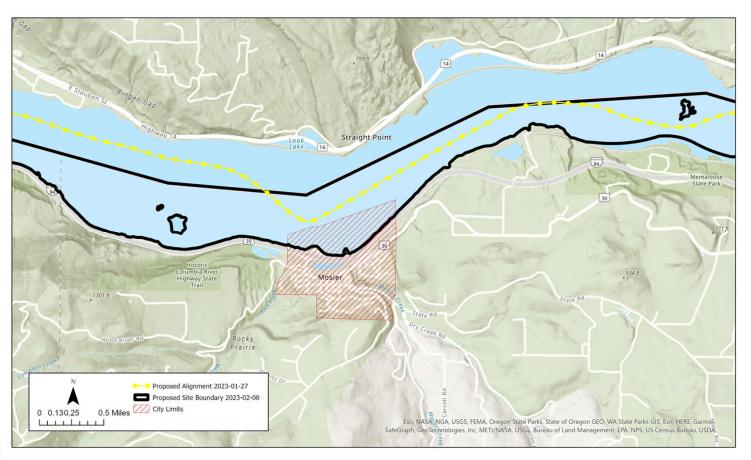




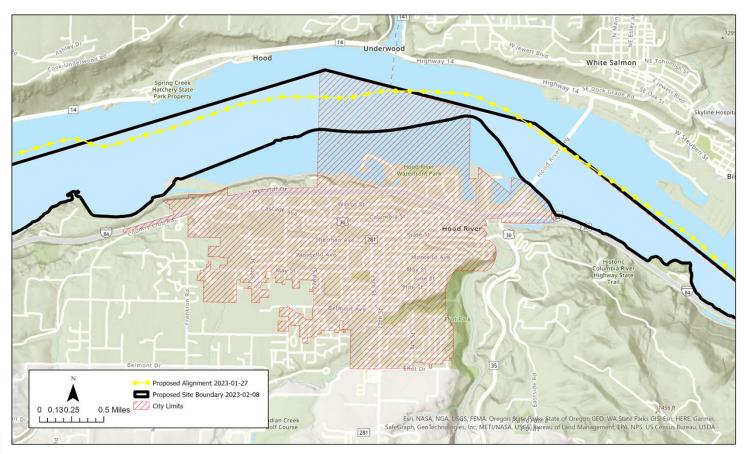




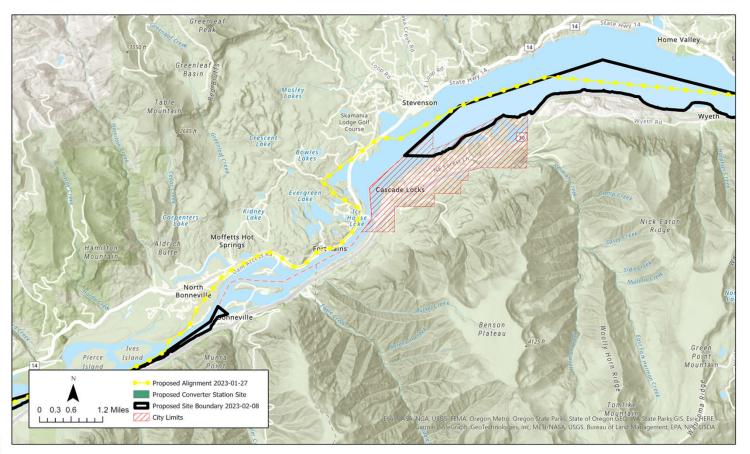




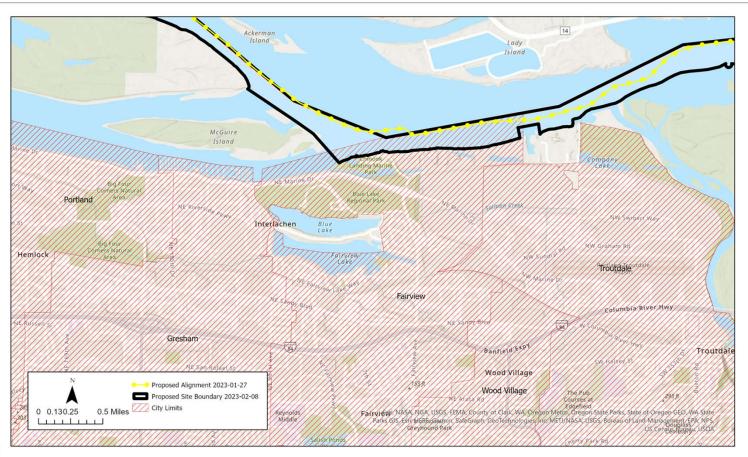




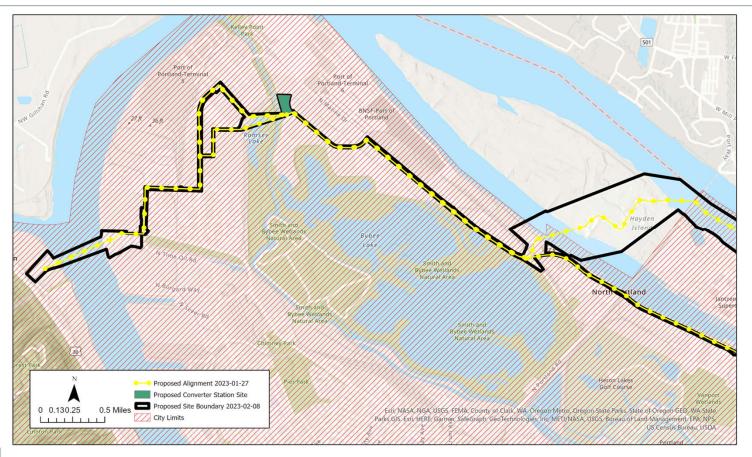






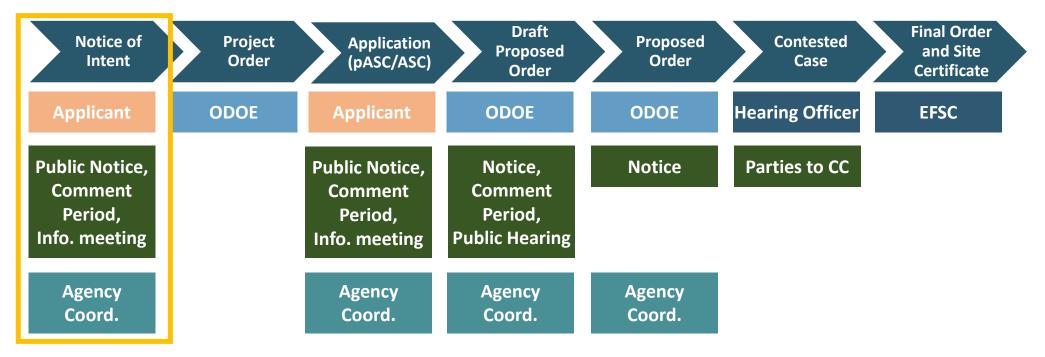








Energy Facility Siting Process





Energy Facility Siting Process

Land Use Review

- EFSC must designate the governing body of any local government within whose jurisdiction the facility is proposed to be located as a "special advisory group."
- The applicant may choose to obtain land use approval from EFSC or from the affected local governments. NOI indicates applicant intends to seek approval from EFSC.
- EFSC's land use decision is binding on affected local governments. Any necessary permits or approval addressed in the Site Certificate must be issued upon receipt of proper form and fee.



Special Advisory Group Input Requested

Prior to Receiving Application (NOI)

- Issues of concern
- Applicable substantive criteria
- Data/studies needed to determine compliance with applicable criteria
- Necessary permits
- Analysis areas

During Completeness Review (pASC)



- Issues of concern
- Recommendations/concerns regarding compliance with applicable criteria
- Information/analysis missing from application

Following Application Completeness (ASC)

- Issues of concern
- Comments/concerns with proposed findings & conclusions
- Other information regarding compliance
- Requested site certificate conditions



Staff Recommendation

Staff recommends the Council appoint the following public bodies as Special Advisory Groups for any proceedings before the Council related to the proposed facility:

- Wasco County Board of Commissioners
- Hood River County Board of Commissioners
- Multnomah County Board of Commissioners

- The Dalles City Council
- Mosier City Council
- Hood River City Council
- Cascade Locks City Council
- Fairview City Council
- Portland City Council



Council Deliberation



BREAK



Agenda Item F (Action Item)

Madras Solar Facility Financial Institution List Request

June 1, 2023
Sisily Fleming, ODOE Fiscal Analyst



Proposed Financial Institution List

Energy Facility Siting Council 2023 Financial Institutions

As Approved by EFSC on January 20, 2023	
Letter of Credit	Bond
Bank of America N.A.	Arch Insurance Company (Proposed May 2023)
Bank of Nova Scotia (NY Agency)	Federal Insurance Co
Bank of the West	Fidelity & Deposit Co of MD
Barclay's Bank, PLC (NY Branch)	Hanover Insurance Group
Citibank, N.A.	Liberty Mutual Insurance Company
CoBank	SAFECO Insurance Co of America
Helaba (NY Branch of Landesbank Hessen-Thueringen GZ)	Travelers Casualty & Surety Co of America
JP Morgan/Chase Bank, N.A.	Westchester Fire Insurance Co
MUFG Bank, N.A.	
Natixis (NY Branch)	
Royal Bank of Canada (NY Branch)	
Royal Bank of Scotland Connecticut Branch	
US Bank	
Wells Fargo Bank, N.A.	
Sumitomo Mitsui Banking Corporation (SMBC, NY Branch)	



Council Deliberation



Adjourn







