



**Energy Facility Siting Council
Minutes
September 27, 2013**

Minutes Approved at the
November 15, 2013 EFSC Meeting

Holiday Inn
2752 SE 242nd Drive
Gresham, Oregon

Call to Order: The meeting was called to order at 8:30 a.m. by Chair Wolfe.

Roll Call: Chair Bryan Wolfe, Renee Dowlin, Hanley Jenkins, John Mohlis, and Barry Beyeler were present.

Trey Senn and Paul Sumner were absent.

Oregon Department of Energy (Department) representatives present were Siting Division Administrator Todd Cornett, Ginny Gustafson, Matt Lawyer, Shilo Ray, Sue Oliver, Eric Desmarais, Jo Morgan, Shanda Shribbs, Chris Green, Andrea Goodwin, Lee Willeman, Vijay Satyal and Sylvia McDaniel.

EFSC Counsel Renee France, Department of Justice (DOJ), was also present.

Agenda Modification: Mr. Cornett noted one modification to the agenda; Agenda Item B will not be presented.

A. Consent Calendar (Action Item):

Minutes for August 2, 2013:

Action: A motion was made by Councilor Jenkins, and seconded by Councilor Mohlis, to approve the minutes of the August 2, 2013, meeting as drafted.

Vote: Jenkins, yes; Beyeler, yes; Dowlin, yes; Wolfe, yes; Mohlis, yes.

Motion carried.

Project Updates: Council members had no questions beyond the 90-day look ahead that Mr. Cornett provided.

Council Secretary Report:

Todd Cornett, Council Secretary, reported on changes. Hillary Dobson, Federal Projects Coordinator, resigned and the agency is in the process of reevaluating that position. The Fiscal Analyst 2 position for the Siting Division should be filled by the next council meeting.

Mr. Cornett noted a letter from several agricultural operators in the Eastern Oregon area included in the Council packet, which expressed some concern about some projects and processes associated with the EFSC rules. Council requested that Mr. Cornett respond to the letter on behalf of the Council.

Mr. Cornett noted a letter from the City of Union, included in the Council packet, which responded to a letter from Mr. Cornett, which he sent on behalf of and as directed by the Council following the last Council meeting. Council decided that the letter needed no additional response.

Mr. Cornett noted that the Department's new Deputy Director is Michael Kaplan.

B. Compliance Update (Information Item): Cancelled.

C. Future Meeting Dates (Action Item): Todd Cornett, Siting Division Administrator, provided information to the Council regarding future Council meeting dates. Following discussion, Council members decided to confirm the first three 2014 meeting dates and to decide the remaining dates at the November Council meeting when all council members would likely be in attendance. The first three 2014 Council meeting dates will be January 23 and 24, March 13 and 14, and May 15 and 16.

D. Climate Trust Board Member Appointment (Action Item): Todd Cornett explained the necessity of appointing a new council member to the Climate Trust Board. The Climate Trust Board has put forth Patrick Proctor as the new member. Councilor Dowlin supported this nomination and stated that she had met him and felt he would be a good addition to the Board.

Action: The motion was made by Councilor Mohlis, and seconded by Councilor Jenkins, to appoint Patrick Proctor to the Climate Trust Board.

Vote: Wolfe, yes; Mohlis, yes; Jenkins, yes; Beyeler, yes; Dowlin, yes. Motion passed.

Sean Penrith, the new Executive Director for the Climate Trust Board, was introduced; he thanked the Council and stated that he looked forward to working with the Council in the future.

E. Antelope Ridge Wind Farm (Information Item): Sue Oliver, Energy Facility Siting Analyst, informed the Council that on September 17, 2013, EDP Renewables withdrew their application for Site Certificate for the Antelope Ridge Wind Farm. She explained that if EDP Renewables decide to reinitiate the project it would have to be done from the beginning with a new Notice of Intent and Application. Council asked if the results of the big game telemetry studies had been given to ODFW. Ms. Oliver stated that they have not and she was not sure what the applicant had planned for the study results.

F. Boardman to Hemingway (Action Item): Eric Desmarais, Energy Facility Siting Analyst, requested that the Council appoint the City of La Grande as a Special Advisory Group (SAG) for the Boardman to Hemingway project to accommodate Idaho Power's potential need for temporary multi-use area in that city.

Action: The motion was made by Councilor Mohlis, and seconded by Councilor Dowlin, to approve the order to appoint the City of La Grande City Council as Special Advisory Group for the Boardman to Hemingway project.

Vote: Jenkins, abstain; Beyeler, yes; Dowlin, yes; Wolfe, yes; Mohlis, yes. Motion passed.

Todd Cornett provided additional information regarding the new outreach provided to the SAGs. Council stated that this was an important process.

G. Saddle Butte Wind Park (Review Item): Jo Morgan, Energy Facility Siting Analyst, described the proposed facility and gave a brief history of the application review process. The Department issued the Draft Proposed Order on August 9, 2013, which recommends that Council approve a Site Certificate for the project subject to conditions. A public hearing on the DPO was held September 9, 2013 in Lone,

Oregon. Ms. Morgan provided further information on the procedural history, the DPO, and comments received. She then provided more information regarding the comments that have direct relevance to the Council Standards. Throughout the presentation Ms. Morgan answered Council questions regarding the Department's recommended findings.

Following the presentation, Chair Wolfe called for a fifteen minute break. Chair Wolf called the meeting back into session at 10:02 a.m. and then immediately called for another recess, after explaining that the Hearing Officer's Report from the DPO hearing came in late and several members of the Council had not had adequate time to digest it. He recessed the meeting for 30 minutes to provide Council members an opportunity to review the Report.

Chair Wolfe called the meeting back into session at 10:35 a.m. and opened the floor for discussion. Barry Beyeler, Vice-Chair, stated that he lives in the restricted airspace for the Naval Weapons System Training Facility, but will rely on the record in deliberations.

EFSC Counsel Renee France, Department of Justice (DOJ), provided an overview of Council's role at this stage in the process. She explained that pursuant to OAR-345-015-0230, the Council must review the DPO. Following Council's review, Department staff will take into consideration the Council's comments along with the comments from the applicant, public and the reviewing agencies offered during the DPO comment period and hearing, in order to prepare the proposed order. Council is not making a decision at this time. Council can elect to call for a vote to provide a majority comment on any issue.

The Council reviewed the issues that were raised in the staff report prepared by Ms. Morgan. The Council asked informative and clarifying questions and provided comments. The discussion addressed many issues including construction deadlines, organizational expertise, land use, fish and wildlife habitat, public health and safety and the ground water act. The Council agreed with the staff recommendation that the three year construction commencement deadline was adequate given the applicant's ability to use the amendment process to request an extension of the construction deadline. The Council also agreed with a staff recommendation to modify a DPO finding regarding the organizational expertise standard to be consistent with past practices. Council also provided comments on a condition to which the applicant objected, which restricted the amount of water to be used during construction to 30 million gallons. Staff explained that the 30 million-gallon limit was based on the applicant's representation, but that staff agreed that some flexibility was appropriate. Council recommended including the Limited Water Use License in the condition language and keeping it at 30 million gallons, but providing some more headroom in the condition.

Further discussion was had regarding land use regulations for siting on high value soils. The meeting was called into recess to further review the OAR requirements regarding siting on high value soils. The meeting was called back into session; Renee France stated that the applicable rule is OAR-660-033-130(37).

At Councilor Jenkins' request, Renee France explained the process that will follow after the Department issues the Proposed Order.

H. Western Electric Coordinating Council-wide Energy Imbalance Market Initiatives (Information

Item): Vijay Satyal, Senior Policy Analyst provided an update regarding Energy Imbalance Market Initiatives and WECC issues. Mr. Satyal described different renewable resources, integrating wind in the Northwest and further described what the Energy Imbalance Market is intended to do and what an Energy Imbalance is. The council asked an informative question.

I. Public Comments:

J.R. Cook, Pendleton, Oregon, provided public comment on the cumulative impacts of transmission and related facilities in the NE Region and high-value agricultural lands.

Glen Harrison, Albany, Oregon, provided public comments regarding projects that impact Oregon's historic trails.

Irene Gilbert, La Grande, Oregon, provided comments regarding Friends of the Grande Ronde Valley and stated that they will continue to be a group even with the withdrawal of the Application for Site Certificate for the Antelope Ridge Wind Farm.

Chair Wolfe announced a break to get working lunches, with the meeting to reconvene at 12:30 p.m.

J. Energy Policy Update (Working Lunch Information Item): Margi Hoffman, Governor's Energy Policy Advisor, provided an update on the 10-Year Energy Action Plan. Ms. Hoffman gave a brief update on the outcome of the Legislative session and provided further information on administrative actions that are happening that will have an impact on the conversations that EFSC has regarding siting energy facilities in Oregon. She also gave an update on the development of a Sage Grouse Mitigation Strategy for Oregon and Regulatory Streamlining. Council asked informative and clarifying questions.

K. Troutdale Energy Center (Review Item): EFSC Counsel Renee France, Department of Justice (DOJ), explained that this a Draft Proposed Order review and provided an overview of Council's role at this stage in the process, which mirrored the earlier discussion regarding the Saddle Butte DPO review process.

Renee Dowlin, Council Member, stated that she has an actual conflict and will not participate in the Council's review of the Troutdale matter because until recently she was an employee of the Port of Portland, which owns the property on which the TEC is proposed to be located.

Chris Green, Energy Facility Siting Analyst, explained that with the volume of written and oral comments received during the hearing the night before, he was unable to review all of them and was unable to provide additional comments to the Council prior to the DPO review. Mr. Green stated that he believed in general the comments mostly pertained to issues that had already been raised in the DPO, but couldn't definitively say that the information he hadn't read would not result in changes to recommendations. He explained that he could provide his prepared presentation if the Council would prefer, but it would not contain evaluation of the most recent comments. Following discussion, Council members agreed that all the new information should be assimilated and reviewed by the Department's staff and then sent on to the Council for review. Chair Wolfe stated that he would prefer that the DPO review take place in person at the next EFSC meeting. The remaining council members concurred. Council Jenkins also requested a copy of the Hearing Officer's Report. Todd Cornett stated that because the Council members were present during the DPO hearing, staff had not requested that the Hearing Officer prepare a written report and therefore he could not definitively commit to providing the report, but that staff would make that request.

Action: The motion was made by Councilor Beyeler, and seconded by Councilor Mohlis, to continue the Council's review of the Draft Proposed Order for the Troutdale Energy Center at the next scheduled meeting in November.

Vote: Beyeler, yes; Dowlin, abstain; Wolfe, yes; Mohlis, yes; Jenkins, yes. Motion passed.

L. Rulemaking (Information Item): Lee Willeman, Policy Analyst/Rules Coordinator, provided an update on upcoming rule making activities. Mr. Willeman explained that draft language is being developed for rule making changes related to siting amendments and that the Department would like to have solid information for the amendment advisory committee to review. He stated that this process would extend into 2014. Mr. Willeman gave further information regarding rulemaking as a result of HB2106, which addresses the EFSC balancing authority. Mr. Willeman stated that the Department is in the process of tracking potential rulemaking possibilities. Todd Cornett explained that we would, in the future, present a specific list to the Council of items for potential future rulemaking and then have the Council prioritize them.

M. Carbon Dioxide Rulemaking (Action Item): Lee Willeman, Policy Analyst/Rules Coordinator, provided information on the proposed amendments to the carbon dioxide emissions standard and carbon dioxide offset standard for power plants. Mr. Willeman stated that this is a straight-forward rulemaking and that the Department had not requested an advisory committee. He stated that the Department opted to allow for oral comments during this EFSC meeting. He explained that the Department is recommending that Council approve rule changes to amend the carbon dioxide offset standards under OAR 345-024-0550(2) and OAR 345-024-0590(2) in order to incorporate new international carbon dioxide standards for both non-base load and base load power plants; and to approve rule changes to amend the carbon dioxide emissions standard under OAR 345-024-0590(5) to correct an inadvertent error that was made when the rules were amended in May 2012.

Chair Wolfe opened the floor for comments; no comments were made. Mr. Willeman provided information on the written comments already received by the Department. Chair Wolfe closed the comment period.

Action: The motion was made by Councilor Mohlis, and seconded by Councilor Beyeler, to adopt the proposed changes to amend the rules related to non-base load power plants under OAR 345-024-0590(5), and to carbon dioxide emissions standards for base load gas plants under OAR 345-024-0550(2) and non-base load power plants under OAR 345-024-0590(2).

Vote: Mohlis, yes; Jenkins, yes; Beyeler, yes; Dowlin, yes; Wolfe, yes. Motion passed.

N. Public Comment (Information Item): Chair Wolfe opened the floor for public comments; there were none. Chair Wolfe closed the comment period.

The meeting was adjourned at 2:03 p.m.