Energy Facility Siting Council
Thursday, September 21, 2017
Friday, September 22, 2017
Meeting Minutes

Oregon Department of Energy
Boardman City Hall
200 City Center Circle
Boardman, OR 97818

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THURSDAY, SEPTEMBER 21ST, 2017

Call to Order: The meeting was called to order at 3:00 p.m. on September 21, 2017 by Chair Barry Beyeler.

Roll Call: Council Chair Beyeler and Council Members Hanley Jenkins, Marcy Grail, and Betty Roppe were present. Vice Chair Renee Dowlin was present via phone. Council Member Jack Billings was unavailable.

Oregon Department of Energy representatives present were Council Secretary Todd Cornett, Senior Policy Advisor Maxwell Woods, Senior Siting Analyst Sarah Esterson, Rulemaking Coordinator Jason Sierman, Operations Analyst Sean Mole, Public Affairs Specialist Cliff Voliva and Administrative Assistant Megan Boardman.

EFSC Counsel Jesse Ratcliffe, Department of Justice (DOJ), was also present.

A. Consent Calendar (Information and Action Items) – Todd Cornett, Assistant Director/Council Secretary

1) Meeting Minutes
   Action: A motion was made by Councilor Jenkins and seconded by Councilor Roppe that the minutes of the June 23, 2017 meeting be approved.
   Vote: Roppe, Yes; Jenkins, Yes; Beyeler, Yes; Dowlin, Yes; Grail, Yes.
   Motion Carried.

2) Council Secretary Report
   a. Agenda Modification: No agenda modifications. However, if Agenda Item B (Carbon Dioxide Rulemaking Hearing) concludes prior to the 4:30, which is the start time for Agenda Item C (Structural and Geologic Rulemaking Hearing) Mr. Cornett will ask to bring forward Item E which should take less than 10 minutes. He explained they are behind on meeting minutes, but will try to have those finished by October.
   b. Council Member Update: Trey Senn is no longer on the Council; our newest Council Member is Direlle Calica. Ms. Calica was confirmed on September 18th to replace Trey. Her bio includes a law degree from Lewis and Clark; undergraduate degree in Social and Political Science from Portland State University; Managing Partner of Kanim Associates, which is a Native American, Women and Veteran owned consulting company; experience as a legislative, policy, planning and regulatory advisor; experience in intergovernmental affairs, hydro system planning related to tribes, environmental entrepreneurship and tribal energy policy; she is a citizen of the Confederated Tribes of Warm Springs. Unfortunately Ms. Calica had a prior commitment and could not attend this meeting. Trey Senn was on the Council for over 8 years, fulfilling both of his two terms. Mr. Cornett expressed his gratitude for all of his hard work and dedication.
   c. Meeting Dates:
      October 19th and 20th in Portland, possibly at the Jantzen Beach/Oxford Suites. Anticipated agenda items include: Amendment Rulemaking (ready for Council’s deliberation and possible decision);
recommending the addition of another financial institution; appointing the special advisory group for the Nolin Hills Wind Project; appointing a hearing officer for the Boardman Solar project; and a site visit to the Dittmer Control Center on Friday where there will be less than a quorum present.

November 16th and 17th – Have not yet determined if a meeting is necessary.

d. Project Updates:

**Boardman Solar Energy Facility** – Katie Clifford is the project lead. This is the approximately 75 MW solar PV project on 600 acres just west of here at the border of Gilliam County and immediately south of I-84. The application was deemed complete on August 29th. Last night in the Sage Center, staff and the applicant held a Completeness information meeting to inform the public of the status of the project and the next steps which will be the issuance of the Draft Proposed Order and the Draft Proposed Order hearing. A site visit occurred this morning and Chair Beyeler and Council Member Grail attended.

**Nolin Hills Wind Power Project** – Katie Clifford is the lead analyst. This is a 350 MW project on approximately 45,000 acres in north central Umatilla County. The Notice of Intent was submitted on September 7th and is available on our website. The Notice of Intent was sent to County on September 8th and materials are available on our website.

**Jordan Cove Energy Project, Pacific Connector Gas Pipeline** – Sean Mole is the project lead. ODOE entered into a reimbursement agreement with the applicant to allow for state agencies to get reimbursement for their participation in the Federal review. On May 1, 2017, Veresen announced their impending sale to Pembina Inc. a larger Canadian natural gas infrastructure company. We anticipate the applicant submitting their application within the next two weeks.

**Montague Wind Power Facility Change Request #3** – Chase McVeigh-Walker is the project lead. The change request was received on August 4th and sent to Council by email on August 9th. Materials have been posted to the project page as “Change Request #3.” The two requests include modifying the site boundary, adding two new areas which will allow for the construction of more direct electrical lines and access roads at the facility; and to adjust the transmission line corridor. Staff is still working to determine if there is enough information to make a determination. Once staff makes a determination of whether or not an amendment is required, we will forward that to Council. Any Council member can request that determination come to the full Council for your review and determination.

**Columbia Ethanol Project** – Sarah Esterson is the project lead. The change request #1 was received on May 25th and sent to Council by email on July 31st. The request is for a cooling tower modification to include a new cooling tower cell for increased efficiency and evaporation of facility generated water. The staff’s focus has been on Pacific Ethanol’s amendment. Once staff makes a determination of whether or not an amendment is required, we will forward that to Council.

e. **Columbia Gorge Fire Updates** – Chair Beyeler asked for an update of any impacts from the fires along the Columbia to the electrical transmission system.

BPA field staff have been closely coordinating with state fire officials since the beginning of the Eagle Creek Fire. Some lines were temporarily de-energized for firefighting purposes when the fire started to move in a different direction but power was still available from other lines and no BPA customers have been without power.
PGE lines were unaffected.

In addition to the obvious direct impact of fire to the transmission infrastructure, there is an increased opportunity for arcing because the smoke and fire can be a conduit. However, there have been no reports of additional fires started as a result in arcing.

B. [3:30 p.m.] Rulemaking Hearing: Carbon Dioxide (Phase 1) (Information Item) – Jason Sierman, Rulemaking Coordinator

Mr. Sierman provided a background for the purpose of this rulemaking hearing and the potential adoption of final rule language for the Phase 1 update to the Council’s carbon dioxide (CO2) standards. This rulemaking proposes to evaluate and update the monetary offset rate per ton of CO2 emissions, and update the CO2 equivalency weights for methane and nitrous oxide under the standard for non-generating energy facilities that emit carbon dioxide.

Councilor Roppe commented a review is necessary more than every 10 years because 50% is a large increase.

Mr. Sierman presented the evaluation of the monetary offset rate per ton of CO2 emissions; stating that a 2007 rulemaking amended the monetary offset rate for carbon dioxide emissions from $0.85 to $1.27 per ton of CO2 emissions. The monetary offset rate has not been updated since 2007. Based on staff’s research, the current monetary offset rate is priced considerably below the cost per ton of CO2 equivalent offsets in other states and regions that have implemented CO2 trading programs, including California. In order to bring the monetary offset rate closer to the current market cost of offsets, it is necessary to increase the monetary offset rate. This rulemaking proposes to update the monetary offset rate under OAR 345-024-0580 from $1.27 to $1.90 per ton of CO2. This would be a 50% increase. Under ORS 469.503, the Council may increase or decrease the monetary offset rate no more than 50% in any two-year period. If the Council adopts the proposed increase to $1.90, ORS 469.503 would restrict the Council from adopting another increase or decrease to the monetary offset rate until at least 2-years after the effective date of this rulemaking.

Staff recommends changing the monetary offset rate from $1.27 to $1.90. Staff recommends changing the methane equivalency value from 23 to 25 pounds of CO2 and changing the nitrous oxide equivalency value from 296 to 298 pounds of CO2. Mr. Sierman reviewed the rulemaking process beginning with staff drafting proposed language, Council approving the process, Council authorizing Staff to issue Official Notice, Staff issuing Official Notice, Public Comment Period provided, Public Hearing before Council, providing a Staff Report and for the next step for the Council to consider the proposed rule language in conjunction with its consideration of all comments received on the record before the end of the rulemaking hearing on September 21, 2017.

Secretary Cornett responded to Council Member Jenkins question regarding the length of time, providing background that the offset was designed to be evaluated every two years whether it justified a change or not. Prior to Mr. Sierman, there was staff turnover and a centralized rulemaking within the agency. Siting now has a program with its own rulemaking coordinator. There was a gap, but now Council will see a host of future rulemakings we should have dealt with prior to this. The infrastructure was not in place and we are playing catch-up. Chair Beyeler questioned whether the program will continue with the turnover of the staff at the Siting Division and Secretary Cornett responded that the division is building that infrastructure and increasing consistency with record keeping and how business is being performed. He mentioned goals to increase public participation, more efficiency in reviewing application, better relationships with other state governments; those things had not been built in the past, but now it is on our radar. The goal is also to be more resilient to withstand any staff turnover.

Councilor Roppe commented a decision will be made tomorrow, but they were handed comments from several agencies today. She questioned whether there would be time to read them before a decision. Secretary
Cornett responded the hearing is today, so the comment timeframe goes through today. Council will get some oral testimony on this which will be valuable for Council and also why the hearing is today and deliberation is set for tomorrow. As the rates are below the market rate, the Department felt there was high likelihood that the Council would be comfortable with that increase.

Mr. Sierman began the hearing at 3:54 p.m. located in City Hall in Boardman, Oregon. The record will close at the end of this hearing unless extension is granted. Council will review issues before making decision occurring tomorrow. First, Council will hear from those who are here and then those on the Council. We have three people with a 4 minute time limit.

Dan Serres for Columbia River Keepers: The maximum allowable increase to $1.90 makes sense at this time. At the current pace of rulemaking, it will taking six years of increases to reach relevant market prices. He also supported the correction in the clerical error about CO2 or methane and nitrous oxide. Mr. Serres encouraged the Council to use a higher value where possible and encouraged the Council to consider the 20 year global warming for pollutants.

Waldo Hernandez for Columbia River Keepers: Mr. Hernandez supports $1.27 to $1.90 as this allows communities to reduce the impacts of climate change and to reduce harmful chemicals that pollute our community’s ecosystem. He urged for supporting our communities, in the daily life of residents and in the economy.

Sheldon Zakreski for The Climate Trust: The Climate Trust does not take any position on this, but is open for questions about the history of the rule. Mr. Zakreski answered Councilor Jenkin’s question regarding his view on the 10 year length of time in an increase. Mr. Zakreski indicated that The Climate Trust doesn’t have a strong view. Secretary Cornett stated the responsibility of the gap in time lies entirely with the Siting Division.

Brendan McCarthy for Portland General Electric (PGE). Objected to the proposal to increase the price. This has nothing to do with PGE’s commitment to carbon reduction or to question the value of carbon offsets. He commented that PGE customers pay the cost of these carbon offset through their rates for electricity. He questioned if they were paying more for any good reason. There is variability in market prices for offsets and this proposed monetary rate may not relate to the market price of offsets. Mr. McCarthy mentioned potential legislation related to cap and trade need to be brought into the conversation.

After a final check for anyone else wishing to comment, Mr. Sierman concluded the rulemaking hearing for the day at 4:12 p.m. The record is closed and no other comments are accepted at this time.

E. [MODIFIED AGENDA] The Climate Trust Financial Audit for 2016 – Todd Cornett, Assistant Director/Council Secretary

Secretary Cornett presented as an information item The Climate Trust Financial Audit for 2016. The Climate Trust complies with OAR 345-001-0010(50)(d) which is consistent with ORS 469.503(2)(e)(N)(iv): “has made available on an annual basis, beginning after the first year of operation, a signed opinion of an independent certified public accountant stating that the qualified organization’s use of funds pursuant to this statute conforms with generally accepted accounting procedures except that the qualified organization shall have one year to conform with generally accepted accounting principles in the event of a nonconforming audit.” On May 3, 2017, financial statements from The Climate Trust were submitted, which shows compliance with this requirement.

[4:30 p.m. 10 minute break]
C. [4:30 p.m.] Rulemaking Hearing: Structural and Geologic (Information Item) – Jason Sierman, Rulemaking Coordinator

Mr. Sierman provided background for the purpose of this rulemaking hearing; to amend rules and rule provisions addressing structural, geologic, and seismic related issues and hazards. Mr. Sierman explained the rulemaking was needed to eliminate references to specific codes, which quickly become outdated; to better describe the relationship and consultant requirements between the applicant or certificate holder and the Department of Geology and Mineral Industries (DOGAMI); focus application assessment on site and facility specific risks; add factors the applicant must consider in its assessments; and to eliminate inefficient and unnecessary language. Councilor Roppe asked a question regarding when the last update took place, with Mr. Sierman responding a reference to a 2011 timeframe.

As discussed and shown in redlines, this rulemaking amends the following rules: 1) OAR 345-021-0010 Contents of an Application; 2) OAR 345-022-0020 Structural Standard; 3) OAR 345-027-0020 Mandatory Conditions in Site Certificates; and 4) OAR 345-050-0060 Site Suitability. Staff recommends that the Council adopt the proposed language as final permanent rules and authorize staff to file the adopted permanent administrative rules with the Oregon Secretary of State. These rules would be effective upon filing, with a target filing date of September 28, 2017.

Mr. Sierman began the hearing at 4:36 p.m. located in City Hall in Boardman, Oregon. The Council will receive oral public comments on the proposed amendments to OAR345-021-0010, 345-022-0020, 345-027-0020. The deadline to provide the Council with oral or written comments on the proposed amendments is the close of the hearing.

Irene Gilbert for Friends of the Grande Ronde Valley and Stop B2H Collaborative: There are issues impacted by this rule (referring to Boardman to Hemingway) that may have a direct impact on Union County citizens. Ms. Gilbert expressed her concern for language to be included to identify potential hazards without a seismic event, but also those that could occur in the event of one. Ms. Gilbert expressed the 3 areas that are redlined shouldn’t be removed.

Matt Hutchinson for Avangrid Renewables: Provided general support for changes to rules as it integrates practice already used before construction. Mr. Hutchinson pointed out two concerns; first to the text “rapid recovery”, suggesting removing the word rapid. As an independent power producer, there is no obligation to come back online rapidly and this could be interpreted for an applicant to stockpile equipment; it is not standard practice for the industry. Secondly, Mr. Hutchinson questioned the department having the expertise to coordinate these rules.

David Stanish for Idaho Power Company: The proposed rule change goes beyond an administrative update; the proposed rules require applicants to evaluate future climate changes of facility through life of the project. ODOE hasn’t explained why it’s needed or how it’s supposed to be implemented. Applicants would need to include response to disasters. Mr. Stanish stated the new rules empower DOGAMI beyond what’s necessary and beyond their expertise. While applicants do coordinate with DOGAMI, Idaho Power Company thinks the authority should be left to ODOE and to the Council. He requests the Council to not adopt the proposed rules and to direct ODOE to eliminate any subsequent rules and draft new standards, by cross referencing that rule or identifying the same standard referenced in that rule.

After a final check for anyone else wishing to comment, Mr. Sierman concluded the rulemaking hearing for the day at 4:54 p.m. The record is closed and no other comments are accepted at this time.
D. Rulemaking Amendment Processes (Information Item) – Jason Sierman, Rulemaking Coordinator

Mr. Sierman provided to the Council an update on the amendment processes rulemaking. The last (third) rulemaking hearing that functioned as a work session was back in July. During Council’s consideration of each line item, the Council heard from interested persons from the public that wished to provide input. After reviewing each key proposed change and after considering the input, the hearing closed. After the hearing, the Council gave direction to staff, agreeing with many of the proposed changes and directing staff to make revisions. In addition to directing staff, the Council also directed staff to meet with interested persons to hear their input related to the Council directed revisions, as well as to extend the comment period for this rulemaking. The Council directed the extended comment period be open for written comments only and directed staff not to include a fourth rulemaking hearing.

Mr. Sierman presented the latest Council direction that include:

- A third review process for requests for amendment qualified for expedited review (Type C);
- Require certificate holders to submit an Amendment Determination Request (ADR) for proposed additions of area to the site boundary;
- Eliminate language requiring certificate holder to participate in a Pre-Amendment Conference prior to submitting a RFA to add area to site boundary;
- Retain ability for certificate holder to submit an ADR to ask staff whether an RFA can be reviewed through the process with fewer steps;
- Eliminate any specific factors staff and the Council should consider when determining whether an addition of area to the site boundary requires an RFA, and strictly rely on the analysis of the “3 coulds” test under 345-027-0050;
- Refine the factors staff and the Council consider when determining whether to review an RA through the Type B review process rather than Type A;
- Require the Preliminary RFA and all ADRs to be posted to the EFSC website.

Secretary Cornett suggested it is helpful to think about Type C as two halves; the first half is necessary to get a temporary decision in the timeframe for these construction related circumstances. Time is of the essence so that first half of this process was designed on that. The second half is flowing back into the proposed process depending on Council determination of Type A or Type B, other than for very limited circumstances. The first half is for the certificate holder, the second half is designed for public and reviewing agencies.

Mr. Sierman stated the next step includes the Council to consider all comments received on the record at its October 19-20, 2017 meeting. Should the Council need additional time to consider all comments received, it may postpone its decision on adoption of permanent rules to a future Council meeting.

Public Comment

This time is reserved for the public to address the Council regarding any item within the Council’s jurisdiction that is not otherwise closed for comment.

Irene Gilbert for Friends of the Grande Ronde Valley and Stop B2H Collaborative: Concern regarding the notice to public having several places of inaccuracy and would appreciate if the Council could see the second memo relating to the process. Her second issue is regarding the funding provided to Union County and issues related to statutes. Councilor Jenkins commented it is common in Oregon law to write a rule through the Council; the rule explains how a statute is going to be implemented. Mr. Ratcliffe explained the statute being referenced refers to funding and raises the question of scope. There were certain items that were outside the scope that the staff requested the County comment on. Secretary Cornett stated there was no money given to Union County; it was an authorization to get reimbursement for the use of a consultant limited to the scope of work approved by the Council.
Sue Oliver, Consultant, Irrigon, Oregon: Ms. Oliver commented she hoped Council will consider further regarding the Union County request being last minute; she requested an agenda item to clarify for all special advisory groups that might need assistance in this complicated project.

[5:32 p.m.] Chair Beyeler recessed the meeting until tomorrow at 8:30 a.m.

FRIDAY, SEPTEMBER 22\textsuperscript{ND}, 2017

Call to Order: The meeting was called to order at 8:30 a.m. on September 22, 2017 by Chair Barry Beyeler.

Roll Call: Council Chair Beyeler and Council Members Hanley Jenkins, Marcy Grail, and Betty Roppe were present. Vice Chair Renee Dowlin was present via phone. Council Member Jack Billings was unavailable.

Oregon Department of Energy representatives present were Council Secretary Todd Cornett, Senior Policy Advisor Maxwell Woods, Senior Siting Analyst Sarah Esterson, Rulemaking Coordinator Jason Sierman, Operations Analyst Sean Mole, Public Affairs Specialist Cliff Voliva and Administrative Assistant Megan Boardman.

EFSC Counsel Jesse Ratcliffe, Department of Justice (DOJ), was also present.

Announcement: Secretary Cornett gave an update that the Jordan Cove application was submitted by Veresen to the Federal Energy Regulatory Commission.

F. Rulemaking: Carbon Dioxide Phase 1 – Council Deliberation (Action Item) – Jason Sierman, Rulemaking Coordinator

This time is reserved for the Council to deliberate and decide whether to approve final rule language and/or provide additional direction staff.

Vice Chair Dowlin commented that projects built years ago are at cheaper rates than new rates being brought online. There’s always new carbon offsets to be had so this cost difference in increase is needed because we’re running out of existing projects and the new ones are going to be more expensive so we need to increase the costs.

Councilor Grail asked which other utilities are affected by the increase besides PGE. Mr. Sierman said it could be any utility, with any proposals to build, independent power producers to merchant facilities that it could be anyone who wants to build a fossil fuel emitting energy facility that is in Council’s jurisdiction.

Councilor Jenkins made a comment that it has been 10 years since the rate has been adjusted and it appears that $1.90 is substantially below what has been recognized as a rate that’s currently existing out there generally. The statute does allow to increase and decrease the rate for carbon dioxide. Mr. Jenkins expressed his interest in revisiting this in 2 years and having a more in depth discussion as to how we evaluate this rate.

Action: Councilor Roppe made a motion that the Council approve the proposed rule amendments, as presented by staff, and as permanent rule language to become effective upon filing with the Oregon Secretary of State. Vice Chair Dowlin seconded the motion.

Vote: Jenkins, Yes; Beyeler, Yes; Dowlin, Yes; Grail, Yes; Roppe.
Motion Carried.

This time is reserved for the Council to deliberate and decide whether to approve final rule language and/or provide additional direction to staff.

Councilor Jenkins commented that he had gone through Idaho Power’s written testimony and that he does not agree with them that the proposed rule changes arbitrarily defer the determination of the building standards to DOGAMI. The rule talks about consultation and not referring or delegating authority to DOGAMI. DOGAMI’s consultation with us on their expertise is clear; we are looking for their advice in dealing with these issues. He would like to hear more discussion about their request to delete the word “rapid.” He provided discussion points surrounding access roads.

Chair Beyeler commented he concurred on “rapid” not being needed, adding it needs to be a more base load of facilities and transmission lines to support infrastructure.

Councilor Jenkins suggested deleting the sentence as it puts undue burden on the access roads issue.

Secretary Cornett responded some of this information came from DOGAMI to include and that he agrees “rapid” is not well defined, so staff is comfortable with removing that and with the access road issue, whether it’s in there or not, we’re going to evaluate every related facility. The requirements of construction maintenance are going to be as necessary to meet this particular standard.

Councilor Jenkins commented he didn’t agree with Idaho Power’s analysis of including the term expected life span of proposed facility as they are claiming throughout the life, so there is constant re-evaluation. It is not identified that way in the rules.

Staff produced the rules using the projector screen, allowing strikeout on places Council made comments on, including crossing out rapid in two locations and removing the second sentence in subsection F, ii. (To remove references to the word rapid on page 2, line 23, remove the word rapid on page 3, line 26. Remove the second sentence on Line 29, 30, 31 on page 3, to read, “An assessment of future climate conditions for the expected life span of the proposed facility and the potential impacts of those conditions on the proposed facility.”)

[15 minute break due to technical difficulty: return at 9:30 a.m.]

Action: Councilor Jenkins made a motion that the Council approve the proposed rule amendments, as presented by staff, as permanent rule language to become effective upon filing with the Oregon Secretary of State, with the following specific revisions: remove the word a “rapid” in OAR 345-021-001 and remove the second sentence in OAR 345-021-001 and revise it to read, “An assessment of future climate conditions for the expected life span of the proposed facility and the potential impacts of those conditions on the proposed facility.”

Councilor Roppe seconded the motion.

Vote: Grail, Yes; Roppe, Yes; Jenkins, Yes; Beyeler, Yes; Dowlin, Yes.

Motion Carried.


Mr. Sierman reviewed the next steps: Staff will reach out to the entities and persons the Council appoints as potential Rulemaking Advisory Committee (RAC) members to confirm their interest and availability. After concluding its meetings with the RAC, staff would return to the Council with proposed rule language for the Council to review.
**Action:** Councilor Jenkins made a motion that the Council appoint a RAC, and that the RAC be composed of the entities and people presented by staff. Councilor Roppe seconded the motion.

**Vote:** Beyeler, Yes; Dowlin, Yes; Grail, Yes; Roppe, Yes; Jenkins, Yes.

Motion Carried.

Secretary Cornett requested in terms of the RAC, it’s helpful to have one or two Council Members as designated to participate on the RAC. Coordination will be followed-up.

Discussion surrounding clarifying the scope of the rulemaking surrounding all aviation, not just military.

**Action:** Councilor Jenkins made a motion that the RAC be limited to aircraft but not just military. Councilor Grail seconded the motion.

**Vote:** Grail, Yes; Roppe, Yes; Jenkins, Yes; Beyeler, Yes; Dowlin, Yes.

Motion Carried.

[5 minute break]

**I. Mist Underground Natural Gas Storage Facility, Temporary Order on Request for Amendment 12:**

**Review of Requests for Contested Case (Action Item) – Maxwell Woods, Senior Policy Advisor**

The Council considered the request for contested case received on or before the September 5, 2017 deadline. After Council determination of whether the request(s) justify a contested case, the Council will issue an order granting or denying the contested case. If the request(s) for contested case are denied, the Council will adopt the temporary order, issued on August 18, 2017, as the final order authorizing a new limited water use license for water access during pipeline construction from an existing diversion point located in Beaver Slough, north of Clatskanie, in Columbia County. The Department recommends under OAR 345-027-0080(9)(b), if the Council decides that an issue does not justify a contested case, the Council shall deny the contested case request. The Council would issue a written order specifying the basis for the denial and adopt the amended temporary order as the final order. The Council may incorporate the written order denying the requests for contested case into a combined final order denying the requests and approving amendment 12.

**Action:** Councilor Jenkins made a motion that the Council deny the requests for contested case and issue a combined order denying the requests for contested case and adopting the basis for denial as presented by staff in the final order on the Mist Underground Natural Gas Storage Facility Amendment 12. Councilor Grail seconded the motion.

**Vote:** Dowlin, Yes; Grail, Yes; Roppe, Yes; Jenkins, Yes; Beyeler, Yes.

Motion Carried.


Mr. Mole provided an overview of the draft Public Guide. He described the material was developed for the citizens of Oregon, with the material containing a description of the state siting process and providing critical points for public involvement. The guide will be publicly available via the Oregon Department of Energy website and will be revisited and revised in six months and annually thereafter. Any significant changes to process will be updated as needed.

**L. Montague Wind Power Facility Pre-Construction Update (Information Item/Working Lunch) – Sarah Esterson, Senior Siting Analyst**

Ms. Esterson presented a facility overview and an update on the Montague Wind Power Facility including an update on results of pre-construction wildlife surveys and finalization of the Habitat Mitigation Plan, Revegetation Plan and Wildlife Monitoring and Mitigation Plan based upon final facility design/layout identified during pre-construction compliance submittals.
The Department required the Habitat Mitigation Plan remove actions for habitat subtype no longer impacted; in the Revegetation Plan to reference site, topsoil management, pre-reveg agency consultation, reporting and with the Wildlife Monitoring and Mitigation Plan, include minor updates to fatality monitoring, and raptor nest survey protocol.

[Break, back at 12:30 p.m.]

**J. [MODIFIED AGENDA] Columbia Ethanol Project, Proposed Order on Request for Amendment 1 of the Site Certificate (Action Item) – Sarah Esterson, Senior Siting Analyst**

Ms. Esterson: The Council considered the Proposed Order on Request for Amendment 1 of the Columbia Ethanol Project Site Certificate. The public comment period and deadline for requesting a contested case closed on September 7, 2017, during which three comments and no requests for contested case were received. Substantive comments were received from the Confederated Tribes of the Umatilla Indian Reservation (CTUIR); the Department recommends that Council amend the proposed order to adequately address CTUIR comments. Staff recommends that Council conclude the facility, as amended, would comply with all applicable Council standards and other applicable rules and statutes. For the Retirement and Financial Assurance standard, the proposed order presents two scenarios for Council consideration, both of which were recommended to satisfy the requirements of the standard. The first scenario evaluates compliance with the Retirement and Financial Assurance based upon decommissioning the facility by removal of all above-ground infrastructure to slab-grade and requiring a bond or letter of credit in the amount necessary for this level of decommissioning and restoration. The second scenario evaluated compliance with the Retirement and Financial Assurance standard based upon decommissioning facility by removal of all hazardous and non-hazardous materials, but leaving the clean, above-ground infrastructure (predominately consisting of steel tanks and buildings) in place for future industrial use by the land owner (Port of Morrow[POM]). Further, under this scenario, the Department recommended new and amended site certificate conditions (IV.C.2(b), IV.C.4, and IV.C.13) requiring adherence to an executed agreement between the certificate holder and POM, where POM agreed to liability and future responsibility of the site, and requiring the certificate holder to demonstrate annually coverage under commercial business insurance for onsite high-loss risk events (such as fire or explosion) to minimize the potential for hazardous, non-useful conditions at the site. The certificate holder requested Council’s review of the second scenario. The Department recommends that Council approve an amended proposed order, based on the second scenario presented for the Retirement and Financial Assurance standard, and incorporation of edits addressing CTUIR comments, and issue a final order authorizing a site certificate amendment consistent with the facility modifications requested in RFA 1.

**Action:** Councilor Jenkins made a motion that the Council adopt the amended proposed order as the final order on Amendment 1 of the site certificate, as presented by staff, and issue an amended site certificate for the Columbia Ethanol Project. The amendments to the proposed order include approval of the second scenario presented under the Retirement and Financial Assurance standard, resulting in the following revisions: 1) Amend Site Certificate Condition IV.C.2(b) as proposed by staff; 2) Amend Site Certificate Condition IV.C.4 as proposed by staff; 3) Add Site Certificate Condition IV.C.13 as proposed by staff to be consistent with Section 4 of the POM executed agreement; and make necessary adjustments to the final order to conform with the decision. Councilor Roppe seconded the motion.

**Vote:** Roppe, Yes; Jenkins, Yes; Beyeler, Yes; Dowlin, Yes; Grail, Yes.

Motion Carried.

**Public Comment** – This time is reserved for the public to address the Council regarding any item within the Council’s jurisdiction that is not otherwise closed for comment.
Irene Gilbert for Friends of the Grande Ronde Valley: Expressed concern regarding the reduction in bonding for the Columbia Ethanol Project. Ms. Gilbert expressed frustration that her comments on the structural rulemaking were not taken into consideration whereas Idaho Power’s comments were.

**Meeting Adjourned at 1:46 p.m.**