

# OREGON DEPARTMENT OF ENERGY 2018/2019

## SITING DIVISION – COMPLIANCE PROGRAM – WORK PLAN

After a facility receives a site certificate, Energy Facility Siting staff, on behalf of EFSC, monitor the facility throughout its life cycle to verify that it is constructed, operated and retired consistent with the approved site certificate conditions. In order to establish program expectations and goals, and ensure all compliance activities are completed throughout the year, an annual compliance work plan is created. The first part of the work plan briefly describes the categories of activities. The second part consists of three tables outlining the specific compliance activities. The first table consists of the Compliance Work Plan Tasks for 2018-2019. The second table consists of Process Improvement Work Tasks for 2018-2019. The final table is the Anticipated Inspections for 2018-2019. These tables include status update columns to track the progress of each item throughout the year.

### Compliance Categories

#### 1. Facility Inspections

Operating Facilities – It is staff’s intent to inspect every operating facility at least annually. However, for some of the older facilities semi-annually may be more suitable. Frequency is determined based on condition requirements such as wildlife monitoring and mitigation plans, re-vegetation plans and habitat mitigation plans. Large facilities may require several days or multiple persons to complete the inspection. Site visits for facilities located in the same geographic area are scheduled together when possible to maximize efficiency and minimize cost.

Facilities in Pre-Construction/Construction – Documents required by site certificate conditions are reviewed and approved by the Compliance Officer. The Compliance Officer relies on other Department of Energy staff, state agencies, local governments and consultants where necessary. Inspections are done as needed to ensure site certificate conditions are met. For a typical site, one or more pre-construction site visits occur prior to ground breaking activities to photograph and document conditions prior to any disturbance. During construction, inspections occur as needed or monthly to verify that conditions in the site certificate are being complied with. Photos, document review, interviews and direct observation are the methods to verify compliance of the conditions. Each inspection results in a report for the record.

#### 2. Annual Report Review

Consistent with OAR 345-026-0080, most site certificate holders are required to submit annual reports no later than April 30 of each year. The annual report is an overview of the calendar year preceding the date of the report and includes the status of the facility, reliability and efficiency of power productions, fuel use, financial surety status, monitoring/mitigation report and a compliance report.

Prior to reviewing an annual report, staff familiarizes themselves with the operation conditions in the site certificate. The report is reviewed and identified issues noted. A semi-annually or annual site visit is conducted, to verify information in the annual report and

resolve any identified issues. A letter report is generated and sent to the site certificate holder. If corrective action is required, a corrective action plan and schedule is requested and monitored.

Per OAR 345-030-0010 Oregon State University and Reed College must submit annual reports associated with their research reactors by August 1 of each year that details any environmental effects, as specified in rule, which occurred during the prior calendar year.

### **3. Incident Notification Response**

Consistent with OAR 345-026-0170 and facility conditions, a site certificate holder is required to notify Siting staff within 72 hours of any occurrence involving an attempt by anyone to interfere with its safe operation, a significant natural event such as a fire, earthquake, flood, tsunami or tornado, or a human caused event such as a fire or explosion, or a fatal injury at a facility.

Oregon State University and Reed College have incident response requirements for their research reactors that are largely taken from the Nuclear Regulatory Commission's code of federal regulations.

### **4. Annual Fee Assessment**

Consistent with ORS 469.421(5), most certificate holders are required to pay an annual fee based on the estimation of compliance activities' costs for that facility. Each May, individual assessments for the next fiscal year are created. The assessments take into account the time to review the annual reports, the number of inspections to be done and administrative tasks such as records management and financial assurance updates. The annual fee is assessed in August for the July 1-June 30 period. Unanticipated work such as preparation for a proposed amendment, incident responses, or questions with annual reports will increase certificate holder's fee.

### **5. Financial Assurance Updates**

Consistent with OAR 345-025-0006(8), site certificate holders must maintain a bond or letter of credit in the amount estimated to restore the site back to a non-hazardous condition if the facility is retired and the site certificate holder does not decommission the facility and restore the site. The bonds or letters of credit are typically updated annually to keep pace with inflation and the associated financial institutions are evaluated annually for financial viability. The siting division holds these bonds or letters of credit on behalf of the Council.

### **6. Site Certificate Conditions**

Development of clear and enforceable site certificate conditions are instrumental to the Compliance Officer working in an efficient and effective manner. Early work with Siting Analysts in drafting conditions allows the Compliance Officer to ensure clear, enforceable and consistent conditions which, when applicable, can be applied across projects.

### **7. Exempt Facilities**

Consistent with OAR 345-015-0350, certain facilities are exempt from the requirement of obtaining a site certificate. To date, sixteen facilities have been granted exemption status by

EFSC. The Department will be undergoing a process improvement review in 2018-2019 to evaluate the compliance program with respect to exempt facilities. The Department is also planning a rulemaking project scheduled for Q4 2018 or Q1 2019 to review the rules associated with site certificate exemptions.

#### **8. Site Inspection Request Resolution**

Anyone may request an inspection by Oregon Department of Energy staff of an EFSC-jurisdiction facility. Oregon Administrative Rules 345-026-0050(2) provide guidance on submitting a request, which is limited to two areas:

- a. The requestor believes a violation of an EFSC order, site certificate condition, or warranty has occurred or may imminently occur; or
- b. A situation exists that may lead to unnecessary exposure of an individual to hazardous materials or unsafe or dangerous conditions.

The Compliance Officer is responsible for reviewing requests, communicating appropriately with the requestor and EFSC, and completing investigations, as warranted.

#### **9. Violations**

OAR 345 Division 29 outlines the process for issuing a notice of violation, assessing civil penalties and either revoking or suspending a site certificate. If a certificate holder or the operator of an exempt facility construct or operate a facility contrary to their site certificate or exemption, the enforcement procedures included in Division 29 are utilized. The Compliance Officer is responsible for managing any enforcement proceedings.

#### **10. Process Improvement**

The Department constantly looks for process efficiencies to increase timeliness, consistency, inclusiveness, transparency, predictability and to enhance relationships with the various groups who participate in the EFSC process. Process improvement tasks are typically one time efforts that allow us to better perform the compliance responsibilities listed above. Proposed process improvement tasks currently planned to be undertaken in 2018-2019 are included in the “Improvement Tasks” table below.

## Annual Tasks

Task Description	Status Update
<p><u>Facility Inspections</u> – Conduct 19 Operational Inspections and 6 Construction inspections to ensure each facility is being constructed and operated consistent with site certificate conditions.</p>	
<p><u>Annual Report Review</u> –</p> <ul style="list-style-type: none"> <li>• Receive all by April 30 (OSU and Reed research reactors submit by Aug 1)</li> <li>• Review annual report then conduct a semi-annual or annual site visit to verify conditions. During the annual report review, if the Department has questions or issues, the Department first works with the certificate holder to find answers or resolution. Additionally, the CO may be able to resolve the issue during the site visit.</li> </ul>	
<p><u>Financial Assurance Updates</u> – Ensure all bonds and letters of credit are updated to reflect present value. Verify all financial institutions are financially viable.</p>	
<p><u>Annual Assessment</u> – Create Individual assessments based on forecasted work/costs associated with each facility.</p>	
<p><u>Incident Response</u> – Provide the appropriate Department response to any safety, fatal injury or natural event incident at a facility.</p>	
<p><u>Violations</u> – Pursue all violations of site certificates and exemptions.</p>	

## Improvement Tasks

Task Description	Status Update
<p><u>Habitat Mitigation Area Assessment</u> – Establish procedures to evaluate Site Certificate Habitat Mitigation site; the protection of the habitat quality; the results of the enhancement actions conducted and the usage of the area by avian and mammal species.</p>	
<p><u>Site Certificate Transition</u> – Establish procedures to transition energy facilities from Siting Analyst to Compliance Officer after site certificates are executed.</p>	
<p><u>Incident Response Procedures</u> – Establish procedures for when and how the Compliance Officer responds to incidences that occur at a facility.</p>	
<p><u>Notice of Violation</u> – Establish procedures for when and how the Compliance Officer responds to certificate violations.</p>	
<p><u>Compliance Program Evaluation</u> – Review compliance program processes for workflow efficiency and robustness of site certificate holder reviews and audits, including pre-construction, construction, and operation phases. This information will feed into the ongoing compliance rulemaking project.</p>	
<p><u>Exempt Facilities and Non-Jurisdictional</u> – Move forward with next steps plan for Exemption monitoring, which may include site visits, rule changes and establishment of internal procedures for regular review.</p>	
<p><u>Review Reed and OSU Research Reactors Facilities</u> – This task includes review of the Site Certificate – Review of EFSC Division 30 rules related to facility and compliance – Annual Report Review, which would include the development of a bi-annual compliance monitoring plans. These facilities have significant reporting requirements to the Nuclear Regulatory Commission, and due to the age of their site certificates, an alternative compliance process is practical.</p>	

## 2018 - 2019 Forecasted Inspections

Facility Name	Phase	Anticipated # of Inspections	Inspection Completion Date	Inspection report Completion Date
Biglow Canyon Wind Farm	Operating	1 Operating		
Boardman Coal Plant	Operating	1 Operating		
Boardman Solar Facility	Approved -Not built <i>Must construct by 2/23/2021</i>	Non Anticipated		
Carty Generating Station	Operating	1 Operating		
Columbia Ethanol Project	Operating	1 Operating		
Coyote Springs Cogeneration - PGE	Operating	1 Operating		
Coyote Springs Cogeneration - Avista	Operating	1 Operating		
Eugene to Medford Power Line	Operating	Non Anticipated		
Golden Hills Wind Project	Approved-not built <i>Must construct by (6/18/2020)</i>	Non Anticipated		
Hermiston Generating Project	Operating	1 Operating		
Hermiston Power Project	Operating	1 Operating		
Klamath Generation Peakers	Operating	1 Operating		
Klondike III Wind Project	Operating	1 Operating <i>*1-HMA Assessment</i>		
Leaning Juniper IIA Wind Power Facility	Operating	1 Operating		
Leaning Juniper IIB Wind Power Facility	Operating	1 Operating		

## 2018 - 2019 Forecasted Inspections

Facility Name	Phase	Anticipated # of Inspections	Inspection Completion Date	Inspection report Completion Date
Mist Underground Gas Storage Facility	Under Construction	2 Construction Inspections		
Montague Wind Power Facility	Construction	4 Construction Inspections		
OSU Research Reactor	Operating	1 Operating		
Perennial Wind Chaser	Approved (not built) <i>Must construct by (9/23/2018)</i>	Non Anticipated		
Port Westward Generating Project /Phase 1&2	Operating	1 Operating		
Reed Research Reactor	Operating	Non Anticipated		
Saddle Butte	Approved (not built) <i>Must construct by (11/18/2019)</i>	Non Anticipated		
Shepherds Flat Central	Operating	1 Operating		
Shepherds Flat North	Operating	1 Operating		
Shepherds Flat South	Operating	1 Operating		
South Mist Feeder Pipeline	Operating	Non Anticipated		
South Mist Pipeline Extension	Operating	Non Anticipated		
Springfield Utility-Industrial Energy Center	Operating	Non Anticipated		
Stateline Wind Project	Operating	1 Operating		
Summit Ridge Wind Farm	Approved (not built) <i>Must construct by (8/19/2018)</i>	Non Anticipated		
Wheatridge Wind Energy	Approved (not built) <i>Must construct by (5/24/2020)</i>	Non Anticipated		
Site of Decommissioned Trojan Nuclear Plant	On site, long term fuel storage	Non Anticipated		
<b>Total Site Inspections forecasted for 2018-2019</b>	<b>Operating and Construction</b>	<b>19 Annual 6 Construction</b>		

\* 1 additional site inspection will be conducted at the Habitat Mitigation Area Site, in consultation and with the Oregon Department of Fish and Wildlife.

## 2018/2019 Inspection Calendar

July - 2018	August- 2018	September -2018	October -2018
Leaning Juniper II A Leaning Juniper II B MST Construction Inspection 8-11-18	Coyote Springs Cogen PGE Coyote Springs Cogen Avista	OSU Research Reactor	Klamath Cogeneration Project Klamath Generation Peakers MST Construction Inspection 10-3-2018
November - 2018	December - 2018	January - 2019	February -2019
Columbia Ethanol Project MWP Construction Inspection	Boardman Coal Plant	Port Westward 1&2 MWP Construction Inspection	Hermiston Generating Project Hermiston Power Project
March - 2019	April - 2019	May -2019	June-2019
Carty Generating Station Biglow Canyon Wind Farm	Shepherds Flat North Shepherds Flat Central Shepherds Flat South MWP Construction Inspection	State Line Wind Project *Klondike III Wind Project	MWP Construction Inspection

**19-Annual Inspections.**

**2-Construction Inspections are anticipated for Mist Underground Natural Gas Storage Facility (North Mist Expansion Project). (MST)**

**4-Construction Inspections anticipated for Montague Wind Power Facility. (MWP)**

**\*1-anticipated Habitat Mitigation sites to be assessed by Siting Analyst and ODF&W.**