



# Oregon

Kate Brown, Governor



550 Capitol St. NE  
Salem, OR 97301-3737  
Phone: (503) 378-4040  
Toll Free: 1-800-221-8035  
FAX: (503) 373-7806  
[www.Oregon.gov/ENERGY](http://www.Oregon.gov/ENERGY)

**To:** Oregon Energy Facility Siting Council

**From:** Christopher M. Clark, Siting Policy Analyst

**Date:** September 12, 2019

**Subject:** Agenda Items E (Information Item), F (Public Hearing), and M (Information Item): Port Westward Generating Project – Staff Report on the Draft Proposed Order on Request for Amendment 11 of the Site Certificate for the September 26-27, 2019 EFSC Meeting

**Attachments:** Attachment 1: Draft Proposed Order on Request for Amendment 11

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## BACKGROUND

The Port Westward Generating Project (the facility) is a natural-gas fired electric generating plant located in Columbia County, Oregon, owned and operated by Portland General Electric (PGE). The Council issued its Final Order on the Application for Site Certificate for Port Westward Generating Project on November 8, 2002. The facility consists of two generating units and related and supporting facilities. Unit 1 is a 411 megawatt (MW) base load natural gas-fired combined cycle combustion turbine plant that went into commercial operation in June 2007. Unit 2 is a 220 MW non-base load, natural gas-fired power plant comprised of 12 reciprocating internal combustion engines. Unit 2 went into commercial operation in December 2014.

On April 23, 2019, Portland General Electric submitted a preliminary Request for Amendment 11, which requests that Council amend the site certificate to allow construction and operation of a 4 to 6 MW battery energy storage system (BESS) as a related or supporting facility within the existing facility site boundary. If approved, the certificate holder expects construction of the BESS to begin no later than the third quarter of 2020 and to be completed within one year of its start. The certificate holder requests approval to construct the facility using either lithium-ion or flow battery technology. The certificate holder proposes several additional modifications to the site certificate that are not specific to the BESS, including administrative corrections to the facility description and modification of conditions related to spill containment, revegetation success criteria, wetland buffers, and wildlife. The amendment is being processed as a “Type A” amendment request.

The Department received the complete Request for Amendment 11 to the Port Westward Site Certificate on July 12, 2019. On July 18, 2019, the Department posted the complete request on

its website and posted an announcement on the project website informing the public that the complete request had been received and is available for viewing. The Department received comments on the request from Columbia County (Special Advisory Group) on July 11, 2019; and from ODFW on July 26, 2019. These comments were incorporated into the Department's analysis of the Council's standards, and are provided in Attachment B to the Draft Proposed Order on Request for Amendment 11.

On August 29, 2019, the Oregon Department of Energy (Department) released its draft proposed order (DPO) on the amendment request, and also issued public notice of a public comment period on the amendment request and DPO, and of a public hearing on the DPO to be held on September 26, 2019, at 5:00 p.m. at the Clatskanie River Inn in Clatskanie, Oregon. The Department is accepting comments on the draft proposed order from August 29, 2019 through the end of the public hearing. All comments received before the close of the September 26, 2019 public hearing will be provided to the Council prior to Council's Review of the DPO and Public Comments under Agenda Item M.

No public comments were received by the date of issuance of this staff report. Any written comments received during the remainder of the comment period will either be transmitted to Council electronically or hand-delivered at the September 26-27 Council meeting.

Following the Council's review and consideration of comments received on the record of the public hearing, staff will issue a proposed order in accordance with OAR 345-027-0371, taking into consideration the comments of the Council, public comments received on the record of the draft proposed order public hearing, and agency consultation. In conjunction with the issuance of the proposed order, the Department will issue a notice of an opportunity to request a contested case, which will include an opportunity for those who commented, either orally or in writing, on the record of the public hearing to request a contested case on the proposed order.

This memo is intended to assist the Council in its review of the draft proposed order.

#### **STAFF EVALUATION OF AMENDMENT REQUEST AND SUMMARY OF DRAFT PROPOSED ORDER**

The draft proposed order addresses each of the Council's standards, and recommends that the Council find that the amendment request would comply with, or, based on compliance with existing, recommended new and amended site certificate conditions would comply with each of the standards.

Pursuant to OAR 345-027-0350(4)(a), the Department assessed the amendment request to determine whether the facility components proposed to be added in Request for Amendment 11 could result in a significant adverse impact that affects a resource or interest protected by a standard that the Council has not addressed earlier, and whether the facility, with the proposed changes, would remain in compliance without new or amended conditions.

Based on the potential impacts from construction and operation of the facility, with the changes proposed in Request for Amendment 11, the Draft Proposed Order includes recommended new or amended conditions for the following standards:

**GENERAL STANDARD OF REVIEW (OAR 345-022-0000)**

- Staff recommends Council adopt new Site Certificate Conditions F.1(7) and F.1(8) to specify the beginning and ending deadlines for construction of the BESS.
- Staff recommends Council make several modifications to the site descriptions in Section C.1 and C.2 of the site certificate to reflect as-built conditions at the facility, administrative changes, and to be consistent with the changes proposed in Request for Amendment 11.

**ORGANIZATIONAL EXPERTISE (OAR 345-022-0010)**

- Staff recommends Council amend Site Certificate Condition D.2(5) to clarify its applicability to contractors involved in the transportation and disposal of batteries and battery wastes.
- Staff recommends Council adopt a new Site Certificate Conditions D.2(10) to require the Certificate Holder to submit staff training plan or curriculum covering operation and maintenance of the BESS.

**RETIREMENT AND FINANCIAL ASSURANCE (OAR 345-022-0050)**

- Staff recommends Council adopt a new Site Certificate Condition D.3(17) to require the certificate holder to provide finalized design information, prior to construction of the BESS.
- Staff recommends Council adopt a new Site Certificate Condition D.3(18) to require additional security in the amount of \$136,736 for a lithium-ion BESS or \$637,635 for a flow battery BESS and amending Site Certificate Condition D.3(5) to clarify the method for inflation adjustments.

**LAND USE (OAR 345-022-0010)**

- Staff recommends Council amend Site Certificate Condition D.4(2) to require the certificate holder to submit an updated site plan to Columbia County before beginning construction of the BESS.

**STRUCTURAL STANDARD (OAR 345-022-0020)**

- Staff recommends Council adopt a new condition to require the certificate holder to submit results of any additional geotechnical investigations performed for the BESS to the Oregon Department of Energy and the Department of Geology and Mineral Industries.

**SOIL PROTECTION (OAR 345-022-0022)**

- Staff recommends Council amend Site Certificate Condition D.6(7) through (9) to allow fuel and chemical storage in appropriately sized and compatible secondary containment.

**FISH AND WILDLIFE HABITAT (OAR 345-022-0060)**

- Staff recommends Council amend Site Certificate Condition D.8(8) to clarify its applicability to construction of the proposed BESS.
- Staff recommends Council amend Site Certificate Condition D.8(11) to remove the requirement for the certificate holder to locate chemical and vehicle storage, and vehicle servicing within the energy facility boundary at least 330 feet from wetlands and waterways.

- Staff recommends Council amend Site Certificate Condition D.8(14), delete Condition D.8(19) through (24) and (26), and adopt a new Condition D.8(28) to move procedures, requirements, and success criteria related to revegetation to a Revegetation and Noxious Weed Control Plan.

**THREATENED AND ENDANGERED SPECIES (OAR 345-022-0070)**

- Staff recommends Council delete existing Condition D.9(9) to remove the requirements for the certificate holder to obtain a Biological Opinion and Incidental Take Statement from the US Fish and Wildlife Service before undertaking construction during bald eagle nesting season because bald eagles are no longer a state or federal listed species.

**HISTORIC, CULTURAL AND ARCHAEOLOGICAL RESOURCES (OAR 345-022-0090)**

- Staff recommends minor administrative changes to correct the name of the Confederated Tribes of Siletz Indians.

**PUBLIC SERVICES (OAR 345-02-0110)**

- Staff recommends Council adopt a new Condition D.13(12) to require the certificate holder to submit Emergency Response Plans for the facility, updated with response procedures specific to the BESS, to the Clatskanie Rural Fire Department, the St. Helens Fire District, and the Department.

**WASTE MINIMIZATION (OAR 345-022-0120)**

- Staff recommends Council amend Site Certificate Condition D.14(2) to make it applicable to lithium-ion batteries.

Staff does not recommend any new or amended Conditions for the following standards:

**PROTECTED AREAS (OAR 345-022-0040)**

**SCENIC RESOURCES (OAR 345-022-0080)**

**RECREATION (OAR 345-022-0100)**

**CARBON DIOXIDE STANDARD (OAR 345-024)**

Staff also does not recommend Council adopt new or amend existing Site Certificate Conditions related to other applicable regulatory requirements, or other conditions required or recommended by rule.

**RECOMMENDATION**

Based on compliance with existing, recommended new and amended conditions, as summarized above and as described in the draft proposed order, the Department recommends that Council conclude that the facility, with proposed changes, would comply with all applicable Council standards and other applicable rules and statutes, and that the Council should approve the final order and issue an amended site certificate.

**Agenda Item E, F, M Staff Report - Attachment 1:**

**Draft Proposed Order on Request for Amendment 11**