



Oregon

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To: Energy Facility Siting Council

From: Kathleen Sloan, Senior Siting Analyst

Date: September 8, 2023

Subject: Agenda Item D (Information Item): Obsidian Solar Center: Council Review of the Draft Proposed Order on Request for Amendment 1 for the September 22, 2023 EFSC meeting

Attachments: Attachment 1: Draft Proposed Order on Request for Site Certificate Amendment 1
Attachment 2: Public Comments received on the record of the Draft Proposed Order Public Hearing

STAFF RECOMMENDATION

The Oregon Department of Energy's (Department) Draft Proposed order on Request for Amendment 1 (RFA1) of the Obsidian Solar Center Site Certificate (DPO), issued August 1, 2023, recommends the Energy Facility Siting Council (EFSC or Council) approve the requested site certificate amendment and grant issuance of a first amended site certificate, subject to compliance with existing and recommended new and amended site certificate conditions.

APPROVED FACILITY OVERVIEW

The Obsidian Solar Center Site Certificate authorizes construction and operation of a 400 megawatt-alternating current (MWac) solar photovoltaic (PV) energy generation facility, to be located within an approximately 3,921 acres (6.1 sq. miles) site boundary. Related or supporting facilities include 50 MW of battery storage [dispersed or centralized]; a 34.5 kilovolt (kV) electrical collection system; up to four 1-acre collector substations; one 3-acre 115/500 kV generator step-up (GSU) substation; 2 miles of 115 kV transmission line; up to 2 operations and maintenance (O&M) building(s); a supervisory control and data acquisition (SCADA) System; approximately 50 miles of internal/perimeter roads; and 7-foot-tall perimeter fencing.

The site certificate requires that facility construction commence on or before February 25, 2025, unless an extension of the construction commencement deadline is requested by the certificate holder and authorized by Council. Construction has not yet commenced for this facility.

CHANGES PROPOSED IN REQUEST FOR AMENDMENT 1

The changes proposed in RFA1 include increasing the site boundary from 3,921 to 4,090 acres (169 acre increase, "Area E"), increasing the micro-siting area from 3,589 to 3,678 acres (89 acre increase) and increasing the footprint of the GSU step-substation, if located in Area E, from 3 to 12 acres.

In addition, RFA1 seeks approval for the following changes:

1. Modify specifications of the approved 115 kV transmission line: increase the length from 2 to 3.2 miles; increase the voltage from 115 to 138 kV; increase the number of single steel monopole structures from 43 to 47 and increase structure height from 70 to 80 feet.
2. Modify the specifications of the approved above-ground electrical collection system: increase the voltage of approximately 2.3 miles of previously approved 34.5 electrical collection system to 138 kV aboveground collection system, using 33 single steel or wood monopole structures, 80 feet in height.
3. Amend the language of conditions previously imposed by Council to be consistent with the changes proposed in RFA1. Proposed amended conditions include: General Standard Condition 9 [GEN-GS-06], Land Use Condition 2 [PRE-LU-02], Siting Standards for Transmission Lines Condition 1 [PRO-TL-01], see RFA1 Attachment 1).

DRAFT PROPOSED ORDER SUMMARY

The DPO presents an evaluation of RFA1 under each applicable Council standard. As presented in the DPO, and as summarized below, there are select standards where RFA1 resulted in changes in fact or law, or recommended changes in condition requirements, from Council’s evaluation as presented in the Final Order on the ASC. These changes are summarized below to support Council’s review of the DPO at the September 22, 2023 meeting.

III.A. GENERAL STANDARD OF REVIEW: OAR 345-022-0000P. 14-19.

RFA1 requests a change in transmission line corridor extending to the proposed alternate GSU substation location per OAR 345-025-0010(5), consistent with the Council’s definition of a transmission line “corridor”.

Because RFA1 includes changes to the approved corridor, the Department recommends Council amend General Standard Condition 9 (See DPO p. 18) to allow the certificate holder to construct a 138 kV transmission line within an extended approved corridor in Area A to allow for a Point of Interconnection in either Area D or Area E.

III.B. ORGANIZATIONAL EXPERTISE: OAR 345-022-0010.....P. 19-22

RFA1 changes include increases in transmission line voltage from 115 to 138 kV, increase in transmission line length and extent of above-ground components, increases in GSU step-up substation transformer size, collector substation transformer size, and change in GSU step-up substation location.

To ensure qualified personnel are selected to manage site certificate compliance during facility construction and operation, the Department recommends Council amend Organizational Expertise Condition 2 (PRE-OE-01) and impose new recommended Organizational Expertise Conditions 6, 7 and 8 (CON-OE-01, PRO-OE-01) (See DPO p. 21-22) requiring submittal of manager qualifications for each phase of the facility.

II.E. LAND USE: OAR 345-022-0030..... P.33-43

The addition of Area E includes adding a parcel of land currently used for irrigated agriculture. RFA1 includes a landowner letter stating landowners' intent to transfer the underlying water right for ongoing agricultural use (See RFA1 Attachment 4). Lake County Special Advisory Group (SAG) commented that if the water right for irrigation is transferred for the same use within the county, there would be no-net loss of irrigated agriculture.

To ensure no-net loss of irrigated agriculture, and consistent with the certificate holder's representations, and the SAG's comments, the Department recommends Council impose new Land Use Condition 8 (PRE-LU-05) (See DPO p. 43) which requires the certificate holder to submit evidence of the water right transfer for facility impacts in Area E (if selected for construction) for similar use (irrigated agriculture) in Lake County, prior to construction.

III.G. RETIREMENT AND FINANCIAL ASSURANCE: OAR 345-022-0050 P.50-57

RFA1 changes would result in increased costs for retirement of the facility and its components. To demonstrate its ability to receive an adequate bond or letter of credit, the certificate holder provides a June 28, 2023 letter from Heffernan Insurance Brokers, stating their likely ability to obtain a bond for up to \$40 million. The new estimate for retirements costs is \$38,108,395 in Q3 2023 dollars.

The Department recommends Council amend Retirement and Financial Assurance Condition 5 (PRE-RF-02) (See DPO p. 56-57) to reflect the adjusted decommissioning amount based on the updated estimate of \$38.1 million Q3 2023 dollars to retire the facility, with RFA1 changes.

III.N. WILDFIRE PREVENTION AND RISK MITIGATION OAR-345-022-0115P. 86-95

Council's approval of the Final Order on the ASC included a condition requiring implementation of fire prevention measures during facility construction and operations (Public Services Condition 4, GEN-PS-04). Since then, Council adopted the Wildfire Prevention and Risk Mitigation standard. In the DPO, the Department provides an updated fire risk assessment which indicates that RFA1 is not likely to increase wildfire risk because risk is relatively low in the facility area. However, the standard requires that specific Wildfire Mitigation Plans be implemented during construction and operation.

Therefore, the DPO recommends Council amend Public Services Condition 4 (GEN-PS-04) and impose recommended amended Wildfire Prevention Condition 1 (PRE-WP-01) (replaces existing Public Services Condition 4(a) and Wildfire Prevention Condition 2 (CON-WM-01) (replaces existing Public Services Condition 4(b)), to require final Wildfire Mitigation Plans for both construction and operation phases of the facility, and to require implementation and

adherence to those plans, per new recommended Wildfire Prevention Conditions 3 and 4 (PRO-WP-01, OPR-WP-01).

III.P. SITING STANDARDS FOR TRANSMISSION LINES : OAR 345-024-0090 P.96-98

Existing Siting Standards for Transmission Lines Condition 1 (PRO-TL-01) requires that, prior to operations, the certificate holder notify adjacent landowners of the possible health and safety risks of induced currents caused by electric and magnetic fields from 115 kV transmission lines.

The Department recommends the Council amend this condition (See DPO p. 98) to reflect RFA1 changes from 115 to 138 kV voltage.

SUMMARY OF COMMENTS RECEIVED ON THE RECORD OF THE DRAFT PROPOSED ORDER

Written Comments

One written comment was received on the record of the DPO public hearing, by Ms. Seibert (see Attachment 2 of this staff report).

Oral Comments

EFSC Chair, Marcy Grail, was the presiding officer for the Public Hearing. The Public Hearing was held at the Parks and Recreation Community Building located in Christmas Valley. The complete video/audio file available online at: https://www.youtube.com/watch?v=WH5fWjs_mmk Obsidian Solar Center RFA1 Public Hearing: Timer 1:49 through 2:06 of video/audio file

The certificate holder made opening comments at the start of the oral testimony portion on the public hearing. Council Member Chocktoot recused himself from the proceeding. Council members Beier, Devlin and Grail asked clarifying questions and made comments but did not identify any issues that would require additional findings or changes to existing or recommended amended conditions as presented in the DPO. No members of the public commented during the Public Hearing. Following Council comments, the certificate holder was provided the opportunity to request to extend the record to respond to any comments, and the certificate holder's representative stated that they did not wish to hold the record open to respond to comments. The record closed at the close of the Public Hearing. Attachment 2 of this staff report includes a summary of oral comments received on the record of the DPO Public Hearing.

NEXT STEPS

At the September 22, 2023 meeting, Council will receive a staff presentation on the DPO. The Council will have an opportunity to provide additional comments to the Department to consider for any additional changes to be included in the Proposed Order. Following Council's DPO review, the Department will prepare and issue a Proposed Order and issue Public Notice of Proposed Order and Opportunity to Request a Contested Case on the Proposed Order. At a future Council meeting, the Council will review and decide on whether to grant a contested case proceeding, if contested case requests are received. Following that decision and/or contested case proceeding, the Council will review the Proposed Order and make a final decision.