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Christopher Efird
NEXT Renewable Fuels Oregon LLC
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Laurie@stewardshipsolutionsinc.com; bflanagan@schwabe.com*

RE: Notice of Filing for NEXT Renewable Fuels at Port Westward

Dear Mr. Efird,

On March 31, 2022, NEXT Renewable Fuels LLC (NEXT) submitted an updated request to the Oregon Department of Energy (ODOE) to exempt the proposed NEXT Renewable Fuels facility at Port Westward Industrial Park, in Columbia County near Clatskanie, from Oregon Energy Facility Siting Council (EFSC) jurisdiction. Staff concludes that the project description qualifies to request an exemption and, as described below, that the request is complete. We will begin drafting a proposed order for presentation to Council.

Project Description

The facility would be capable of processing up to 50,000 barrels per day (BPD) of renewable biomass feedstocks to produce 46,500 BPD of renewable diesel fuel and 2700 BPD of renewable naphtha, with an equivalent thermal energy of 287.6 billion BTUs per day. At this volume, the facility would constitute an Energy Facility under ORS 469.300(11)(a)(G) and would require an Energy Facility Site Certificate without the exemption. The facility is proposed on 115.37 acres leased within the Port Westward Industrial Park, plus an additional 29.9 acres of private land that would be used for rail logistics.

Applicable Statutes and Rules

We reviewed the request for compliance with the criteria at ORS 469.320(2)(f) for exemption from Energy Facility Site Certificate requirements, as well as the rules at OAR 345-015-0350(5) and 345-015-0360(7).

ORS 469.320(2) states that no site certificate shall be required for:

(f) An energy facility as defined in ORS 469.300 (11)(a)(G), if the facility:

- (A) Exclusively uses biomass, including but not limited to grain, whey, potatoes, oilseeds, waste vegetable oil or cellulosic biomass, as the source of material for conversion to a liquid fuel;*
- (B) Has received local land use approval under the applicable acknowledged comprehensive plan and land use regulations of the affected local government and the facility complies with any statewide planning goals or rules of the Land Conservation and Development Commission that are directly applicable to the facility;*
- (C) Requires no new electric transmission lines or gas or petroleum product pipelines that would require a site certificate under subsection (1) of this section;*
- (D) Produces synthetic fuel, at least 90 percent of which is used in an industrial or refueling facility located within one mile of the facility or is transported from the facility by rail or barge; and*
- (E) Emits less than 118 pounds of carbon dioxide per million Btu from fossil fuel used for conversion energy.*

OAR 345-015-360(7) states the following regarding the request for exemption:

(7) In a request for an exemption under OAR 345-015-0350(5) for a plant that converts biomass to a liquid fuel, the person shall include the following information:

- (a) A description of the proposed plant, including, but not limited to, the location, acreage and annual production capacity of the proposed plant and the type of liquid fuel the plant will produce;*
- (b) A description of the feedstock verifying that the facility will use only the types of feedstock described in ORS 469.320(2)(f);*
- (c) The identity of the affected local government that has given land use approval under the applicable acknowledged comprehensive plan and land use regulations and copies of all land use approval documents the local government has issued;*
- (d) The statewide planning goals or rules of the Land Conservation and Development Commission that are directly applicable to the facility and evidence to support a finding by the Council that the facility complies with those goals and rules;*
- (e) A description of the expected electrical loads and fuel needs of the facility and a statement verifying that the facility requires no new electric transmission lines or gas or petroleum product pipelines that would require a site certificate; and*
- (f) A statement verifying that the plant will produce synthetic fuel, at least 90 percent of which will be used in an industrial or refueling facility located within one mile of the facility or will be transported from the facility by rail or barge and evidence that adequate rail and barge facilities are available to serve the proposed site.*

Compliance With Exemption Request Requirements

EFSC rules at OAR 345-015-0360(7) require evidence of compliance with each of the five exemption criteria in ORS 469.320(2)(f).

In section 2.2 of the request for exemption, NEXT states that “the Facility will exclusively use biomass including oilseeds, waste vegetable oil and waste animal fats as the source of material for conversion to a liquid fuel,...”. NEXT also provides a description of the feedstock, including a table with an example biomass mix. Staff concludes that the materials required to evaluate ORS 469.320(2)(f)(A) and make a recommendation to EFSC are included.

Attachments A and B to the request for exemption are final orders 12-2022 and 13-2022 of the Columbia County Board of Commissioners. Order 12-2022 approves a Use Permitted Under Prescribed Conditions for the NEXT facility, and order 13-2022 grants a Conditional Use permit to establish a rail branchline to serve the NEXT facility. These orders serve as local land use approval. As these permits are granted under Columbia County’s Comprehensive Plan, which is in turn acknowledged by the Land Conservation and Development Commission (LCDC), by extension the facility and rail branchline comply with any applicable statewide planning goals or LCDC rules as determined in the county’s assessment. Staff concludes that the materials required to evaluate ORS 469.320(2)(f)(B) and make a recommendation to EFSC are included.

In section 2.4 of the request for exemption, NEXT states that natural gas will be provided via an existing Northwest Natural Gas pipeline that passes within 3800 feet of the proposed facility. An interconnecting 8 inch pipeline of approximately 3800 feet in length, entirely within the RIPD zone, will be constructed below grade to connect to the main line. The interconnecting pipeline does not require a site certificate under ORS 469.300(11)(a)(E).

NEXT also states that electrical service of approximately 40 MW per day will be provided by the existing Clatskanie Public Utility District and will require only an 1100 foot service line to connect to an on-site substation. The electrical service line does not require a site certificate under ORS 469.300(11)(a)(C). Staff concludes that the materials required to evaluate ORS 469.320(2)(f)(C) and make a recommendation to EFSC are included.

In section 4.1 of the application, NEXT asserts that over 95 percent of the renewable fuels produced will be transported via ship or barge at the existing Port Westward dock. NEXT further states that a small portion of the fuel, less than 5 percent, may be transported via rail or truck for local consumption.

Furthermore, NEXT has provided documentation included with their response to RAI-1 (see Appendix 1, Attachment C) that Cascade Kelly Holdings, LLC has rights to use the Port Westward dock to ship renewable diesel. The applicable dock use agreements and amendments are included in the response. Staff accepts these documents and accompanying statements by NEXT as evidence that adequate barge facilities are available to support the site. Staff

concludes that the materials required to evaluate ORS 469.320(2)(f)(D) and make a recommendation to EFSC are included.

In section 2.4.1 of the request for exemption, NEXT states that “The average carbon intensity of the natural gas to be used for conversion energy is 115.9 pounds of carbon dioxide per million Btu consumed. No other fossil fuels will be used for conversion energy at the Facility.”

NEXT supplied additional information to support the 115.9 pounds of CO2 per million BTU consumed (see Appendix 1, Attachment B of the response to RAI-1). Staff concludes that the materials required to evaluate ORS 469.320(2)(f)(E) and make a recommendation to EFSC are included.

This letter serves as the Notice of Filing as required under OAR 345-015-0370(1).

Sincerely,

/s/

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