BEFORE THE ENERGY FACILITY SITING COUNCIL
OF THE STATE OF OREGON

In the Matter of the Thermal Power
Plant Site Certificate for the
Coyote Springs Cogeneration Project
Request for Amendment No. Four

FINAL ORDER

Summary
The Energy Facility Siting Council ("Council") approves this amendment request, with
modifications to the proposed changes to specific language of the site certificate.

A. Summary and Background of the Request for Amendment
Portland General Electric Company ("PGE") requests that the council amend the site
certificate for the Coyote Springs Cogeneration Project ("CSCP"). PGE proposes to
extend the date by which the plant must be completed from September 16, 1999, to

PGE’s address is as follows:
Portland General Electric Company
121 SW Salmon Street
Portland, Oregon 97204

A.1. Description of the Facility
On September 16, 1994, the Council issued an Energy Facility Site Certificate to PGE for
a natural gas-fired cogeneration facility and related and supporting facilities (collectively,
the "facility") located in the Port of Morrow Industrial Park in Boardman, Oregon. The
facility is known as the Coyote Springs Cogeneration Project. The CSCP is a two-unit,
natural gas-fired, combined-cycle, electric power plant with a total capacity of
462 megawatts. The first phase is in operation. PGE has not begun construction of the
second phase.

A.2. Earlier Amendments of the Site Certificate
A.2.1. Amendment #1
The Council granted PGE a first amendment to the CSCP site certificate on
December 6, 1996. That amendment incorporated into the site certificate specific
conditions that were originally commitments made by PGE in its site certificate
application and supporting documents. The Council's order approving the amendment
further approved an amendment to incorporate the applicability of current OAR 345-27-
050 through OAR 345-27-080 and OAR 345-27-095. This part of amendment #1 is
discussed below in section B.1.
A.2.2. Amendment #2
The Council granted PGE a second amendment to the CSCP site certificate on March 7, 1997. Amendment #2 allowed PGE to use #2 low-sulfur distillate oil for back-up fuel for the natural gas-fired combustion turbines at CSCP.

A.2.3. Amendment #3
The Council issued a third amendment to the CSCP site certificate on August 28, 1998. Amendment #3 removed the site certificate conditions relating to phase two that had required the applicant to demonstrate either that the facility met the need for facility standard or qualified for an exemption under former OAR 345-23-010(2) (April 1994 rule) before the Council could extend the deadline for completion of construction. In place of the need for facility standard, amendment #3 imposed site certificate conditions ensuring compliance with the applicable carbon dioxide (CO₂) emissions standard, ORS 469.503(2)(a). Amendment #3 added language to the mandatory conditions of the site certificate, requiring PGE to demonstrate compliance with ORS 469.503(2) before the Council would grant an extension of the construction completion date for phase two. In the order approving the amendment, the Council found that the CSCP meets the CO₂ standard. Also, amendment #3 restricted the use of #2 low-sulfur distillate oil to Unit 1.

B. Procedural History

B.1. Applicable Law
Under ORS 469.405, the Council may approve an amendment to a site certificate. The Council has adopted rules for the amendment process. Under OAR 345-27-011, the Council’s current rules for amendment of a site certificate do not apply to facilities for which a site certificate was executed before November 30, 1994, unless the site certificate is amended to include their applicability. The site certificate for the CSCP was executed September 16, 1994.

On December 6, 1996, the Council approved PGE’s Request for Amendment No. 1. Among the provisions of the Council order approving amendment #1 was approval of an amendment of the site certificate “to incorporate specifically the applicability of OAR 345-27-050 through OAR 345-27-080 and OAR 345-27-095 to clarify that the Council will process subsequent requests for amendments or petitions by PGE under the Council’s most current procedural rules.”1

Amendment #1 did not include current OAR 345-27-030 among the provisions of the current rules made applicable to the CSCP site certificate. Accordingly, current OAR 345-27-030 is not applicable to PGE’s request to extend the date by which the plant must be completed. The request for extension of the construction deadline, therefore, is subject

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1 Although the order approving the amendment included this Council decision, the amendment document, “Amendment Number One to the Thermal Power Plant Site Certificate For the Coyote Springs Cogeneration Project,” did not contain specific amending language to incorporate within the site certificate the Council’s decision on the applicability of the cited rules.
to former OAR 345-27-030 (April 1994 rule), the full text of which is set forth below in section C.2.

B.2. Office of Energy Review Steps

B.2.1. PGE’s Request

PGE submitted its Fourth Request to Amend Site Certificate on July 2, 1998.

B.2.2. Review by Other Agencies, Local Governments and Tribes and Initial Public Notice

As required by OAR 345-27-070(1), the Office identified potentially affected agencies, local governments and tribes and asked them to review the request for amendment #4. The Office mailed a copy of the amendment request along with a review report form on July 6, 1998, to those agencies, local governments and tribes and asked them to reply by August 5, 1998.

The reviewing agencies, local governments and tribes are the Oregon Department of Geology and Mineral Industries (DOGAMI); the Oregon Department of Fish and Wildlife (ODFW); the Division of State Lands (DSL); the Department of Agriculture (ODA); the Department of Land Conservation and Development (DLCD); the Water Resources Department (WRD); the Department of Parks and Recreation (ODPR); the State Historic Preservation Office (SHPO); the Department of Transportation (ODOT), the Department of Environmental Quality (DEQ), the Office of State Fire Marshall, the Oregon Public Utilities Commission (OPUC), the Building Codes Division (BCD), the Department of Forestry (ODF), the Northwest Power Planning Council (NWPPC), the Cities of Boardman and Irrigon, Port of Morrow, Morrow County, the Confederated Tribes of the Umatilla Indian Reservation, and the Confederated Tribes of Warm Springs.

On July 6, 1998, the Office mailed a notice of PGE’s request for amendment to all persons on the Council’s general mailing list, as required by OAR 345-27-070(1). The notice specified that comments on the request would be due by August 5, 1998.

B.2.3. Replies

B.2.3.1. State Agencies and the Northwest Power Planning Council

Seven state agencies replied to the Office of Energy’s request for comment. No agency raised any issue with the proposed amendment or suggested any condition related to the amendment. The Northwest Power Planning Council replied but raised no issue.

B.2.3.2. Cities and Counties

The City of Irrigon replied to the Office of Energy’s request for comment but raised no issue about the proposed amendment.

B.2.4. Proposed Order

The Office issued its proposed order on August 26, 1998.
B.2.5. **Notice**

On August 26, 1998, the Office mailed notice of the proposed order to the Council’s general mailing list and a special mailing list established for the amendment, as required under OAR 345-27-070(2). The notice set a deadline for public comments of September 25, 1998, and gave notice of the opportunity to ask that the Council hold a contested case proceeding on the proposed order.

B.2.6. **Public Comments on the Proposed Order**

The Office received no public comments on the proposed order.

B.3. **Council Review Steps**

B.3.1. **Council Notice**

The Office mailed PGE’s request for amendment #4 to the Council on July 2, 1998. The Office presented information about the request to the Council at the Council meeting on July 10, 1998.

The Office mailed the proposed order to the Council on August 26, 1998.

B.3.2. **Council Hearing and Action**

No person requested a contested case hearing during the 30 day period after the Office issued the proposed order. On October 16, 1998, the Council held a public hearing on the Fourth Request to Amend the Site Certificate. At the conclusion of the hearing, the Council approved the request, with the modification as detailed in this final order.

C. **General Findings of Fact Related to the Request for Amendment**

C.1. **Summary of Changes to the Site Certificate**

PGE is requesting an amendment of the site certificate conditions related to the construction completion date for the second unit of the CSCP (phase two). The proposed amendment would extend the construction completion deadline for phase two from September 16, 1999, to September 16, 2001.

C.2. **Extending the Construction Deadline -- Effect on Other Development**

The request for extension of the construction deadline is subject to former OAR 345-27-030 (April 1994 rule), as follows:

**Extension of Construction Deadline**

345-27-030 (1) If a certificate holder cannot complete construction by the deadline established in the site certificate, the certificate holder may request that the Council extend the deadline. A request shall conform to the requirements of OAR 345-27-050 and 345-27-060. The request shall be filed no later than six months prior to the date of the construction deadline contained in the site certificate unless the extension is requested due to unforeseen circumstances beyond the control of the certificate holder in which case the
request must be filed prior to the date of the construction deadline
in the certificate.

(2) If a certificate holder files a timely request for an amendment
pursuant to subsection (1) of this rule, the provisions of the current
site certificate remain in force until the Council renders a decision
on the request. However, if the construction deadline would expire
before the Council has an opportunity to rule on the request for an
extension, the Council may extend the construction deadline by a
temporary order until it makes its determination.

(3) The Council may grant the request for an amendment to extend
the construction deadline pursuant to the provisions of OAR 345-
27-070 or -080, whichever is applicable. If granted, each
certificate amendment shall extend the construction deadline a
maximum of two years. When granting an amendment, the
Council shall determine that continued reservation of natural
resources to be used by the facility will not preclude other
necessary development. The Council shall also notify the land use
planning authority with jurisdiction over the area where the site is
located.

PGE filed the request for amendment more than six months before the date of the
construction deadline contained in the site certificate. The request is timely, as required

Under OAR 345-27-030(3) (April 1994 rule), quoted above, the Council may extend the
construction deadline a maximum of two years from the deadline contained in the site
certificate. The deadline stated in section V.A.2.(1) of the site certificate is five years
from the date of execution of the site certificate, or September 16, 1999. The Council
may extend the construction completion date to September 16, 2001.

The City of Boardman is the planning authority with jurisdiction over the area where the
site is located. The Office, acting under the Council’s rules, sent notice of the proposed
amendment to the City of Boardman, as required by the last sentence of OAR 345-27-
030(3) (April 1994 rule), quoted above.

The natural resources to be used for construction and operation of phase two of the CSCP
are the land where unit two of the facility would be located, the water necessary for
operation of unit two, and the air quality affected by construction and operation of unit
two. The effect of continued reservation of these resources on other development is
discussed below.
C.2.1. Land Resource
In the Final Order approving the CSCP site certificate, the Council found that the site of
the facility, including unit two, was within the Port of Morrow Industrial Park
immediately south of a bank and berm created by the Union Pacific Railroad east-west
mainline. The county has zoned the land within the industrial park for industrial and
utility power generation use. The site has been extensively dredged for aggregate.
In its request for amendment, PGE notes that on November 5, 1996, the City of
Boardman, having annexed the portion of the industrial park containing the facility site,
amproved a zoning ordinance for the location. Ordinance No. 180 made “power
generating and utility facilities” a use permitted outright within the industrial zone.
Phase one of the CSCP has been built at the site and consists of several structures. These
existing structures surround the specific location where unit two would be built. In the
request for amendment, PGE notes that it has a long-term lease on the property. PGE
notes, further, that extension of the completion deadline will not affect any other use of
the property.
The Morrow County Planning Department and the City of Boardman are aware of the
proposed amendment. Neither Morrow County nor the City of Boardman have identified
any “necessary development” at the site that could be precluded by extending the
construction completion date for phase two. Neither the city nor the county have raised
an issue concerning the use of the land in question. In a letter of August 10, 1998, the
Boardman City Manager expressed the city’s support for granting the extension. In a
letter of August 21, 1998, the City Manager stated that the city is not aware of any
anticipated development that would be delayed or prevented by granting a two-year
extension of the construction completion deadline.
C.2.2. Water Resource
In the Final Order approving the site certificate, the Council made findings concerning
the consumptive use of water by the proposed CSCP facility, including both units. The
Council found that PGE has an agreement with the Port of Morrow by which the Port
would provide all water needed to operate the CSCP. In the Final Order approving
amendment #2, the Council found that the Port of Morrow and the City of Boardman
have excess capacity sufficient to supply the CSCP’s instantaneous demand for additional
water required for control of NOx during distillate fuel firing.
In its request for amendment, PGE notes that the land upon which the facility is located
has been annexed to the City of Boardman since the site certificate was issued and that
the Port of Morrow has an agreement with the city under which municipal water will be
available to the plant. In a letter to the Office of Energy, dated June 9, 1998, in reply to a
notice of the request for amendment #3, the Oregon Water Resources Department
indicated that the Port has adequate water rights to allow for an increase in use to serve
the facility.
The Port of Morrow, the City of Boardman and Morrow County have all received notice of the proposed two-year extension of the construction completion date for the CSCP. None of these entities has raised a concern that reservation of water resources would preclude any necessary development. In a letter of August 14, the Port of Morrow General Manager expressed assurance that there are adequate water supplies available for phase one and phase two of the CSCP without precluding any necessary development in the Boardman area.

C.2.3. Air Quality Resource

In the Final Order approving the site certificate, the Council found that the proposed CSCP power plant would generate combustion pollutants that would be released to the atmosphere. Control of these emissions is regulated by the Oregon Department of Environmental Quality (DEQ) under the federal Air Contaminant Discharge Permit process, which is not within the Council’s jurisdiction.

In the request for amendment, PGE notes that it is working with DEQ to extend the construction time for phase two and will continue to comply with all requirements of its permit. In a letter of August 12, 1998, PGE notes that based upon DEQ standards and modeling, phase two of the CSCP is not classified as a significant source and the Boardman area is not an Air Quality Limited area. The Office of Energy, in consultation with DEQ, has confirmed that, although phase two will have significant emissions, the anticipated emissions will not exceed ambient air quality standards. The City of Boardman is considered in attainment for federally designated criteria pollutants. DEQ asked PGE to perform additional analysis in connection with extending the construction completion deadline, and DEQ confirms that PGE has submitted the requested information. In response to the Office of Energy’s notice of the proposed amendment, DEQ replied that it had no significant issues to raise, that it proposed no conditions for the site certificate relating to the amendment, and that it had no other information to report. No issue about preclusion of other necessary development as a result of reservation of air quality resources has been raised by DEQ or by the local governments or the Port of Morrow.

C.2.4. Conclusion About Effect on Other Development

The Council concludes, based on the discussion above, that continued reservation of natural resources to be used by phase two of the CSCP for the additional two year construction period requested by this amendment will not preclude other necessary development.

D. Amendment of the Site Certificate

D.1. Amendment Proposed by PGE

PGE requested the following amendment to the site certificate. PGE’s proposed deletions are shown as strikeouts and proposed additions are underlined.

V.A.2. Construction commencement and completion dates
(1) Applicant shall begin construction of phase one of the
proposed facility within one year after the site certificate is
executed. This one-year period shall be tolled during any appeal
that is taken of the Energy Facility Siting Council (EFSC) Order.
Notwithstanding the tolling of the one-year time period for
commencement of construction, Applicant shall complete
construction of phase one by September 16, 1998, within four
years,\(^2\) and phase two shall be completed by September 16,
2001, within five years of execution of the site certificate. EFSC
may extend the four-year period for construction completion if the
Applicant shows that the need for extension is caused by acts of
God or force majeure events. EFSC anticipates such a request will
be considered a minor amendment under OAR 345-27-080.

D.2. Related Amendments Approved by the Council

PGE noted that other amendments to site certificate section V.A.2. were proposed in its
request for amendment #3. On August 21, 1998, the Council approved PGE’s request for
amendment #3 with modifications. Section V.A.2., as amended by the Council’s recent
action, includes the following:

(4) If the site certificate holder requests an extension of the
construction completion deadline for phase two and the site
certificate holder does not meet the requirements of Condition
V.A.2.(3) above, the site certificate holder shall demonstrate that
the facility meets the requirements of ORS 469.503(2) in order for
EFSC to approve extending the deadline.

(5) In no event will EFSC grant an extension of the construction
completion deadline for phase two of more than two years from the
five year deadline specified in the applicant’s warranty. The
construction completion deadline for phase two, as specified in the
applicant’s warranty, or as may be later extended, will not be tolled
for reason of appeal of the EFSC’s order.

D.3. Amendments Recommended by the Office of Energy

The Council adopts PGE’s proposed amendment of site certificate section V.A.2.(1) as
requested.

The Council notes that amended section V.A.2.(5), as adopted by the Council on August
21, 1998, contains a reference to “the five year deadline specified in the applicant’s
warranty.” If the Council adopts proposed amended section V.A.2.(1), this reference
would no longer be meaningful. The Council, therefore, amends section V.A.2.(5) as set
forth below.

\(^2\) Deleted text omitted, but implied, in PGE’s amendment request.
The “applicant’s warranty” referred to in section V.A.2.(5) is contained in section III of
the site certificate, as follows:

(3) Applicant represents and warrants that it will undertake and
complete construction of Phase I and Phase II of the CSCP
according to the conditions of the construction commencement and
completion dates at V.A.2.

The unamended language of the site certificate at section V.A.2.(1) specified the
completion date of phase two as “within five years” of execution of the site certificate.
The proposed amendment of section V.A.2.(1) replaces this “five year” deadline with a
specific date: September 16, 2001. To conform section V.A.2.(5) to the proposed new
language in section V.A.2.(1), the Council adopts the following amendment:

(5) In no event will EFSC grant an extension of the construction
completion deadline for phase two beyond September 16, 2001, if
more than two years from the five year deadline specified in the
applicant’s warranty. The construction completion deadline for
phase two, as specified in the applicant’s warranty, or as may be
later extended, will not be tolled for reason of appeal of the EFSC’s
order.

E. Compliance with Council Standards
E.1. General Standard of Review
OAR 345-27-070(6) sets forth the Council’s general standard for review of a request by a
site certificate holder for an amendment:

In evaluating a request for an amendment under this rule, the
Council shall limit its consideration to the effects which may be
produced by the proposed change or addition to the site or facility
described in the request for amendment. In considering those
effects, the Council shall apply state statutes, administrative rules,
and local government ordinances in effect on the date the amended
Site Certificate is executed.

The following discussion of applicable standards addresses the current (November 1995)
version of the OAR Chapter 345, Division 22 rules.

E.2. Standards Relating to the Applicant
E.2.1 Applicant Qualification and Capability, OAR 345-22-010(1)
To meet this paragraph of the standard, the Council must find that:

...the applicant has the organizational, managerial and technical
expertise to construct and operate the facility. To conclude that the
applicant has the organizational, managerial and technical expertise
to construct and operate the proposed facility, the Council must
determine that the applicant has a reasonable probability of
successful construction and operation of the facility considering
the experience of the applicant, the availability of technical
expertise to the applicant, and, if the applicant has constructed or
operated other facilities, the past performance of the applicant,
including but not limited to the number and severity of regulatory
citations, in constructing or operating a facility, type of equipment,
or process similar to the proposed facility.

Discussion. In the amendment request, PGE states that there has been no
change in the organizational, managerial and technical expertise of PGE since the
Council approved the site certificate in 1994. PGE notes that there will be no changes
"other than possible personnel changes which may occur over time in the normal course
of business." The proposed extension of the construction completion deadline has no
effect on PGE's organizational, managerial and technical expertise.

Conclusion. The Council finds that PGE has satisfied the requirements of OAR
345-22-010(1).

E.2.2. Third-Party Services and Permits, OAR 345-22-010(2) and (3)
The second and third paragraphs of the standard for organizational, managerial and
technical expertise address third party services and permits. These paragraphs of the
standard require that:

(2) If the applicant will not itself obtain any state or local
government permit or approval for which the Council would
ordinarily determine compliance with applicable standards, but
will rely on a permit or approval issued to a third party, the
Council must determine that the named third party has, or has a
reasonable likelihood of obtaining, the necessary permit or
approval, and that the applicant has, or has a reasonable likelihood
of entering into, a contractual or other arrangement with the third
party for access to the resource or service secured by that permit or
approval.

(3) If any third party named by the applicant does not have the
necessary permit or approval at the time the Application for Site
Certificate is approved, the Council may require as a condition that
the Site Certificate Holder may not commence construction or
operation as appropriate until the third-party has obtained the
necessary permit or approval and the applicant has a contract or
other arrangement for access to the resource or service secured by
that permit or approval.
Discussion. In the Final Order approving the site certificate, the Council found that the applicable third-party services and permits were those relating to water rights, industrial wastewater disposal and sanitary wastewater disposal. The Port of Morrow has confirmed that adequate water supplies are available for phase two of the CSCP. According to PGE, industrial wastewater is processed through a contract with the Port of Morrow and sanitary wastewater is processed by the City of Boardman. The proposed extension of time for completing construction has no effect on these third-party services.

Conclusion. The Council finds that PGE meets the requirements of OAR 345-22-010(2) and (3) for third-party services and permits.

E.2.3. Financial Assurance Standard, OAR 345-22-050

The financial assurance standard requires the Council to find that:

...the applicant has a reasonable likelihood of obtaining a bond or comparable security, satisfactory to the Council, in an amount adequate to restore the site if the site certificate holder:

(1) Begins but does not complete construction of the facility; or

(2) Permanently closes the facility before establishing a financial mechanism or instrument, satisfactory to the Council, that will assure funds will be available to adequately retire the facility and restore the site to a useful, non-hazardous condition.

Discussion. In issuing the site certificate, the Council found that PGE had reasonable assurance of obtaining the funds necessary to cover the estimated costs for retirement and restoration of the site of the facility. This finding anticipated both phase one and phase two of the facility. The proposed extension of time for completing construction does not change the factual basis for the Council’s decision, in the Final Order, that PGE met the financial assurance standard.

Conclusion. The Council finds that PGE meets the financial assurance standard, OAR 345-22-050.

E.3. Standards Relating to the Site and Structure

E.3.1. Structural Standard, OAR 345-22-020

The structural standard requires the Council to find:

(1) The applicant, through appropriate site specific study, has adequately characterized the site in terms of seismic zone and expected ground response during the maximum credible seismic event; and
(2) The facility can be designed, engineered and constructed adequately to avoid potential dangers to human safety presented by seismic hazards affecting the site, as defined in ORS 455.447(1)(d) and including amplification, that are expected to result from all reasonably probable seismic events.

Discussion. In the amendment request, PGE notes that there have been no changes in the characterization of the site since the site certificate was issued. The site certificate requires construction in accordance with the laws and regulations administered by the Building Codes Division (formerly named Building Codes Agency). The proposed extension of time for completion of construction does not change the factual basis of the Council’s decision, in the Final Order, that the structural standard was met.

Conclusion. The Council finds that the CSCP meets the structural standard, OAR 345-22-020.

E.3.2. Soil Protection Standard, OAR 345-22-022

The soil protection standard requires the Council to find “...that the design, construction and operation of the facility, taking into account mitigation, is not likely to result in a significant adverse impact to soils.”

Discussion. The proposed amendment would have no effect on the way PGE designs, constructs or operates the facility. The proposed extension of time for completing construction has no effect on the factual basis for the Council’s decision, in the Final Order, that the soil protection standard was met.

Conclusion. The Council finds that the CSCP meets the soil protection standard, OAR 345-22-022.

E.3.3. Land Use Standard, OAR 345-22-030(2)(a)

Section (1) of the land use standard requires that the facility be in compliance with “the statewide planning goal adopted by the Land Conservation and Development Commission.” OAR 345-22-030(1). The standard contains the following method of compliance, which PGE relied on in its site certificate application:

(2) A proposed facility shall be found in compliance with section (1) of this rule if:
   (a) The facility has received local land use approval under the acknowledged comprehensive plan and land use regulations of the affected local government, ***

Discussion. The City of Boardman has annexed the site of the facility and approved a local ordinance making “power generating and utility facilities” an outright permitted use at the site. The city has expressed its support for granting the extension of time to complete construction.
Conclusion. The Council finds that the CSCP meets the land use standard, OAR 345-22-030.

E.4. Standards Relating to the Impacts of Construction, Operation and Retirement

E.4.1. Protected Areas Standard, OAR 345-22-040
The protected areas standard prohibits the siting of an energy facility in any of the listed protected areas. OAR 345-22-040(1). The standard permits the siting of a facility outside the listed protected areas so long as the Council finds, “taking into account mitigation, the design, construction and operation of the facility...is not likely to result in significant adverse impact” to any of the listed protected areas.

Discussion. The site of the facility is not in any protected area. In its Final Order approving the site certificate, the Council found that the facility would have no significant adverse impact on any protected area. This finding anticipated both phases of the CSCP project. The proposed extension of time for completing construction has no effect on the factual basis for the Council’s decision, in the Final Order, that the protected areas standard was met.

Conclusion. The Council finds that the CSCP meets the protected areas standard, OAR 345-22-040.

E.4.2. Fish and Wildlife Habitat Standard, OAR 345-22-060
The fish and wildlife habitat standard requires that the Council find that "the design, construction, operation and retirement of the facility, taking into account mitigation, is consistent with the fish and wildlife mitigation goals and standards of OAR 635-415-030." OAR 635-415-030 describes four categories of habitat in order of their value. The rule then establishes mitigation goals and corresponding implementation standards for each habitat category.

Discussion. In the Final Order approving the site certificate, the Council found that the site of the CSCP is habitat category 4 and that loss of the habitat would not constitute a significant adverse impact on wildlife. The Council found that construction and operation of the facility could have some adverse effect on wildlife in the surrounding area, and the site certificate includes conditions to mitigate those possible impacts. The proposed extension of time for completing construction has no effect on the factual basis for the Council’s decision, in the Final Order, that the fish and wildlife habitat standard was met.

Conclusion. The Council finds that the CSCP meets the fish and wildlife habitat standard, OAR 345-22-060.
E.4.3. Threatened and Endangered Species, OAR 345-22-070
The threatened and endangered species standard requires that the Council find that the
design, construction, operation and retirement of the facility, taking into account
mitigation, be consistent with any applicable conservation program adopted pursuant to
ORS 496.172(3) or ORS 564.105(3). If no conservation program applies, the facility
must not have the potential to reduce significantly the likelihood of the survival or
recovery of any threatened or endangered species listed under ORS 496.172(2) or ORS
564.105(2).

Discussion. In the Final Order approving the site certificate, the Council
concluded that the proposed facility satisfied the threatened and endangered species
standard for plants and animals. The proposed extension of time for completing
construction has no effect on the factual basis for the Council’s decision, in the Final
Order, that the standard was met.

Conclusion. The Council finds that the CSCP meets the threatened and
endangered species standard, OAR 345-22-070.

E.4.4. Scenic and Aesthetic Standard, OAR 345-22-080
The scenic and aesthetic standard requires that the Council find that “the design,
construction, operation and retirement of the proposed facility, taking into account
mitigation, is not likely to result in significant adverse impact to scenic and aesthetic
values identified as significant or important in the applicable federal land management
plans or the local land use plan for the site or its vicinity.”

Discussion. In its amendment request, PGE proposes no change to the design,
construction or operation of the facility that would affect scenic and aesthetic values. The
proposed extension of time for completing construction has no effect on the factual basis
for the Council’s decision, in the Final Order, that the scenic and aesthetic standard was
met.

Conclusion. The Council finds that the CSCP meets the scenic and aesthetic
values standard, OAR 345-22-080.

E.4.5. Historic, Cultural and Archeological Resources Standard, 345-22-090
The historic, cultural and archeological resources standard requires that the Council find
that “the design, construction, operation and retirement of the facility, taking into account
mitigation, is not likely to result in significant adverse impacts to:

(1) Historic, cultural or archaeological resources that have been
listed on, or would likely be listed on the National Register of
Historic Places;
(2) For a facility on private land, archaeological objects, as defined in ORS 358.905(1)(a), or archaeological sites, as defined in ORS 358.905(1)(c); and,

(3) For a facility on public land, archaeological sites, as defined in ORS 358.905(1)(c).

**Discussion.** In the Final Order approving the site certificate, the Council concluded that the construction, operation and retirement of the facility would not result in a significant adverse impact to historic, cultural or archaeological resources. The site certificate includes conditions protecting any artifacts and historic, cultural or archaeological resources discovered during construction. The proposed extension of time for completing construction has no effect on the factual basis for the Council’s decision, in the Final Order, that the historic, cultural and archaeological standard was met.

**Conclusion.** The Council finds that CSCP meets the historic, cultural, and archeological resources standard, OAR 345-22-090.

**E.4.6. Recreation Standard, OAR 345-22-100**

The recreation standard requires that the Council find that "design, construction and operation of a facility, taking into account mitigation, is not likely to result in a significant adverse impact to important recreational opportunities in the impact area. Factors which will be considered in judging the importance of a recreational opportunity include:

(1) Any special designation or management of the location,
(2) The degree of demand
(3) Uniqueness
(4) Outstanding or unusual qualities
(5) Availability or rareness, and
(6) Irreplaceability or irretrievability of the opportunity.

**Discussion.** In the Final Order approving the site certificate, the Council concluded that no recreational areas, other than Messner Pond, would be significantly affected by the project. The Council concluded that a proposed tree buffer and the distance between the site and Messner Pond would prevent significant adverse impacts to recreational opportunities at the pond. The proposed extension of time for completing construction has no effect on the factual basis for the Council’s decision, in the Final Order, that the recreation standard was met.

**Conclusion.** The Council finds that the CSCP meets the recreation standard, OAR-345-22-100.

**E.4.7. Socio-Economic Impacts Standard, OAR 345-22-110**

The socio-economic impacts standard requires the Council to find “that the construction and operation of the facility, taking into account mitigation, is not likely to result in
significant adverse impact to the ability of communities within the study area to provide
the following governmental services: sewers and sewage treatment, water, stormwater
drainage, solid waste management, housing, traffic safety, police and fire protection,
health care and schools."

Discussion. In the Final Order approving the site certificate, the Council
concluded that, subject to mitigation conditions, construction and operation of the CSCP
would not result in significant adverse impacts to the governmental services listed in the
standard. The Council’s findings anticipated both phases of the project. The proposed
extension of time for completing construction has no effect on the factual basis for the
Council’s decision, in the Final Order, that the socio-economic impacts standard was met.

Conclusion. The Council finds that the CSCP meets the socio-economic
impacts standard, OAR 345-22-110.

E.4.8. Waste Minimization Standard, OAR 345-22-120
The waste minimization standard requires an applicant, “to the extent reasonably
practicable...[to] minimize generation of solid waste and wastewater in the construction
and operation of the facility, and when solid waste or wastewater is generated, recycle
and reuse such wastes. [In addition,] to the extent reasonably practicable, the
accumulation, storage, disposal and transportation of waste generated by the construction
and operation of the facility must have minimal adverse impacts on surrounding and
adjacent areas."

Discussion. In the Final Order approving the site certificate, the Council
concluded that PGE’s commitment to implementing programs to reduce and recycle solid
waste was adequate. This conclusion anticipated both phases of the project. The site
certificate includes conditions to minimize and recycle solid wastes generated during
construction and operation. The Council further concluded that PGE’s efforts at
wastewater reduction and reuse through the Port of Morrow’s land application disposal
system or by the installation of an on-site, zero-discharge system were adequate to satisfy
the standard. The site certificate included the following condition that applies to the
proposed extension of the construction completion deadline for phase two:

If commencement of construction of either phase of the proposed
CSCP is delayed beyond two years from the date the site certificate
is executed, Applicant shall submit, prior to commencement of
construction of that phase, a revised cooling system evaluation that
addresses the then available technologies, their costs, savings and
benefits.

Conclusion. The Council finds that the CSCP meets the waste minimization
standard, OAR 345-22-120.
E.4.9. Retirement Standard, OAR 345-22-130
The retirement standard requires the Council to find that "the site, taking into account mitigation, can be restored adequately to a useful, non-hazardous condition following facility retirement."

Discussion. In its amendment request, PGE notes that the original dollar estimate for retirement of the facility anticipated the cost of completing both phases as approved in the site certificate. The proposed extension of time for completing construction has no effect on the factual basis for the Council’s decision, in the Final Order, that the retirement standard was met.

Conclusion. The Council finds that the CSCP meets the retirement standard, OAR 345-22-130.

E.5. Other Standards
E.5.1. Noise OAR 340-35-035(1)(b)(B)
The Council applies and enforces the Department of Environmental Quality’s (DEQ) noise standards for energy facilities under its jurisdiction. The DEQ noise standard, OAR 340-35-035 (1)(b)(B), has two elements. The first element requires that industrial noise sources not increase the noise level by more than 10 dB above existing ambient noise levels. This maximum increase clause is known as the "ambient degradation rule." The second element limits the maximum noise levels that may be caused by the noise source, as measured at noise-sensitive properties. The limits allow a moderately higher level of noise in the daytime than at night.

Discussion. In the Final Order approving the site certificate, the Council concluded that the operation of the CSCP plant, subject to conditions included in the site certificate, would cause no significant adverse impact on the noise level of the surrounding area. The proposed extension of time for completing construction has no effect on the factual basis for the Council’s decision, in the Final Order, that the noise standard was met.

Conclusion. The Council finds that the CSCP meets the noise standard, OAR 340-35-035(1)(b)(B).

E.6. Other State and Local Regulations Within the Council’s Jurisdiction
E.6.1. Oregon Department of Transportation (ODOT) -- State Highways Rights-Of-Way
The proposed extension of time for completing construction has no effect on the Council’s finding, in the Final Order, that the CSCP involves no facilities that would be constructed in or affect state highway rights-of-way.
E.6.2. Oregon Division of State Lands (DSL) -- Fill and Removal of Waters of
the State
The proposed extension of time for completing construction has no effect on the
Council’s finding, in the Final Order, that the CSCP project does not involve state-owned
lands and requires no DSL permits.

E.6.3. Oregon Department of Forestry (ODF) -- Forest Lands and Practices
The proposed extension of time for completing construction has no effect on the
Council’s finding, in the Final Order, that no ODF permitting requirements or rules are
applicable to the project.

E.6.4. Oregon Department of Parks and Recreation (ODPR) -- State Parks
The proposed extension of time for completing construction has no effect on the
Council’s finding, in the Final Order, that the project raises no significant concerns
related to state parks.

E.6.5. Conclusions About Other State and Local Regulations Within the
Council’s Jurisdiction
The Council finds that the CSCP meets the Council’s standards for other state and local
regulations for ODOT, DSL, ODF and ODPR.

F. Unified Site Certificate
The Council has amended the site certificate for the CSCP three times before this
amendment proceeding. In each of the earlier amendment proceedings, the Council
issued a separate amendment document showing deletions from, and additions to, the
original site certificate. These amendment documents are supplemental to the original
site certificate document and must be read with the original site certificate document in
order to comprehend the effective language of the current site certificate at any time.
Appendix A, attached to this order, contains the original language of the site certificate
along with the deletions and additions from amendments #1 through #4. In Appendix A,
deleted material is indicated by strike-out and added material is indicated by underline.
After each addition or deletion there is a reference, by number, to the amendment that
added or deleted the particular language. Appendix A is included here as a reference
document. Upon granting amendment #4, the Council is issuing a unified site certificate
that incorporates all deletions and additions approved by amendments #1 through #4.
The Council issues the unified site certificate in the form of a “First Amended Thermal
Power Plant Site Certificate for the Coyote Springs Cogeneration Project.” The reasons
for issuing a unified site certificate are to simplify comprehension of the effective
language of the site certificate and to avoid the potential for confusion by including all
the effective language of the site certificate in a single document.

G. Conclusions About the Request for Amendment
The Council finds that the actions in PGE’s request are consistent with current Council
rules, with other applicable statutes and rules, and with statewide land use planning goals
and would not cause a significant adverse impact to public health and safety or the
environment. In preparing this order, the Council has limited its consideration to the
effects that may be produced by the proposed change to the facility described in PGE’s
request for amendment to extend the construction completion date for phase two of the
project, submitted July 2, 1998. In considering those effects, the Council has reviewed
state statutes, administrative rules, and local government ordinances.

Based on the above findings, the Council amends the site certificate for the Coyote
Springs Cogeneration Project as PGE requests, with modifications as noted above.

FINAL ORDER

Based on the above findings of fact, discussions and conclusions of law, the Energy
Facility Siting Council approves PGE’s Fourth Request to Amend Site Certificate, with
modifications. The Council Chair shall execute the site certificate amendment in the
form of the “First Amended Thermal Power Plant Site Certificate for the Coyote Springs
Cogeneration Project,” which incorporates amendments #1 through #4. The First
Amended Thermal Power Plant Site Certificate for the Coyote Springs Cogeneration
Project is attached and is incorporated by reference into this order.

Issued October 22, 1998.

[Signature]

Terry Edvalson
Chair
Energy Facility Siting Council
FIRST AMENDED THERMAL POWER PLANT SITE CERTIFICATE FOR THE COYOTE SPRINGS COGENERATION PROJECT (Incorporating Amendments #1 Through #4)

This site certificate for the Coyote Springs Cogeneration Project (CSCP) is issued and executed in the manner provided by ORS Chapter 469, as amended by 1993 Public Laws ch. 569 (SB 1016), by and between the State of Oregon (State) acting by and through its Energy Facilities Siting Council (EFSC) and Portland General Electric Company (PGE), an Oregon corporation.

I. SITE CERTIFICATION

A. To the extent authorized by State law and subject to those warranties and conditions set forth herein, the State approves and authorizes the construction, operation and retirement by PGE of a natural gas-fired combustion turbine energy facility, together with related or supporting facilities, at the site near Boardman, Oregon, in the manner described in PGE's application for site certificate. "Facility", as used in this site certificate, consists of the energy facility and the related or supporting facilities described in PGE's application for site certificate, except where otherwise stated or where the context clearly indicates otherwise. The findings of facts, reasoning and conclusions of law underlying the terms and conditions of this site certificate are set forth in EFSC's final order, which by this reference is incorporated herein. Subject to the conditions herein, this certificate binds the State and all counties, cities and political subdivisions in this State as to the approval of the site and the construction, operation and retirement of the facility, as to matters that are included in and governed by this site certificate. Amendment #2

A. To the extent authorized by State law and subject to those warranties and conditions set forth herein, the State approves and authorizes for construction, operation and retirement by PGE of a natural gas-fired combustion turbine energy facility with oil firing back-up (as defined in OAR 345-01-010(23)), together with related or supporting facilities in Boardman, Oregon, in the manner described in PGE's application for site certificate. "Facility", as used in this site certificate, consists of
the energy facility and the related or supporting facilities described in PGE's
application for site certificate, except where otherwise stated or where the context
clearly indicates otherwise. The findings of facts, reasoning and conclusions of law
underlying the terms and conditions of this site certificate are set forth in EFSC's final
order and subsequent orders approving amendments number one and two, which by
this reference are incorporated herein. Subject to the conditions herein, this certificate
bonds the State and all counties, cities and political sub-divisions in this State as to the
approval of the site and the construction, operation and retirement of the facility, as to
matters that are included in and governed by this site certificate. Added by Amendment
#2; deleted by Amendment #3

A. To the extent authorized by State law and subject to those warranties and conditions
set forth herein, the State approves and authorizes for construction, operation and
retirement by PGE of a natural gas-fired combustion turbine energy facility, with oil
firing back-up for phase one (as defined in OAR 345-01-010(33)), together with
related or supporting facilities in Boardman, Oregon, in the manner described in
PGE's application for site certificate. "Facility", as used in this site certificate,
consists of the energy facility and the related or supporting facilities described in
PGE's application for site certificate, except where otherwise stated or where the
context clearly indicates otherwise. The findings of facts, reasoning and conclusions
of law underlying the terms and conditions of this site certificate are set forth in
EFSC's final order, which by this reference is incorporated herein. Subject to the
conditions herein, this certificate bonds the State and all counties, cities and political
sub-divisions in this State as to the approval of the site and the construction, operation
and retirement of the facility, as to matters that are included in and governed by this
site certificate. Amendment #3

B. Each affected state agency, county, city and political subdivision with authority to
issue a permit, license or other approval with respect to matters included in or
governed by this site certificate shall, upon submission by PGE of the proper
application and payment of the proper fees, issue such permit, license or other
approval without hearing or other proceeding, subject only to conditions set forth in
the site certificate. Each agency that issues a permit, license or other approval to PGE
shall continue to exercise enforcement authority over such permit, license or other
approval.

For a permit, license or other approval included in or governed by the site certificate,
PGE shall comply with applicable state and federal laws adopted in the future to the
extent that such compliance is required under the respective state agency statutes and
rules.
C. Both the State and PGE shall abide by local ordinances and state law and the rules of EFSC in effect on the date the site certificate is executed. In addition, upon a clear showing of a significant threat to the public health, safety or the environment that requires application of later-adopted laws or rules, EFSC may require compliance with such later-adopted laws or rules.

II. DESCRIPTION OF THE FACILITY

A. Description of the Site

1. Power Plant Site

The proposed CSCP plant site consists of approximately 20 acres within the Port of Morrow Industrial Park. The Port of Morrow Industrial Park occupies 5700 acres of land east of the City of Boardman and along the Columbia River.

The plant site is located approximately 1,500 feet due south of the Columbia River and is immediately south of the bank and berm created by the Union Pacific Railroad's east-west mainline. The site's western boundary is Ullman Boulevard. Its southern boundary is along an existing gravel roadway and utility corridor. The site is about 450 feet west of Messner Pond and a small pond created by an ongoing dredging operation lies along the eastern edge of the plant site. The exact location of the plant site is shown by figures C-C2 and C-C3 of the application for site certificate, which are made part of and incorporated into this site certificate by reference.

2. Transmission Line Corridor

The transmission line serving the plant will be approximately 1.5 miles long. The line will occupy land owned by the Port of Morrow and the City of Boardman. The transmission line will run from the south end of the plant site eastward along the existing roadway and utility corridor. For a short distance at its eastern extremity, the line will cross fields that are or have been under cultivation. The exact location of the transmission line corridor is shown in figure C-C2 of the application for site certificate.

B. Description of Facilities

1. Power Plant
The proposed CSCP facilities will consist of several structures: a turbine generator building; heat recovery steam generator (boiler) structures; two 210 feet high exhaust stacks; a water treatment and auxiliary equipment building; auxiliary boilers; an administrative and control building; water treatment chemical tanks; and electrical transformation and substation facility structures.

The CSCP power generation facilities will consist of two identical, natural gas-fired, combined combustion turbine cycle units. Primary power for each unit will be supplied by a General Electric 7FA gas turbine generator rated at 172.7 MW. For each unit, the high temperature exhaust from the gas turbine generator will be ducted to a heat recovery steam generator or boiler to generate steam. This steam will be used to drive a steam turbine generator with an electrical generation capacity of 79.3 MW. Steam used in power generation will be cooled and condensed back to water by a condenser or heat exchanger using the cooling tower method. Amendment #3

The CSCP power generation facilities will consist of two natural gas-fired, combined combustion turbine cycle units. Primary power for each unit will be supplied by either a General Electric 7FA gas turbine generator rated at 172.7 MW or a similar model gas turbine. For each unit, the high temperature exhaust from the gas turbine generator will be ducted to a heat recovery steam generator or boiler to generate steam. This steam will be used to drive a steam turbine generator with an electrical generation capacity of 79.3 MW. Steam used in power generation will be cooled and condensed back to water by a condenser or heat exchanger using the cooling tower method. Amendment #3

Electrical transformation and substation facilities will be constructed adjacent to the power plant at the south end of the site.

The proposed CSCP power plant (both units) will use up to 27,400,000 million British thermal units of natural gas fuel per year. The power plant shall be supplied by a natural gas pipeline that will run approximately 15 miles between the site and Ione, Oregon. The supply pipeline will interconnect with an interstate natural gas transmission line and will be owned and operated by another company. The supply pipeline will be permitted through the Federal Energy Regulatory Commission and is not considered to be a related facility under the jurisdiction and siting review authority of the Energy Facility Siting Council.

2. Electrical Transmission Line

Project related facilities will include a double circuit looped 500 kilovolt
transmission line. The 1.5 mile line will connect the power plant with the Bonneville Power Administration transmission system.

In the event of a conflict between the descriptions of the facility in this site certificate, EFSC's final order, ODOE's final staff report on PGE's application for site certificate, or PGE's application for site certificate, the following priority of construction shall apply to determine which document controls: first, PGE's application for site certificate; second, this site certificate; third, EFSC's final order; and fourth, ODOE's final staff report.

III. WARRANTIES

ORS 469.401(3) requires that:

"The site certificate shall contain the warranties of the applicant as to the ability of the applicant to comply with standards of financial ability and to construct and operate the energy facility, the applicant's provisions for protection of the public health and safety and for time of completion of construction."

The following warranties are necessary to meet the above statutory requirements and to ensure and facilitate compliance with and enforcement of EFSC standards and the policy directives of ORS chapter 469:

(1) Applicant represents and warrants that it has the present capabilities and resources to construct, operate and retire the CSCP, including the ability to finance and pay for the CSCP, in a manner consistent with its representations in the Application for Site Certificate (ASC), as modified in this proceeding leading to the execution of the site certificate, and with the terms and conditions of the site certificate. Amendment #1

(1) Applicant represents and warrants that it has the present capabilities and resources to construct, operate and retire the CSCP, including the ability to finance and pay for the CSCP, substantially as described in the Site Certificate and in the order approving the Site Certificate, as they may be amended from time to time, and with the terms and conditions of the Site Certificate. Amendment #1

(2) Applicant represents and warrants that applicant can and will comply with all applicable state, federal and local laws, regulations and ordinances and with the conditions of the site certificate.

(3) Applicant represents and warrants that it will undertake and complete construction of
Phase I and Phase II of the CSCP according to the conditions of the construction commencement and completion dates at V.A.2.

(4) Applicant warrants that it will take those actions, necessary to ensure that any third party contracting with Applicant during construction, operation or retirement of this facility and related and supporting facilities shall abide by the terms of this site certificate.

(5) Applicant warrants that it shall take all reasonable steps necessary to ensure the protection of the public health and safety during the construction, operation and retirement of the CSCP and related facilities.

IV. MANDATORY CONDITIONS

The following mandatory conditions are either specifically required by OAR 345-27-020 or are appropriate under OAR 345-27-020(4)(o) to address project and site-specific conditions and requirements. These mandatory conditions shall apply in addition to, and should be read together with, the specific additional conditions provided in this site certificate to ensure compliance with the siting standards of OAR Chapter 345, Divisions 22, 23 and 24.

(1) Applicant shall comply with all applicable laws, regulations and ordinances of state, federal and local authorities, including all conditions contained in any permits, licenses and approvals issued by such authorities, and applicant shall comply with the conditions of the site certificate. The duty of applicant to comply applies notwithstanding a failure or oversight in the proposed order or site certificate to identify all applicable laws, regulations and ordinances. Applicant shall design, construct, operate and retire the facility in accordance with the requirements of the Oregon Energy Facility Siting Statute, ORS 469.300 et seq., and EFSC rules applicable to the facility.

(2) Applicant shall design, permit, construct, operate and retire the CSCP as described in the ASC, in EFSC proceedings and in documents and representations made by PGE in support of the application for site certificate, as modified or amended by the site certificate. Amendment #1

(2) Applicant shall design, permit, construct, operate and retire the CSCP substantially as described in the Site Certificate, as it may be amended from time to time. Amendment #1

(3) At construction completion and no later than 90 days following the beginning of commercial operation, applicant shall submit to EFSC a written report certified by an Oregon registered structural engineer documenting the following: (a) facility construction
consistent with the project description and operating statement of the ASC, as modified or amended by the site certificate; (b) fulfillment of and compliance with all design and construction-related conditions of the site certificate, including all applicable mitigation measures; and (c) compliance with or statement as to the ability to comply with all applicable state, federal and local permits, licenses and approvals issued for the project, including, but not limited to, compliance with Oregon Building Codes Agency (BCA) building permits and Oregon Public Utility Commission (OPUC)—Safety Section design requirements.

(4) Applicant shall submit annual compliance status reports to EFSC providing a statement and documentation of applicant’s compliance with each and every condition of the site certificate.

(5) Prior to construction, applicant shall submit certification that at least 80 percent of the capacity from the proposed CSCP shall be used by an energy supplier in the Pacific Northwest Region as defined in 16 U.S.C. 839a(14). The capacity and energy of the CSCP shall be used by applicant for the benefit of its customers in its Oregon service territory. Except as required for financing purposes, applicant shall not sell or lease the facility and shall not contract for firm energy or firm capacity for the output of the facility for a term exceeding five years. Amendment #3

(5)(a) Prior to construction, the site certificate holder shall submit certification that at least 80 percent of the capacity from the proposed CSCP shall be used by an energy supplier in the Pacific Northwest Region as defined in 16 U.S.C. 839a(14). The capacity and energy of the CSCP shall be used by the site certificate holder for the benefit of its customers in its Oregon service territory. Except as required for financing purposes, the site certificate holder shall not sell or lease the facility and shall not contract for firm energy or firm capacity for the output of the facility for a term exceeding five years.

(b) In the event the site certificate holder does not complete construction of phase two within five years from the execution of the site certificate, prior to EFSC granting the site certificate holder an extension of the construction completion date for phase two, the site certificate holder shall demonstrate compliance with ORS 469.503(2) in lieu of compliance with Condition IV(5)(a). Amendment #3

(6) Applicant shall not commence construction on any part of the facility and related or supporting facilities (including clearing of rights-of-way, but excepting survey and geotechnical investigations), until applicant has filed with EFSC documentation of ownership, control or access to the entire plant site and the entire transmission corridor.
(7) Applicant shall, to the extent practicable, restore vegetation and landscape portions of
the site disturbed by construction in a manner which is compatible with its surroundings;
and, upon completion of construction, dispose of all temporary structures not required for
future use and all used timber, brush, refuse, or flammable material resulting from the
clearing of lands or from construction of the facility.

(8) Applicant shall notify ODOE, Oregon Department of Geology and Mineral Industries
(DOGAMI) and the Oregon Department of Water Resources (DWR) in advance of further
gеotechnical investigations and trenching on the project site to allow the opportunity for
agency representatives to inspect the work.

(9) Applicant shall promptly notify ODOE, DOGAMI and DWR if further geotechnical
investigations, trenching or construction activities reveal conditions that were not
considered in or that differ from the conditions assumed in the agreed-upon seismic hazard
classification, or if shear zones, artesian aquifers, deformations or elastic dikes are found
near or beneath the project site. EFSC may require additional and/or higher design
requirements as necessary to address site conditions not previously considered.

(10) Applicant shall prevent any condition from developing on the site that would preclude
restoring the site to a useful condition.

(11) At least 5 years prior to facility retirement, applicant shall submit a retirement plan to
EFSC subject to review and approval by EFSC. The plan shall describe how the site will
be restored adequately to a useful condition, including options for post-retirement land use,
information on how impacts to fish, wildlife and the environment will be minimized during
the retirement process and measures to protect the public against risk or danger resulting
from post-retirement site conditions. The certificate holder shall restore the site to a useful
condition following retirement.

(12) This certificate shall expire at the end of the useful life of the energy facility.
Application for termination of the site certificate shall be made in accordance with the
provisions of OAR 345-27-110.

(13) The conditions in this site certificate may not be changed during the term of the site
certificate except as provided in OAR Chapter 345, Division 27.

(14) If a visitor information facility is provided at the site, information regarding
conservation of energy and the means by which it may be accomplished shall be included
with any energy facility information provided.
V. CONDITIONS ISSUED PURSUANT TO EFSC STANDARDS

A. Need for the facility

1. Exemption: OAR 345-23-010

Applicant shall, as part of the post-construction completion compliance status certification report required by Mandatory Condition 3, provide a capacity and heat rate performance test report to document the ability of the facility to meet the output and fuel efficiency measures as represented in the ASC.

2. Construction commencement and completion dates

(1) Applicant shall begin construction of phase one of the proposed facility within one year after the site certificate is executed. This one-year time period shall be tolled during any appeal that is taken of the Energy Facility Siting Council (EFSC) Order. Notwithstanding the tolling of the one-year time period for commencement of construction, Applicant shall complete construction of phase one within four years, and phase two within five years, of execution of the site certificate. EFSC may extend the four-year period for construction completion if the Applicant shows that the need for extension is caused by acts of God or force majeure events. EFSC anticipates such a request will be considered a minor amendment under OAR 345-27-080: Amendment #4

(2) Within one year of execution of the site certificate Applicant must affirm, by written notice to EFSC its intent to construct phase two. This notice to EFSC shall include copies of correspondence to a vendor requesting

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Although conditions in this part V of the site certificate are listed under headings citing specific standards, the condition may relate to other standards as discussed in EFSC's final order. Any application of these conditions should take into account discussions under the various other standards.

FIRST AMENDED CSCP SITE CERTIFICATE -- Page 9 of
commencement of bona fide negotiations to purchase the gas turbine. This one-year time period shall be tolled during any appeal taken of EFSC's Order. Such affirmation is required in order for Applicant to maintain a valid site certificate as to phase two.

(3) Applicant may request an extension of the five-year construction completion deadline for phase two. If such a request is made during the first year after the site certificate is executed (which period shall be tolled during any appeal taken of EFSC's order), and Applicant shows that the need for the extension is caused by acts of God or force majeure events, Applicant will not be required to demonstrate that the facility meets EFSC's needs standard. EFSC anticipates such a request will be considered a minor amendment under OAR 345-27-080.

(4) If Applicant requests an extension of the construction completion deadline for phase two and Applicant does not meet the requirements of paragraph 3 above, the Applicant shall be required to demonstrate that the facility meets EFSC's need standard in order for EFSC to approve extending the deadline. Applicant will not be exempted from the need showing under OAR 345-23-010(2) (adopted April 1994). EFSC anticipates this demonstration of need will be considered a major amendment under OAR 345-27-070. Amendment #3

(4) If the site certificate holder requests an extension of the construction completion deadline for phase two and the site certificate holder does not meet the requirements of Condition V.A.2(3) above, the site certificate holder shall demonstrate that the facility meets the requirements of ORS 469.503(2) in order for EFSC to approve extending the deadline. Amendment #3

(5) EFSC will grant a request under paragraph 4 only if the applicant demonstrates that phase two is needed in accordance with EFSC's need for facility standard in effect when the EFSC decision on the request is made. In no event will EFSC grant an extension of the construction completion deadline for phase two of more than two years from the five year deadline specified in applicant's warranty. The construction completion deadline for phase two, as specified in applicant's warranty, or as may later be extended, will not be tolled for reason of appeal of the EFSC's Order. Amendment #3
(5) In no event will EFSC grant an extension of the construction completion deadline for phase two of more than two years from the five-year deadline specified in applicant's warranty. The construction completion deadline for phase two, as specified in applicant’s warranty, or as may later be extended, will not be tolled for reason of appeal of the EFSC’s order.

Added by Amendment #3; deleted by Amendment #4

(5) In no event will EFSC grant an extension of the construction completion deadline for phase two beyond September 16, 2001. The construction completion deadline for phase two, as specified in the applicant's warranty, will not be tolled for reason of appeal of the EFSC's Order.

Amendment #4

3. Carbon Dioxide Emissions Standard for Phase Two: ORS 469.503(2)

(1) Prior to commencement of construction of phase two on an extended construction completion schedule pursuant to Condition V.A.2(4), the site certificate holder shall submit to the State of Oregon through the Council a bond, letter of credit or escrow account executed by the site certificate holder in the amount of the monetary path payment requirement (in 1998 dollars) as determined by the calculations set forth in Condition V.A.3(4) and based on the estimated heat rate and capacity certified pursuant to Condition V.A.3(5) below and as adjusted in accordance with the terms of this site certificate pursuant to Condition V.A.3(4)(d). For the purposes of this site certificate, the "monetary path payment requirement" means the offset funds determined pursuant to ORS 469.503(2)(c) and the selection and contracting funds determined pursuant to ORS 469.503(2)(d)(A)(ii) that the site certificate holder must disburse to the Oregon Climate Trust, as the qualified organization, pursuant to ORS 469.403(2)(d)(A). The calculation of 1998 dollars shall be made using the index set forth below in sub-section (c).

(a) In the event that the Council approves a new site certificate holder, the Council shall approve the bond, letter of credit or escrow account from the new site certificate holder(s) unless the Council finds that the proposed bond, letter of credit or escrow account does not provide comparable security to the bond, letter of credit or escrow account of the current site certificate holder. Such approval of a new bond, letter of credit or escrow account will not require a site certificate amendment. The bond, letter of credit or escrow account shall remain in effect until such time as the site
certificate holder has disbursed the full amount of the monetary path payment requirement to the Oregon Climate Trust as provided in ORS 469.503(2)(d)(A).

(b) If the site certificate holder has provided a bond, letter of credit or escrow account prior to commencing construction and if calculations pursuant to Condition V.A.3.(6) demonstrate that the site certificate holder must increase its monetary path payments, the site certificate holder shall increase the bond, letter of credit or escrow account sufficiently to meet the adjusted monetary path payment requirement within the time required by Condition V.A.3.(4)(d). The site certificate holder may reduce the amount of the bond, letter of credit or escrow account commensurate with payments it makes to the Oregon Climate Trust.

(c) The calculation of 1998 dollars shall be made using the US Gross Domestic Product Deflator for Total Non-Residential Fixed Investment, as published by the US Department of Commerce, Bureau of Economic Analysis, or any successor agency ("the index"). The amount of the bond, letter of credit or escrow account shall increase annually by the percentage increase in the index and shall be pro-rated within the year to the date of disbursement to the Oregon Climate Trust. If at any time the index is no longer published, the Council shall select a comparable calculation of 1998 dollars. The bond, letter of credit or escrow account shall not be subject to revocation prior to disbursement of the full monetary path payment requirement, including any adjusted monetary path payment requirement. The terms of the bond, letter of credit or escrow account and identity of the issuer shall be subject to approval by the Council, which approval shall not be unreasonably withheld.

(d) If the site certificate holder establishes an escrow account for the monetary path payment requirement, the portion of any interest accruing in the escrow account up to the time of disbursement to the Oregon Climate Trust that is equivalent to the 1998 dollar index adjustment (described in sub-section (c)) shall be for the benefit of the Oregon Climate Trust and shall be disbursed to the Oregon Climate Trust for use as specified in ORS 469.503(2)(d)(A). Any remaining interest that exceeds the 1998 dollar adjustment at the time of disbursement of funds to the Oregon Climate Trust shall be disbursed to the site certificate holder on its request.
(2) The site certificate holder shall disburse to the Oregon Climate Trust offset funds and contracting and selection funds as requested by the Oregon Climate Trust up to the monetary path payment requirement as determined by the calculations set forth in Condition V.A.3.(4) and based on the estimated heat rate and capacity certified pursuant to Condition V.A.3.(5) below (in 1998 dollars) and as adjusted in accordance with the terms of this site certificate pursuant to Condition V.A.3.(4)(d). Disbursements shall be made in response to requests from the Oregon Climate Trust in accordance with the requirements of ORS 469.503(2)(d)(A).

(3) Notwithstanding anything in this amended site certificate to the contrary, the site certificate holder shall have no obligation with regard to offsets, the offset funds and the selection and contracting funds other than to make available to the Oregon Climate Trust the total amount required under this site certificate, nor shall any nonperformance, negligence or misconduct on the part of the Oregon Climate Trust be a basis for revocation of this site certificate or any other enforcement action by the Council with respect to the site certificate holder.

(4) The site certificate holder shall use the following methodology to calculate the amount of the monetary path payment requirement that it must make available to the qualified organization pursuant to ORS 469.503(2)(d)(A). All calculations shall be made assuming that no steam is supplied for cogeneration. The site certificate holder shall use the contracted design parameters for capacity and heat rate for phase two that it reports pursuant to Condition V.A.3.(5) to calculate the estimated monetary path payment requirement. The site certificate holder shall use the Year One Capacity and Year One Heat Rate that it reports for phase two pursuant to Condition V.A.3.(6) to calculate whether it owes additional monetary path payments.

(a) To calculate the offset funds payment requirement as provided in ORS 469.503(2)(c), the site certificate holder shall use the following methodology:

(A) The site certificate holder shall multiply the nominal power of phase two (kW) while operating on natural gas by 8,760 hours. It shall then multiply that product by 30 years to determine the total net plant output (kWh) of phase two. It shall multiply the total net plant output of phase two by the heat rate (Btu/kWh) while operating on natural gas and by the carbon dioxide emission factor for natural gas.
(0.00017 lb. CO₂/Btu) to determine the total CO₂ emissions (lb.) from operating phase two. The site certificate holder shall calculate the CO₂ emissions rate (lb. CO₂/kWh) for phase two by dividing the total CO₂ emissions by the total net plant output for phase two.

(B) The site certificate holder shall subtract the carbon dioxide standard of 0.7 lb. CO₂/kWh from the CO₂ emissions rate for phase two to determine its excess CO₂ emissions rate (lb. CO₂/kWh).

(C) The site certificate holder shall multiply the total net plant output (kWh) for phase two by phase two's excess CO₂ emissions rate (lb. CO₂/kWh). It shall then divide that product by 2,000 pounds to determine the total tons of CO₂ emissions the site certificate holder must mitigate (tons); then,

(D) The site certificate holder shall multiply the total tons of CO₂ emissions it must mitigate by $0.57 per ton of CO₂ to determine the sub-total for the offset funds.

(b) To calculate the selection and contracting funds sub-total as provided in ORS 469.503(2(d)(A)(ii), the site certificate holder shall subtract $500,000 from the offset funds subtotal; then multiply the remaining amount by 4.286 percent; then add $50,000 to that product.

(c) To determine its monetary path payment requirement, the site certificate holder shall add the sub-total for the offset funds and the sub-total for the selection and contracting funds.

(d) When the site certificate holder submits the Year One Test report required in Condition V.A.3.(6), it shall increase its bond, letter of credit or escrow account for the monetary path payment requirement if the calculation using reported data shows that the adjusted monetary path payment requirement exceeds the monetary path payment requirement for which the site certificate holder had provided a bond, letter of credit or escrow account prior to commencing construction, pursuant to Condition V.A.3.(1).

(A) The site certificate holder shall make the appropriate calculations and increase its bond, letter of credit or escrow account, if necessary, within 30 days of filing its Year One Test report with
(B) In no case shall the site certificate holder diminish the bond, letter of credit or escrow account it provided prior to commencing construction or receive a refund from the qualified organization based on the calculations made using the Year One Capacity and the Year One Heat Rate.

(5) Prior to commencement of construction of phase two on an extended construction completion schedule pursuant to Condition V.A.2(4), the site certificate holder shall notify the Council in writing of its final selection of a gas turbine vendor and shall submit written design information to the Council sufficient to verify phase two’s designed new and clean heat rate and its nominal electric generating capacity at average annual site conditions. The report shall also include an affidavit or other evidence that the site certificate holder or a vendor has guaranteed the heat rate.

(6) Within two months of completion of the first year of commercial operation of phase two built on an extended construction completion schedule pursuant to Condition V.A.2(4), the site certificate holder shall provide to the Council pursuant to ORS 469.503(2)(e)(G) a test report (Year One Test) of the actual heat rate (Year One Heat Rate) and nominal generating capacity (Year One Capacity) for phase two, without degradation, assuming no steam is supplied for cogeneration, as determined by a 100-hour test at full power completed during the first 12 months of commercial operation, with the results adjusted for the average annual site condition for temperature, barometric pressure and relative humidity and use of alternative fuels, and using a rate of 117 pounds of carbon dioxide per million Btu of natural gas fuel.

(7) The combustion turbine for phase two shall be fueled solely with natural gas or with synthetic gas with a carbon content per million Btu no greater than natural gas.

(8) If the site certificate holder operates phase two as a cogeneration facility, the site certificate holder shall not use steam from phase two to replace steam generated by a biomass fuel at an off-site industrial facility.

B. Standards relating to the applicant
Organizational, managerial and technical expertise standard: OAR 345-22-010

1. Applicant Qualification and Capability:

Applicant shall contractually require the EPC contractor and all independent contractors and subcontractors involved in the construction and operation of the proposed facilities to comply with all applicable laws and regulations and with the terms and conditions of the site certificate.

2. Third-Party Services and Permits

(i) Water supply

(1) Applicant's water use shall not exceed the flow rates and maximum quantities specified in the ASC for the proposed CSCP nor shall the withdrawal rates exceed the limits imposed by the water right permits for the sources supplying the water.

(2) Applicant shall install and operate a continuous, recording flow meter on the facility's process water intake line and maintain records of total process water use on a monthly and annual basis.

(ii) Process wastewater disposal

(1) Within six months of the date the site certificate is executed, the applicant shall demonstrate that the Port of Morrow has received DEQ approval to dispose of the CSCP’s process wastewater, or commit to install an on-site, zero-discharge water treatment system.

(2) If applicant uses the Port of Morrow's industrial wastewater disposal system, applicant shall not discharge into the Port's system at flow rates and quantities or in excess of water quality limitations or discharge any materials that would violate any applicable laws and regulations or the conditions of the Port of Morrow's WPCF permit.

(iii) Sanitary wastewater disposal

Applicant shall not discharge any materials into the City of Boardman sewage treatment system that would violate any applicable laws and regulations or the conditions of the City of Boardman's WPCF permit.
C. Standards relating to the site and structure

1. Structural standard: OAR 345-22-020

   a. Seismic hazards

      (1) Applicant shall design and construct the proposed facility in accordance with and in compliance with the laws and regulations administered by BCA.

      (2) Before submitting building permit applications to BCA, applicant shall re-evaluate peak ground acceleration for the site based on applying an amplification factor determined from its site-specific studies. The applicant shall report the results of its reevaluation to ODOE, DOGAMI and BCA. The applicant shall design and construct the facility to address any estimate of peak ground acceleration exceeding that covered by seismic zone 2B.

   b. Adverse soil impacts

      During construction, the applicant and its subcontractors shall make reasonable efforts to keep soil disturbances to a minimum.

2. Land use standard

   Applicant shall comply with the conditions in the variance for the CSCP transmission line granted to applicant by Morrow County on October 25, 1993.

D. Standards relating to the impacts of construction, operation and retirement

1. Fish and Wildlife Standard: OAR 345-22-060

   (1) Applicant shall implement the vegetation, fish and wildlife mitigation measures as contained in its ASC (Exhibits N, P and R), and the following mitigation conditions of ODFW:

      a. The applicant shall design and construct the electrical transmission towers and lines in a manner appropriate for the protection of raptors.

      b. Applicant shall reseed areas of disturbed soil using the seed
composition and planting procedure described in ASC, Exhibit N. Applicant shall reseed areas where Russian olive trees or tall vegetation is removed using a mix of woody shrubs and perennial grasses to be jointly determined by ODFW and PGE.

c. Applicant shall plant trees between the west side of Messner Pond and the facility site, as described in the ASC, to enhance wildlife habitat around Messner Pond and to provide a visual and auditory buffer between the facility site and Messner Pond. The applicant shall maintain trees in healthy condition and replace trees that die or become unhealthy.

d. The following activities shall be prohibited within 100 feet of the wetland associated with Messner Pond: storage of hazardous materials, chemicals, fuels and lubricating oils; refueling of construction equipment; and performing concrete coating activities.

e. Applicant shall insure that notification is provided to the ODFW representative in charge of the Heppner District Office at least one week prior to the start of construction for the power plant and transmission lines.

f. Applicant shall leave a 50 foot buffer between the edge of construction and the high water line of the wetland area associated with Messner Pond.

g. Applicant shall erect a temporary fence and signs to protect the bank swallow nesting colony from disturbance during construction.

(2) Applicant shall, as part of the post-construction completion compliance status certification report required by Mandatory Condition No. 3, provide documentation of the following: a) cooling tower drift rate, including manufacturer specifications and guaranty, and actual field testing of the CSCP cooling tower drift rate; and b) water analysis of the cooling tower circulation water representative of identified actual source water and cycles of concentration.

(3) Applicant shall install, operate and maintain a continuous monitoring system to measure and record the total dissolved solids (TDS) concentration of the cooling tower/condenser circulating water.

(4) Applicant's cooling tower drift factor shall not exceed 0.002 percent of the circulation rate. Applicant shall not allow the total dissolved solids
concentration in the cooling tower/condenser system to exceed 2,084 parts per million.

(5) Applicant shall fully comply with the terms and conditions of the December 10, 1993 Ecological Monitoring Program, as revised on January 5, 1994, and shall take such actions as deemed appropriate by ODOE, in consultation with ODFW, to fully mitigate adverse impacts to the Messner Pond area, including but not limited to reducing the cycles of concentration in the cooling tower system.

2. Scenic and Aesthetic Standard: OAR 345-22-080

Applicant shall implement and fulfill the mitigation proposals as contained in the ASC, including site perimeter landscaping with appropriate vegetation; painting building structures and the exhaust stacks in neutral shades; minimizing exterior lighting and directing lights into the facility site; and establishing landscape screening along the perimeter of the proposed power plant site.

3. Historic, Cultural, and Archaeological Standard: OAR 345-22-090

(1) If the area in which artifacts were found is to be disturbed by construction or operation, the applicant shall obtain the recommendation of SHPO as to any clearance requirements for the affected area and shall comply with all applicable regulations and laws relating to historic, cultural, and archaeological resources.

(2) If historic, cultural or archaeological resources are found during project construction or construction-related activities, the applicant shall stop all work in the vicinity of the find and consult with the SHPO. The applicant shall not restart work in the area of the find until SHPO has concurred that the applicant has identified actions to minimize or avoid further impact.

(3) Applicant shall comply with all applicable state laws regarding Indian graves, removal of historic materials and archaeological objects and sites.

4. Socio-Economic Impact Standard: OAR 345-22-110

a. Solid waste
Applicant shall, at a minimum, test its sludge waste and maintain records as required by DEQ and the landfill operator pursuant to applicable permits and licenses, including testing under the Toxicity Characteristic Leaching Procedure (TCLP), or equivalent per 40 CFR part 262.11, Hazardous Waste Determination.

b. Emergency services

The applicant shall reimburse the Boardman Fire Department for reasonable costs for new training and equipment which is specifically needed, as determined by the State Fire Marshall, to respond to an emergency at the CSCP.

c. Roadways

Applicant shall mitigate all fogging and icing impacts caused by CSPC to off-site roadways that create hazardous traffic conditions. Mitigation measures, if needed, shall be undertaken and implemented in consultation with the Port of Morrow and other responsible local agencies, and may include, but are not limited to: hazard warning signs, lighting and sanding.

5. Waste Minimization Standard: OAR 345-22-120

a. Solid wastes

Applicant shall minimize and recycle solid wastes generated during construction and operation whenever practical, including:

a) packing materials, wood, piping and steel scrap during construction;

b) spent ion exchange resins used for demineralizing water during plant operation;

c) waste from the facility's office, including paper products, aluminum cans, glass and plastics.

b. Industrial wastewater

If commencement of construction of either phase of the proposed CSCP is delayed beyond two years from the date the site certificate is executed,
applicant shall submit, prior to commencement of construction of that
phase, a revised cooling system evaluation that addresses the then
available technologies, their costs, savings and benefits.

6. Retirement Standard: OAR 345-22-130

Upon retirement of the facility, the applicant shall restore the CSCP site to a
useful condition.

E. Noise

(1) Applicant shall comply with the noise standards and limits contained in OAR

(2) Applicant shall, by facility design and the installation of silencers and/or other
devices, limit noise emissions from the facility's pressure-relief safety valves
such that sound levels attributable to their use do not exceed the limits contained

(3) Applicant shall retain a registered acoustical consultant to conduct noise
monitoring to determine compliance with conditions (1) and (2) above and
provide a report of that monitoring to ODOE within 120 days after beginning
commercial operation of the proposed facility.

F. Public health and safety

To the extent possible, consistent with BPA's specifications, applicant shall design
and construct the line in accordance with the requirements of OAR 345-24-090:

(a) The transmission line shall be designed so that alternating current
electrical fields shall not exceed 9 kv per meter above the ground
surface in areas accessible to the public;

(b) The transmission line shall be designed so that induced currents
resulting from the transmission line and related facilities will be as
low as reasonably achievable. The applicant agrees to a program
which shall provide reasonable assurance that all fences, gates, cattle
guards, trailers, or other objects or structures of a permanent nature
that could become inadvertently charged with electricity shall be
grounded through the life of the line; and
(c) The transmission line shall be designed and constructed, and operated in a manner consistent with the 1993 edition of National Electrical Safety Code (American National Standards Institute, Section C2, 1993 edition).

VI. MONITORING CONDITIONS

OAR Chapter 345, Division 26 contains monitoring and reporting requirements for thermal power plants with site certificates. The following monitoring and reporting requirements are intended to achieve the purpose, expressed in OAR 345-26-005, "...to assure that the construction and operation of thermal power plants is accomplished in a manner consistent with the protection of the public health, safety and welfare, and the protection of the environment."

As provided in OAR 345-26-015(3), in the event that any of the specific monitoring or reporting conditions contained in the site certificate conflict or are inconsistent with the rules and requirements of OAR Chapter 345, Division 26, the site certificate conditions shall be deemed to control.

(1) The applicant shall submit to EFSC a report at least quarterly from the start of construction to commercial operation of the second unit. The report shall include, but is not limited to:

(a) an assessment of the construction schedule for each unit, including any changes to major milestones that affect the critical path for construction;

(b) an assessment of the then known costs and costs projections for the CSCP in relation to the applicant's then current least cost plan;

(c) an assessment of the construction staffing, including status of staffing and any staffing problems that may affect construction schedule;

(d) any significant work stoppage;

(e) any noncompliance with the conditions of the site certificate, including the background of the causes of the noncompliance, the mitigation or correction of the noncompliance and the impact of the noncompliance on the project schedule or financing;

(f) any noncompliance with the conditions of permits issued by any other federal,
state or local authority; including the background of the causes of the noncompliance, the mitigation or correction of the noncompliance; and the impact of the noncompliance on the project schedule or financing;

(g) any noncompliance with the conditions of permits issued to third parties that are known to the applicant and that are significant and relevant to the construction or operation of the facility, such as Water Rights Permits or Water Pollution Control Facility Permits; including the background of the causes of the noncompliance, the mitigation or correction of the noncompliance, and the impact of the violation on the project schedule or financing;

(h) copies of all correspondence and reports related to facility construction submitted to a federal, state, or local authority, except material withheld from public disclosure under federal or state law. Abstracts of reports may be submitted in place of full reports. However, full copies of abstracted reports must be provided at the request of ODOE or EFSC;

(i) any other information that EFSC requests that is considered necessary to monitor and evaluate the applicant's compliance with the terms and conditions of the site certificate.

(2) The applicant shall submit to the EFSC an annual report from the start of commercial operation of the first unit through retirement of the last operating unit. The annual report shall include, but is not limited to:

(a) results of performance tests, including project efficiency testing, summaries of fuel use, average volume and mass of steam supplied to any cogeneration host and the estimated fuel used to generate any host steam load;

(b) in the first report submitted after commencement of commercial operation, unit heat rate in Btu per kilowatt hour produced, corrected to ISO conditions and accounting for steam delivered to any steam host, and also facility capacity corrected to 52.8°F, 55% relative humidity, standard air pressure adjusted for elevation, no steam to process, natural gas fuel, and normal steam turbine exhaust pressure, net of plant auxiliary loads;

(c) the power production by the facility by unit, by month, including peak capacity, average capacity, gross and net kilowatt hour production, availability, reasons and durations of planned and unplanned outages, plans to improve capacity and availability and to correct recurring problems;
(d) an assessment of the operations staffing, including status of staffing and any staffing problems that may affect facility operation;

(e) any noncompliance with the conditions of the site certificate, including the background of the causes of the noncompliance, the mitigation or correction of the noncompliance and the impact of the noncompliance on the project operation or financing;

(f) any noncompliance with the conditions of permits issued by any other federal, state or local authority; including the background of the causes of the noncompliance, the mitigation or correction of the noncompliance, and the impact of the noncompliance on the project operation or financing;

(g) any noncompliance with the conditions of permits issued to third parties that are known to the applicant and that are significant and relevant for the operation of the facility, such as Water Right Permits or Water Pollution Control Facility Permits; including the background of the causes of the noncompliance the mitigation or correction of the noncompliance, and the impact of the noncompliance on the project operation or financing;

(h) copies of all correspondence related to facility operation which was submitted to a federal, state, or local authority, except material withheld from public disclosure under federal or state law. Abstracts of reports may be submitted in place of full reports. However, full copies of abstracted reports must be provided at the request of ODOE or EFSC;

(i) an assessment of the project's cost of operation in relation to the applicant's then-current least cost plan;

(j) any other information that EFSC requests that is considered necessary to monitor and evaluate the applicant's compliance with the terms and conditions of the site certificate.

(3) Information To Be Reported Promptly

(a) The applicant shall report to ODOE within 72 hours of receiving knowledge of noncompliance with the conditions of the site certificate arising from the acts or omissions of applicant, its contractors, subcontractors or agents;

(b) The applicant shall report to ODOE within 24 hours of receiving knowledge of
any condition arising from the construction and operation of the facility that
endangers public health and safety.

VII. AMENDMENT OF SITE CERTIFICATION AGREEMENT

PGE and EFSC recognize that, because of the length of time that may pass between the date on
which this Agreement is executed and the date on which construction will commence, and that
will pass between the time construction is commenced and the energy facility is retired, it may be
necessary to amend this Agreement.

Amendments shall be made in accordance with OAR Chapter 345, Division 27 or EFSC rules
applicable and in effect at the time the amendment is sought.²

VIII. SUCCESSORS AND ASSIGNS

No site certificate, or any portion thereof, may be transferred, assigned, or disposed of in any
other manner, directly or indirectly, except in compliance with OAR 345-27-100 or EFSC rules
applicable and in effect at the time such action is proposed.

IX. SEVERABILITY AND CONSTRUCTION

If any provision of this agreement and certificate is declared by a court to be illegal or in conflict

²The Order Approving Amendment No. 1 included the following:
Notwithstanding the latter statement in Section VII, OAR 345-27-011 states that the Council's current rules
in Division 27 do not apply to facilities for which a site certificate was executed before November 30,
1994, unless the site certificate is amended to include the applicability of the rules in this division. This
amendment would apply the current rules at OAR 345-27-050 through OAR 345-27-080, and OAR 345-
27-095 to this site certificate.

PGE's request is consistent with the terms of the site certificate. It would be consistent with the other
recommended amendments for the Council to amend the site certificate to incorporate specifically the
applicability of OAR 345-27-050 through OAR 345-27-080 and OAR 345-27-095 to clarify that the
Council will process subsequent requests for amendments or petitions by PGE under the Council's most
current procedural rules.

OE concludes that the application of these current rules would not create a threat to public health and
safety or to the environment. OE supports this amendment. The Council agrees and finds that this
amendment is appropriate. Amendment #1
with any law, the validity of the remaining terms and conditions shall not be affected, and the
rights and obligations of the parties shall be construed and enforced as if the agreement and
certificate did not contain the particular provision held to be invalid.

In the event of a conflict between the warranties and conditions contained in this site certificate
and EFSC's final order, the warranties and conditions contained in this site certificate shall
control.

X. GOVERNING LAW AND FORUM

A. This agreement shall be governed by the laws of the State of Oregon.

B. Any litigation or arbitration arising out of this agreement shall be conducted in an
appropriate forum in Oregon.

XI. CONDITIONS ISSUED PURSUANT TO APPLICANT REPRESENTATIONS

References to page numbers and exhibits are to the Application for Site Certificate for
CSCP.

1. PGE shall notify the Council of any modifications to the ownership of the controlling
interest of PGE.

2. PGE shall notify the Council of any change of the identity of the operator of the
facility.

3. NOx emissions shall be controlled to 25 ppm on natural gas. (p. B-3)

4. Each heat recovery steam generator shall be provided with an ammonia injection
system and selective catalytic reduction system to further reduce the NOx emissions at the
stack outlet. (p. B-4)

5. All chemicals listed in section 4.7 of Exhibit B shall be stored in approved storage
containers consistent with industry standards for the particular chemical. All chemical
storage systems shall have provisions for secondary containment to prevent uncontrolled
spills to the environment. (p. B-8)

6. PGE shall implement fire protection and life safety design features as described at
Section 4.10 of Exhibit B. (pp. B-9 and B-10)
7. The low NOx burners on the auxiliary boiler shall control emissions to a maximum of 40 ppm at the stack outlet. (p. B-12)

8. All equipment drain wastewater shall be processed in an oil/water separator designed to remove oil contamination down to 10 ppm in the discharge water. Storm water collected within the fuel tank area shall be ... processed through the facility oil/water separator down to 10 ppm oil in the discharge water. (pp. B-11)

9. Code classifications and requirements described in Section 5.2 of Exhibit B shall apply to the energy facility and to any modifications. (p. B-14)

10. Aircraft warning lights shall be installed on the heat recovery boiler stacks if required by the FAA. (pp. B-22)

11. Equipment layout shall allow access for fire fighting or responses to any spills when required. (p. B-29)

12. The facility shall be designed, constructed, tested and operated in accordance with the codes and standards normally used for this type of facility. Where State of Oregon codes or local codes specify added or more stringent requirements, these requirements shall be incorporated into the facility design and construction. Codes listed in Exhibit B, Section 8.0 shall apply. (pp. B-30)

13. All of the equipment listed on Table B-2 may be constructed. PGE may construct the fuel oil-related equipment shown on Figure B-M10. However, PGE shall not use fuel oil for electric generation or steam production without prior Council approval.

14. Acid and caustic shall each be stored in individual carbon steel storage tanks. The tanks shall be located above ground within a concrete containment berm area. The bermed area shall contain sump pumps allowing any leakage to be transferred to the neutralization system. These tanks shall be located outdoors with appropriate weather protection. Handling of these materials shall be in accordance with approved industry standard practice as well as federal, state and local regulations. (p. F-4)

15. The ammonia storage system shall be designed to the requirements outlined in American National Standard Institute (ANSI) K61.1, Safety Requirements for the Storage and Handling of Anhydrous Ammonia. (p F-4)

16. The hydrogen storage and transfer system shall comply with the guidelines established in section VIII of the American Society of Mechanical Engineers (ASME)
17. For miscellaneous materials described in section 2.7 (p. F-6), appropriate safety measures shall be taken around the storage sites. Handling and storage of these items shall be strictly in accordance with approved procedures to provide safe storage of the substances. (p. F-5)

18. To ensure proper safe handling of the natural gas, the entire system shall be installed and operated in accordance with the NFPA 54: Natural Fuel Gas Code, Part 2: Gas Piping System Design, Materials, and Components, Part 3: Gas Pipeline Installation, Part 4: and Inspection, Testing and Purging. The piping shall be designed in accordance with ANSI B31.8. (p. F-6)

19. Fuel control systems on the gas turbines shall include separate fuel shutoff valves to stop all fuel flow to the unit under shutdown conditions. Fuel flow shall restart when all permissive firing condition have been satisfied. Each fuel shutoff valve shall have a mechanical device for local manual tripping and a means for remote tripping. A vent valve shall be provided on the fuel gas system to vent automatically the piping downstream of the shutoff valve when the fuel shutoff valve closes. Gas shutoff valves shall be installed at the utility pipeline connection point as well as at the facility. The area immediately around the gas system shall be a NFPA/NEC Class I, Division II, Group D Hazardous Area. Operations in the area shall be in accordance with this classification and accepted industrial standards of practice and procedures. (p. F-7)

20. Management of non-fuel substances shall be conducted as described in section 3.2 of the ASC. (pp. F-6 and F-7)

21. Construction phase wastes shall be handled and disposed as described in Section 4.1 of the ASC. (pp. F-7 and F-8).

22. Hazardous waste shall be stored no more than 90 days and transported to a licensed treatment storage disposal facility. (p. F-9)

23. Waste oil shall be collected in a single underground storage tank and trucked offsite to an approved recycling and disposal facility. The underground tank shall be of fiberglass double wall construction to provide corrosion protection and secondary containment.
Leakage monitoring shall also be provided. (p. F-10)

24. PG&E shall set back heavy plant facilities a minimum of 60 feet from the edge of the irrigation pond to the east of the facility site. (p. G-6)

25. PG&E shall plant fill slopes with vegetation to prevent surface erosion. (p. G-7)

26. PG&E shall implement mitigation measures as described in section 4.0 of the ASC. (p. G-8)

27. PG&E shall implement mitigation measures to vegetation impacts described in section 6.0 of the ASC. (p. N-4)

28. PG&E shall implement mitigation measures described in section 5.0 of the ASC. (p. P-4)

29. PG&E shall implement mitigation measures described in section 5.0. (p. R-10)

30. PG&E shall implement mitigation measures described in Exhibit W, unless those are superseded by more detailed measures described in the Council's final order of September 16, 1994 or in the site certificate. Amendment #1

XII. CONDITIONS ISSUED PURSUANT TO USING ALTERNATE FUEL IN A NATURAL GAS-FIRED FACILITY  Amendment #2

The CSCP shall not exceed permitted emission levels, total emissions or the allowable amount of distillate fuel use stated in its Air Contaminant Discharge Permit (amended for distillate fuel burning). The CSCP's use of distillate fuel in its combustion turbines in any year shall not exceed an amount of 10 percent of the expected total fuel use, on a Btu higher heating value basis. Added by Amendment #2; deleted by Amendment #3

1. The CSCP shall not exceed permitted emission levels, total emissions or the allowable amount of distillate fuel use stated in its Air Contaminant Discharge Permit (amended for distillate fuel burning). The CSCP's use of distillate fuel in its phase one combustion turbine in any year shall not exceed an amount of 10 percent of the expected total fuel use, on a Btu higher heating value basis. Amendment #3

2. PG&E shall not use #2 low sulfur distillate fuel oil in its turbines at CSCP prior to receiving an amended Air Contaminant Discharge Permit from the Department of
Environmental Quality authorizing it to burn distillate fuel. Added by Amendment #2; deleted by Amendment #3

2. PGE shall not use #2 low sulfur distillate fuel oil in its phase one turbine at CSCP prior to receiving an amended Air Contaminant Discharge Permit from the Department of Environmental Quality authorizing it to burn distillate fuel. Amendment #3

3. PGE shall prepare a Spill Prevention Control and Countermeasures Plan meeting federal standards and fully implement it within one year of storing distillate fuel at CSCP. Amendment #2

4. PGE shall prepare a response plan meeting the requirements of a Federal Response Plan for CSCP suitable for submission to the U.S. Environmental Protection Agency Regional Administrator prior to beginning filling the second distillate oil storage tank. Amendment #2

IN WITNESS WHEREOF, this Site Certificate has been executed by the State of Oregon, acting by and through its Energy Facility Siting Council, and Portland General Electric.

__________________________
Chair, Energy Facility Siting Council

Date __________

__________________________
On behalf of the applicant
Portland General Electric

Date __________