Oregon Department of **ENERGY**

Energy Facility Siting Council Meeting

Port of Morrow/Riverfront Center
2 Marine Drive NE
Boardman, Or

November 19-20, 2026

OREGON DEPARTMENT OF ENERGY



Opening Items:

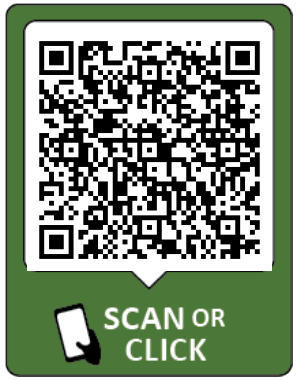
- Call to Order
- Roll Call
- Announcements

Announcements

- Reminder to Council and anyone addressing the Council:
  - State your full name clearly at the start of your comment or question
  - Do not use the speakerphone feature, as it will create feedback

- You may sign up for email notices by clicking the link on the agenda or the Council webpage

- You can access the online mapping tool and any documents by visiting our website



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Announcements Continued

- Please silence your cell phones

- Please use the “Raise Your Hand” feature in TEAMS to speak during the public comment period, or press *3 to raise your hand if you are participating by telephone.

- Energy Facility Council meetings shall be conducted in a respectful and courteous manner where everyone is allowed to state their positions at the appropriate times consistent with Council rules and procedures. Willful accusatory, offensive, insulting, threatening, insolent, or slanderous comments which disrupt the Council meeting are not acceptable. Pursuant to Oregon Administrative Rule 345-011-0080, any person who engages in unacceptable conduct which disrupts the meeting may be expelled.

Agenda Item A

Action Item & Information Item

Consent Calendar

- **September 2026 Council Meeting Minutes**
- **Council Secretary Report**

Todd Cornett, Secretary

November 19, 2026

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Compliance Updates

Facility	Incident Summary	Timing of Resolution
Wagon Trail Solar	2 Inadvertent returns during horizontal directional drilling took place during construction activities	Both spills were contained immediately and cleaned up within hours of the incident.
Boardman to Hemingway Transmission Line	1 finding of non-compliance - Culvert out of compliance with fish passage design/plan	Initiated Nov 6.
Wheatridge Renewable Energy Facility East	2 Findings of non-compliance for revegetation and soil protection. Both findings were initiated by a public inspection request.	Inspections took place in September and some corrective action initiated in immediately. Final plans for long-term fix expected mid-November.
Stateline Wind Project	A 9,584-acre fire initiated by a nacelle fire that shed burning debris onto surrounding grasslands.	Initial Fire – September. Additional information provided by Certificate Holder through October. Report to determine if any conditions were violated due December 1.

Agenda Item B

Action Item

Yellow Rosebush Energy Center
Final Order
Petition for Rehearing

Sarah Esterson, Senior Policy Advisor
and Patrick Rowe, Oregon Department of Justice Senior Assistant Attorney General

November 19, 2026

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Procedural History

Sept. 18, 2026: Council issued its Final Order on the Application for Site Certificate (ASC) for Yellow Rosebush Energy Center.

Oct. 1, 2026: Final Order was served to all parties and all parties to the contested case.

Nov. 2, 2026: Alvin Alexanderson submitted a Petition for Rehearing/Reconsideration on the Final Order (the Petition).

Applicable Rule/Statute

ORS 469.403(1) and OAR 137-003-0675

> *"…any party or limited party to a contested case proceeding may apply for rehearing within 30 days from the date the approval or ejection is served"*

Issues Raised in Petition

Petitioner requests reconsideration/rehearing on the following issues:

1. Intervenor was deprived of procedural rights.
2. The Council delegated issues out of the contested case.
3. Avoidable damage is ineligible for compensatory mitigation.
4. The Council refused to consider the cumulative effects on wildlife.
5. Passive preservation of other habitat fails the textual mandate to “recreate” or “replace” lost habitat.

Staff Recommendation

Deny the petition for two reasons:

1. All issues raised in petition were evaluated by the Council's appointed Hearing Officer in the Proposed Contested Case Order, and further reviewed, modified and certified by Council; and

2. The petition does not raise an issue that merits reconsideration or rehearing of the Final Order.

Council Options

Option 1 - Recommended	Option 2	Option 3
Deny the Request for Rehearing - Reconsideration	Approve the Request for Rehearing - Reconsideration	Take No Formal Action

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Council Deliberation

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Agenda Item C

Public Hearing

Carty Generating Station – Public Hearing on Request for Amendment 4 and Proposed Order

Chase McVeigh-Walker, Senior Siting Analyst

November 19, 2026

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Carty Generating Station Request for Amendment 4
Public Hearing Overview

- **Overview of Proposed Amendment & Proposed Order**
- **Hearing Overview**
- **Public Hearing & Oral Testimony**
  - Certificate Holder
  - Public
  - Council

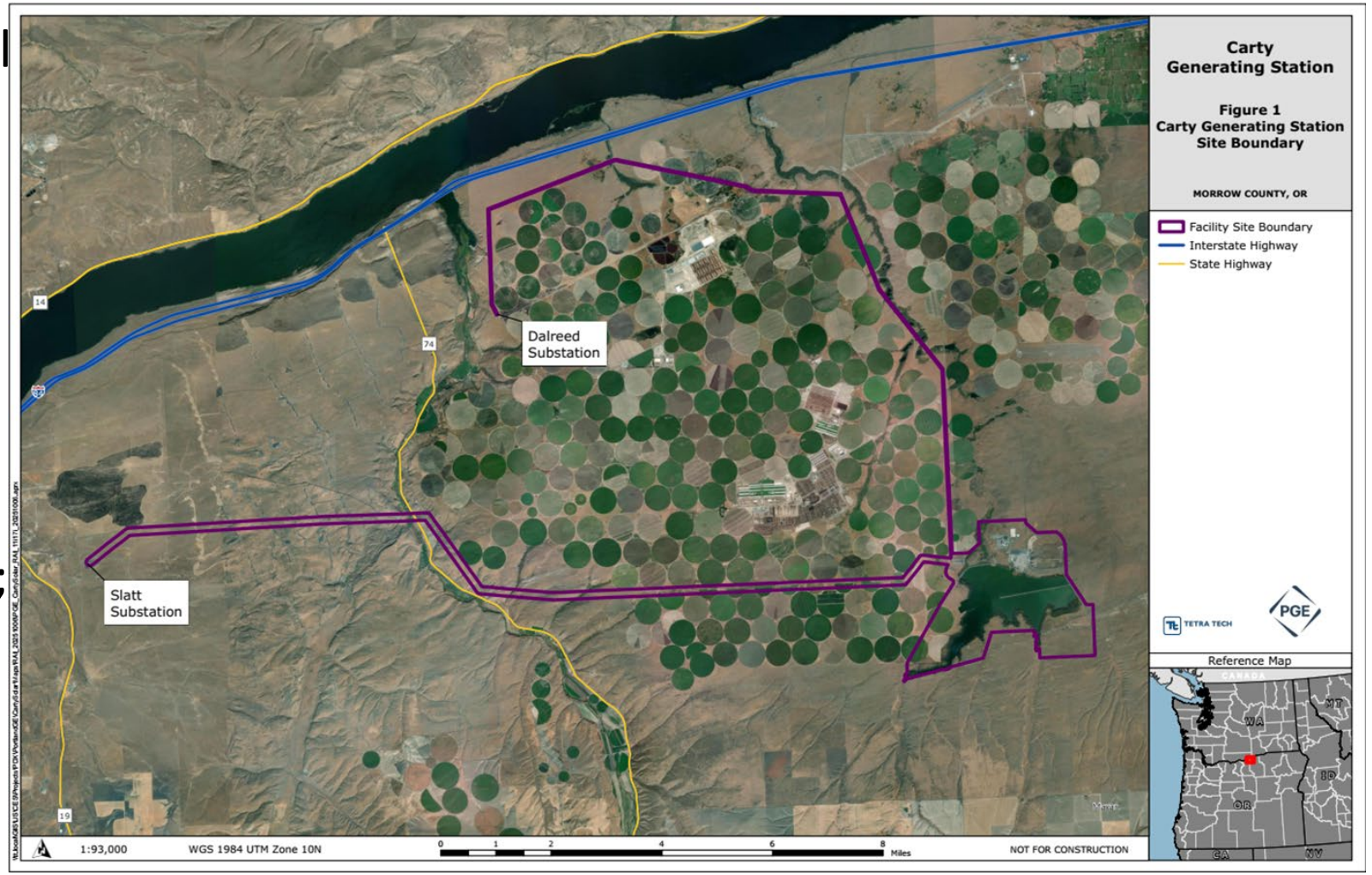
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Carty Generating Station Request for Amendment 4
Existing Facility Overview

Certificate Holder: Portland General Electric (PGE).

Existing Facility: (Operational) 450-MW natural-gas-fueled combustion turbine generator (Unit 1).

Location/Site Boundary: North Morrow and North Gilliam counties; within a site boundary of approximately 4,997 acres.



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Carty Generating Station Request for Amendment 4 Overview

1. **Amended Site Boundary and Facility Layout -** Expand the site boundary by 252 net acres

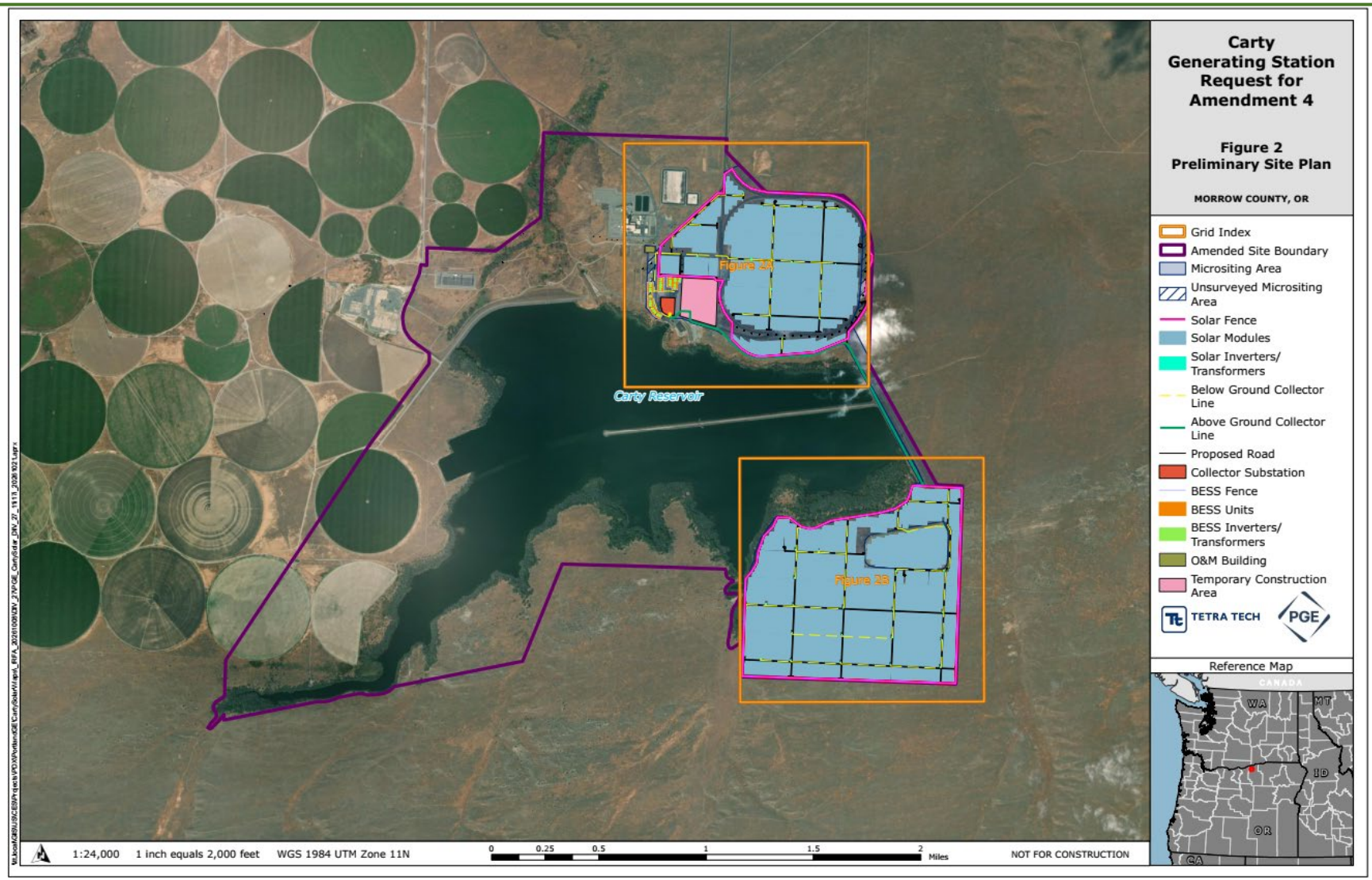
2. **Proposed Solar Photovoltaic Power Generation Facilities -** Construct and operate a 200 MW solar photovoltaic power generation facility

3. **Proposed Related or Supporting Facilities -** Includes a 200 MW battery energy storage system

4. **Construction Commencement and Completion Deadlines**

5. **RFA4 Proposed Changes to Site Certificate Conditions**

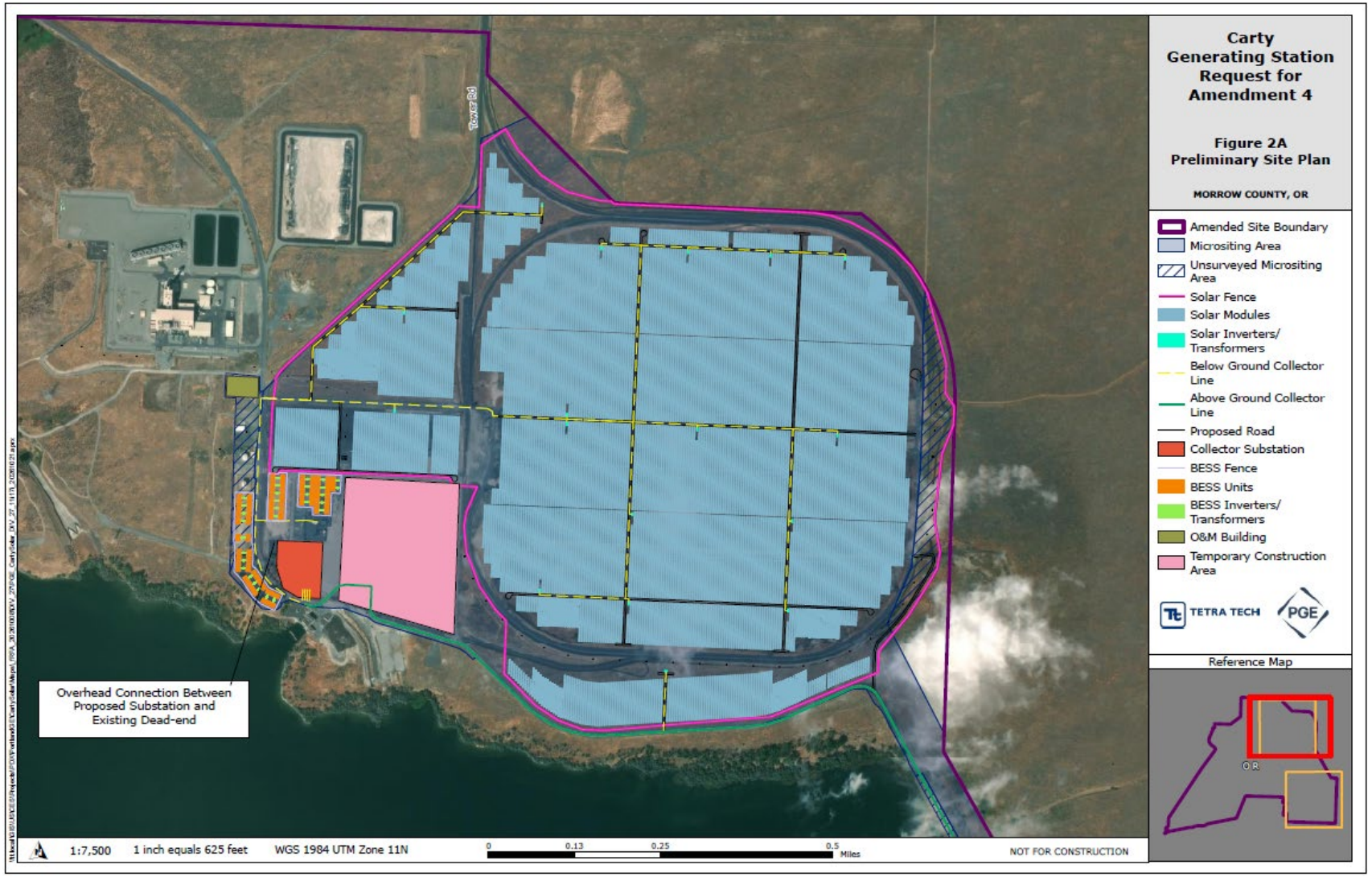
Carty Generating Station Request for Amendment 4 Overview



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Carty Generating Station Request for Amendment 4 Overview

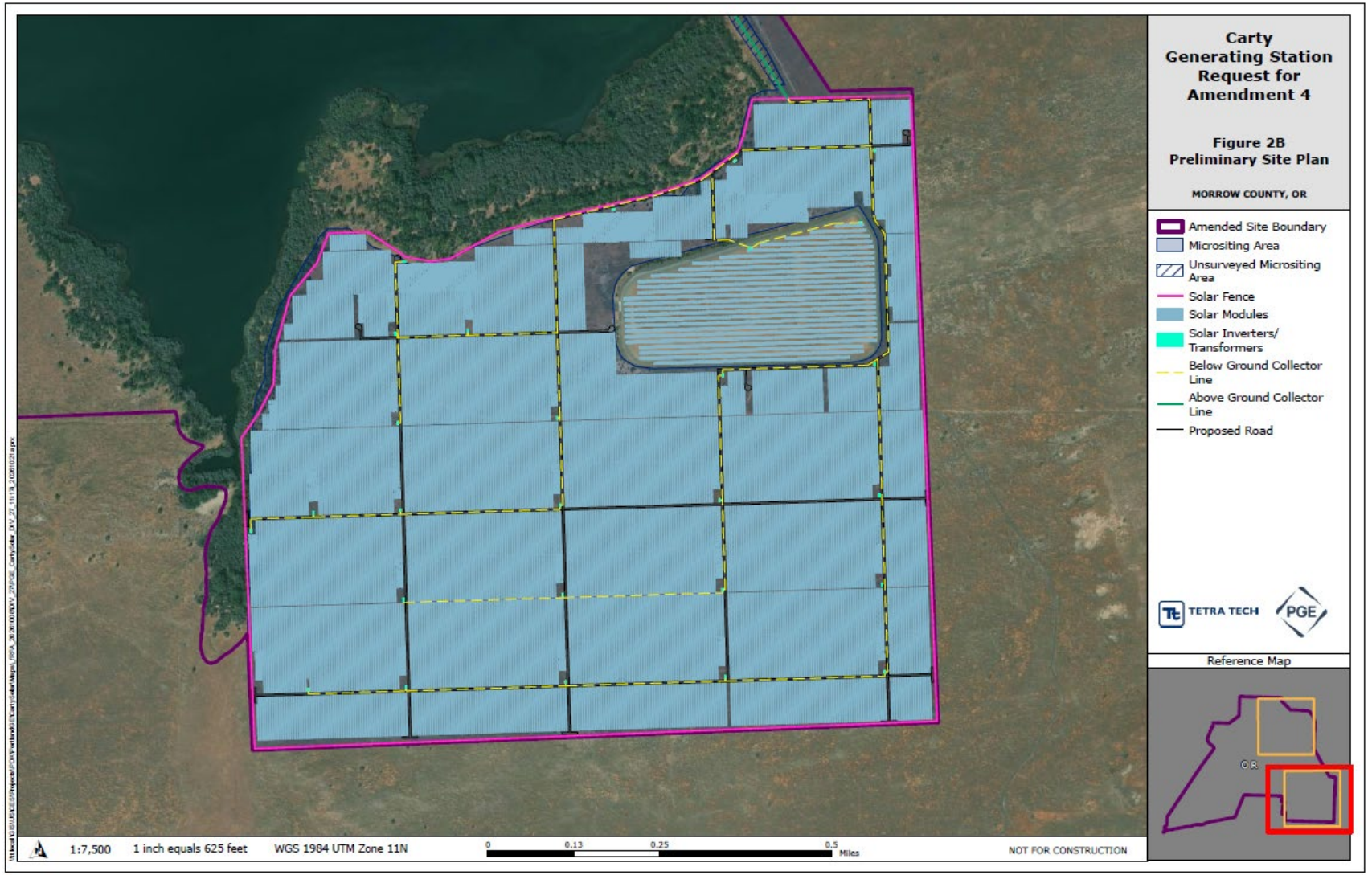
Proposed Northern Solar Area



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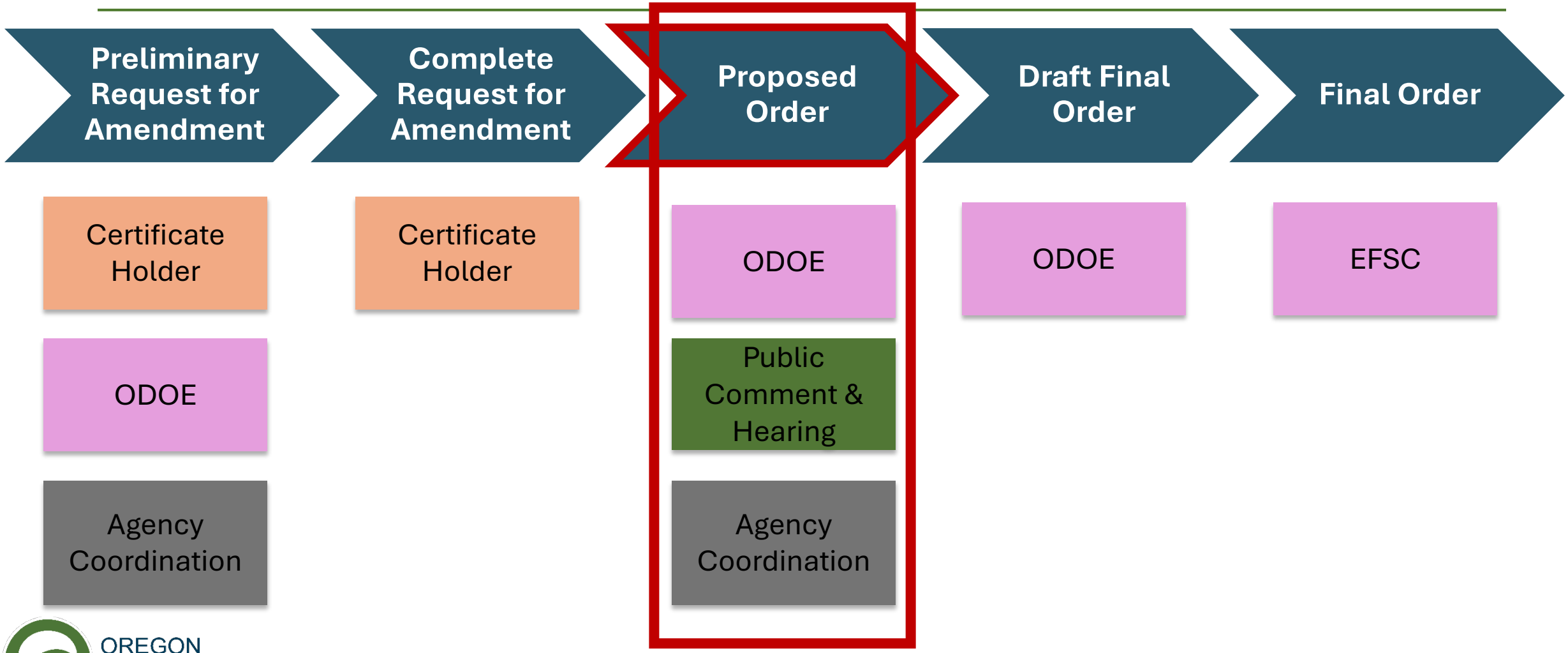
Carty Generating Station Request for Amendment 4 Overview

Proposed Southern Solar Area



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Carty Generating Station Request for Amendment 4 Process



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Agenda Item C

Public Hearing

Carty Generating Station Request for Amendment 4 – Public Hearing

Presiding Officer – Sarah Esterson, Senior Operations and Policy Analyst

November 19, 2026

OREGON DEPARTMENT OF ENERGY

Carty Generating Station Request for Amendment 4
Public Hearing

- The Public Notice on the Proposed Order initiated the public comment period on RFA4 and established hearing.
- Oral comments may be submitted during the hearing
- Written comments may be submitted until **5:00 p.m. Pacific Time on December 14, 2026.**

Carty Generating Station Request for Amendment 4
Public Hearing

ANNOUNCEMENTS

- A person who contends Council should reject a request to amend a site certificate or that Council in its final order should reject or revise certain aspects of a Department proposed order for a site certificate amendment must:
  - Comment in person or in writing prior to the close of the public comment period;
  - Raise their issues with sufficient specificity to afford the Council, the Department, and the certificate holder an adequate opportunity to respond to the issue(s).
- To raise an issue with sufficient specificity, a person must, in their comment,
  - Identify the recommended findings of fact, conclusions of law or conditions of approval identified in the proposed order to which they object,
  - Specify the Council standard or other applicable state and local requirements on which their objection is based, and
  - Present facts or statements supporting that objection; and
- If a comment is not made with sufficient specificity, the Council will not make any changes in its final order based on that comment.

Carty Generating Station Request for Amendment 4
Public Hearing

Comment Review Process

- All timely comments submitted during the public comment period will be subject to the following process:
  - The certificate holder must provide a written response to written and verbal comments on the request for amendment or the proposed order;
  - The Department can choose, but is not required to respond to written or verbal comments on the request for amendment or the proposed order;
  - Reviewing agencies and members of the public may submit written replies to the responses to their own respective comments
  - The certificate holder and Department may submit a sur-reply to the replies

- Participants to the public comment process may request more time to submit their response, reply, and sur-reply to the Council or Council Chair, who shall grant the extension on a showing of good cause.

Carty Generating Station Request for Amendment 4
Public Hearing

WRITTEN COMMENTS

- Written comments may be submitted until the close of the Public Comment Period on **December 14, 2026 at 5:00 p.m. Pacific Time**. Written comments may be submitted:

- Via online siting comment portal: https://odoe.powerappsportals.us/en-US/SitingPublicComment/

- Via email: chase.mcveigh-walker@energy.Oregon.gov

- Hand delivery or mail to: Oregon Department of Energy; 550 Capitol St. NE; Salem, OR, 97301

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Carty Generating Station Request for Amendment 4
Public Hearing

ORDER OF ORAL COMMENTS

1. Certificate Holder (testimony or additions to record)
2. Members of the Public (will be called on in the following order):
   - Oral in-person testimony
   - Oral testimony via Teams
   - Oral testimony via phone

   There is a three-minute limit on oral comments. Council or Presiding Officer may ask clarifying questions.
3. Members of Council
4. Certificate Holder (response to comments)

How to Raise Your Hand in Teams

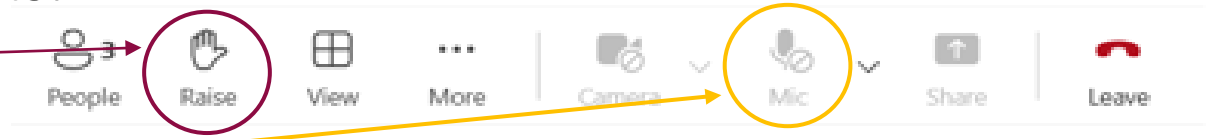
Phone Participants

- Press *5 on your telephone keypad to raise your hand
- Press *5 again on your telephone keypad to lower your hand
- Press *6 to unmute yourself when you are called on

Webinar Participants

The top right of the main window is a set of icons:

- Click on the hand
- When called on, click the mic icon to unmute
- Click on the hand icon to lower your hand after your comment



Agenda Item D-1

Information Item

Organizational Expertise Status Overview

Tom Jackman, Rules Coordinator

November 19, 2026

OREGON DEPARTMENT OF ENERGY

Organizational Expertise Rulemaking
Purpose Of the Workshop

- **Staff Request:** Identify evidence that would help the Council evaluate an applicant's capability.
- **Council Choices:** Pursue broader requirements, develop limited additions, or retain current requirements in each area.
- **Basis For a Change:** Explain the information gap and why the benefit justifies added work.
- **Later Action:** Staff would draft rules, return to the RAC, and seek formal Council action later.

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Organizational Expertise Rulemaking
The Current Organizational Expertise Standard

- **Required Finding:** That the applicant can design, construct, operate, and retire the facility in compliance with Council requirements.
- **Public Protection:** The applicant can protect health and safety.
- **Evidence:** Experience, staff and contractor qualifications, past performance, and certain permits held by others.
- **Outside Expertise:** Applicants may rely on a parent, affiliate, or contractor. The evidence must connect that expertise to the project.

Organizational Expertise Rulemaking
Council Direction

- **For Each Area:** What does Council need to know that current submissions do not adequately explain?
- **Scope:** Which broader or limited requirements should staff develop? Where should current requirements remain?
- **Rule Organization:** Use the proposed layout, with or without substantive changes?
- **Limits:** Identify acceptable evidence and ways to scale detail to project size, complexity, and provider responsibilities.

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Organizational Expertise Rulemaking
Rulemaking History And RAC Feedback

Milestone	Date
Council authorized review	-July 18, 2025
RAC meetings	-December 15, 2025 -March 4, 2026 -August 27, 2026

The standards remain separate. Neither Council nor the RAC has approved a package.

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Organizational Expertise Rulemaking
RAC Discussion Themes

- **Available Support:** Chair Condon sought meaningful evidence that the applicant can use the expertise and resources it relies on.

- **Project Timing:** David Lawlor (NEXTERA), OSSIA, and Renewable Northwest raised concerns about agreements finalized after permitting and private business terms.

- **Compliance History:** OSSIA and Renewable Northwest cautioned against relying on citation totals without context.

- **Clear Expectations:** Council member Beier supported a checklist or template and clearer explanations of company structures.

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Organizational Expertise Rulemaking
1. Who Controls the Applicant

- **Current:** Legal structure, authority to apply, and ownership or participant disclosures vary by organization type.
- **Possible Addition:** A chart to ultimate control and an explanation of who can manage the applicant and commit project support.
- **Value:** Clarifies who makes decisions and can direct certificate compliance.
- **Concern:** Complex structures and unrelated private agreement terms can add review burden.

Council Options:

Broader:	Limited:	Current:
Require a chart and explanation from all applicants.	Clarify disclosures and seek supporting records where needed.	Retain existing requirements.

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Organizational Expertise Rulemaking
2. Whether Outside Expertise Will Be Available

- **Current:** Applicants identify qualifications of staff and outside providers.
- **Possible Addition:** Identify who will perform each function, how the applicant will oversee it, and evidence of available support.
- **Value:** Connects provider qualifications to resources the applicant can actually use.
- **Concern:** Final service contracts and funding may follow permitting. Early demands could be premature and costly.

Council Options:

Broader:	Limited:	Current:
Evidence for each part of the work.	Short oversight description and evidence of important outside support.	Retain existing requirements.

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Organizational Expertise Rulemaking
3. What Past Projects Show About Capability

- **Current:** Experience with similar facilities and qualifications of known staff and providers.
- **Possible Addition:** Project types, roles, work performed, dates, and results, plus review of known uncompleted responsibilities.
- **Value:** Distinguishes development experience from construction, operation, and retirement experience.
- **Concern:** Cancellation or transfer may reflect business decisions. New project companies may rely on experienced people.

Council Options:

Broader:	Limited:	Current:
Fuller history and review of uncompleted work.	Representative projects, roles, and results in a short narrative or table.	Retain existing requirements.

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Organizational Expertise Rulemaking
4. What the Compliance Record Shows

- **Current:** Applicant past performance, including frequency and severity of relevant regulatory citations.
- **Possible Addition:** Serious or recurring problems involving applicants and providers, including defined unresolved cases and older obligations.
- **Value:** May reveal recurring management problems, lost permits, or unresolved restoration duties.
- **Concern:** Allegations differ from final violations. Scale, responsibility, severity, and corrective action matter.

Council Options:

Broader:	Limited:	Current:
Defined history covering applicants and providers.	Add known, relevant final provider decisions with context.	Retain existing requirements.

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Organizational Expertise Rulemaking
5. Expertise Obtained Later And Later Changes

- **Current:** In specified circumstances, applicants may use other evidence, including a promise to contract for expertise.
- **Possible Addition:** A hiring plan, verification before affected work, significant-change notice, and replacement review.
- **Value:** Makes later verification explicit and helps track continued capability.
- **Concern:** Routine staffing changes need flexibility. Broad notice and approval duties could delay decisions.

Council Options:

Broader:	Limited:	Current:
Plan, verification, notice, and replacement approval.	Verify missing expertise and notify changes that could impair compliance.	Retain existing requirements.

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Organizational Expertise Rulemaking
6. Permits Held By Others And Service Access

- **Current:** Council finds needed state or local permits and access likely to be available. Outstanding permits restrict affected work.
- **Possible Addition:** Permit status, access duration and limits, needed permit changes, and secured access before the activity.
- **Value:** Shows whether a needed resource or service will be available when the project needs it.
- **Concern:** Avoid repeated submissions and minor-change review. Respect the issuing agency's authority.

Council Options:

Broader:	Limited:	Current:
Information, verification, and continuing review.	Permit status, access terms, and a check before affected work.	Retain existing requirements.

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Organizational Expertise Rulemaking
A Consistent Organization For Council Standards

Rule Content	Proposed Location
Required Council conclusion	Start of the standard
Evidence supporting that conclusion	Immediately after the conclusion
Special situations	Following sections of the standard
Common applicant information	Background Information Exhibit
Duties after approval	Mandatory conditions rule

Council can support this layout while retaining all current requirements.

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Organizational Expertise Rulemaking
Next Steps

- **Draft And Comparison:** Separate clarifications from new duties and allow exact references to existing submissions.
- **Implementation:** Address relevant history periods, updates during review, pending matters, and existing certificates.
- **Legal Review:** Confirm authority, staff decisions, protected-record procedures, and certificate-transfer implications.
- **Return To Council:** Seek RAC feedback, report remaining disagreements, and bring a proposal for later action.

Agenda Item D-2

Action Item

Retirement And Financial Assurance Status Overview

Tom Jackman, Rules Coordinator

November 19, 2026

OREGON DEPARTMENT OF ENERGY

Retirement And Financial Assurance Rulemaking
Purpose Of the Workshop

- **Staff Request:** Choose approaches for calculating retirement costs and providing, updating, and releasing assurance.
- **Policy Choices:** Council may combine compatible approaches or request alternatives. Option numbers do not rank preferences.
- **Package Review:** The estimate, credits, coverage amount, timing, and financial arrangements must work together.
- **Later Action:** Staff would return with draft rules, RAC feedback, and the fiscal and economic analysis.

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Retirement And Financial Assurance Rulemaking
Current Requirements

- **Approval:** Council finds restoration feasible and acceptable assurance reasonably likely to be available.
- **Estimate:** Applicants provide costs in today's dollars and explain methods and assumptions.
- **Before Construction:** The bond or letter of credit must be in place and remain effective through retirement.
- **Holder Responsibility:** The holder remains responsible for actual restoration costs, including any shortfall.

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Retirement And Financial Assurance Rulemaking
Rulemaking History And RAC Input

Milestone	Date Or Status
Council authorization	-July 18, 2025
RAC meetings	-December 15, 2025 -March 4, 2026 -August 27, 2026
Written comments	OSSIA, NW Natural, Renewable Northwest, and Tetra Tech

Comments reflect individual positions. The RAC has not approved a package.

Retirement And Financial Assurance Rulemaking
What Restoration Work Must Be Included

Roads, foundations, buried equipment, and other improvements can require different treatment.

1. **Decide For Each Site:** Allow retention where evidence supports a lawful, feasible future use and the restoration standard.

2. **Statewide Minimums:** Set removal and restoration requirements, with justified exceptions and stricter applicable duties preserved.

3. **Greater Weight To Owner Requests:** Generally, favor documented retention requests when restoration and public requirements remain satisfied.

Land ownership alone would not remove the restoration obligation.

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Retirement And Financial Assurance Rulemaking
Cost Estimating Methods: Applicant Costs

Council must choose how much estimating work the Department should standardize.

1. **Applicant-Developed Approach:** Applicants justify their own methods and cost assumptions. This largely reflects current practice.

2. **Common Format And Categories:** Standardize presentation and disclosure. Applicants support project-specific costs and methods.

3. **Guidance And Reference Ranges:** Add technical guidance and comparison ranges. Applicants explain significant differences.

Reference ranges would guide review without becoming automatic limits.

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Retirement And Financial Assurance Rulemaking
Cost Estimating Methods: State Costs

These approaches require the Department to develop and maintain the underlying costs.

4. **State Cost Model:** Use standard costs and assumptions for components and activities, with supported project exceptions.

4. **Rates By Technology Or Size:** Use rates per turbine, megawatt, acre, or another unit. Add costs and site conditions the rates omit. Simple, but easy to over or underestimate.

RAC Input: OSSIA supports site-specific estimates and a flexible manual. Renewable Northwest supports third-party estimates and disclosed assumptions.

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Retirement And Financial Assurance Rulemaking
Who Prepares And Checks the Estimate

1. **Preparer Qualifications:** Require demonstrated qualifications, add a specified credential, or rely on disclosed experience and methods.

2. **Independent Review:** Use targeted review for important technical questions, routine review of full estimates, or staff review.

3. **Tradeoff:** More prescribed credentials or review can simplify checks while adding cost, time, or limits on available providers.

RAC Input: OSSIA favors experienced experts and opposes a closed provider list. Renewable Northwest supports third-party estimates.

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Retirement And Financial Assurance Rulemaking
Administration And Contingency

Administration pays for arranging and overseeing work. Contingency covers uncertainty.

1. **Project-Specific Amounts:** Require explained allowances. This fits the project but requires judgment and can produce varied results.

2. **Fixed Percentages:** Apply adopted percentages to a defined cost base. This is predictable but can misstate the need.

3. **Defaults With Exceptions:** Use supported default percentages and allow justified project-specific changes.

Avoid duplicating contractor overhead, known costs, or inflation.

Retirement And Financial Assurance Rulemaking
Credits And Assurance Available Before a Sale

- **Access:** The State must be able to reach credited materials or proceeds despite creditor claims and other limits.
- **Timing:** Some restoration costs arise before scrap or equipment can be sold.
- **Council Choice:** Allow zero assurance only if reliable, timely value covers every cost, or require separate funds for early costs.
- **Amount:** Any minimum should reflect actual needs. Market value alone does not establish available funding.

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Retirement And Financial Assurance Rulemaking
Credits For Scrap And Equipment Resale

1. **Conservative Scrap Credit:** Recognize supported metal value after sale costs and uncertainty discounts.

2. **No Credit Against Assurance:** Secure the full approved restoration cost. Actual sale proceeds may still pay retirement costs.

RAC Input: Tetra Tech supports a metals credit. OSSIA and Renewable Northwest support broader credits.

Retirement And Financial Assurance Rulemaking
When Assurance Must Be Demonstrated

Current Sequence: likely availability at approval, final assurance before construction.

1. **Keep the Current Sequence:** Require credible availability evidence with the application and final assurance before construction.

2. **Assurance At Approval:** Require an executed instrument before the certificate and check it again before construction.

3. **Rely On the Construction Condition:** Prohibit construction until assurance is accepted, without a separate likelihood finding.

Changing the likelihood finding requires legal review.

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Retirement And Financial Assurance Rulemaking
Full Coverage Or a Graduated Schedule

Full coverage of an authorized stage differs from covering only part of that stage's restoration cost.

1. **Full Coverage For Each Stage:** Cover the maximum cost authorized work could create, including temporary and earlier unrestored disturbance.
2. **One Graduated Schedule:** Use common percentages and milestones, reaching full coverage by a stated date.
3. **Project And Technology Schedules:** Use documented risks, a full-coverage date, and triggers for earlier increases.

Full coverage can use a bond or letter of credit. Graduated schedules can leave an early-closure gap.

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Retirement And Financial Assurance Rulemaking
Regulated Utilities And Alternative Arrangements

NW Natural asks to allow cost recovery through an administrative-agency order.

1. **Same Instruments For All Holders:** Continue bonds or letters of credit. Familiar protection may duplicate utility arrangements.

2. **Equivalent Utility Arrangement:** Require enforceable, timely access to the full current net cost, including after insolvency or transfer.

3. **Qualifying Recovery Order:** Allow cost-recovery authority to replace separate assurance, accepting collection and timing risks.

An order allowing future collection may differ from funds available for restoration.

Retirement And Financial Assurance Rulemaking
How Often Costs And Assurance Are Updated

Inflation adjustments do not capture every change in restoration needs or recoverable value.

1. **Five-Year Adequacy Check:** Confirm assumptions at least every five years and after significant changes. Recalculate where needed.

2. **Full Estimate Every Five Years:** Require a complete recalculation on a defined cycle.

3. **Technology And Project Milestones:** Use defined events with latest review dates.

4. **Inflation And Identified Changes:** Adjust annually for inflation and review significant issues or affected amendments.

Retirement And Financial Assurance Rulemaking
Next Steps

- **Coordinated Draft:** Create draft implementing Council direction
- **Further Consideration:** Return to the RAC, report feedback and disagreements, and seek later Council rulemaking action.

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RECESS







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Oregon Department of **ENERGY**

Energy Facility Siting Council Meeting

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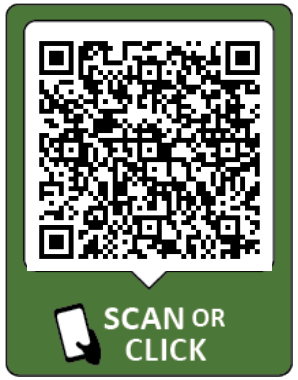
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OREGON DEPARTMENT OF ENERGY

Agenda Item E

Information Item

Boardman to Hemingway Transmission Line Quarterly Construction Update

Wally Adams, Senior Technical Expert, Haley and Aldrich
Sarah Esterson, Senior Policy Advisor

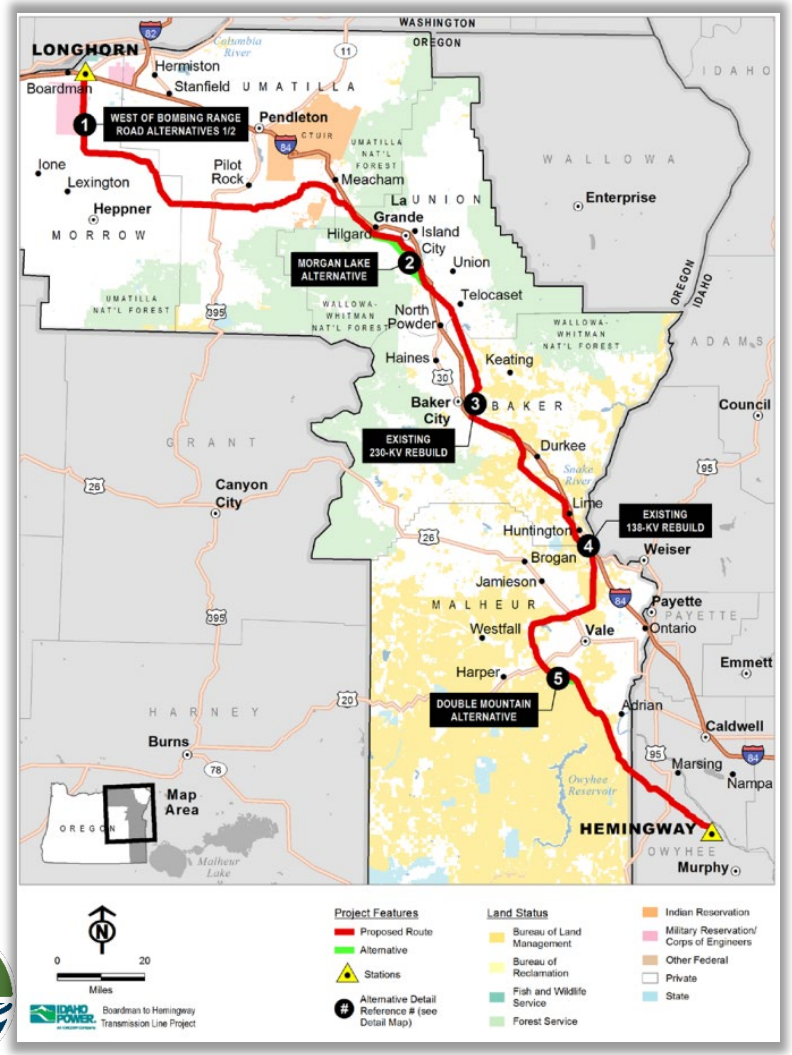
November 20, 2026

OREGON DEPARTMENT OF ENERGY

Topics

1. Construction Status
2. Site Inspections and Compliance Issues
3. Fire Season
4. Removal Fill Updates
5. Q&A

Approved Facility Overview



Certificate Holder: Idaho Power Company

Approved Facility: Approximately 273 miles of 500 kV transmission line, plus 2 substations, communications stations, access roads, multi-use areas and pulling and tensioning sites

Facility Location: Morrow, Umatilla, Union, Baker and Malheur Counties

Construction Sequence

1. Clearing
2. Access Roads and Pads
3. Foundations
4. Tower Assembly
5. Wire Pulling
6. Reclamation







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Construction Progress and Schedule

- **Construction start = July 10, 2025 (passed $250K threshold)**
- **Peak Build Years – 2026 and 2027 -** Civil and foundation work scheduled to be completed by the end of 2026
- **Substantial Completion – October 2027 -** Mechanically complete and energized
- **Final Completion – August 2028 -** Everything complete including reclamation

Roads	Pads	P&T Sites	Foundations	Structures	Wire (miles)	Reclamation
92%	99%	37%	89%	65%	36%	0%
2446/2673	1273/1288	130/354	1141/1280	833/1280	106/294	0/1300

Estimated percent complete as of November 9, 2026

OREGON DEPARTMENT OF ENERGY

Construction Activity – Snapshot as of late September

Activity	Contractors	Crews	Personnel
Support Tasks: Surveying, Staking, Environmental Controls, Mowing	2	11	41
Access Roads and Pads	1	6	64
PT and Communication Sites	1	3	10
Timber Clearing	0	0	0
Weed Treatment	1	2	6
Foundations and Backfill	5	31	149
Structure Spotting, Assembly and Erection	2	25	237
Wire and Fiber Pulling and Splicing	3	5	173

Over 500 people were actively working on construction tasks, with additional personnel engaged in other support tasks such as environmental monitoring and project management.

OREGON DEPARTMENT OF ENERGY

Site Inspections

Compliance Process – Brief Overview

- **Review of weekly reporting, weekly CON meeting**
- **Monthly on-site inspection**
  - Noxious weed control measures
  - Erosion and sediment control
  - Fire prevention
  - Hazardous materials and waste handling
- **Non-compliance tracking**
- **Semi-annual reports**

We have a subcontract with **Anderson Perry**, an engineering services firm with an office in La Grande.

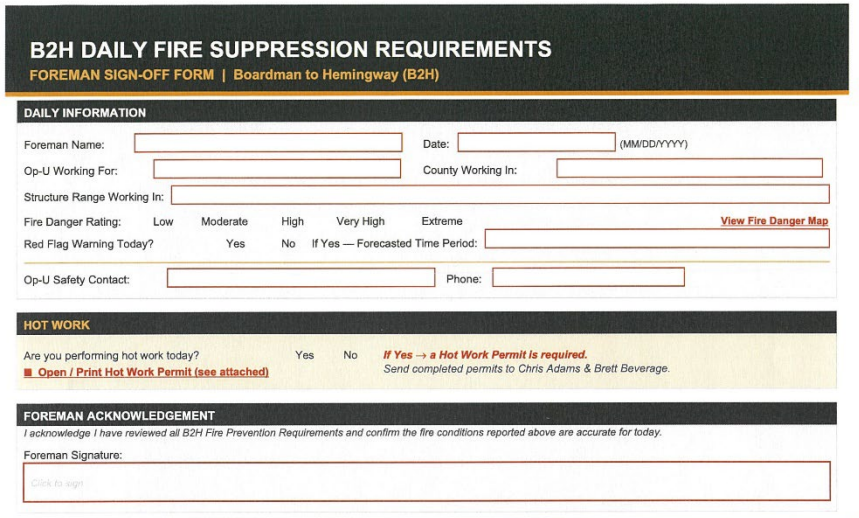
Anderson Perry personnel are conducting most of the site inspections on behalf of ODOE. We provide technical guidance and support for the inspections:

- Focus areas
- Checklists
- Technical resources (GIS, etc.)
- Report review

Completed Site Inspections -

Date	Focus	Findings of Non-compliance
1/21/2026	Elk and Mule Deer Winter Range/ESCP	None
2/19/2026	Elk and Mule Deer Winter Range/ESCP	None
3/20/2026	Elk and Mule Deer Winter Range/ESCP	None
4/21-22/2026	Noxious Weed Control Plan	One
5/20/2026	Site-Specific ESCPs	None
6/24/2026	Fire Prevention and Suppression Plan	None
7/23/2026	Concrete Washout	None
8/26, 9/2	Fish Passage, Private Landowner Property	None
9/16, 9/29	Construction Waste Management	None
10/28	General/ESCP, Durkee Fire	One





B2H DAILY FIRE SUPPRESSION REQUIREMENTS

FOREMAN SIGN-OFF FORM | Boardman to Hemingway (B2H)

DAILY INFORMATION

Foreman Name: Date: (MM/DD/YYYY)

Op-U Working For: County Working In:

Structure Range Working In:

Fire Danger Rating: Low Moderate High Very High Extreme View Fire Danger Map

Red Flag Warning Today? Yes No If Yes — Forecasted Time Period:

Op-U Safety Contact: Phone:

HOT WORK

Are you performing hot work today? Yes No *If Yes → a Hot Work Permit is required.*

■ Open / Print Hot Work Permit (see attached) *Send completed permits to Chris Adams & Brett Beverage.*

FOREMAN ACKNOWLEDGEMENT

I acknowledge I have reviewed all B2H Fire Prevention Requirements and confirm the fire conditions reported above are accurate for today.

Foreman Signature:

Click to sign

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Noncompliance Tracking

Tracking Number	Date of Incident	Description	Self-Reported?	BLM NC?	Status
2026-001	1/10/2026	Cultural resource buffer for an isolate near 143/4 was removed in error, resulting in unauthorized ground disturbance.	Yes, in weekly report	Yes	Closed
2026-003	4/22/2026	Failure to maintain weed wash station – mud and debris allowed to accumulate and overflow catch basins.	No, discovered during site inspection	No	Closed
2026-004	7/22/2026	Ground disturbance outside the LOD, topsoil management issues.	No, from CIC observation	No	Closed
2026-005	7/23/2026	Failure to monitor and record data from PWS during Red Flag Warning.	No	No	Closed, but tracking restoration
2026-006	10/28/2026	Improper installation of fish passage at Powell Creek in Baker County.	No, from site inspection	No	Open

Fire Season

Fires Started by Project Activities

- **5/29/2026** - Fire in Idaho near MP 278, burned approximately 400 acres. Spark from equipment during ground clearing activities. Two Eocene employees were treated and released for smoke inhalation.

- **7/23/2026** - Fire in Baker County near Durkee, MP 180, burned approximately ~~30~~ 4 acres. Started during access road construction on BA-470. Likely due to a spark from construction equipment. Vale BLM responded and assisted with fire fighting, was controlled and extinguished in a few hours. FNC issued for failure to monitor and record hourly data from Portable Weather Station (PWS) during Red Flag Warning as required by Fire Protection Safety Plan (FPSP).

- **8/26/2026** - Fire in Baker County near MP 188, burned approximately 5 acres. Pioneering work in rocky area. Fire extinguished quickly by civil contractor, Rye Valley VFD.

Area of 7/23/2026 Durkee Fire, as of 10/28/2026





OREGON DEPARTMENT OF ENERGY

Ignition Sources

- Our FPSP explicitly considers a limited number of high-energy ignition sources: blasting, welding, cutting, and grinding.
- The FPSP does not explicitly consider low-energy ignition sources; for example, a spark from a grader or bulldozer striking a rock.
- During periods when the probability of ignition (PIG) is very high, a spark may provide enough energy to start a fire.
- Low-energy ignition sources (i.e. sparks) are associated with “pioneering” activities: clearing, grubbing, etc.

Some thoughts and recommendations

1. Modify table in FPSP, prohibit “pioneering” work during red flag warnings without a waiver.
2. Talk to BLM about how they manage fire risk and their waiver process.
3. Include requirement for a report in Div. 29 format if there is a fire started by the project.
4. Portable Weather Stations: good idea, but the purpose is not well understood or even accepted.
5. During fire season, RFD's may not be able to respond to a fire because they are already engaged in fire-fighting. For the B2H Durkee fire, BLM Vale responded - roughly 30 miles away.

Removal Fill Updates

GEN-RF-01 Site Rehabilitation Plan

CERTIFICATE HOLDER SHALL

a. Prior to construction of a phase or segment of the facility, as applicable, the certificate holder shall submit to the Department and Oregon Department of State Lands (DSL) a final Site Rehabilitation Plan (Plan), consistent with the draft Plan provided in Attachment J-2 of the Final Order on the ASC. The Department shall provide written verification of its review of the final Plan, confirming that the Plan is consistent with the draft Site Rehabilitation Plan.

b. Following construction and during operation of a phase or segment of the facility, as applicable, the certificate holder shall ensure that temporary impacts to wetlands and non-wetland waters of the state are restored in accordance with the final plan.

c. The Department will provide updates to Council on the certificate holder's implementation of the final Plan and of any Plan revisions at Council meetings, following submittal of the certificate holder's six-month construction progress report per General Standard of Review Condition 3 or annual report per General Standard of Review Condition 4.

Update: No activity to date.

OREGON DEPARTMENT OF ENERGY

GEN-RF-02 Compensatory Wetland and Non-Wetland Mitigation Plan

CERTIFICATE HOLDER SHALL

a. Prior to construction of a phase or segment of the facility, as applicable, submit an updated Compensatory Wetland and Non-Wetland Mitigation Plan (CWNWMP Attachment J-1 to the Final Order on the ASC) Updates to the CWNWMP include the final amount of wetland mitigation credit required which shall be based on the final design configuration of the phase or segment of the facility, as applicable, and the estimated acres of wetlands and non-wetland waters of the state that would be permanently impacted, unless otherwise agreed to by the Department.
b. Following construction and during operation of a phase or segment of the facility, the certificate holder shall implement the actions described in the final CWNWMP.
c. The Department will provide updates to Council on the certificate holder's implementation of the final CWNWMP and of any Plan revisions at Council meetings, following submittal of the certificate holder's six-month construction progress report per General Standard of Review Condition 3 or annual report per General Standard of Review Condition 4.
d. The final CWNWMP version approved when the facility begins operation may be revised or updated from time to time by agreement of the certificate holder and the Oregon Energy Facility Siting Council. Such revisions or updates may be made without amendment of the site certificate. The Council authorizes the Department to agree to revisions or updates to this plan, in consultation with DSL. The Department shall notify the Council of all revisions or updates, and the Council retains the authority to approve, reject, or modify any revisions or updates of the plan agreed to by the Department.

[Removal Fill Condition 3; Final Order on ASC, AMD1]

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GEN-RF-02 CWNWMP Update

- **The CWNWMP describes the creation of the "Hassinger Mitigation Site", which encompasses approximately 8.54 acres adjacent to Catherine Creek in Union County**
  - 4.76 acres seasonally flooded wetland habitat
  - Enhancement of 1.51 acres of existing wetland habitat
  - Construction of 810 linear feet of side channel for fish habitat

- **Status (requested update from Michael):**
  - Site grading and plantings were completed in late October
  - Treated for weeds before planting
  - Grasses and sedges are beginning to sprout from seed and existing rhizomes
  - Completion report to DSL is due in December

OREGON DEPARTMENT OF ENERGY

Hassinger Mitigation Site



OREGON DEPARTMENT OF ENERGY

Hassinger Mitigation Site – October 2026



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Hassinger Mitigation Site



The new plantings with stakes that can be seen in the photo are probably transitional zone species (Ponderosa pine and cottonwood). The majority of the plantings are willows and cottonwoods. Other plantings include golden currant, woods rose, hawthorn and elderberry; a variety of wetland grasses, sedges, and rushes were seeded.

GEN-RF-04 Removal Fill Permit

CERTIFICATE HOLDER SHALL

a. Prior to construction of a phase or segment of the facility:
b. Maintain compliance with the General and Special Conditions set forth in the removal-fill permit (Attachment J-3 to the Final Order on the ASC);
c. Receive an updated removal-fill permit (Attachment J-3 to the Final Order on the ASC) reviewed and approved by the Department in consultation with the Oregon Department of State Lands.
d. Submit a final copy of the updated removal-fill permit issued by the Oregon Department of State Lands.
e. Following construction and during operation of a phase or segment of the facility, the certificate holder shall implement the actions and maintain compliance with the General and Special Conditions set forth in the removal-fill permit (Final Order on ASC Attachment J-3).
f. The Department will provide updates to Council on the certificate holder's implementation of the removal-fill permit and of any permit revisions at Council meetings, following submittal of the certificate holder's six-month construction progress report per General Standard of Review Condition 3 or annual report per General Standard of Review Condition 4.
g. The removal-fill permit version approved when the facility begins operation may be revised or updated from time to time by agreement of the certificate holder and the Oregon Energy Facility Siting Council ("Council"). Such revisions or updates may be made without amendment of the site certificate. The Council authorizes the Department to agree to revisions or updates to this permit. The Department shall notify the Council of all revisions or updates, and the Council retains the authority to approve, reject, or modify any revisions or updates of the permit agreed to by the Department.

[Removal Fill Condition 6; Final Order on ASC, AMD1]

GEN-RF-04 Update

- **The conditions in the removal fill permit overlap with a number of other conditions/permits in the site certificate: erosion and sediment control, fish passage, cultural resource protections, hazardous materials and waste handling, etc.**

- **A modification to the Removal Fill Permit was issued June 24, 2026. Changes include:**
  - Remove existing abutments during replacement of 3 bridges over fish bearing streams (ODFW)
  - Crossings of intermittent waterways that require fill for stabilization (survey access previously denied)
  - New crossings identified by the construction team as warranted by tweaks to access road design
  - Net of about +.04 acres of impacts to wetlands, slightly less impacts to waters than the current RF permit. Some routes into the project have been eliminated, especially more complex ones with many crossings.

Watch List

Revegetation/Reclamation

- Temporary impacts were included in the HMP except for Category 2 Grasslands; however, OPR-GS-03 and requirements of 1200-C permit still apply
- OPR-GS-03: "…the certificate holder shall restore vegetation to the extent practicable and shall landscape all areas disturbed by construction in a manner compatible with the surroundings…"
- 1200-C: "Establish uniform perennial vegetation (excluding noxious or invasive weeds) that provides at least 70% cover on all exposed areas."

PM Transition to Kevin Woodhouse



OREGON DEPARTMENT OF ENERGY

Thank you!



Wally Adams

Senior Technical Expert

wadams@haleyaldrich.com

971.493.2324

Haley & Aldrich

Agenda Item F

Information Item

Wheatridge Energy Facility East Council Review of Draft Final Order on Request for Amendment 2

Sarah Esterson, Senior Policy Advisor

November 20, 2026

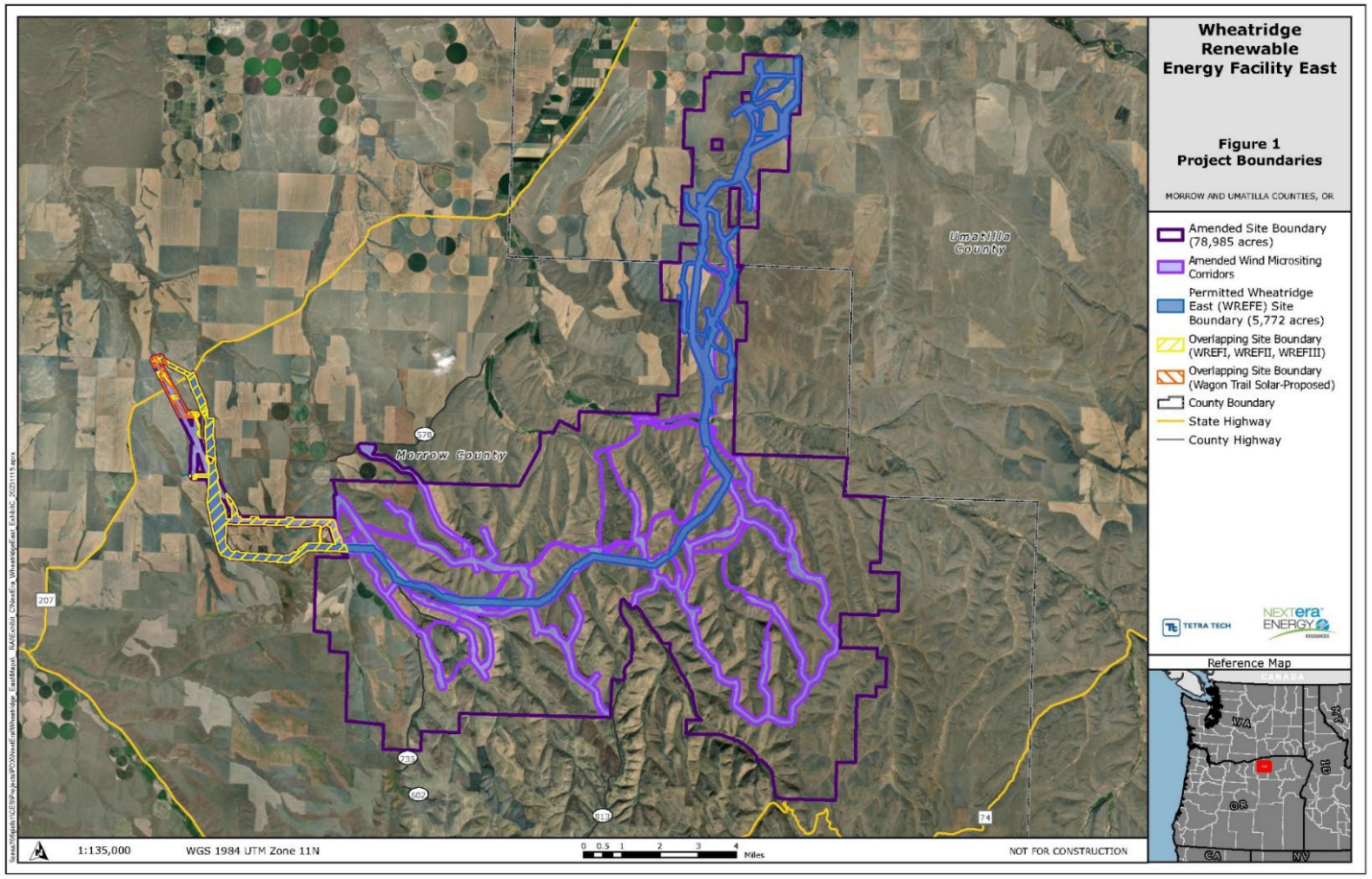
OREGON DEPARTMENT OF ENERGY

Wheatridge Renewable Energy Facility East Request for Amendment 2 Existing Facility Overview

Certificate Holder: Wheatridge East Wind, LLC, a project-specific LLC wholly owned by NextEra Energy Resources, LLC (parent company)

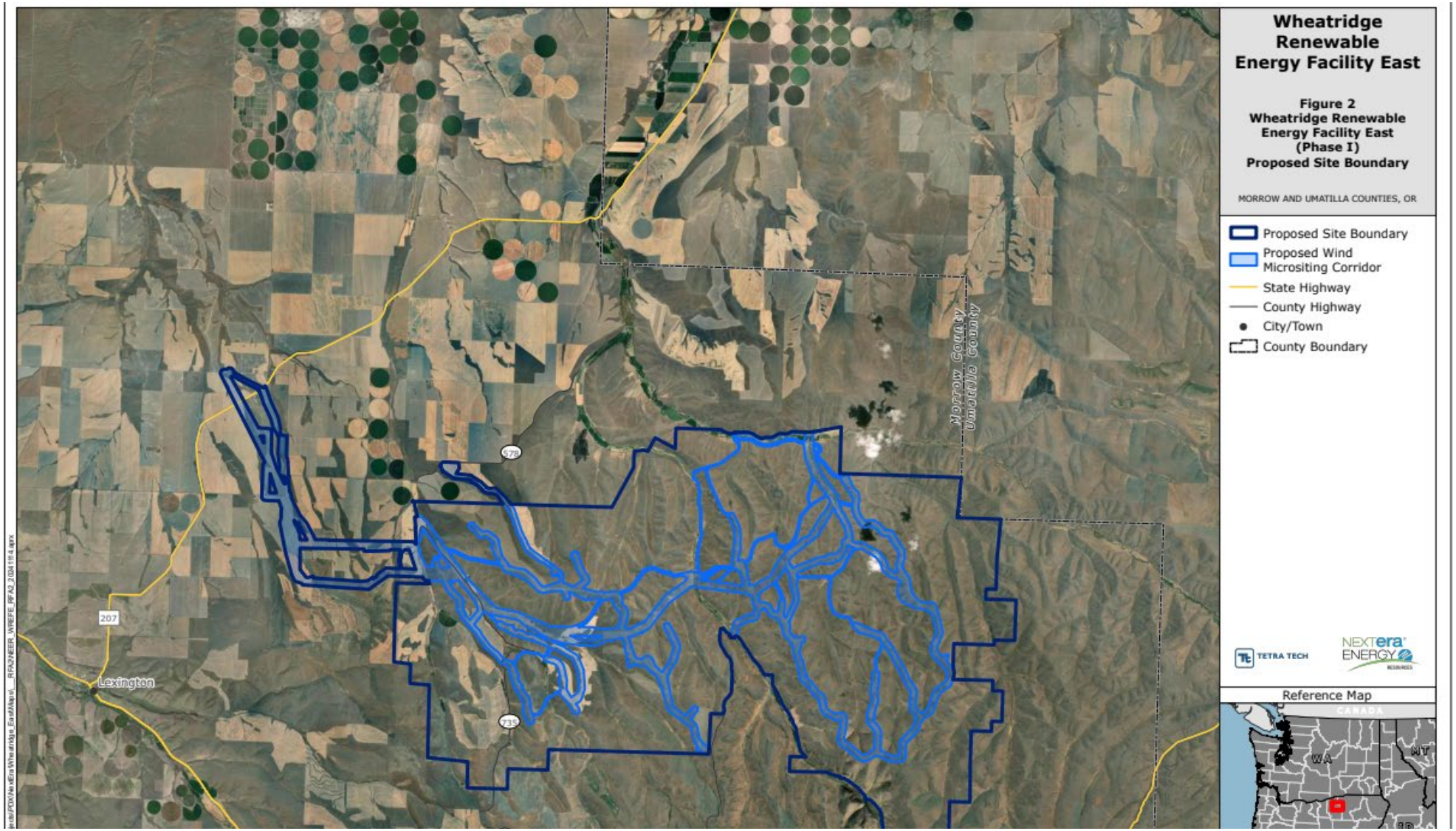
Operational Facility: 200-megawatt (MW) wind power generation facility, with related or supporting facilities.

Location/Site Boundary: Morrow and Umatilla counties, within a 79,985 acre site boundary; approx. 6 miles NE of Heppner.



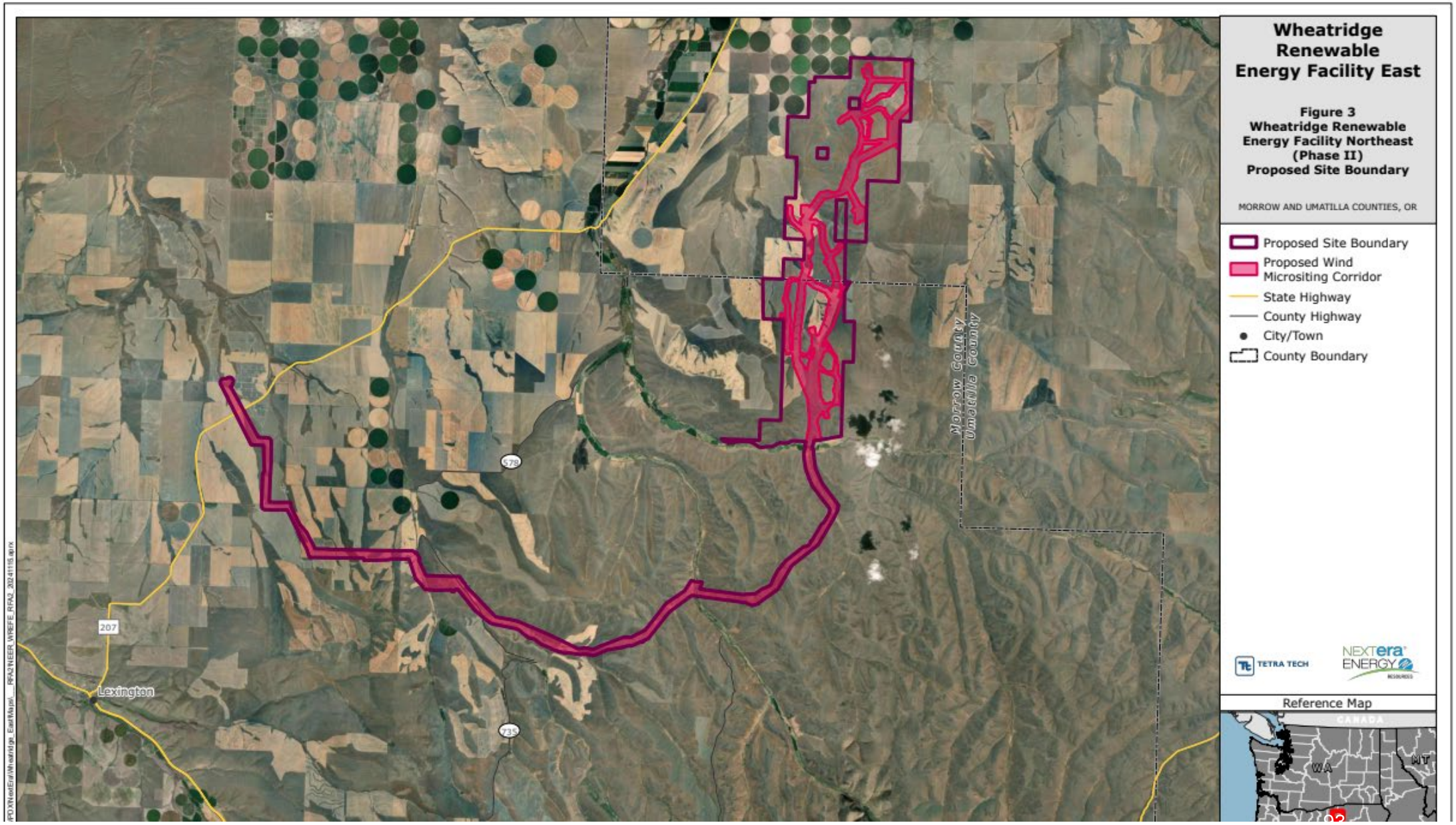
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Proposed Amended WREFE Site Boundary



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Proposed WREFNE Site Boundary



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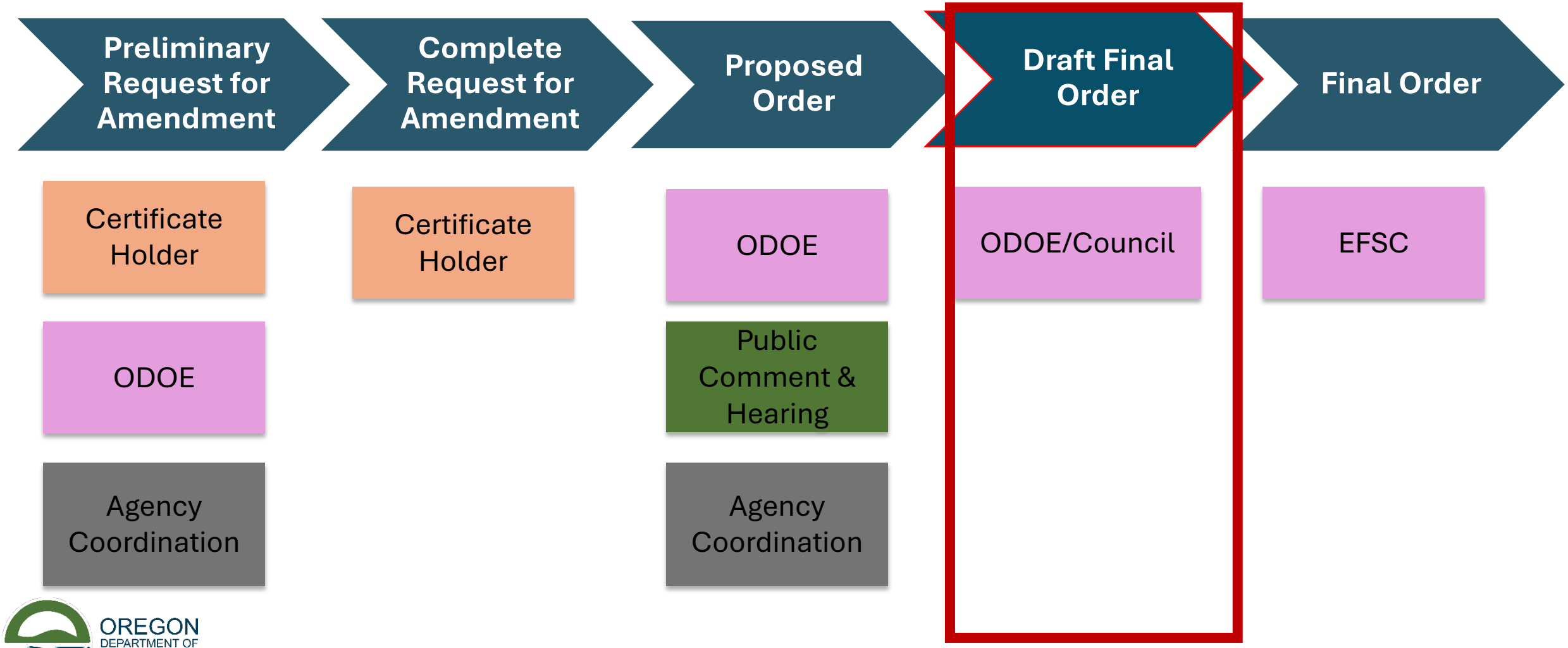
Wheatridge Renewable Energy Facility East Request for Amendment 2 Overview

1. Split the operational facility and remaining approved unbuilt portions of the facility into two separate site certificates; each with its own site boundary and certificate holder.
    - Wheatridge Renewable Energy Facility East Site Certificate: 200 MW wind facility
    - Wheatridge Renewable Energy Facility Northeast Site Certificate: remaining, approved unbuilt 100 MWs of wind power generation components (36 wind turbines)

2. Extend the construction completion deadline for Wheatridge Renewable Energy Facility Northeast by three years from May 24, 2026 to May 24, 2029.

3. Amend site certificate conditions to be consistent with the site certificate split.

Wheatridge Renewable Energy Facility East Request for Amendment 2 Process



OREGON DEPARTMENT OF ENERGY

Wheatridge Renewable Energy Facility East Request for Amendment 2 – Draft Final Order

Recommends that Council find that changes proposed in RFA2 would not result in new or different impacts for the following Council standards:

- **Structural Standard** OAR 345-022-0020 - (Section III.C., pg. 26-29)
- **Land Use** OAR 345-022-0020 – (Section III.E., pg. 38-43)
- **Protected Areas** OAR 345-022-0020 - (Section III.F., pg. 43-47)
- **Threatened and Endangered Species** OAR 345-022-0020 - (Section III.I., pg. 62-64)
- **Scenic Resources** OAR 345-022-0020 - (Section III.J., pg. 64-66)
- **Historic, Cultural and Archaeological Resources** OAR 345-022-0020 (Section III.K., pg. 67-69)
- **Recreation** OAR 345-022-0020 - (Section III.L., pg. 69-71)
- **Waste Minimization** OAR 345-022-0020 - (Section III.O., pg. 98-100)
- **Siting Standards for Transmission Lines** (Section III.P., pg. 100-101)
- **Water Rights OAR 690 Divisions 310 and 380** (Section IV.C.2., pg. 114-115)

Comment Summary

General Standard of Review		
Issue GS-01	Deadline extension is not consistent with OAR 345-027-0385(5).	Irene Gilbert
Issue GS-02	Objects to continued reliance on older wildlife surveys and other information prepared many years before construction.	Irene Gilbert
Issue GS-03	Notice included a map of the site boundaries and proposed certificate split but did not include a legend explaining the map's colors. King requested a clearer graphic distinguishing existing turbines, proposed turbines, and the areas assigned to each certificate.	Wendy King
Issue GS-04	Requested that no additional turbines be placed on Gleason Butte.	Wendy King
Issue GS-05	Maps and materials are inadequate to allow the public to understand what a project will look, what the coverage will really be and proximately to nearby geographic features.	Les Poole

Comment Evaluation

General Standard of Review		
Issue	**Comment**	**ODOE Evaluation**
Issue GS-01	Deadline extension is not consistent with OAR 345-027-0385(5).	Rule no longer in place. Issue is moot.
Issue GS-02	Objects to continued reliance on older wildlife surveys and other information prepared many years before construction.	Reply requested to clarify why surveys conducted in 2024-2025 were viewed as in adequate. No reply received.
Issue GS-03	Notice included a map of the site boundaries and proposed certificate split but did not include a legend explaining the map's colors. King requested a clearer graphic distinguishing existing turbines, proposed turbines, and the areas assigned to each certificate.	Direct coordination with commenter to address mapping questions. Issue resolved.
Issue GS-04	Requested that no additional turbines be placed on Gleason Butte.	Comment is not within the scope of the amendment request as there are no new turbines or changes to previously approved turbines.
Issue GS-05	Maps and materials are inadequate to allow the public to understand what a project will look, what the coverage will really be and proximately to nearby geographic features.	General comment. Reply requested, but not received.

Comment Evaluation

Organizational Expertise (OAR 345-022-0010)		
Issue OE-01	Requests that ODOE evaluate the current certificate holder's compliance with requirements applicable to restoration/reseeding, weed control, water runoff and erosion prior to approval of RFA2.	Jerry Healy

Certificate Holder Request

Nov. 6, 2026: Department issued Response to Mr. Healy's Request for Inspection, finding that the certificate holder was not in compliance with 3 conditions related to erosion control and maintenance, and revegetation. Certificate holder to respond with evaluation and corrective action plan by Nov. 16.

Nov. 9, 2026: Certificate holder requested that the review of the draft Final Order be held until Dec EFSC meeting, to allow time for their response.

Next Steps

- Department will receive and review the certificate holder's Corrective Action Plan
- Lessons learned, issues, will be evaluated and applied to conditions recommended for the portion of the facility proposed to be included in the new site certificate, Wheatridge Renewable Energy Facility Northeast
- Recommended changes to conditions and/or mitigation plans related to erosion/maintenance and revegetation will be presented to Council for review at the Dec meeting.

Agenda Item G

Information Item

The Climate Trust Annual Update

Todd Cornett, Assistant Director for Siting/Council Secretary &
Kyler Sherry, Program Manager, The Climate Trust

November 20, 2026

OREGON DEPARTMENT OF ENERGY

The Climate Trust Financial Audit

ORS 469.503(2)(e)(N)(iv)

- **Purpose of Audit –** Maintaining “Qualified Organization” status
- **Threshold –** Use of funds conforms with generally accepted accounting procedures
- **Audit Findings –** As of December 31, 2025 and 2024, The Climate Trust was in accordance with accounting principles generally accepted in the United States of America
- **Conclusion – The** Climate Trust continues to meet this requirement to maintain “Qualified Organization” status



OREGON DEPARTMENT OF ENERGY

2026 Annual Report

November 20, 2026

Kyler Sherry
Chief Operations Officer



Outline

- About The Climate Trust
- Voluntary Carbon Market Updates
- Status of the Oregon CO_2 Standard



The Climate Trust

Uses carbon markets to scale natural climate solutions

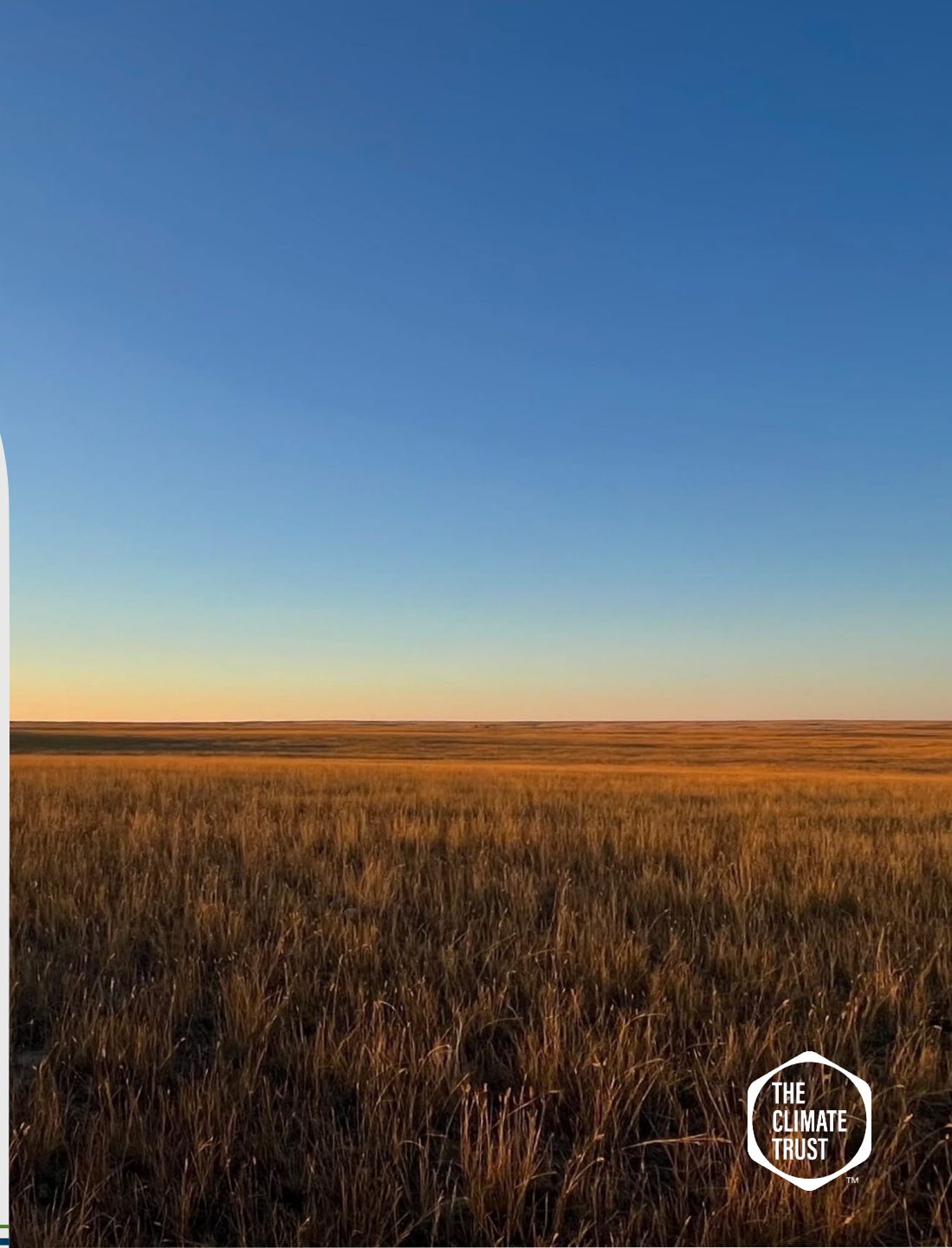
29 years of experience; the oldest carbon market entity in the US

Nonprofit established in 1997 under the Oregon CO_2 Standard

- Manage offset acquisition programs

Offset project developer and supplier

- Sectors: IFM, reforestation, grassland conservation
- 129-project portfolio and $110 million in carbon financing



Voluntary Carbon Market

Buyers voluntarily purchase offsets and invest in natural climate solutions

Registries are the governing bodies

- **Nonprofit structure keeps the focus on the mission**
- **Transparency is key – public comment on rules and updates**
- **Science-based – technical development and review**
- **Third-party project audits (verifications) required**
- **Responsive to recent market criticism – the industry is working to improve and innovate**

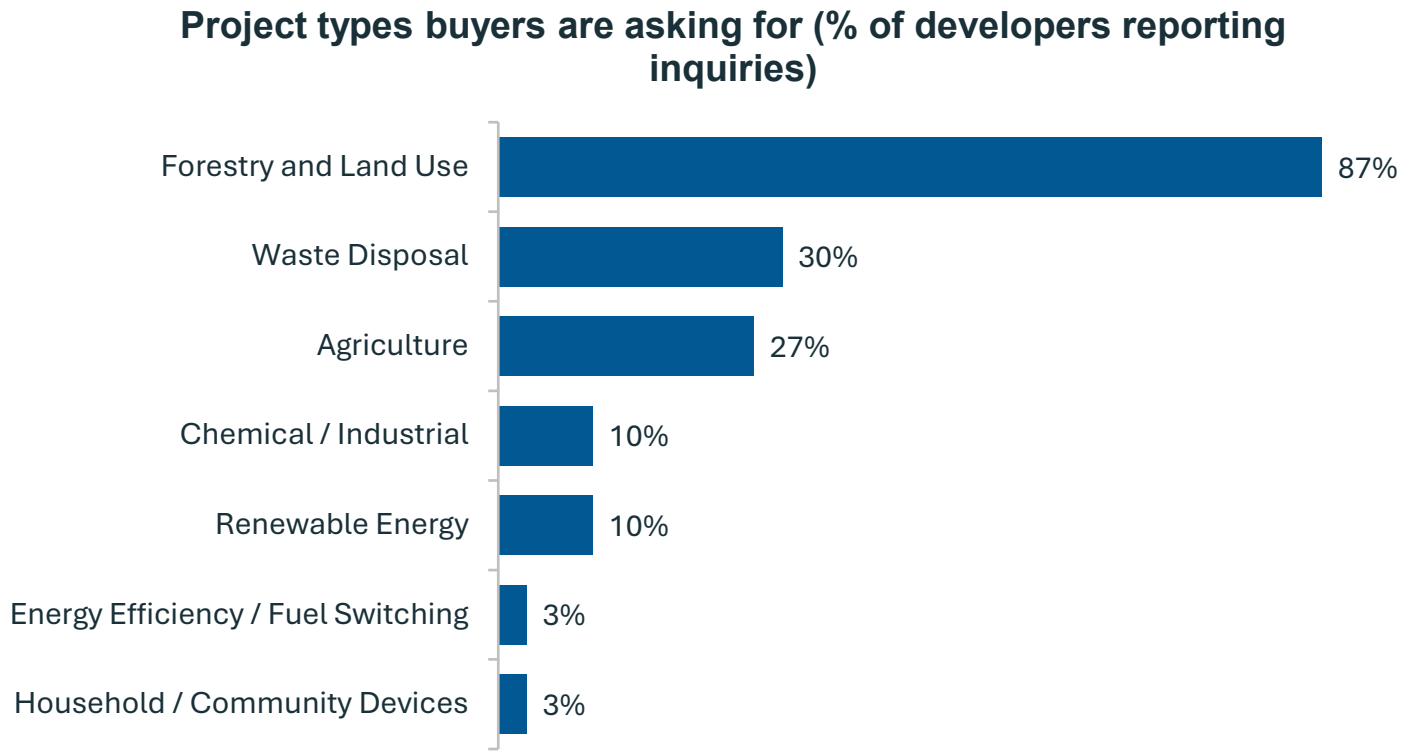
Ecosystem of project developers, consultants, rating agencies, etc.

The Oregon CO_2 Standard supports Verra, ACR and Climate Action Reserve



Status of the Voluntary Carbon Market

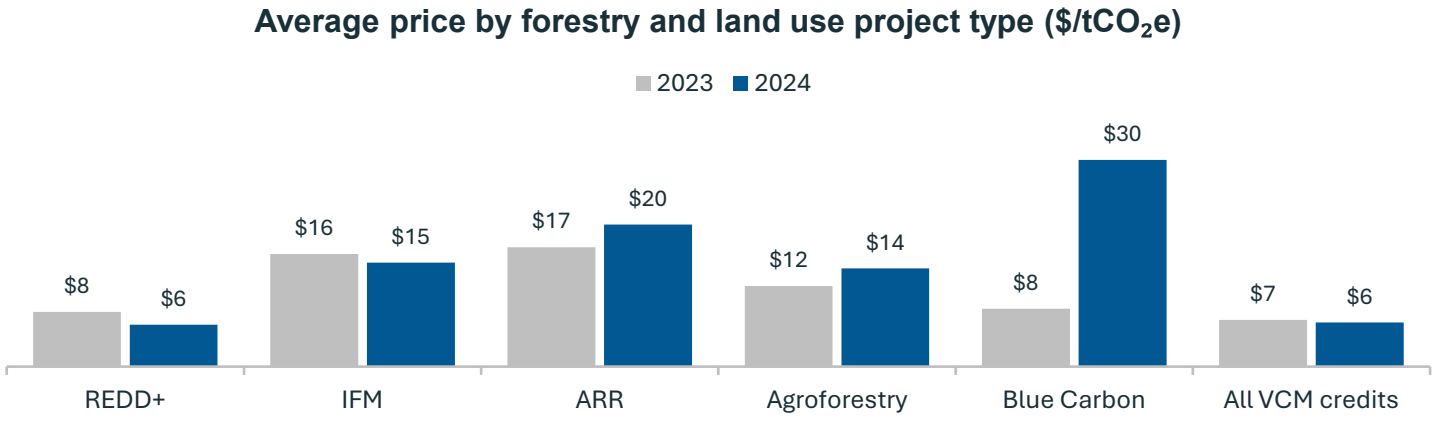
- The market has stabilized since 2025- 63% of developers report unchanged buyer interest and 47% see stable prices vs. six months ago
- Forestry and land use leads demand: 87% of developers get buyer inquiries for these projects, nearly 3x any other type
- Buyers are selective: only about 6% of inquiries convert to deals, and ICVCM Core Carbon Principles labels increasingly act as gatekeepers
- Community benefits (43%) and biodiversity (37%) are the co-benefits buyers prioritize most

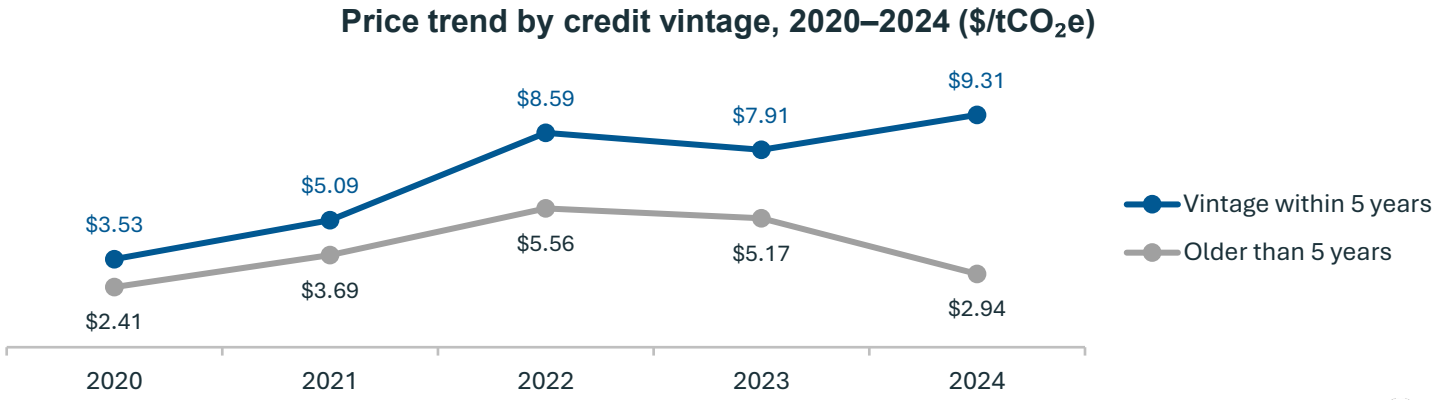


Source: Forest Trends' Ecosystem Marketplace. 2026. Market Insights Brief: VCM Demand Outlook, January 2026. Survey of 30 project developers and brokers, December 2025.

Voluntary Carbon Market Pricing

- Average price fell for the second straight year, from a $7.37 peak in 2022 to $6.34 in 2024, but remains more than double the 2020 average
- Market value fell 29% to $535M, the third annual decline in a row
- Forestry and Land Use credits averaged $9.27, about 46% above the market average
- The premium for removals over reductions grew from 245% to 381%; ARR rose 19% to $20.44
- Buyers paid a 217% premium for credits under 5 years old, up from 53% in 2023





Source: Forest Trends' Ecosystem Marketplace. 2025. State of the Voluntary Carbon Market 2025: Meeting the Moment. Washington DC: Forest Trends Association.

Oregon CO_2 Standard

Requires new fossil fuel–fired facilities to mitigate their projected CO_2 emissions over a 30-year period

The benchmark is CO_2 emissions 17% below the most efficient baseload natural gas–fired power plant

Three compliance pathways

1. ***Onsite technologies: a proposed facility can use cogeneration technology***
2. ***Offset project portfolio: acquire and manage a portfolio of carbon offset projects, or contract with a third party to do so***
3. ***Monetary pathway: make a payment to the Qualified Organization (QO) established for the Standard***

To date, all facilities have selected the monetary pathway



Oregon CO_2 Standard

Management Requirements

- 80% of funds received must go toward purchasing offsets
- Commit 60% of offset funds within two years of the facility's construction start date
- Spend no more than 20% on management
- Retire offsets on behalf of the Oregon program

Reporting Requirements

- Annual facility status report
- Annual audit submitted and presented to EFSC
    - Staff report provided to Council



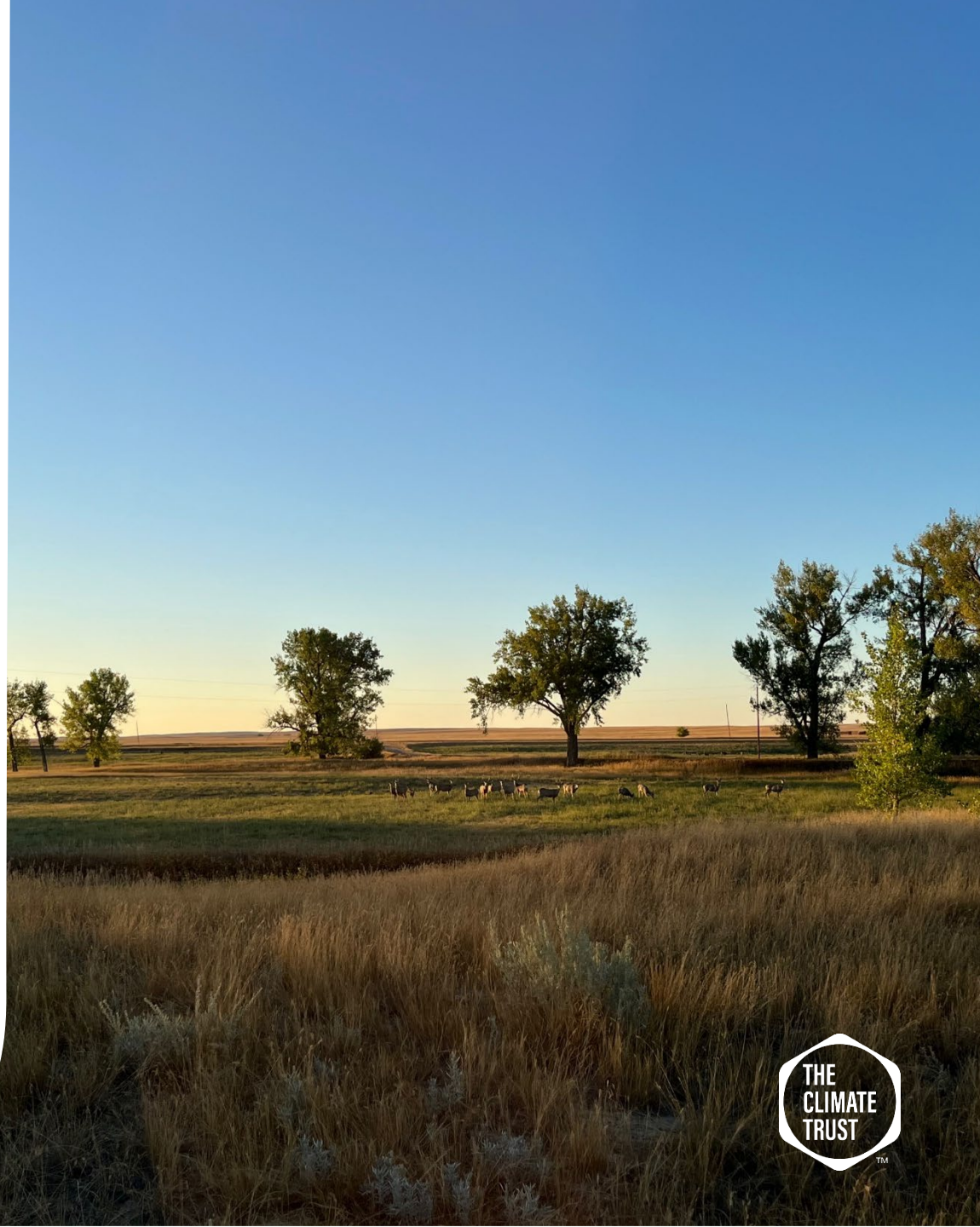
Performance by Facility

- TCT has obligated 88% of funds
- Will obligate $3.2M by the end of 2027
- Average lifetime offset price is $6.37/offset
- In 2025, obligated $829K in offsets at $15.93/offset and retired $1.6M
- Plan to obligate $1.4M more by 12/31/2026; ~$300K already obligated in 2026
- Received two true-up payments this year, from Avangrid and NW Natural

	Facility	Cash Obligated	Unobligated Cash	Offsets Obligated	Offsets Retired
Avangrid	Klamath Cogen (Iberdrola)	$2,310,553	$338,669	291,851	291,851
Avangrid	Klamath (PPM Energy)	$1,570,709	($2,060)	284,875	244,344
Avangrid	Klamath Peakers 2023	$117,193	$96,892	12,820	12,820
Avangrid	Klamath 2026	$239,593	$0	22,837	22,837
Avista	Coyote Springs 2	$2,114,479	$0	592,632	566,467
Calpine	Hermiston + True Up	$3,725,408	$83,037	736,722	681,428
NW Natural	Molalla	$26,915	$0	4,784	4,784
NW Natural	Miller 2022	$141,462	$538	9,303	9,303
NW Natural	Mist + 2017 Expansion	$61,411	$0	12,516	12,516
NW Natural	Mist Storage 2025–26	$894,553	$1,082,315	56,469	56,469
Portland General Electric	Port Westward	$3,695,084	$625,368	735,991	630,751
Portland General Electric	Port Westward 2	$3,195,417	$336,971	346,439	346,439
Portland General Electric	Carty + True Up	$5,774,966	$694,875	640,545	640,545
		$23,867,744	**$3,256,592**	**3,747,784**	**3,520,554**

How We Choose Projects

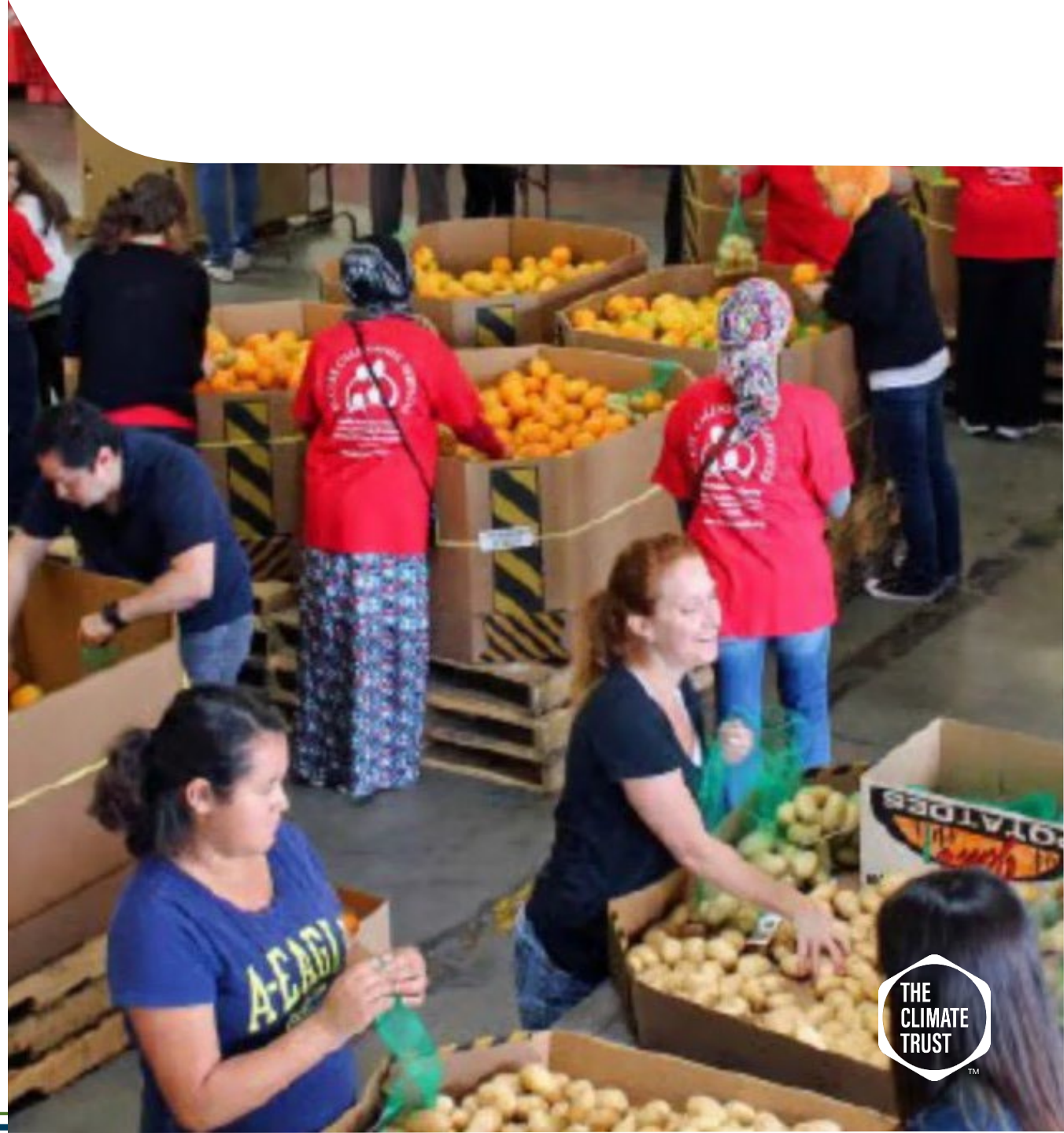
- Obligate and spend $3.2M by the end of 2027
- Purchase process
    - Networking and internal review to identify high quality offsets
    - Review by TCT's Risk Committee and full board
    - Contracting: minimize risk from our offset purchases
    - Management: follow project progress from verification to issuance
- Identify projects based on:
    - Location: Oregon focus
    - Community benefits
    - Quality
    - New carbon offset sectors
    - Favorable pricing



Brightly Food Recovery

Pacific Northwest

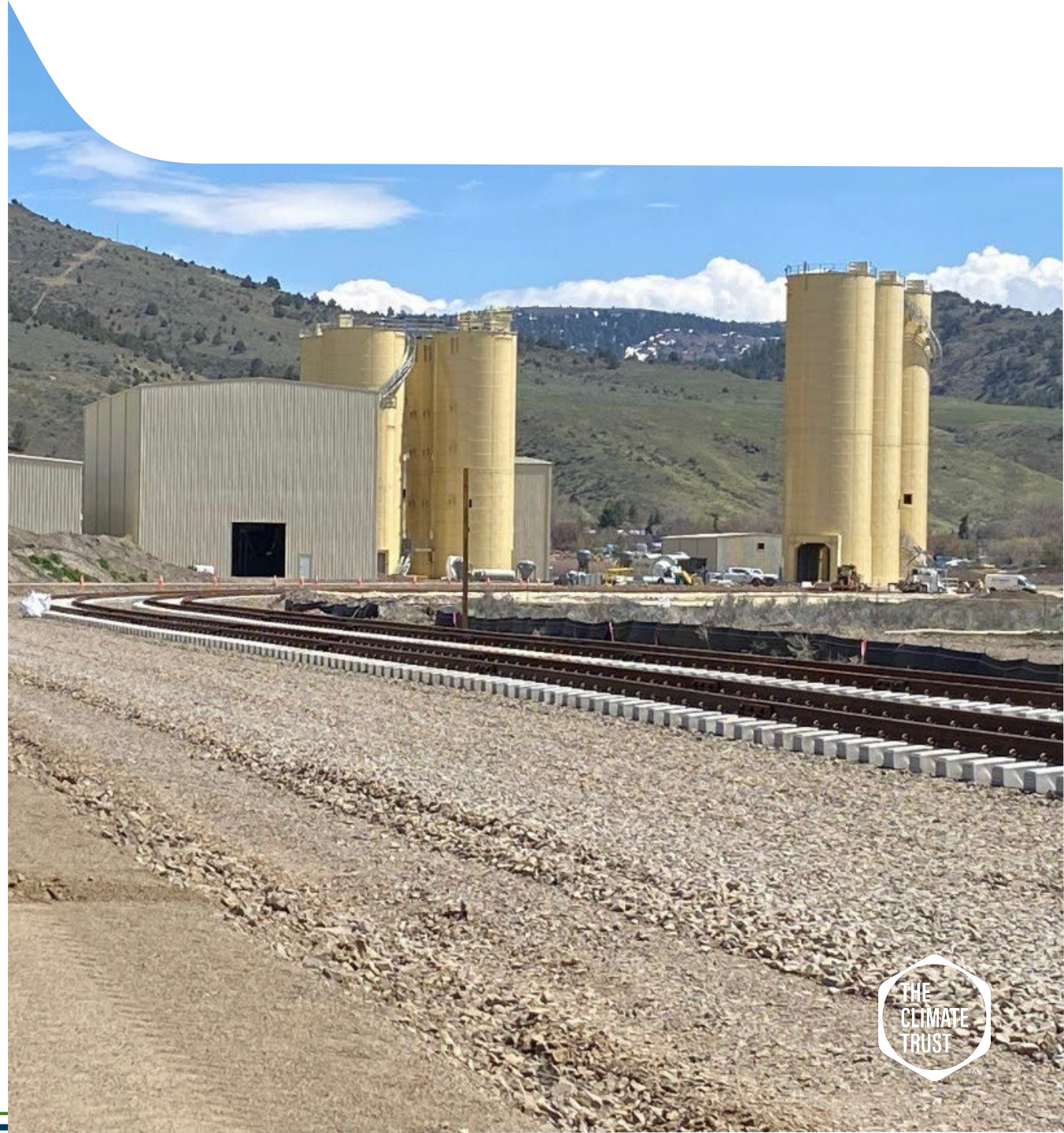
- TCT is providing early-stage support for Brightly's large-scale food recovery project
- Avoids methane emissions and supports food waste recovery
- Credit revenue gives food banks and food rescue organizations new funding to recover more surplus food
- TCT plans to obligate $500K on behalf of the Oregon CO_2 Standard
- First credits issued in October 2026



Lakeview Low Carbon Cement

Eco Material Technologies, Lakeview, Oregon

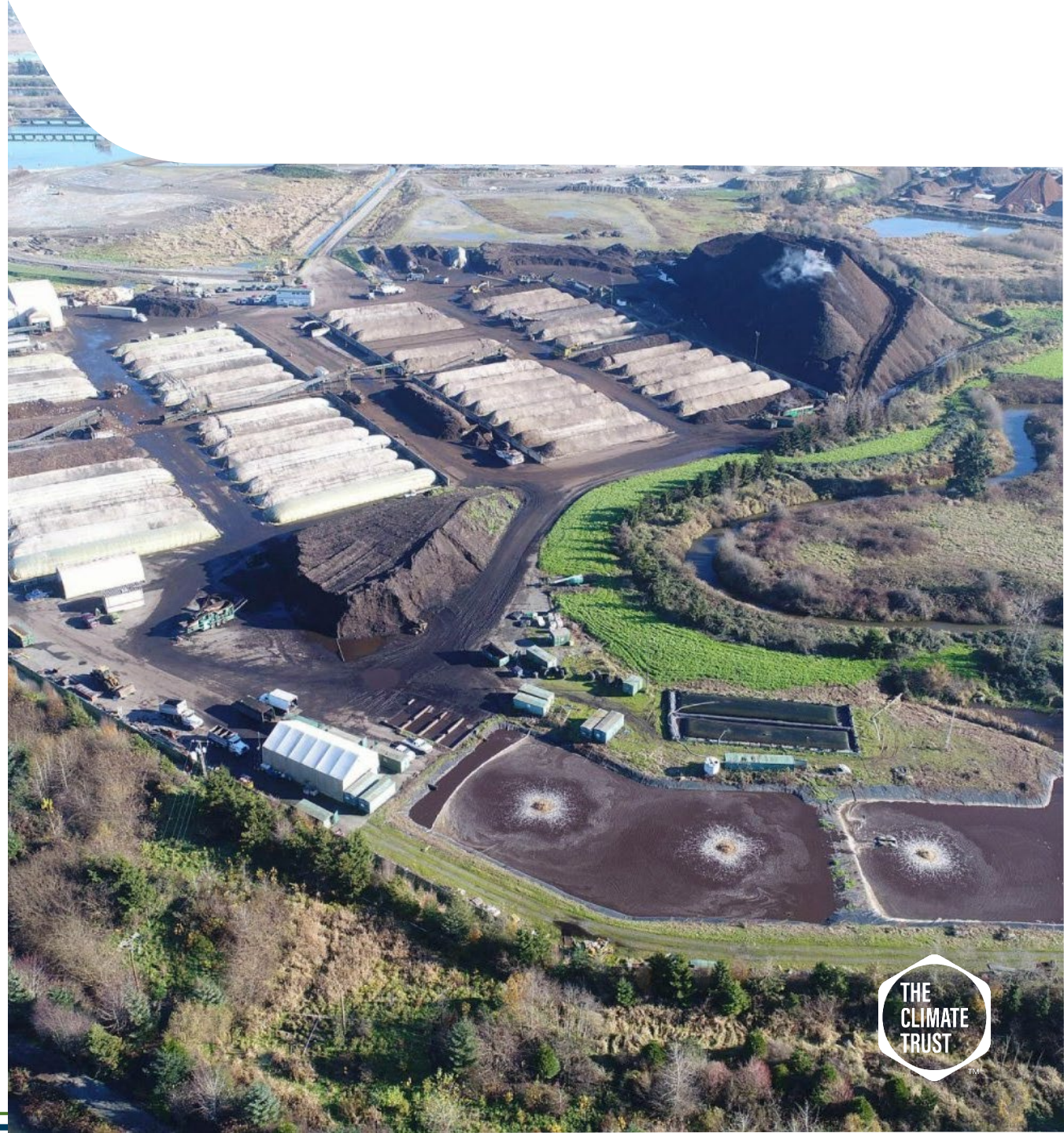
- Grinds local volcanic ash (natural pozzolan) into a cement substitute, avoiding the kiln fuel and limestone emissions of Portland cement
- Cuts the carbon intensity of cement by up to 85%
- Plant scaling to 300,000 tons per year by 2028, with steady production of 15,000 tons per month from Q4 2026
- TCT agreed to purchase $300K of offsets, to be retired on behalf of the Oregon program in 2027



Cedar Grove Composting

Cedar Grove, Everett and Maple Valley, Washington

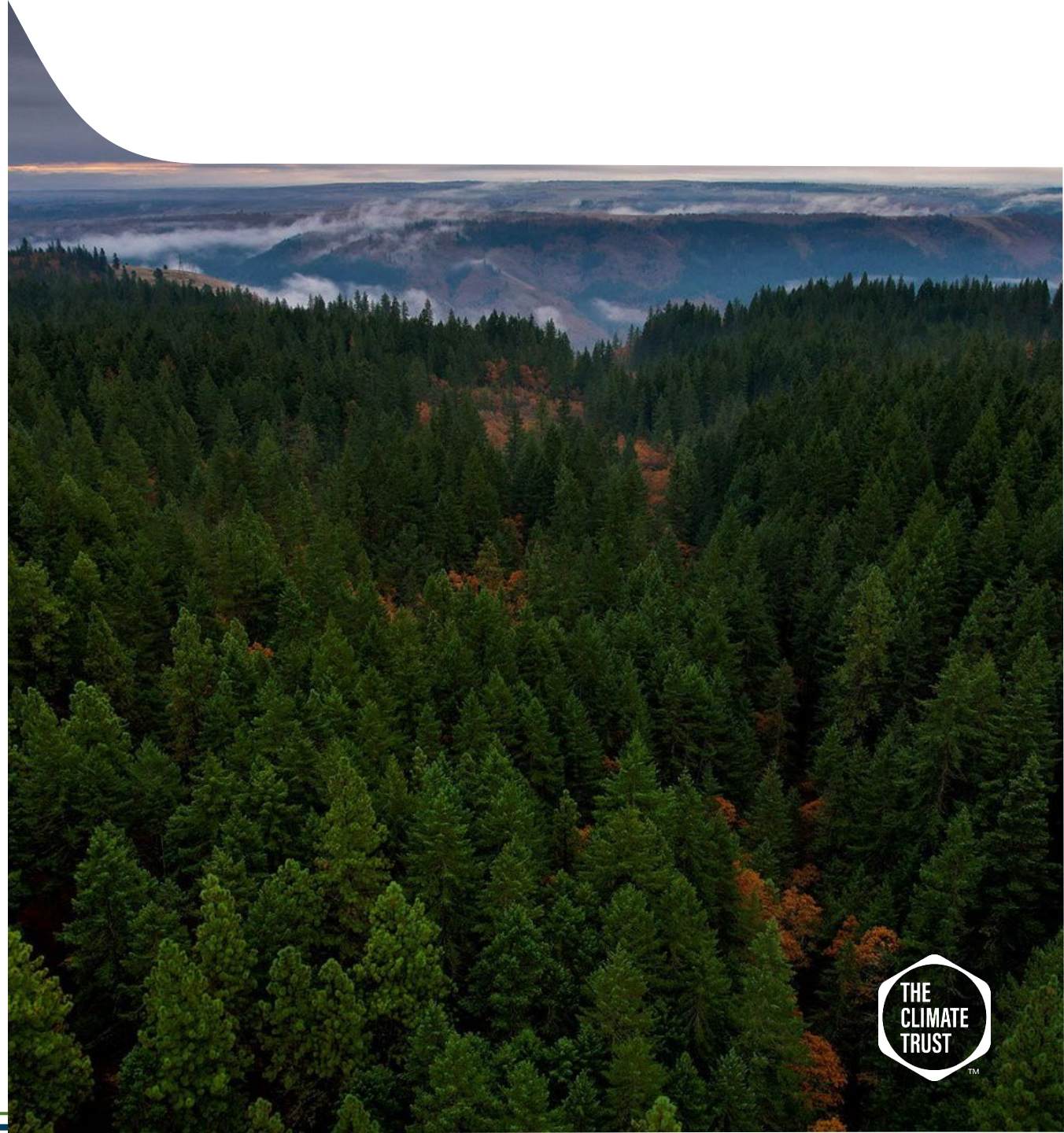
- Composts more than 350,000 tons of food and yard waste each year from the Seattle and Puget Sound region
- Diverting food waste from landfills avoids methane emissions



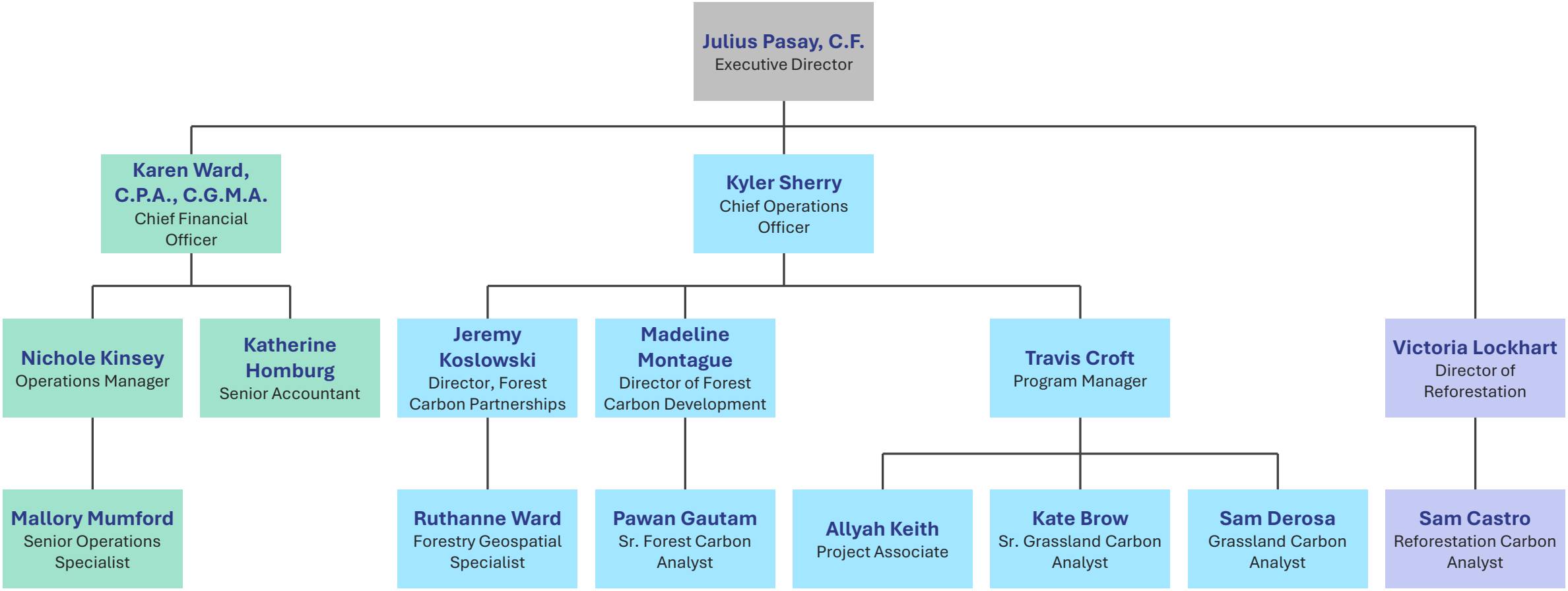
Columbia River IFM Project

Columbia Land Trust, Lower Columbia River (WA and OR)

- Improved forest management on just over 13,000 acres: longer harvest rotations, old forest protection and better wildlife habitat
- TCT supported the project with a payment of $330k on behalf of the Oregon CO2 Standard



Our Team



THE CLIMATE TRUST™

Questions?

Kyler Sherry
COO
ksherry@climatetrust.org

OREGON DEPARTMENT OF ENERGY

THE CLIMATE TRUST

Agenda Item H

Public Comment

Public Comment Period

Time Limit: 7 minutes

November 20, 2026

OREGON DEPARTMENT OF ENERGY

How to Raise Your Hand in Teams

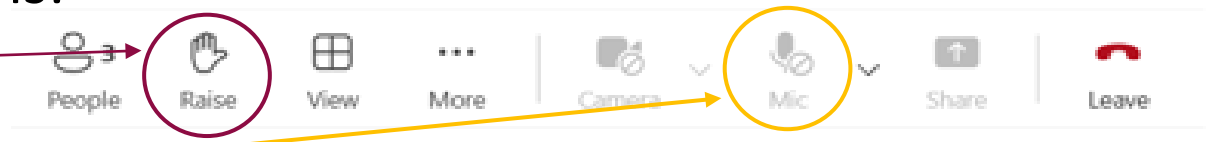
Phone Participants

- Press *5 on your telephone keypad to raise your hand
- Press *5 again on your telephone keypad to lower your hand
- Press *6 to unmute yourself when you are called on

Webinar Participants

The top right of the main window is a set of icons:

- Click on the hand
- When called on, click the mic icon to unmute
- Click on the hand icon to lower your hand after your comment



Agenda Item I

Action Item

Boardman Coal Plant
Termination of Site Certificate

Sarah Esterson, Senior Policy Advisor

November 20, 2026

OREGON DEPARTMENT OF ENERGY

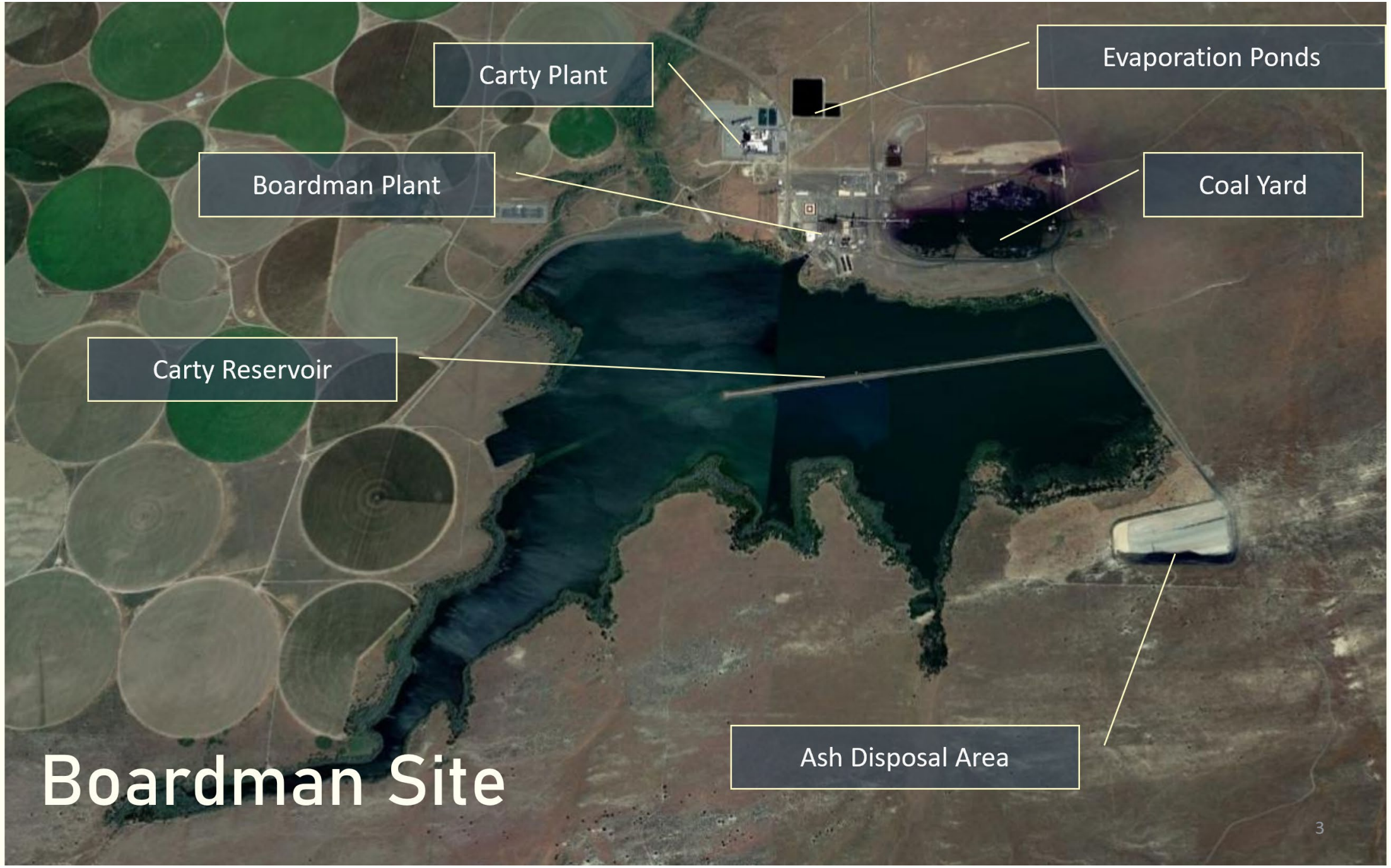
Boardman Coal Plant

Facility: 550 MW coal fired energy facility

Location: Morrow County, adjacent to Carty Generating Station

Certificate Holder: Portland General Electric Company

Site Certificate Issuance Date: 1975 (pre decommissioning rules)



Boardman Site

Boardman Coal Plant
Site Certificate Termination

- Facility ceased operations in 2020.

- Facility was demolished and decommissioned from 2020 – 2023.
  - Several components were not decommissioned and have already been incorporated into Carty Generation Station's Site Certificate

- Applicable requirements included warranties, which have been satisfied.
  - Financial, protection of public health, ability to operate

Boardman Coal Plant
Site Certificate Termination

- **2024:** Department conducted a final site inspection; in compliance/no issues

- **2024 – 2026:** Department coordinated with DEQ on review of groundwater monitoring. Requested input from EPA.

- **2026:** Received a letter from DEQ confirming groundwater monitoring and results demonstrates compliance/adequacy.
  - Supports conclusion that the site has been left in a manner safe to public health and environment

OREGON DEPARTMENT OF ENERGY

Council Options

Option 1 - Recommended	Option 2
Terminate Site Certificate	Deny Site Certificate Termination

OREGON DEPARTMENT OF ENERGY

Council Deliberation

OREGON DEPARTMENT OF ENERGY

Working Lunch Break

OREGON DEPARTMENT OF ENERGY

Agenda Item J

Action Item

Klamath Cogeneration Project Request for Amendment 6 – Council Review of Draft Final Order

Sarah Esterson, Senior Operations and Policy Analyst

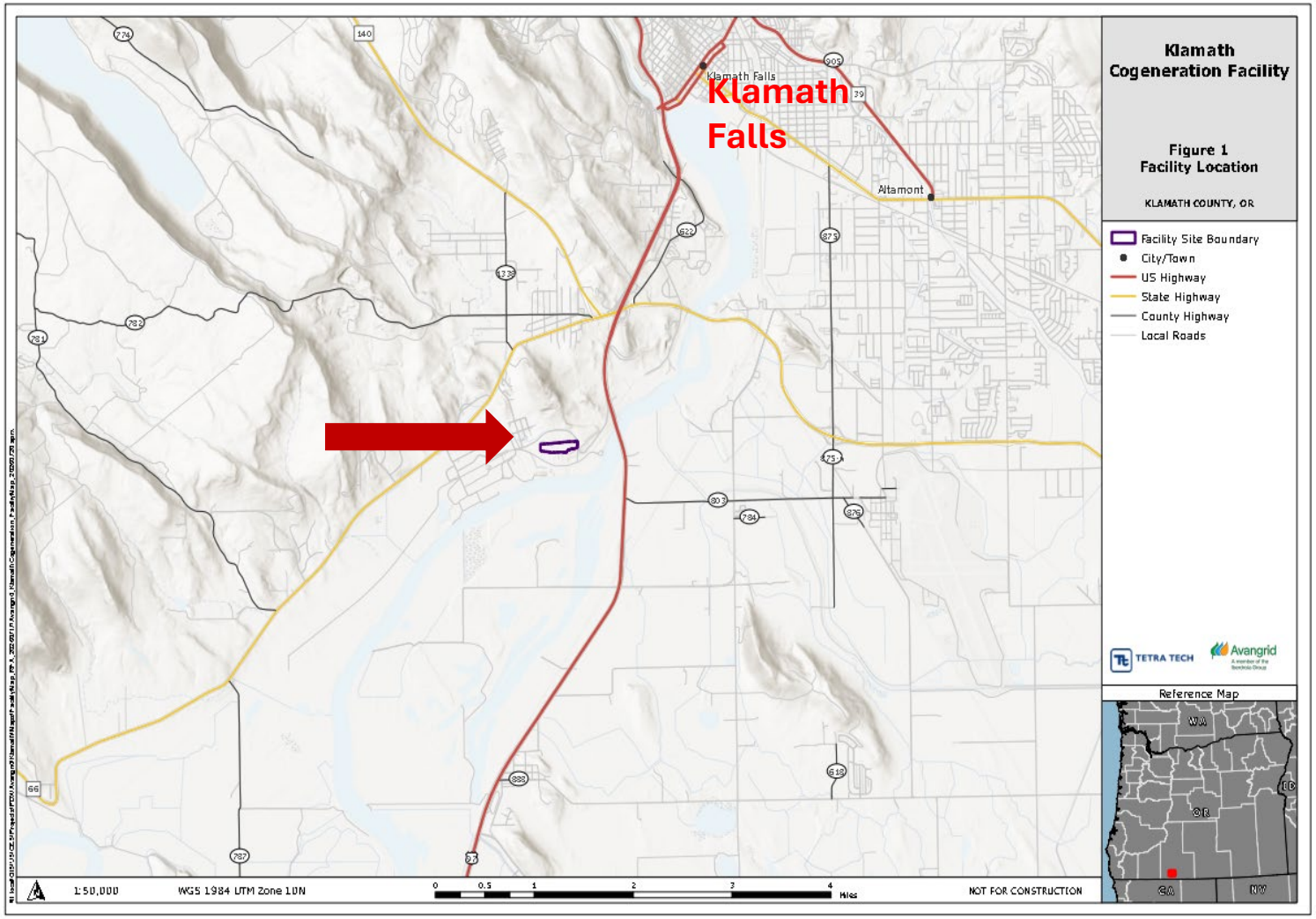
November 20, 2026

Klamath Cogeneration Project Request for Amendment 6
Existing Facility Overview

Certificate Holder: Klamath Energy, LLC, a wholly owned subsidiary of Avangrid Power, LLC, the U.S. division of parent company Iberdrola, S.A.

Operational Facility: 525-megawatt (MW) natural gas-fired, combined-cycle co-generation energy facility on private land zoned for Industrial Uses.

Location/Site Boundary: 20-acre site boundary located approx. three miles southwest of Klamath Falls.



OREGON DEPARTMENT OF ENERGY

Klamath Cogeneration Project Request for Amendment 6
Existing Facility Overview





OREGON DEPARTMENT OF ENERGY

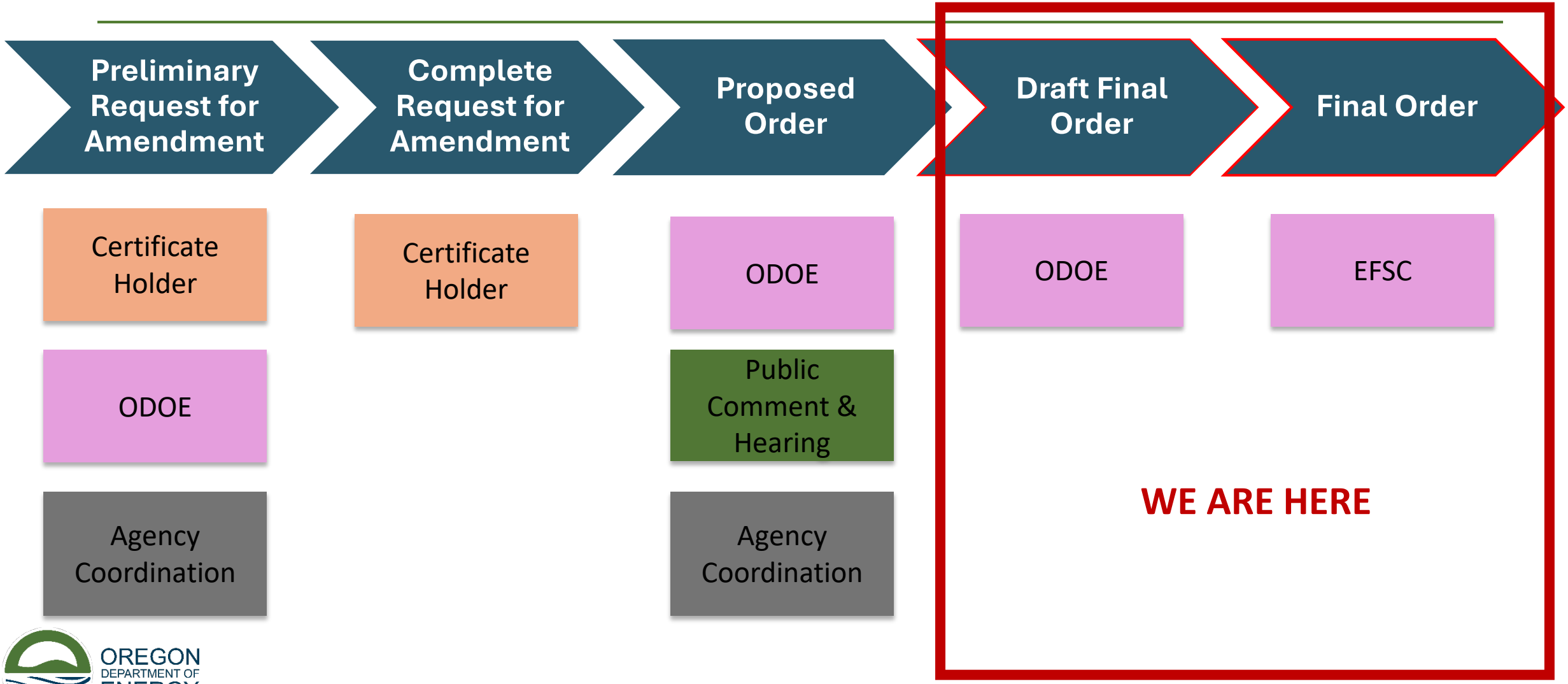
Klamath Cogeneration Project Request for Amendment 6
Proposed Amendment

Amend Condition IV.P(9) to allow for the disposal of heat recovery steam generator (HRSG) blowdown water through the City of Klamath Falls' wastewater treatment plant as currently permitted by the City:

"KCP HRSG boiler blowdown shall be ~~used as makeup water to the cooling tower. KCP cooling tower blowdown shall be reduced by automating the chemical treatment and blowdown system to allow the cooling tower to operate at the highest practical number of cycles of concentration~~ discharged to the City of Klamath Falls' Wastewater Treatment Plant as described in the Industrial Wastewater Discharge Permit issued by the City of Klamath Falls to Certificate Holder." (ASC, F-3, V-3, Final Order on AMD6)

OREGON DEPARTMENT OF ENERGY

Klamath Cogeneration Project Request for Amendment 6
Amendment Process



OREGON DEPARTMENT OF ENERGY

Klamath Cogeneration Project Request for Amendment 6
Draft Final Order

The Draft Final Order recommends Council find that the changes proposed in RFA6 would not result in new or different impacts not previously evaluated by Council for the following Council standards (See Section II.B and Table 2):

- **ORGANIZATIONAL EXPERTISE**
- **STRUCTURAL**
- **SOIL PROTECTION**
- **PROTECTED AREAS**
- **LAND USE**
- **RETIREMENT & FINANCIAL ASSURANCE**
- **FISH & WILDLIFE HABITAT**
- **THREATENED & ENDANGERED SPECIES**
- **SCENIC RESOURCES**
- **HISTORIC, CULTURAL & ARCHAEOLOGICAL RESOURCES**
- **RECREATION**
- **WILDFIRE PREVENTION & RISK MITIGATION**
- **CO2 EMISSIONS**
- **CO2 MONETARY OFFSET**
- **OTHER STATE REGULATIONS: REMOVAL-FILL**
- **OTHER STATE REGULATIONS: NOISE**
- **OTHER STATE REGULATIONS: WATER RIGHTS**

Klamath Cogeneration Project Request for Amendment 6
Draft Final Order

The Department proposes changes to following standards:

- **GENERAL STANDARDS OF REVIEW** – Section III.C, Pages: 20-21
- **PUBLIC SERVICES** – Section III.D. Pages 22-23
- **WASTE MINIMIZATION** – Section III.E Pages 23-26

Klamath Cogeneration Project Request for Amendment 6
Draft Final Order Review

GENERAL STANDARD OF REVIEW

- In making a decision to grant or deny a request for an amendment the Council must determine that the preponderance of evidence on the record supports a following that the facility, as amended, complies with all applicable laws and Council standards.

- Upon consideration of the facts and evidence in the record for Request for Amendment 6, as well as the Final Orders on the ASC through Amendment 5 which are incorporated by reference, the Department recommends Council find that the General Standard of Review has been satisfied.

Klamath Cogeneration Project Request for Amendment 6
Draft Final Order Review

WASTE MINIMIZATION STANDARD

The certificate holder has requested to amend **Condition IV.P(9)** to allow for the disposal of HRSG boiler blowdown water through Klamath Falls' wastewater treatment plant consistent with current operation as the facility, as authorized under the permit issued by the City of Klamath Falls to the certificate holder (See Attachment 1 of RFA6) and in response to the Oregon Department of Energy's (ODOE) compliance recommendations in its January 22, 2025 Operational Compliance Review Report.

Klamath Cogeneration Project Request for Amendment 6 Amendment Request

RFA6 was submitted by the certificate holder to align the site certificate condition language for the wastewater discharge for HRSG boiler blowdown to the City of Klamath and its wastewater discharge permit. No other changes are proposed or requested.

Both DEQ and City of Klamath confirmed that the proposed change is allowable and there are no concerns with the change in process for wastewater discharge and treatment.

Klamath Cogeneration Project Request for Amendment 6
Draft Final Order Review

WASTE MINIMIZATION STANDARD

The requested change to **Condition IV.P(9)** allows boiler blowdown water to be treated through the Industrial Wastewater Discharge Permit rather than requiring that the boiler blowdown be used in the cooling towers. This change is allowable/consistent with the 2023 Industrial Wastewater Discharge Permit:

> " KCP HRSG boiler blowdown shall be ~~used as makeup water to the cooling tower. KCP cooling tower blowdown shall be reduced by automating the chemical treatment and blowdown system to allow the cooling tower to operate at the highest practical number of cycles of concentration~~ discharged to the City of Klamath Falls' Wastewater Treatment Plant as described in the Industrial Wastewater Discharge Permit issued by the City of Klamath Falls to Certificate Holder."
> (ASC, F-3, V-3, Final Order on AMD6)

OREGON DEPARTMENT OF ENERGY

Klamath Cogeneration Project Request for Amendment 6
Draft Final Order Review

WASTE MINIMIZATION STANDARD

The Department reviewed the site certificate for other wastewater discharge related conditions: Waste Minimization Conditions IV. P (4), (6), (7) and (8).

The Department's review of RFA6 included a review of the ASC, subsequent amendments, and the 5th Amended and Restated Site Certificate including a review of the Site Certificate's Appendix B cited in the existing Waste Minimization conditions.

Based on the Department's review of related site certificate conditions that could be affected by the requested amendment the Department recommends minor amendments to Waste Minimization Conditions (4) and (6) to remove the related now-obsolete references to Appendix B.

Klamath Cogeneration Project Request for Amendment 6
Draft Final Order Review

PUBLIC SERVICES STANDARD

- The Department has reviewed the record on the facility and the RFA6 and current Industrial Wastewater Discharge Permit for the facility, including discharge of the HRSG boiler blowdown water and recommends that Council find that with RFA6 requested changes, the facility will continue to comply with the site certificate's Public Health and Safety conditions.

- RFA6 does not propose any changes to the current operational facility but it does request to change condition language for the requirements of HRSG boiler blowdown water discharge to align with the current, approved permit from the City of Klamath Falls. There is no change in the service provider (City of Klamath Falls).

Klamath Cogeneration Project Request for Amendment 6
Draft Final Order Review

PUBLIC COMMENT PERIOD AND PUBLIC HEARING

- July 27, 2026 - Proposed Order Issued with 32-day comment period
- August 21, 2026 - Public hearing in The Dalles
- August 28, 2026 - Written comment period concluded. 5 comments received:
  - 2 from Reviewing Agencies
  - 1 from Certificate Holder
  - 1 from Council
  - 1 from the public

Klamath Cogeneration Project Request for Amendment 6
Draft Final Order Review

PERIOD FOR REPLIES AND SUR-REPLIES

- September 11, 2026 – Deadline for Certificate Holder and Department to provide responses to comments (See Attachment C)

- September 16, 2026 – Deadline for commenters to reply to Certificate Holder and Department responses - None received

- September 18, 2026 – Deadline for Certificate Holder & Department to provide sur-replies to any replies received. Not applicable because none received.

Klamath Cogeneration Project Request for Amendment 6
Draft Final Order Review

PUBLIC COMMENT

Mr. Rich Rodriguez (See Attachment C):

Methane-power turbines should not be allowed in Oregon due to CO2 emissions. The project should be wound down as soon as possible, with a schedule for doing so publicly announced.

Klamath Cogeneration Project Request for Amendment 6
Draft Final Order Review

DEPARTMENT EVALUATION OF PUBLIC COMMENT

- Mr. Rodriguez's comments did not specifically identify a council standard the proposed project may contradict, nor does the substance of the comment relate to an existing Council standard.

- The proposed amendment is a minor change to the configuration of the already-approved facility to bring the site certificate in line with how the facility was constructed.

- The amendment does not relate to the CO2 emissions of the facility, and does not in any way provide the Council with the ability to require facility decommissioning.

Klamath Cogeneration Project Request for Amendment 6
Draft Final Order Review

COUNCIL MEMBER COMMENT

Council member Calderon:

By not reusing the HRSG blowdown as originally presented in the application, how much additional cooling tower make up water is required?

The facility demonstrates significant beneficial reuse by using treated municipal effluent as its principal cooling water source. Water and wastewater systems are federally recognized as critical infrastructure, which underscores the importance of understanding water management, as part of energy facility design. Water reuse is a resource management consideration within the Council's existing waste minimization framework.

Klamath Cogeneration Project Request for Amendment 6
Draft Final Order Review

CERTIFICATE HOLDER RESPONSES COUNCIL MEMBER CALDERON COMMENTS

- Confirmed with the Klamath operations team that the proposed amended site certificate condition will not result in the facility using any additional water. The proposed amendment, if adopted, simply aligns the site certificate's conditions with the facility's design and operation.
- The blowdown water has always gone to City of Klamath Fall's wastewater treatment system. The site certificate was adopted before Certificate Holder finalized the facility design and received the wastewater discharge permit from the City of Klamath Falls.

Klamath Cogeneration Project Request for Amendment 6
Draft Final Order Review

DEPARTMENT EVALUATION OF COUNCIL MEMBER CALDERON COMMENTS

- Certificate Holder confirmed that no additional water would be used with the amendment because the amendment just updates the Site Certificate to reflect what was built; the amendment would not actually change existing water use at the facility.
- Councilor Calderon's comments regarding water and the waste minimization standard appear to be directed as broader, program-related comments. However, they do identify the measures the facility will continue to employ to minimize wastewater. The Department believes that such measures are indeed consistent with OAR 345-22-0120, which requires wastewater minimization, and the project continues to be consistent with this standard with RFA6.

Klamath Cogeneration Project Request for Amendment 6
Draft Final Order Review

DEPARTMENT RECOMMENDATIONS

- October 27, 2026 - Department issued the Draft Final Order recommending that Council approve the changes to **Waste Minimization Condition IV.P(9),** without additional changes from the Proposed Order to the Draft Final Order.
- No substantive changes were made from the Proposed Order to the Draft Final Order.

Council Options

Option 1 - Recommended	Option 2	Option 3
Approve Amendment 6 as proposed in draft Final Order and issue an amended site certificate	Approve Amendment 6 as proposed in draft Final Order with changes, and issue an amended site certificate	Deny Amendment 6 based on specific reasons

OREGON DEPARTMENT OF ENERGY

Council Deliberation

Agenda Item K

Action Item

Compliance Rulemaking
Final Decision

Tom Jackman, Rules Coordinator

November 20, 2026

OREGON DEPARTMENT OF ENERGY

Compliance Rulemaking
Rulemaking History

Step	Date
Council approved rulemaking	June 2025
Three RAC meetings	December 2025, February 2026, and May 2026
Council authorized notice	June 26, 2026
Notice filed	July 30, 2026
Hearing / written comment close	August 21 / September 25, 2026

No oral public comments. Written comments came from NextEra, NW Natural, and PGE.

OREGON DEPARTMENT OF ENERGY

Compliance Rulemaking Proposal
Pre-Construction Compliance

Compliance Before Work Begins:

Before construction starts, the holder must show that it has satisfied every pre-construction condition that applies to the facility, component, or phase being built. The submission must give the Department enough information to determine compliance before that work begins.

A Plan For Phased Construction:

A holder building in stages would identify which conditions apply to each component or phase and which should be addressed for the entire facility. This lets the Department review the proposed sequence while keeping track of obligations that extend across phases.

Compliance Rulemaking Proposal
Facility-Wide Review And Authorization

When Facility-Wide Review Is Needed:

The Department may require conditions to be reviewed for the whole facility when separate phase reviews would duplicate work, fragment mitigation or monitoring, leave the evaluation incomplete, or provide too little information. For example, related mitigation obligations may need one coordinated review.

Written Authorization To Begin:

The holder must obtain written Department authorization before starting construction of the component or phase that was reviewed. This establishes a clear endpoint for pre-construction review and identifies the work for which the Department has determined compliance.

Compliance Rulemaking Proposal
Construction Compliance Reports

More Than a Progress Update:

The semiannual report would document compliance with conditions that applied during the reporting period, with supporting evidence. It would also identify facility changes made without a site certificate amendment and include the written amendment evaluation when required.

Reuse Of Earlier Submissions:

The holder may rely on information already submitted instead of submitting it again. The report must identify the document, submission date, applicable condition, and location of the information, and explain why that information is still current and relevant.

Compliance Rulemaking Proposal
Final Compliance And Facility Design

Compliance Before Operation:

Before operation begins, the holder would submit a final construction compliance report showing that pre-operation conditions have been satisfied. The report must give the actual or expected operation date. If it gives an expected date, the holder must confirm the actual date within 10 days after operation begins.

A Record Of the Facility As Built:

The final design report would describe constructed components, approved options that were not built, and conditions tied only to those unbuilt options. Maps and requested geospatial data would show final locations, helping staff inspect the facility and maintain an accurate certificate record.

Compliance Rulemaking Proposal
Annual Compliance And Facility Changes

Evidence Of Compliance:

The annual report would address every certificate condition that applied during the year. For monitoring and mitigation plans, the holder must explain implementation, provide evidence that goals or success criteria are being met, and describe significant changes to the programs.

Reporting Component Changes:

For a component that was modified, moved, removed, or replaced, the report would explain the change and its reason, identify the final or proposed location, and provide requested geospatial information. If no amendment is needed, include or identify the holder's written evaluation supporting that conclusion.

Compliance Rulemaking Proposal
Mixed Stages And Annual Reporting

Reporting By Component:

When components are in different stages during the same year, the holder may identify each component's status and address the conditions applicable to it. For example, one part of a facility may be operating while another is under construction, being replaced, or being retired.

A More Focused Annual Report:

General facility-status and power-plant reliability or capacity-factor reporting would end because it adds little compliance value. Targeted reports would supply more useful information. Staff recommends a March 31 annual deadline, with another date by mutual agreement.

Compliance Rulemaking Overview
Administrative Facility Description Updates

Updating the Facility Description Without an Amendment:

After receiving the final design report or determining that a modification does not need an amendment, the Department could update the certificate to describe the facility as built or operated. This helps distinguish what was actually constructed from the full range of approved options.

Updating Related Conditions:

The Department could also revise or remove conditions as needed to reflect the facility as built and support future inspections. For example, the certificate may still include conditions tied to an approved component that the holder never constructed.

Compliance Rulemaking Proposal
There Are Limits On Administrative Updates

Who May Initiate Condition Changes:

Before the certificate's construction deadline expires, the Department could revise or remove a condition only at the holder's request. After that deadline, the Department could initiate those changes itself, but would not be required to do so.

Changes Requiring Amendment Review:

An administrative update cannot authorize an unapproved component or activity, expand the facility's authorization, or approve new impacts. A holder seeking new or expanded authority must use the applicable amendment or amendment-determination process in Division 27.

Compliance Rulemaking Proposal
Updates To Process For Requests For Compliance Review

What a Request Must Explain:

A person requesting review must identify the certificate condition or requirement involved, provide supporting facts, and say whether a site inspection is requested. The process covers alleged or imminent violations and situations that could create hazardous exposure or unsafe conditions.

How the Department Responds:

The Department must promptly evaluate matters within Council jurisdiction. It may review records, request information, or inspect the site, and must refer other matters to the appropriate agency. It must explain its determination and inspection decision in writing. The requestor may petition Council for review.

Compliance Rulemaking Proposal
Corrective Action And Applicable Conditions

A Plan To Correct a Potential Problem:

After a review identifies a potential compliance issue or public health and safety threat, the Department may require a corrective action plan. It must cover the issue, interim protection, known causes, corrective steps, a schedule, and verification reports. Formal enforcement remains available.

Conditions During Testing Or Partial Operation:

The Department may address potential violations of applicable conditions even before the holder formally reports commercial operation. This covers testing, commissioning, partial operation, and repowering. Conditions apply according to the activity occurring at the facility, rather than the operation notice alone.

Compliance Rulemaking Proposal
Incident And Potential Violation Reporting

Requirement	Proposed Approach
Incident notice	Retain the 72-hour deadline and clarify reportable events.
Initial incident information	Date, time, location, description, immediate protective actions, and a contact, to the extent known.
Potential violation notice	Notify within 72 hours of discovery and identify corrective action taken or planned.
Detailed written report	Retain the 30-day report. Link relevant incidents or patterns to Division 29 reporting.

Reportable events include interference, major incidents, fatalities, and certain mechanical failures.

OREGON DEPARTMENT OF ENERGY

Compliance Rulemaking Applicability

- **After the Effective Date:** Apply revised procedures to compliance activities for existing and future certificates, subject to controlling certificate conditions.
- **Past Conduct:** The proposal would not reopen past compliance decisions or impose new procedural penalties for earlier conduct.
- **Other Agencies:** Provide documents relied upon to demonstrate EFSC compliance. The Department may rely on sufficient agency determinations.
- **Restricted Information:** Identify the information and legal basis for a restriction and propose a sufficient alternative, if available.

Public Comments

- NextEra
- Northwest Natural
- Portland General Electric

OREGON DEPARTMENT OF ENERGY

Compliance Rulemaking
NextEra: Administrative Affiliate Transfers

- **Request:** Allow a certificate-holder update to a wholly owned affiliate without an amendment.
- **Safeguards:** Keep the same parent and reliance on its expertise and financial resources. Require written acceptance of obligations and parent confirmation of resource access.
- **Documentation:** Demonstrate eligibility and provide an updated certificate. NextEra seeks a written Department determination with Council oversight.

Staff Recommendation:
Take no action. The requested administrative pathways and Division 27 changes are outside the scope of this rulemaking.

OREGON DEPARTMENT OF ENERGY

Compliance Rulemaking
NextEra: Certificate Splits And Amendment Exemptions

- **Request:** Administratively split an approved facility into multiple facilities and certificates under wholly owned affiliates of the same parent.

- **Scope:** Allocate approved components, conditions, and obligations. Retain parent support and written acceptance. Add conforming Division 27 amendment exemptions without expanded authorization.

- **Reason:** Customer arrangements, interconnection, financing, and phased development may be finalized after permitting. NextEra cites prior transfers and splits.

Staff Recommendation:
Do not add the split pathway or related exemptions here. Staff is open to future rulemaking with notice and an opportunity to comment.

OREGON DEPARTMENT OF ENERGY

Compliance Rulemaking
NW Natural: Sensitive Infrastructure Information

- **Concern:** Precise, downloadable geospatial data can reveal component location, configuration, function, and criticality beyond an ordinary boundary map.
- **Federal Framework:** NW Natural cites pipeline safety and TSA Sensitive Security Information requirements governing recipients, marking, safeguarding, and public access.
- **Collection:** It asks the Department to establish necessity and safe handling before routinely collecting detailed infrastructure data.

Staff Response:
Retain the proposed information requirements. A holder should identify the specific information and applicable statutes or regulations so the Department can evaluate the claim when it arises.

OREGON DEPARTMENT OF ENERGY

Compliance Rulemaking
NW Natural: Exemptions And Location Detail

- **Facilities:** Exempt natural gas pipelines, surface facilities associated with underground gas storage, and LNG storage from precise geospatial and detailed component-location submissions.
- **Requirements:** Apply exemptions to final design reports, annual modification reports, and Department format or submission requests.
- **Location Detail:** Limit modification locations to the detail needed for an identified certificate term or condition.

Staff Response:
Do not add these exemptions or limits. Retain the noticed geospatial and facility-information provisions and evaluate specific legal restrictions through OAR 345-026-0105(2).

Compliance Rulemaking
NW Natural: Protective Alternative Submissions

- **Trigger:** Address safety, security, or critical-infrastructure concerns even when law does not prohibit submission outright.
- **Approval:** Require approval of a protective alternative when it provides enough information to determine compliance.
- **Concern:** NW Natural says the current proposal makes alternatives discretionary and puts too much burden on the holder to establish a legal restriction.

Staff Recommendation:
Retain the proposed alternative-submission process. Identify the information and specific legal provisions, then evaluate sufficient alternatives and lawful handling case by case.

Compliance Rulemaking
NW Natural: Prior Reports And Excerpts

- **Concern:** Recreating maps or datasets already supplied to the Department or specialized regulators would undermine the goal of reducing duplication.

- **Request:** Let a clear reference to a prior submission satisfy OAR 345-026-0080(6)(d), as an alternative to an excerpt.

Staff Recomendation:
Keep the excerpt requirement. Relevant pages or portions can be copied without new analysis. Excerpts support review and a clear record. Existing cross-reference options remain available where applicable.

OREGON DEPARTMENT OF ENERGY

Compliance Rulemaking
PGE: Annual Reporting Deadline

- **PGE Comment:** January 31 overlaps other first-quarter reporting and leaves too little time for accurate, detailed supporting material. PGE proposes March 31, recognizing the Department's need to receive reports earlier for review and inspections.

Existing Rule	Noticed Proposal	Staff Recommendation
April 30	January 31	Change to March 31 as requested by PGE and retain the ability to agree to another date. Separate reporting deadlines continue to apply.

Compliance Rulemaking
Council Decision

- **Adoption:** Authorize staff to issue a Permanent Rulemaking Order for the proposed Division 26 and Division 29 amendments.

- **Annual Deadline:** Include March 31 as the default date and retain mutually agreed alternatives.

- **Other Requests:** Make no changes in response to NW Natural. Take no action on NextEra's requests in this rulemaking.

- **Implementation:** Apply revised procedures after the effective date, including to existing certificates, subject to controlling certificate conditions.

Council Options

Option 1 - Recommended	Option 2	Option 3
Approve the rules as presented in the staff report	Approve the rules as presented in the staff report with modifications	Deny the rules as presented in the staff report for specific reasons

OREGON DEPARTMENT OF ENERGY

Council Deliberation

OREGON DEPARTMENT OF ENERGY

Agenda Item L

Action Item

2026 Carbon Dioxide Emissions Offset Rate Rulemaking Final Decision

Tom Jackman, Rules Coordinator

November 20, 2026

OREGON DEPARTMENT OF ENERGY

Carbon Monetary Offset Rulemaking
Proposed Monetary Offset Rate

Current Rate	Proposed Rate	Change
$6.40	$9.60	+$3.20 / 50%

- **Unit:** Dollars per short ton of required carbon dioxide emissions reduction.
- **Application:** The rate determines offset funds where the monetary pathway applies. It is not a charge on every ton emitted.
- **Staff Recommendation:** Adopt the noticed rate in OAR 345-024-0580, effective upon filing after Council approval.

Carbon Monetary Offset Rulemaking
Rulemaking History

Step	Date / Outcome
Previous rate change	October 30, 2024: $4.27 to $6.40
Council authorized formal rulemaking	June 26, 2026
Notice filed	July 30, 2026
Hearing	August 21, 2026. No oral public comments.
Written comments closed	September 25, 2026. Two written commenters.

No RAC was convened for this targeted rate adjustment.

OREGON DEPARTMENT OF ENERGY

Carbon Monetary Offset Rulemaking
Basis For a Rate Change

- **Offset Costs:** Base a change on empirical evidence of the cost of offsets.
- **Economic Achievability:** Find that the standard remains economically achievable for natural gas-fired power plants at the modified rate.
- **Adjustment Limit:** The statute caps an increase or decrease at 50 percent in any two-year period.
- **Timing:** The proposed increase uses the full 50 percent adjustment more than two years after the October 2024 change.

Carbon Monetary Offset Rulemaking
Recent Regional Offset Prices

Offset / Transaction	Period	Price Per Short Ton
Oregon forestry offsets delivered	2024	$19.31
Oregon forestry offsets delivered	2025	$19.25
Oregon / Washington forestry avoidance purchase	2026	$9.65
Low-carbon cement in Lakeview	Approved 2025	$13.61
Oregon food waste recovery	Approved 2025	$10.37

The proposed $9.60 is below each price shown. Reported metric-tonne prices are converted to short tons.

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Carbon Monetary Offset Rulemaking
Other Cost Evidence And Market Context

- **Removal Credits:** The Climate Trust (TCT) reported quotes around $22.68 per short ton. A quote is distinct from a completed purchase.

- **National Activity:** TCT's recent five-year average was about $12.79 per short ton.

Carbon Monetary Offset Rulemaking
Illustrative Economic Achievability

Measure	Current	Proposed	Increase
Rate per short ton	$6.40	$9.60	$3.20
Offset funds for one year's assumed excess emissions	$1,801,504	$2,702,256	$900,752
Offset funds per MWh	$0.57	$0.85	$0.28

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Carbon Monetary Offset Rulemaking
Meaning Of the Economic Illustration

- **Scale:** The increase is about 0.20 percent of the illustrative $452.1 million annual retail value. The full proposed amount is about 0.60 percent.
- **Comparison:** Retail value provides context. It is not the plant's actual wholesale revenue, operating margin, or profit.
- **Other Facilities:** Effects depend on required emissions reductions. Staff does not estimate a statewide consumer impact or an immediate change for every existing holder.

Carbon Monetary Offset Rulemaking
Public Comments: Support For the Increase

- **Rich Rodriguez:** Supports $9.60 and urges a higher carbon value, citing climate-related harm and the economic opportunity of the energy transition.

- **Green Energy Institute:** Supports the full increase as legally supported and economically achievable, while considering Oregon's rate low.

- **Staff Recommendation:** Adopt the full $9.60 rate based on offset costs and economic achievability. The proposal uses the available 50 percent increase.

Carbon Monetary Offset Rulemaking
Public Comments: Future Review And Offset Funds

- **Future Increases:** Mr. Rodriguez requests annual escalation until fossil-fueled generation ends. GEI seeks maximum increases every two years when evidence supports them.

- **Staff Recommendation:** Continue review at approximately two-year intervals, as allowed by statute. Future changes require supporting evidence and the required finding, without automatic increases.

- **Fund Use:** Mr. Rodriguez requests investment in efficiency and renewables. Staff recommends using funds through the statutory offset framework.

- **Separate Requirement:** This rate change does not replace the zero-emission requirement applicable to new fossil-fueled plants receiving certificates on or after September 25, 2021.

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Carbon Monetary Offset Rulemaking
Council Decision

- **Offset-Cost Finding:** Recent purchase and delivery prices, supplemented by broader market evidence, support $9.60 per short ton.
- **Achievability Finding:** The standard remains economically achievable for natural gas-fired power plants at the modified rate.
- **Rulemaking Order:** Authorize the Department to file a Permanent Rulemaking Order amending OAR 345-024-0580, effective upon filing.
- **Future Review:** Continue review at approximately two-year intervals without committing to automatic increases.

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Council Options

Option 1 - Recommended	Option 2	Option 3
Approve the rules as presented in the staff report	Approve the rules as presented in the staff report with modifications	Deny the rules as presented in the staff report for specific reasons

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Council Deliberation

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