

**Minutes**  
**Energy Facility Siting Council Meeting**  
**Salbasteon Suites & Conference Center**  
**1730 NW 9<sup>th</sup> Street**  
**Corvallis, OR 97330**  
**May 19, 2006**

*Approved by Energy Facility Siting Council with revision.  
August 25, 2006*

**Energy Facility Siting Council**

Hans Neukomm, Chair  
David Ripma, Vice Chair  
Lori Brogoitti  
Martha Dibblee  
Karen Green  
Robert Shiprack  
David Tegart

**Oregon Department of Energy:**

Mike Graine, Director  
Tom Stoops, Council Secretary  
Adam Bless, Project Officer  
Catherine Van Horn, Project Officer  
John White, Project Officer  
Sisily Fleming, Administrative Assistant

**Oregon Department of Justice:**

Jan Prewitt, Assistant Attorney General

**Others:**

Carlos Pineda  
Rick Tetzloff  
Tom Koehler

Chair Hans Neukomm called the meeting to order.

**I. Consent Calendar:**

**A. Announcements.**

Chair Neukomm announced a change in staff. Sisily Fleming will be leaving.

**B. Approval of the January 20, 2006 Energy Facility Siting Council meeting minutes.**

Martha Dibblee noted scrivener errors and misspelling of her name. Karen Green made a motion to approve the January 20, 2006 minutes; Bob Shiprack seconded the motion and Council was polled:

<b>Lori Brogoitti</b>	<b>Yes</b>	<b>David Ripma</b>	<b>Yes</b>
<b>Martha Dibblee</b>	<b>Yes</b>	<b>Bob Shiprack</b>	<b>Yes</b>
<b>Karen Green</b>	<b>Yes</b>	<b>David Tegart</b>	<b>Yes</b>
<b>Hans Neukomm</b>	<b>Yes</b>		

**C. Approval of the February 10, 2006 Energy Facility Siting Council meeting minutes.**

Martha Dibblee noted scrivener errors and misspelling of her name. Karen Green made a motion to approve the February 10, 2006 minutes; David Tegart seconded the motion and Council was polled:

<b>Lori Brogoitti</b>	<b>Yes</b>		
<b>Martha Dibblee</b>	<b>Yes</b>	<b>Bob Shiprack</b>	<b>Yes</b>
<b>Karen Green</b>	<b>Yes</b>	<b>David Tegart</b>	<b>Yes</b>
<b>Hans Neukomm</b>	<b>Yes</b>		

**II. Information Items:**

**A. Council Review of the Draft Proposed Order for the Klondike III Wind Project**

John White, Project Officer for the Klondike III Wind Project, explained some of the procedures of the Draft Proposed Order. Mr. White explained that at the meeting today for the Energy Facility Siting Council no public comments are allowed; the purpose is for the Council to review and give Staff directions. He also stated that representatives from Klondike are present at this meeting, but ordinarily they do not speak at the meeting for EFSC.

The public hearing was held the previous week, and there was no public testimony for or against the project. Mr. White said written comments were received. One was favorable from the public; another from the Oregon Department of Fish & Wildlife (ODFW), most of which were in concurrence with the language in the Draft Proposed Order. There were also comments from the applicant involving a number of the site certificate conditions. Staff has addressed those issues, which will be discussed.

Mr. White said in February 2005 a request for expedited review and one of the first issues was what the project actually was. The applicant requested that Klondike III be treated as a separate facility and therefore have a site certificate exclusive of Klondike I and II. The Oregon Department of Energy has guidelines to determine whether it could be separate. In the Draft Proposed Order, page 2, some of the factors are listed that Staff used in determining that Klondike III should be treated as a separate facility. Mr. White reviewed conditions of the site certificate that would apply to Klondike III, such as no shared transmission infrastructure with Klondike I and II.

The site certificate application was received in May 2005. Mr. White explained the selection of turbines and referred to the description on page 6 of the Draft Proposed Order. He also explained the turbine generating capacity and size of the turbine are directly related, so this would also determine the spacing of the turbines. If the site certificate locked in to one particular size and manufacturer of turbines, there may be the possibility of doing a site certificate amendment because of the availability of turbines.

Mr. White also reviewed other considerations to be included in the site certificate, for example - technical issues, high value habitat to avoid, wetlands and the impact on farming. He also said that in the future the Council will see more micro-siting, which he explained. Condition 48 of the Draft Proposed Order discusses the final design and layout of the facility. The Cultural Resources standards are covered on Page 84 of the Order. Mr. White also explained how the noise standard was investigated. He referred to the table on Page 96 and discussed the ambient degradation rules.

The Council has to make a decision on an Oregon Department of Transportation permit, which is new. State Highway 206 crosses the southwest corner of the project area and the applicant needs to have underground transmission lines under Highway 206. It is considered a siting decision, so the Council will need to decide whether to authorize that permit to be issued.

Mr. White said that the analysis areas for protected areas include a 20 mile distance and scenic areas are a 30 mile distance. The Council does not have jurisdiction outside the State of Oregon but the Energy Facility Siting standards cover areas located anywhere. Mr. White said this may be a consideration in the future during rulemaking.

Mr. White said that simultaneously with issuing the Proposed Order, by statute the Department has to issue a Notice of Contested Case. The parties who are eligible to raise any issue are only those parties who raised issues at the Public Hearing stage, which he

mentioned there were none. He further explained the procedure for a contested case. The Hearing Officer, John Burgess will report back to the Council any issues. At that point the site certificate will be ready for a decision, which tentatively is scheduled for June 30<sup>th</sup>.

Karen Green asked about mitigation alternative of contributions to 3<sup>rd</sup> parties. She expressed her concern about this taking the place of actually doing meaningful evaluation on the site and if this is something the Department is moving toward or whether it is just this site, and in particular the mitigation with the bats.

Mr. White discussed the case of bats and the proposed monitoring plan that needs to be conducted in order to understand mitigation necessary for the bats. There was more discussion among council members and staff about monitoring plans and what need there is to conduct the monitoring. Mr. White said in discussion with the Oregon Department of Fish & Wildlife (ODFW) there is not enough known about bats to determine mitigation so the alternative of contributions to 3<sup>rd</sup> parties is to conduct studies regarding bats. The monitoring plan of the Stateline Wind Project was discussed; Mr. White said the monitoring plan has continued for an extended amount of years because Stateline has been built in different phases.

Chair Neukomm announced a request regarding the Biglow Canyon Wind Farm from Portland General Electric (PGE) that should be heard before lunch.

Carlos Pineda, Orion Energy LLC introduced himself and said they are the applicant. Mr. Pineda explained the availability of turbines and what they have encountered. He explained that the public hearing for the project is scheduled for May 31, which they were hoping would have been sooner. He requested an early June meeting, perhaps by teleconference. Mr. Pineda introduced Rick Tetzloff, PGE, to explain the urgency of the timelines. Mr. Tetzloff stated that PGE is in the process of purchasing the project from Orion. He further explained that wind projects depend a great deal on tax credits, and the tax credit on this project is set to expire April 7<sup>th</sup>. There was discussion among Council members to arrange a meeting; June 6<sup>th</sup> at 10:00 a.m. was decided for a meeting date. There was more discussion about the timelines necessary.

Chair Neukomm asked if there were any comments from the public. Hearing none, Chair Neukomm declared a break.

### **III. Working Lunch**

John White continued his discussion of the Draft Proposed Order for the Klondike III Wind Project.

Mr. White said that before the Council gets to the decision making meeting, he would be making clarifications on the Draft Proposed Order so that the Council will get a red-lined, strike out version of the Order showing the changes.

Mr. White reviewed a table of changes that will be made to the Draft Proposed Order, many changes in language to be consistent. Karen Green asked about the comments from Jan Helfer, State Parks and Recreation, who commented on the visual impact of lighting the turbines, and that the lighting be eliminated. Mr. White said that aviation warning lights are required. Recommendations have been suggested by the Federal Aviation Administration (FAA) for the position of the lights.

Karen Green questioned the monitoring of bats, comparing the Klondike III project with the Biglow project. She felt that standards should be consistent with each different wind project. Martha Dibblee agreed with Ms. Green. Mr. White talked about the threshold of the monitoring plans and the discussions with the applicant about conditions in the Draft Proposed Order. He expressed his concern with trying to make the monitoring & mitigation of the bats the same with all wind projects.

Mr. White asked for clarification regarding which model should be taken. Chair Neukomm asked what research determined the Klondike monitoring and mitigation plan; Mr. White said it was mostly by the offer of the Klondike applicant and also feedback from ODFW. He continued by saying that if there was some enhancement that the Staff knew could be done, that would be in the discussion; this is an area where not much is known.

Cathy Van Horn, Oregon Department of Energy Project Officer for the Biglow Wind Project, mentioned that the threshold of 2.5 bats was at ODFW's request. She continued saying that the Draft Proposed Order for Biglow had a section warning people from using those guidelines for the future because the figures were based on the information they had available at that time.

Jan Prewitt, Oregon Department of Justice explained that in a site certificate application the applicant provides information on how the Council's standards are met; legitimately the conditions may differ and their approach may be different but if they come to the ultimate conclusion, it is appropriate to adopt their approach.

Chair Neukomm and Mr. White discussed the meaning of mitigation, which Mr. White said could be in the form of research if there are unknowns about impacts from a project. David Ripma asked about the comparison in time for monitoring.

Chair Neukomm asked Ms. Green for comment. Ms. Green said she did look up the definition of mitigation and stated that both approaches do apply under the definition.

Ms. Green asked Jan Prewitt, Department of Justice, about the threshold being established. There was discussion by Mr. White to clarify the mitigation plan.

Bob Shiprack stated that the problem is in the science; the wind industry needs to figure out the numbers and have longer monitoring. Lori Brogoitti agreed with Mr. Shiprack.

Mr. White summarized the consensus of the Council, which involves not requesting significant changes to the Draft Proposed Order. Ms. Green explained that every site certificate will raise policy questions.

Martha Dibblee requested words be added to Condition 96 – mitigation needs to compensate for the impacts at that site. Ms. Green discussed research work of BCI.

Mr. White continued discussing the Draft Proposed Order, Condition 42. One issue is the setbacks, which are worded similar to the Sherman County setbacks ordinance. The problem is whether a transmission pole or junction box (3-foot high) is considered a building, and if so it would have to be set back from the property line approximately 30 feet. Ms. Green asked if Sherman County had a variance; Mr. White said it may be an option. Jan Prewitt stated she called Richard Whitman to discuss the matter and the county was surprised that the Staff thought the poles and junction boxes should be set back 30 feet. Ms. Prewitt said more investigation will be done in the language to make sure it is interpreted correctly.

Mr. White said the area surrounding the concrete foundation of the turbine will be covered with non-flammable material within a ten-foot radius. Condition 115 strikes the words that gate keys are to be given to rural fire protection districts. These are mostly volunteer groups and the applicant was concerned that keys would be given to access high voltage equipment in the substation. A change was made to provide phone numbers to call if the fire district needs access.

The change to 117 modifies Condition 84 and has to do with above ground locations of the electric line. Also Condition 88 discusses load limits on lines and clearance distances. The numbers came from modeling done by applicants to determine electrical and magnetic field. There is not a quantitative magnetic field standard so the language has been changed. Mr. White further discussed the modeling conducted.

Mr. White discussed the anti-perching devices. He continued by explaining the attachment revisions.

Chair Neukomm asked if there were any comments; there were none.

#### **IV. Action Items:**

##### **A. Council Review of the Final Order for Amendment #4 to the Site Certificate for the Port Westward Generating Project**

Adam Bless, Project Officer for the Port Westward Generating Project, reviewed events leading up to the Final Order for Amendment #4. In January more construction laydown area was needed and an expedited process was necessary for time. The Council met in February granting PGE approximately 6 more areas. The amendment took temporary effect at that time but by procedure, public notice had to be issued, offering the public the

chance to contest. No comments were received; therefore the temporary order needs to be finalized.

Bob Shiprack moved to approve the Final Order for Amendment #4 to the Site Certificate for the Port Westward Generating Project; Lori Brogoitti seconded the motion and Council was polled:

<b>Lori Brogoitti</b>	<b>Yes</b>	<b>David Ripma</b>	<b>Yes</b>
<b>Martha Dibblee</b>	<b>Yes</b>	<b>Bob Shiprack</b>	<b>Yes</b>
<b>Karen Green</b>	<b>Yes</b>	<b>David Tegart</b>	<b>Yes</b>
<b>Hans Neukomm</b>	<b>Yes</b>		

**B. Pacific Ethanol Energy Project: Appointment of Morrow County as Special Advisory Group**

Adam Bless began discussion of the Pacific Ethanol Energy Project by mentioning that they are the first company to issue a Notice of Intent to apply for a site certificate for an ethanol facility. They are proposing to begin by building a sub-jurisdictional facility. The EFSC jurisdiction for an ethanol facility starts at a capacity of 6 billion BTUs per day. They are proposing to begin construction based on county approval for a sub-jurisdictional facility and they will plan to expand the facility to the Council's jurisdiction in a way that meets all of the criteria for the exemption. Mr. Bless reviewed the criteria for exemption, one being limiting the shipments by truck to 10%.

Adam Bless introduced Tom Koehler, Vice-President of Pacific Ethanol, to explain more about the business plan. Lori Brogoitti asked whether local commodities would be used. Mr. Koehler said the plan will be a two-fold plan: 1) to use local feedstock and 2) Pacific Ethanol is engaged in cellulosic conversion and all the residue from around the state will be good feedstock.

Chair Neukomm asked where the market for ethanol will be. Mr. Koehler said the Portland/Vancouver area, Astoria, and by rail to California.

Chair Neukomm also asked who is responsible for assuring the public safety and environmental standards are fulfilled. Mr. Bless referred to the memo listing the requirements and criteria to be followed.

Karen Green moved to approve the appointment of Morrow County as the Special Advisory Group for the Pacific Ethanol Energy Project; Lori Brogoitti seconded the motion and Council was polled:

<b>Lori Brogoitti</b>	<b>Yes</b>	<b>David Ripma</b>	<b>Yes</b>
<b>Martha Dibblee</b>	<b>Yes</b>	<b>Bob Shiprack</b>	<b>Yes</b>
<b>Karen Green</b>	<b>Yes</b>	<b>David Tegart</b>	<b>Yes</b>
<b>Hans Neukomm</b>	<b>Yes</b>		

**C. Pacific Ethanol Energy Project- Request for Exemption**

Chair Neukomm asked about the 10% criteria for transportation by truck. Jan Prewitt said they did not want to over extend infrastructure. Additional trucking creates additional traffic. Mike Grainey also said the point of the exemption was to take a site with very little environmental impact. Mr. Bless discussed the concern about trucking with this project.

Karen Green moved to approve the Request for Exemption for the Pacific Ethanol Energy Project; Martha Dibblee seconded the motion and Council was polled:

<b>Lori Brogoitti</b>	<b>Yes</b>	<b>David Ripma</b>	<b>Yes</b>
<b>Martha Dibblee</b>	<b>Yes</b>	<b>Bob Shiprack</b>	<b>Yes</b>
<b>Karen Green</b>	<b>Yes</b>	<b>David Tegart</b>	<b>Yes</b>
<b>Hans Neukomm</b>	<b>Yes</b>		

**V. Information Items:**

Chair Neukomm announced a change in the agenda. The information item A. Transmission EIS 101, will be handled later.

Chair Neukomm asked about the Coos Bay LNG Project, and whether the county is involved in the Project. Cathy Van Horn said that FERC has stated their preference for all LNG applicants to go through local land use process. If they don't go through the local process, that will be disclosed in the EIS that comes out.

Jan Prewitt explained that the Department is recommending it be deferred to a later date so that legal advice can be prepared. Chair Neukomm also asked for an assessment on the LNG facilities with catastrophic events in mind.

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Tom Stoops verified that the two information items would be held at a later date, and also there would be an in person and telephone meeting on June 6<sup>th</sup> at 10:00 a.m. The June 30<sup>th</sup> meeting agenda will include the Klondike III and Biglow Canyon Wind Facility Final Orders. Cathy Van Horn said it would be as long as Biglow is not a contested case.

There being no further comments, Chair Neukomm adjourned the meeting.