



Oregon

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To: Energy Facility Siting Council

From: Kathleen Sloan, Senior Siting Analyst

Date: September 6, 2024

Subject: Agenda Item C (Public Hearing): Mist Underground Natural Gas Storage Facility, Public Hearing on Draft Proposed Order on Request for Amendment 13 for the September 19-20, 2024 EFSC Meeting

Attachments:

1. [Draft Proposed Order](#) (provided via hyperlink)
2. Public Comments on Draft Proposed Order (received as of Sept 6, 2024). Any additional comments received prior to the September 19, 2024 hearing will be provided to the Council as Supplemental Council Packet Materials.

STAFF RECOMMENDATION

The Oregon Department of Energy (Department) recommends the Energy Facility Siting Council (EFSC or Council) approve the requested site certificate amendment and grant issuance of the Thirteenth Amended Site Certificate, subject to compliance with existing, recommended amended, and recommended new site certificate conditions.

BACKGROUND AND FACILITY OVERVIEW

Mist Underground Natural Gas Storage Facility (Mist or facility) is an operating facility consisting of underground natural gas storage reservoirs, two compressor stations (Miller and North Mist), gathering pipelines, operations and maintenance facilities, and a gas transmission pipeline. Permitted throughput limit is 635 million standard cubic feet per day (MMscfd). The site boundary encompasses 5,472 acres. The certificate holder is Northwest Natural Gas Company (NWN or certificate holder), a shareholder-owned public utility. The site certificate was approved in 1981 and has been approved for 12 subsequent amendments.

SCOPE OF COUNCIL REVIEW

Request for Amendment 13 of the Site Certificate for the Mist Underground Natural Gas Storage Facility (RFA13) includes proposed facility components under Council's authority including: connecting pipelines; transmission pipelines; above-ground components such as compressor stations and equipment; and structures such as an operations and maintenance (O&M) building.

However, there are development actions associated with the proposed RFA13 changes that are not within Council’s jurisdiction, including:

- Storage or injection withdrawal wells, either owned or controlled by Enerfin Resources Company or NW Natural are within the jurisdiction of the Department of Geology and Mineral Industries (DOGAMI).
- Well heads are also within the jurisdiction of DOGAMI
- Any hydraulic fracturing or fracking associated with the naturally occurring wells

The delineation in jurisdictional authority is based on the following statutes:

469.300(11)(a)(l) - “Energy Facility” definition

***** a surface facility related to an underground gas storage reservoir but excluding
(i) The underground storage reservoir;
(ii) The injection, withdrawal or monitoring wells and individual wellhead equipment”

ORS 469.300(24) - “Related and Supporting Facilities” definition

**** “Related or supporting facilities” does not include geothermal or underground gas storage reservoirs, production, injection or monitoring wells or wellhead equipment or pumps.*

ORS 520.095(15) - State law grants the Department of Geology and Mineral Industries (DOGAMI) broad authority to regulate oil and gas operations, including the authority

“To regulate the underground storage of natural gas and the drilling and operation of any wells required therefor.”

DOGAMI has exercised this authority through the adoption of comprehensive rules governing underground storage facilities at OAR 632 Division 10.

Additionally, any elements of the facility that were approved under the original site certificate, or the 12 amendments that are not proposed to be amended are outside of Council’s scope of review and not open for public comment.

PROPOSED FACILITY MODIFICATIONS

On August 9, 2024, the certificate holder filed RFA13 which seeks authorization to make the following changes to the site certificate (referred to as the Mist Resiliency Project):

At Miller Station:

- replace two existing (end of life) natural-gas fired turbines
- replace existing (end of life) underground distribution powerline from Highway 202 to Miller Station; and,
- increase the fenced boundary of Miller Station by adding approximately 7.52 acres adjacent to the existing station to create a permanent storage yard.

At North Mist Compressor Station (NMCS):

- install approximately 2.6 miles of underground gas transmission pipelines to connect the storage reservoirs (Crater, and new Medicine, Newton, and Stegosaur)¹ to NMCS;
- add three reciprocating gas fired compressors;
- add two dehydration trains, new air compressor, inlet and outlet coalescing filters, two new back-up power generators, fuel gas heater, skidded fuel gas regulators, and a power transformer;
- add a control building, a Power Distribution Center, compressor building, dehydration regeneration building, and associated equipment.

RFA13 additions at NMCS would enable an increase of allowable throughput of natural gas from 635 MMscfd to 835 MMscfd.

The details of the requested amendment are described in the DPO Section I and II.A (See DPO p. 1 and pp: 9-19, Figures 2-4).

STAFF EVALUATION OF AMENDMENT REQUEST AND SUMMARY OF DRAFT PROPOSED ORDER

In the DPO, the Department recommends that the proposed RFA13 changes would not necessitate new or amended site certificate conditions for the following applicable standards/requirements:

- **Protected Areas** (See DPO, Section III.F, pp: 84-98)
- **Threatened and Endangered Species** (See DPO, Section III.I, pp: 114-122)
- **Scenic Resources** (See DPO, Section III.J, pp: 122-130)
- **Recreational Opportunities** (See DPO, Section III.L, pp: 133-148)
- **Need Standard for Non-generating Facility** (See DPO, Section IV.A, pp: 176-177)
- **Public Health and Safety Standards for Surface Facilities Related to Underground Gas Storage Reservoirs** (See DPO, Section IV.B, pp: 177-178)
- **Siting Standards for Transmission Lines** (See DPO, Section IV.C, pp: 178-179)
- **Noise Control Regulations** (See DPO, Section V.A, pp: 187-193)
- **Water Rights** (See DPO, Section V.C, p: 203)

In the DPO, the Department recommends that the proposed RFA13 changes would require new site certificate conditions for the following applicable standards/requirements. The proposed conditions are typical conditions imposed by Council to address potential impacts under each standard listed below:

- **General Standard of Review** (See DPO Section III.A, pp: 22-27)
- **Organizational Expertise** (See DPO Section III.B, pp: 27-31)
- **Structural** (See DPO Section III.C, pp: 31-45)
- **Land Use** (See DPO Section III.E, pp: 55-84)

¹ The injection/withdrawal wells necessary to develop Crater, Medicine, Newton and Stegosaur reservoirs are not within EFSC jurisdiction; land use review of well pads must be completed by Columbia County; gas well drill permits are required from DOGAMI, which must be obtained prior to construction.

- **Retirement and Financial Assurance** (See DPO Section III.G, pp: 98-103)
- **Fish and Wildlife Habitat** (See DPO Section III.H, pp: 103-113)
- **Historic, Cultural and Archaeological Resources** (See DPO Section III.K, pp: 130-133)
- **Waste Minimization** (See DPO Section III.O, pp: 174-175)
- **Standards for Nongenerating Energy Facility** (See DPO Section IV.D, pp. 179-183)
- **Means of Compliance for Nongenerating Energy Facility** (See DPO Section IV.E, pp: 183-187)

The summary provided below identifies key findings and conditions that are more site specific:

Soil Protection (See DPO, Section III.D, pp: 45-55)

Key findings:

- Construction will include horizontal directional drilling (HDD).
- The use of HDD to go under and around Lyons and Lindgren Creeks for underground powerline to Miller Station requires an approved HDD Inadvertent Return and Response Plan. This plan includes the prevention and response measures to ensure that the use of HDD does not result in a release to either stream and how to respond if it does. Note: the HDD will use bentonite slurry, which is non-toxic material. (See DPO Attachment C)

Recommended Soil Protection Conditions 3 and 4 - require the submittal of, and adherence to, a final HDD Inadvertent Return and Response Plan to protect soils during the use of HDD for construction.

Public Services (See DPO, Section III.M, pp: 148-155)

Key findings:

- Clatskanie Rural Fire Protection District (RFPD) stated concerns over the adequacy of its fire suppression water supply to serve the certificate holder's assets during a fire event.

Recommended Public Services Condition 2 – requires an agreement with the Clatskanie RFPD to pay proportionate share of the costs to upgrade pump system serving Flemming Pond.

Wildfire Prevention and Risk Mitigation (See DPO, Section III.N, pp: 155-174)

Key findings:

- Approx 90% of RFA13 analysis area is very low burn probability (≤ 1 in 10,000).
- Overall wildfire risk is moderate to high within the RFA13 site boundary and analysis area.
- RFA13 site boundary and analysis area that have higher wildfire risk are the areas where there is existing infrastructure such as the operational facility, roads, residences, agricultural equipment, and community areas.
- Oregon Department of Forestry (ODF), per Industrial Fire Precaution Level (IFPL) and Fire Season Requirements apply in active timber managed forested lands within analysis area, during fire season.

Recommended Wildfire Prevention and Risk Mitigation Conditions 1 and 2 - requires Wildfire Mitigation Plans (WMP) for RFA13 construction and operations that incorporates applicable

ODF requirements, including use of ODF inspection forms, or comparable form as approved by the Department. (See DPO Attachments V-1 and V-2)

Removal Fill (See DPO, Section V.B, pp: 193-203)

Key Findings:

- 19 wetlands and nine other water features were delineated in the RFA13 analysis area
- Based upon the wetland delineation and the RFA13 facility design will have potential impacts to wetlands, requiring either a removal-fill permit or a General Authorization for temporary Impacts from Department of State Lands (DSL).
- Certificate holder proposes RFA13 impacts will be temporary impacts and plans to apply for a General Authorization permit from DSL for RFA13 impacts.

Recommended Removal Fill Law Condition 1 – Requires HDD activities to avoid impacts that would require a removal fill permit.

Recommended Removal Fill Law Conditions 2 and 3 – require the certificate holder to obtain and adhere to either a General Authorization or Removal Fill permit for construction.

PUBLIC COMMENT PERIOD AND NEXT STEPS

The Public Notice of the DPO initiated a public comment period on RFA13 and the DPO. Public comments, including oral testimony, will be accepted at the public hearing on September 19, 2024. All comments received up to the date of this staff report are provided in Attachment 2. Any additional comments received between this date and the public hearing will be provided to the Council on September 19, 2024 in a supplemental staff report prior to the start of the public hearing. Any additional comments received during the public comment period up to the close of the public hearing will be provided to the Council prior to the Council’s review of the DPO at a future meeting.

Please note that on August 22, 2024 the Department received a request from Columbia River Keeper requesting a 30-day time extension of the established 30-day public comment period for the following reasons:

- the length and complex nature of the DPO
- the site’s extensive history
- the number of other permits implicated by the Amendment
- the current timeline falls during a season where many individuals (including agency staff) are taking much needed vacation

The Department responded to Columbia Riverkeeper confirming that Council will review this request at the September 19, 2024 public hearing and that Council will apply the “good cause” standard in determining whether to grant the requested extension.

Following the close of the record, the Council will review the DPO, and any timely public comments received on the record of the hearing at a future Council meeting. No later than 30 days after the Council’s review of the DPO, the Department must issue a Proposed Order recommending approval, modification or denial of the request for amendment to the site

certificate. The issuance of the Proposed Order will be accompanied by a public notice establishing a deadline for requests for a contested case proceeding.

To be eligible to request a contested case proceeding, a person must raise an issue either in person at the public hearing or in a written comment submitted between August 15 and September 19, 2024, the date the record closes, unless extended by Council. Contested case requests must be submitted in writing to ODOE by a deadline that will be specified within that notice.

To properly raise an issue in a request for a contested case proceeding, the issue must be within the jurisdiction of EFSC and must be raised with sufficient specificity to afford EFSC, the Department and the certificate holder an opportunity to respond to the issue. The issue must raise a significant issue of fact or law that is reasonably likely to affect EFSC's determination that the facility, with the changes proposed in the amendment request, meets applicable laws and EFSC standards included in OAR Chapter 345 Divisions 22, 23, and 24.

Following the conclusion of the contested case, or if there is no contested case, the Council will then review the Proposed Order which may be adopted, modified, or rejected. If the Proposed Order is adopted or adopted, with modifications, the Council will issue a Final Order granting issuance of an amended site certificate. If the Proposed Order is denied, the Council shall issue a Final Order denying issuance of the amended site certificate. The Final Order will be subject to judicial review by the Oregon Supreme Court as provided in ORS 469.403.