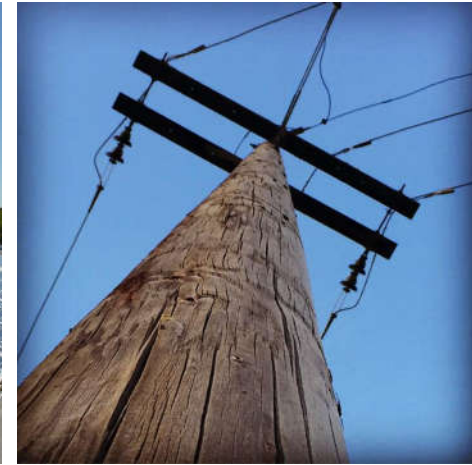


# Oregon Department of **ENERGY**

Energy Facility Siting  
Council Meeting

Webinar Only

October 25, 2024



OREGON  
DEPARTMENT OF  
ENERGY

## Opening Items:

- Call to Order
- Roll Call
- Announcements

# Announcements:

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- Reminder that this meeting is being held in its entirety via teleconference and webinar.
- Reminder to Council and to anyone addressing the Council to please remember to state your full name clearly, and 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 are also welcome to access the online mapping tool and any documents by visiting our website.



# Announcements continued:

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- Please silence your cell phones
- Please use the “Raise Your Hand” feature in Webex 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

- August Council Meeting Minutes
- Council Secretary Report

October 25, 2024



# Agenda Item B (Action Item)

## **Transportation of Radioactive Material Fees Rulemaking**

**Maxwell Woods, Assistant Director for Nuclear Safety, ODOE &  
Thomas Jackman, Rules Coordinator, ODOE**

**October 25, 2024**



# Presentation Overview

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- Background and Overview of Proposed Scope
- Overview of suggested Rules Advisory Committee (RAC)
- Council Consideration of the Transportation Radioactive Material Fees Rulemaking and the creation of a RAC



# Background - Rulemaking Process

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# Background and Scope

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- ORS 469.603 provides legislative directive to regulate transportation of radioactive material.
- OAR 345, Division 60 requires transporters of certain radioactive materials to pay a fee for permit to do so.
- Permits are issued by ODOT, and the fees collected by ODOE are used to train emergency response personnel on issues of radiation and transportation safety.
- **Fees have not been increased since 1983.**
- Staff recommends evaluating the rule structure and fees.

# Potential RAC Membership

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- Oregon Department of Energy TCO
- Oregon Department of Transportation
- Oregon Health Authority - Radiation Protection Services Division
- Oregon State University - Radiation Science Center
- One or two First Responders
- One or two local government
- Two to three of the transportation carriers (the parties that pay the fees)
- One or two business associations, such as the Oregon Trucking Association, or Oregon Business and Industry



## Slide 10

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**TC0** ODOE is staffing this. Seems odd that we would be on the RAC.  
CORNETT Todd \* ODOE, 2024-10-18T14:35:55.216

# Recommended Council Action

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- Staff recommends that Council initiate informal proceedings on the Radioactive Waste Transportation Fee Rulemaking, which was previously approved for the 2024-2026 Rulemaking Schedule.
- Staff recommends that Council approve the scope and general direction of the changes that staff has drafted.
- Staff requests that the Council approve the creation of a RAC, with members to be assigned by Staff.



# Council Options

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## **Option 1 - Recommended**

**Approve the initiation  
of Radioactive Waste  
Transportation Fee  
Rulemaking**

## **Option 2**

**Approve the initiation  
of Radioactive Waste  
Transportation Fee  
Rulemaking, with  
changes**

## **Option 3**

**Deny the initiation of  
Radioactive Waste  
Transportation Fee  
Rulemaking**

# Council Deliberation



# Agenda Item C (Action Item)

## **Carbon Monetary Offset Permanent Rulemaking**

**Thomas Jackman, Rules Coordinator, ODOE**

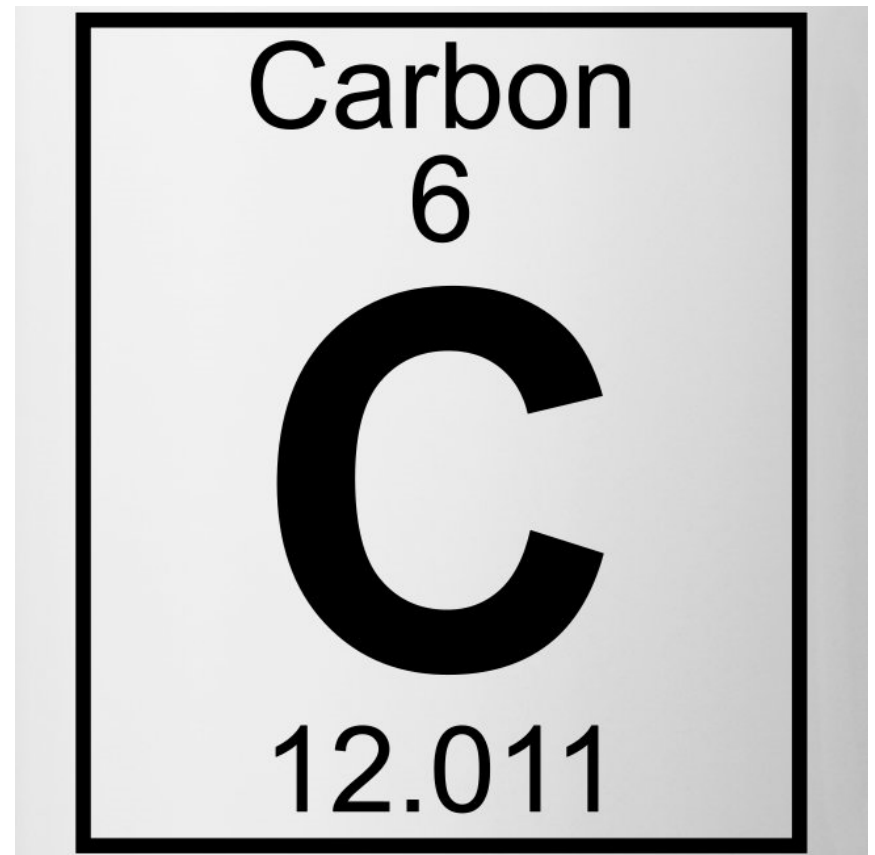
**October 25, 2024**



# Carbon Monetary Offset Rulemaking: Agenda Overview

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- Background
- Review of:
  - Rulemaking Language
  - Review of Public Comments
- Council consideration of the adoption of permanent rules





# Carbon Monetary Offset Rulemaking: Background

## Rulemaking Process



# CO2 Monetary Offset Rulemaking: What?

ORS 469.503(c)(C) (emphasis added)

“[T]he council may by rule increase or decrease the monetary offset rate [which] shall be based on:

- 1) [the] empirical evidence of the cost of offsets; and
- 2) the council’s finding that the standard will be economically achievable with the modified rate for natural gas-fired power plants.”

# CO2 Monetary Offset Rulemaking: What?

## Rate Increase Limitations

- The rate increase or decrease can be no more than fifty percent in a two-year period.
- As of July 25, 2024, two years have passed since the last rate change, and a maximum increase would take the existing rate to \$6.40.

# CO2 Monetary Offset Rulemaking

## Staff Proposal

Staff is proposing that Council approve a rate increase of **50%**, which will take the existing rate of **\$4.27** → **\$6.40** per ton of carbon.

# CO2 Monetary Offset Rulemaking

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## Public Comments

- Two comments were submitted during this public comment period.
- Both comments – reflecting a host of environmental organizations in Oregon – endorsed the proposed 50% increase to the carbon monetary offset.



# Council Options

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## **Option 1 - Recommended**

**Approve the filing of a  
permanent rule order  
as presented**

## **Option 2**

**Approve the filing of a  
permanent rule order,  
with changes**

## **Option 3**

**Deny the proposal**

# Council Deliberation



BREAK





# Agenda Item D (Action Item)

## Research Reactor Permanent Rulemaking

Thomas Jackman, Rules Coordinator, ODOE

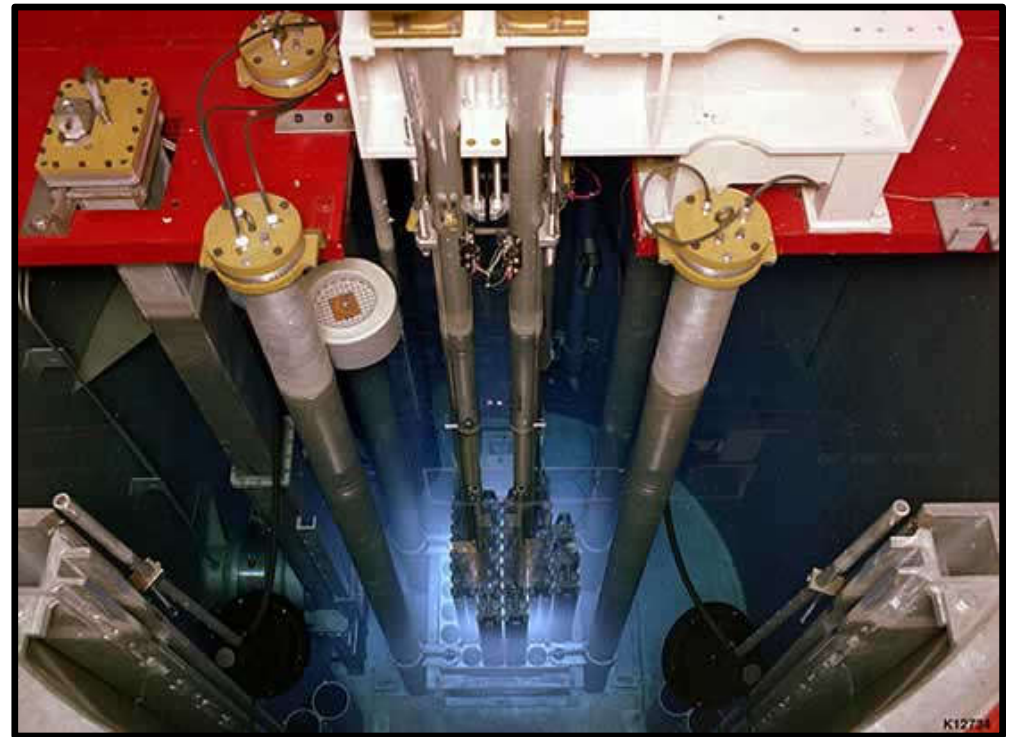
October 25, 2024



# Research Reactor Rulemaking: Agenda Overview

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- Background
- Review of:
  - Rulemaking Language
  - Review of Public Comments
- Council consideration of the adoption of permanent rules



# Research Reactor Rulemaking: Background

## Rulemaking Process



# Research Reactors Rulemaking: Why?

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- The main intent behind this rulemaking is to remove the annual reporting mismatch between the Oregon and Nuclear Regulatory Commission (NRC) annual reporting requirements.
- Feedback suggested that we should also unify the incident written report deadline from 10 to 14 days, as this is in line with the NRC requirements

# Research Reactors Rulemaking: What?

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There are three proposed rule changes:

- 1) Change the annual reporting requirement in 345-030-0010(1) from **August 1 → October 1;**
- 2) Change the written report deadline in 345-030-0010(2)(a) from **10 days → 14 days;** and
- 3) Clarify the timeline for reporting incidents under 345-030-0010(2)(a) and (3)(a) by inserting **“(no later than the following working day)”**

# Research Reactors Rulemaking

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## Public Comments

No public comments were submitted during the public comment period.



# Council Options

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## **Option 1 - Recommended**

**Approve the filing of a  
permanent rule order  
as presented**

## **Option 2**

**Approve the filing of a  
permanent rule order,  
with changes**

## **Option 3**

**Deny the proposal**

# Council Deliberation





# Agenda Item E (Information Item)

## **PUBLIC COMMENT**

### **Items Closed for Public Comment**

- Mist Natural Gas Underground Storage Facility Amendment 13 Draft Proposed Order
- Sunstone Solar Project Draft Proposed Order/Proposed Order
- Monetary Offset Rulemaking
- Research Reactor Rulemaking

**Time Limit** – 7 Minutes per commentor



# How to Raise Your Hand in Webex:

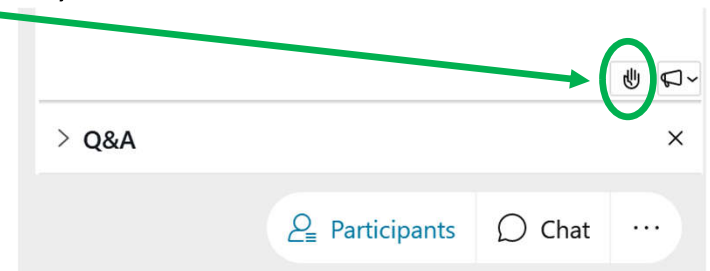
## Webinar Participants

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

Click on “Participants”

The bottom right of the participant window is a hand icon, click on the hand:

Clicking on it again will lower your hand.



## Phone Participants

Press \*3 on your telephone keypad to raise your hand.

Press \*3 again on your telephone keypad to lower your hand.

# Agenda Item F (Action Item)

## **Yellow Rosebush Energy Center Hearing Officer Appointment**

**Todd Cornett, Assistant Director for Siting/Council Secretary**

**October 25, 2024**



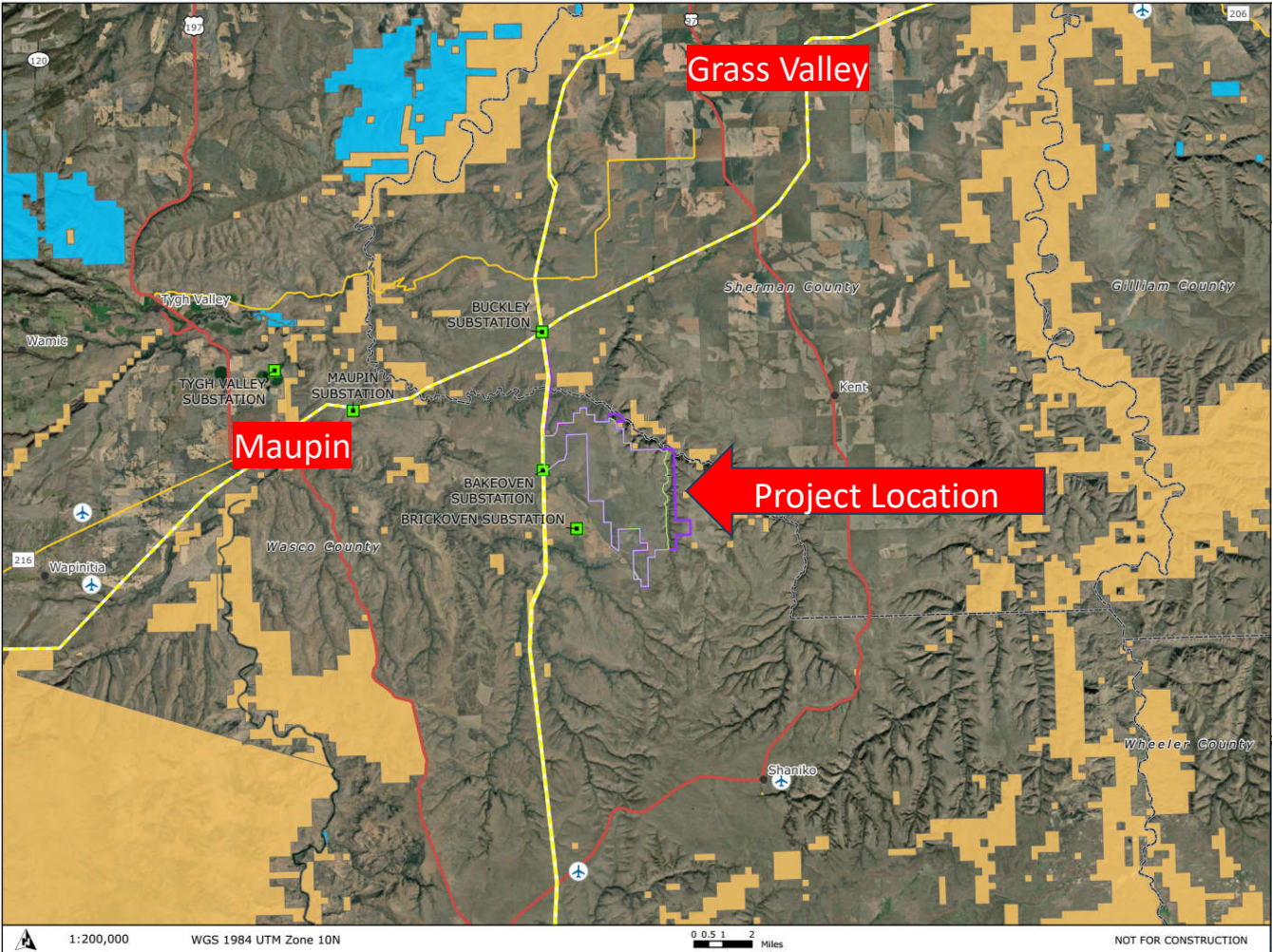
# Yellow Rosebush Energy Center Overview

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Proposal:	Solar Photovoltaic Energy Generation Facility with an average generating capacity of 800 megawatts
Site Boundary:	8,075 acres (12.6 square miles)
Location:	9 miles east of Maupin in Wasco County (primarily) and Sherman County. Private land zoned Exclusive Farm Use
Applicant:	Yellow Rosebush Energy Center, LLC., a wholly owned subsidiary of Savion, LLC, a subsidiary of Royal Dutch Shell
Status:	Preliminary application for site certificate submitted in late August

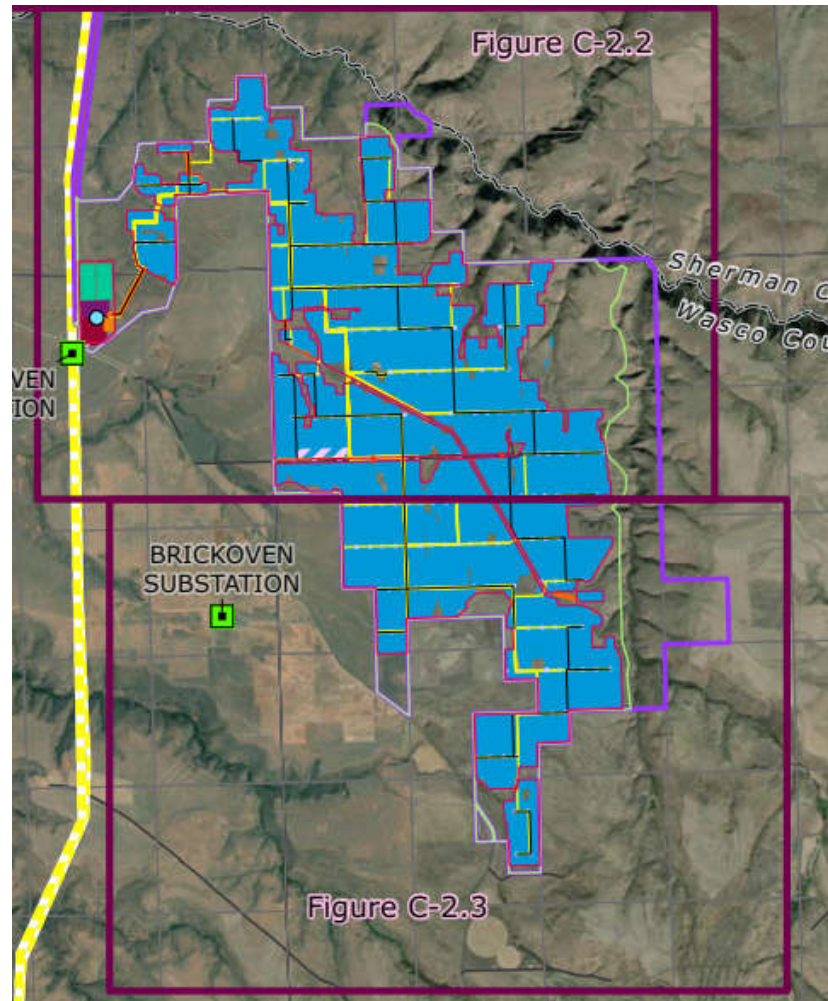


# Yellow Rosebush Energy Center Location





# Yellow Rosebush Energy Center Layout



# Oregon Office of Administrative (OAH) Hearings

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- Provides an independent and impartial forum for citizens and businesses to dispute state agency actions.
- 65 professional administrative law judges (ALJ) for approximately 70 state agencies.
- ODOE/EFSC is one of the few agencies not required to utilize OAH.
- Entered into agreement with OAH in 2017 based on their expertise in contested cases and the number of ALJ's who could serve as Hearing Officers for EFSC.
- To date EFSC has appointed OAH ALJ's as Hearing Officers for the following projects:
  - B2H Transmission Line
  - Obsidian Solar Center
  - Bakeoven Solar Project
  - Madras Solar Energy Facility
  - Eugene to Medford Transmission Line Amendment 4
  - West End Solar Energy Project
  - Nolan Hills Wind Power Project
  - Wagon Trail Solar Project
  - Sunstone Solar Project



# Staff Recommended Hearing Officer

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## Kate Triana

- Council-appointed hearing officer presided over the contested case proceedings for the Nolan Hills Wind Power Project
- Oregon State Bar Certified
- Presided over numerous contested case hearings for a variety of state agencies, boards and commissions.
- Juris Doctorate from Willamette University
- Bachelor's degree in Psychology from Colorado State University





# Council Options

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## **Option 1 - Recommended**

**Appoint ALJ Triana as  
Hearing Officer**

## **Option 2**

**Do not Appoint ALJ  
Triana as Hearing  
Officer**

# Council Deliberation



# Agenda Item G (Information Item)

## **Mist Underground Natural Gas Storage Facility Request for Amendment 13 Council Review of Draft Proposed Order**

**Kathleen Sloan, Senior Siting Analyst, Oregon Department of Energy**

October 25, 2024



# Mist Facility Request for Amendment 13 Council Review of Draft Proposed Order

## Agenda Item Overview

1. Department will provide brief overview of the approved facility components and location, the amendment request, and Draft Proposed Order.
2. Department will provide overview of hearing and public comments received.
3. Council discussion: Council may make comments and recommendations to the Department for the preparation of the Proposed Order.

# Mist Facility Request for Amendment 13 Council Review of Draft Proposed Order

## Approved Mist Facility

EFSC Site Certificate issued on June 19, 1981 and has been amended 12 times. The approved facility includes naturally occurring underground natural gas storage reservoirs, which NWN has retrofitted to allow pipeline quality natural gas injection and underground storage during off-peak periods and withdrawal when market demand exceeds available supplies from other sources.

# Mist: Approved Facility

Certificate Holder

Northwest Natural Gas Company (NWN)

Facility Type

Natural Gas

Capacity

635 million standard cubic feet permitted daily natural gas throughput

Site Boundary

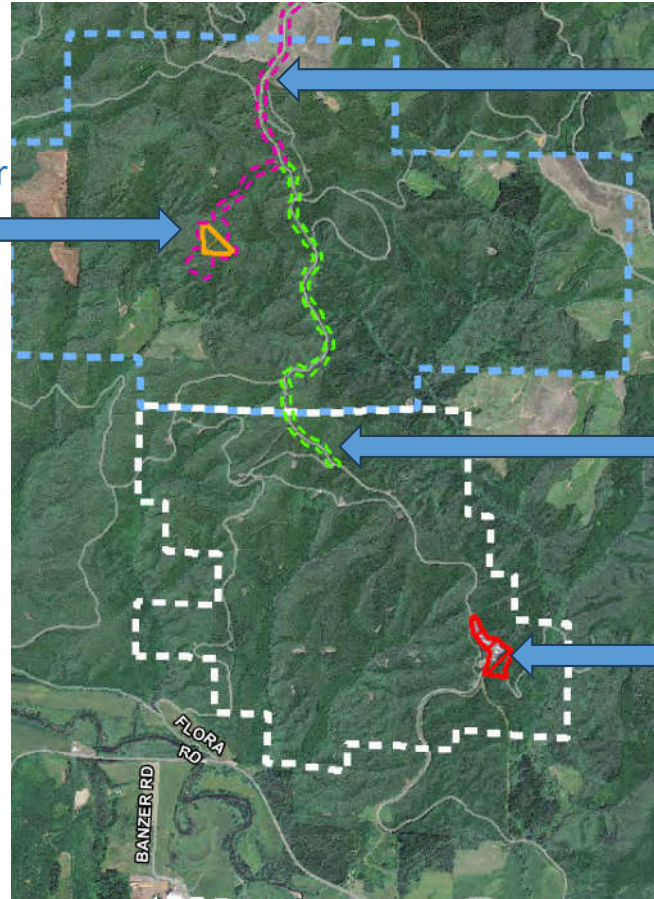
5,472 acres private land in Columbia County, near the town of Mist, Oregon.

North Mist Compressor Station (NMCS)

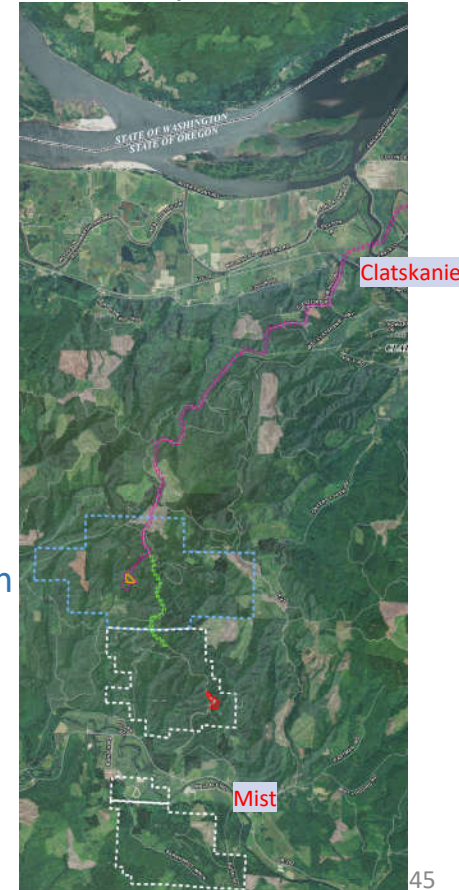
Gas Pipeline

Powerline

Miller Station



Facility Overview



# Mist Facility Request for Amendment 13

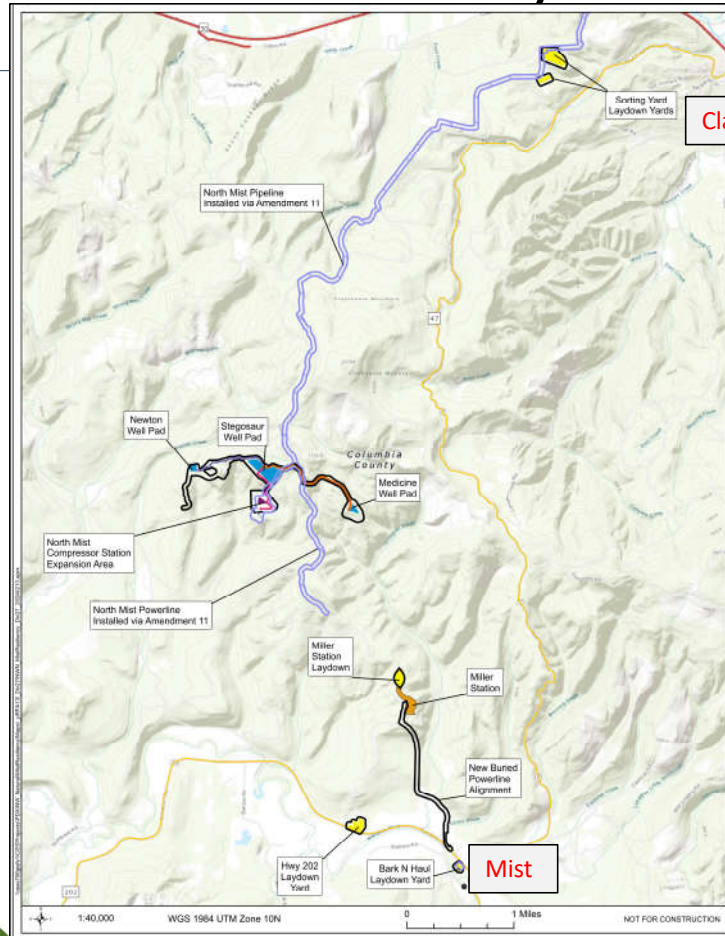
## RFA13 Proposed Changes

RFA13 changes will increase allowable throughput of natural gas from 635 MMscfd to 835 MMscfd.

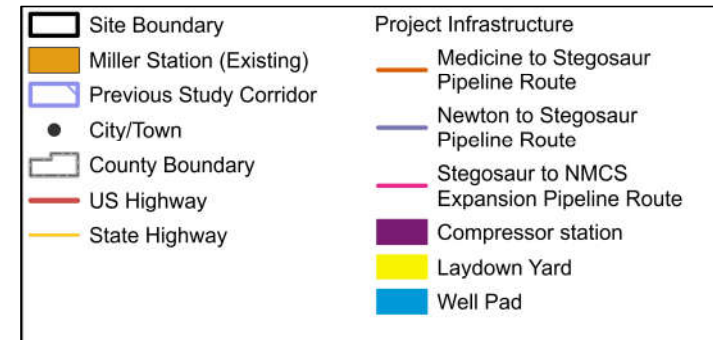
Facility Component	Approved Facility	RFA13 Requested Changes
Storage Site Boundary	5,472 acres	No Change in Site Boundary
Daily throughput	635 MMscfd	Increase 200 MMscfd
Installed compression equipment	19,150 BHP	28,700 BHP
Developed storage reservoirs	Bruer, Flora, Calvin Creek, and Adams (existing)	Develop Crater (approved) and add (new), Medicine, Newton and Stegosaur
Electrical feeds	3.1 miles	1.6 miles, replaced
Transmission pipelines	~ 15 miles	Up to an additional 2.6 miles
Temporary laydown/staging areas	N/A	Add 4 new areas - 31 acres



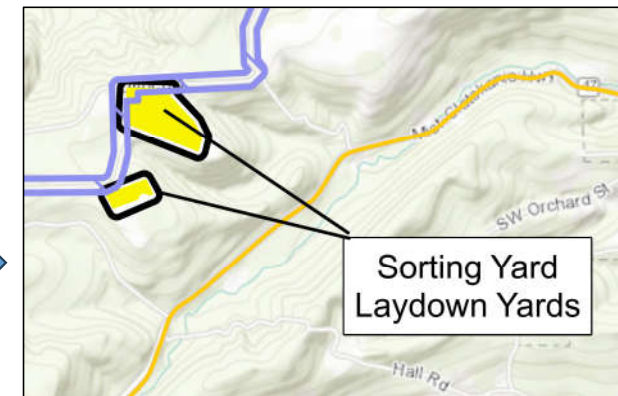
# Mist Facility Request for Amendment 13



Facility Overview with RFA13 Changes



Temporary Laydown Areas

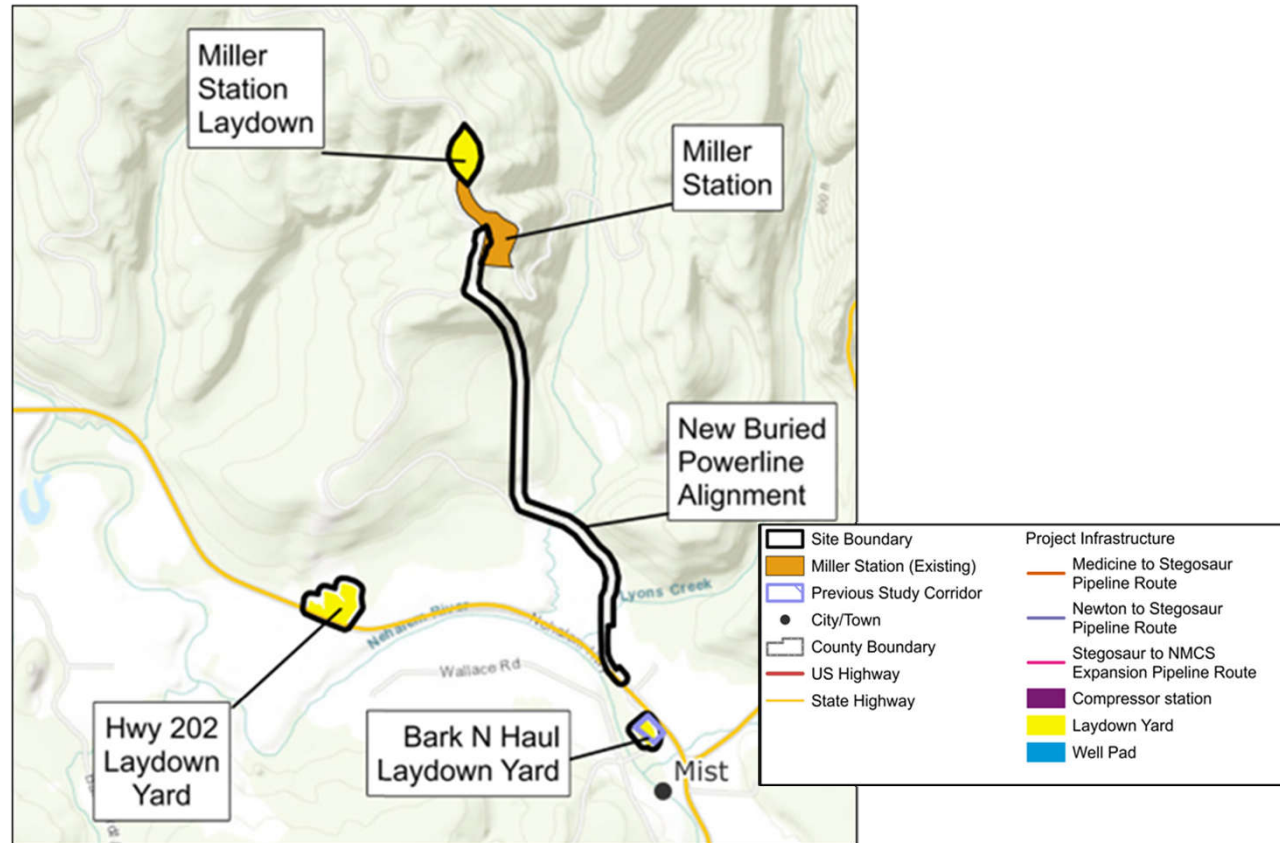




# Mist Facility Request for Amendment 13

## RFA13 Proposed Changes to Miller Station

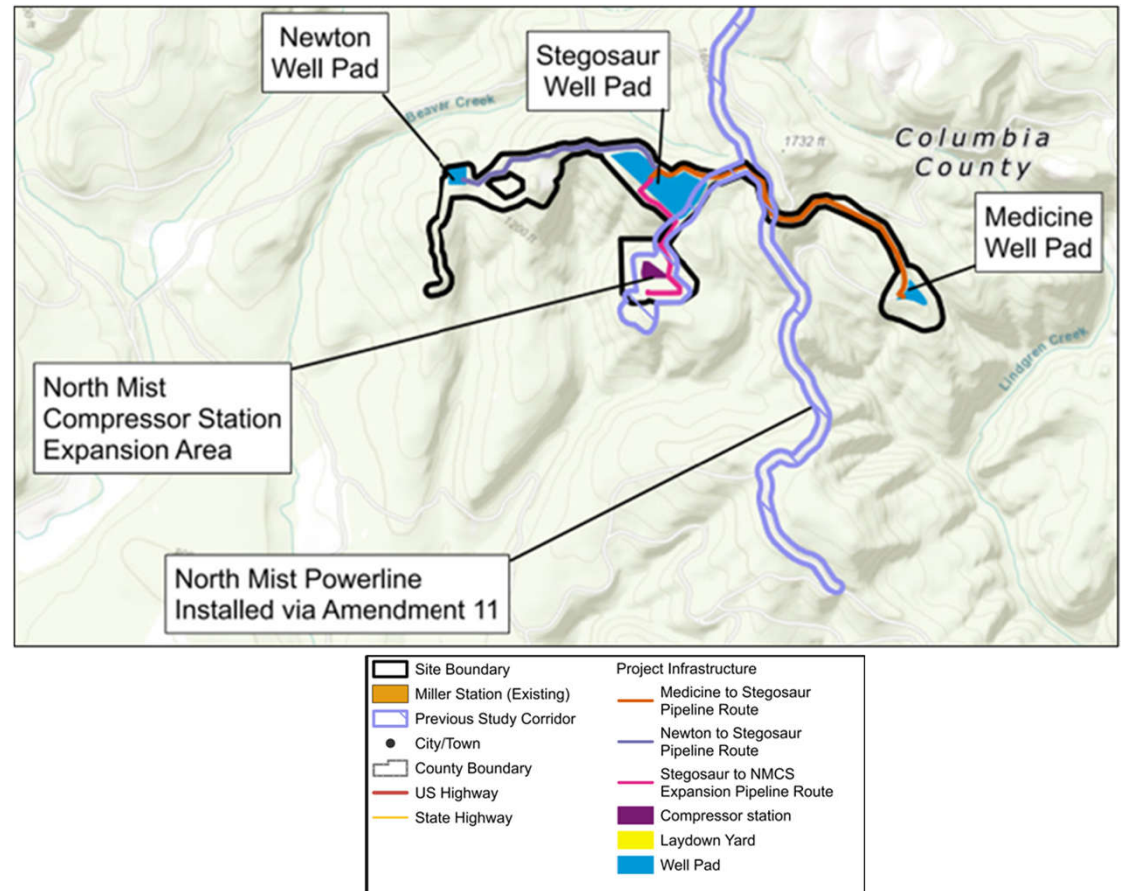
- Replace two existing (end of life) natural-gas fired turbines;
- Replace 1.6 miles of existing (end of life) underground distribution powerline from Highway 202 to Miller Station; and,
- Increase the fenced boundary of Miller Station by adding approximately 7.52 acres adjacent to the existing station to use as a laydown area and permanent storage yard.



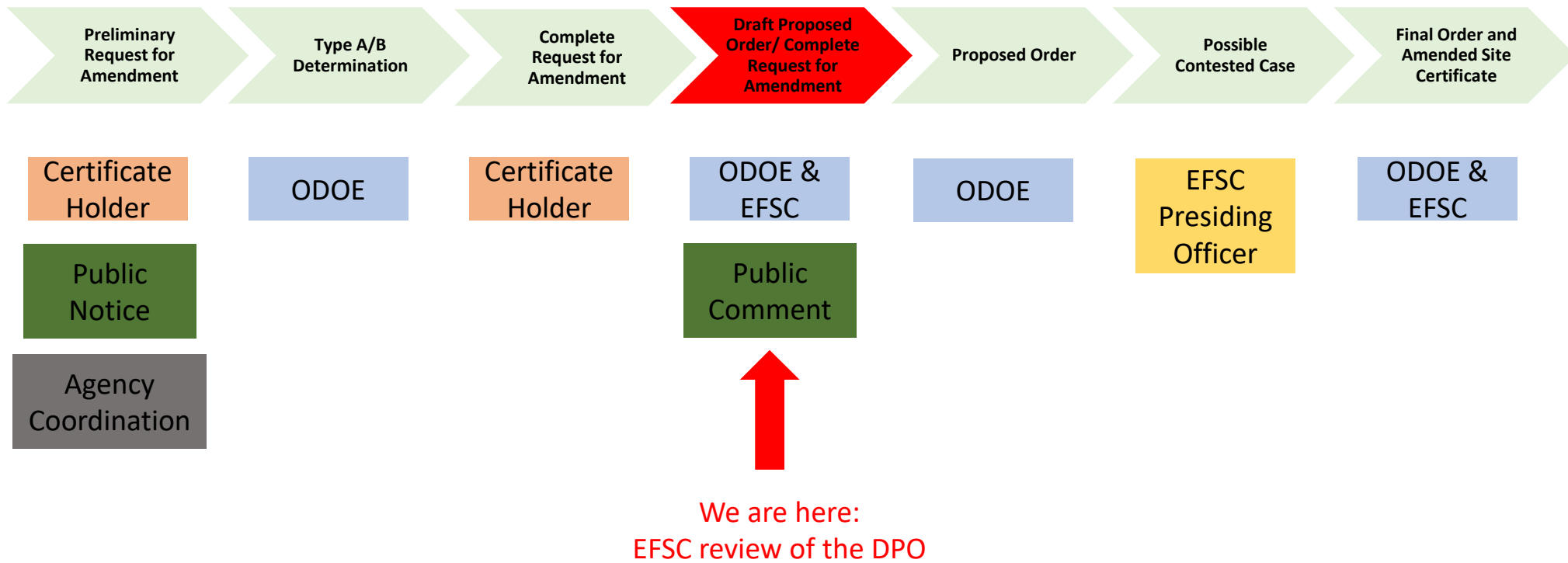
# Mist Facility Request for Amendment 13

## RFA13 Proposed Changes to North Mist Compressor Station (NMCS)

- Install approximately 2.6 miles of underground gas transmission pipelines to connect 3 new storage reservoirs to the 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 four new buildings: an O&M control building, a Power Distribution Center, compressor building, dehydration regeneration building, and associated equipment.



# Energy Facility Siting Amendment Process



# Mist Facility Request for Amendment 13 Draft Proposed Order

## Scope of Council's Review

- In**
- Everything proposed in Amendment 13

- Out**
- Anything previously approved under the original site certificate or the 12 amendments
  - Wells - Storage or Injection Withdrawal Wells either Enerfin or of NW Natural (DOGAMI)
  - Well Heads (DOGAMI)
  - Fracking

# Summary of Comments, Responses and Department Recommendations

Commenter	Comment Summary	Certificate Holder Response	Staff Recommendation
Multiple	Alleged illegal dumping of contaminants, soil contamination, compliance and enforcement concerns.	Certificate holder, DOGAMI, DEQ, ODOE, and PHMSA, reviewed the concerns that were raised and did not find any violations.	No changes recommended.
Chief Joe Kaczinski, Mist-Birkenfeld RFPD	Oral comment and written letter of support for RFA13 and ability to provide services to facility.	None Provided	Based on consultation with RFPD, Department recommends changes to clarify that the agreement between certificate holder and Clatskanie Rural Fire Protection District should also include Mist-Birkenfeld RFPD. Changes recommended.
Richard Devlin, EFSC	Questions about NWN future relationship with PGE and facility	NWN has contract with PGE through 2049.	No changes recommended.

# Mist Facility Request for Amendment 13 Draft Proposed Order

## COMMENT SUMMARY (STAFF REPORT, TABLE 1 AND ATTACHMENT 2)

### Issues Raised in Green Energy Institute & others:

#### Needs Standard - OAR 345-024-0620:

- Commenters ask EFSC to adopt an ad hoc “need” standard into the regulations and then use that “need” standard to deny “RFA 13”

## CERTIFICATE HOLDER RESPONSE

- HB 2021 expressly relates to generating facilities, not non-generating facilities.
- House Bill 3630 gives ODOE the discretion to determine and develop the best strategy to achieve the state’s energy policy objectives and does not prohibit expansion of existing facilities.

# Mist Facility Request for Amendment 13 Draft Proposed Order

## DEPARTMENT EVALUATION AND RECOMMENDATION

- The Department agrees with the certificate holder that EFSC could not apply a need standard as requested by the commenters unless it first engaged in formal rulemaking to adopt such a standard.
- Agencies must follow their rules until the rules are properly amended or repealed. *Harsh Inv. Corp. v. State*, 88 Or App 151, 157, 744 P2d 588 (1987)
- The commenters do not articulate a legal basis in the statutes or rules governing EFSC procedures that would allow Council to deny NWN's RFA13 until Council adopts a need standard for surface facilities related to an underground gas storage reservoir.
- The Department does not recommend any changes in Proposed Order



# Mist Facility Request for Amendment 13 Draft Proposed Order

## COMMENT SUMMARY (STAFF REPORT, TABLE 1 AND ATTACHMENT 2)

### Issue Raised in Green Energy Institute & others:

#### **Related and Supporting Facilities definitions - ORS 469.300:**

Commenters identify that the DPO is flawed in a statement that asserts RFA13 components are “related or supporting facilities” in the same way RFA11 components were treated as “related or supporting facilities”

## CERTIFICATE HOLDER RESPONSE

EFSC has determined, independent of the Final Order on Amendment 11, that regardless of differences between the energy facility and related or supporting facilities, Council has not adopted a need standard for surface facilities to an underground storage facility. While advocating for policy changes, the Commenters do not raise any issues with any applicable standards.





# Mist Facility Request for Amendment 13 Draft Proposed Order

## DEPARTMENT EVALUATION AND RECOMMENDATION

- The Department agrees with the comment and in the Proposed Order and will remove the language that stated RFA13 components are “related or supporting facilities.” However, that does not mean the need standard applies.
- While RFA13 includes components that are not related and supporting facilities, those components are surface facilities related to an underground natural gas storage facility and Council has not adopted a need standard for such facilities.

# Mist Facility Request for Amendment 13 Draft Proposed Order

## COMMENT SUMMARY (STAFF REPORT, TABLE 1 AND ATTACHMENT 2)

### Issue Raised in Green Energy Institute & others:

#### Inconsistent with HB2021 and Oregon climate policy:

- Increased carbon emissions and inconsistency with state's climate policy and HB 2021.
- Council should only approve facilities related to natural gas that are needed.

## CERTIFICATE HOLDER RESPONSE

- HB 2021 expressly relates to generating facilities, not non-generating facilities.
- House Bill 3630 gives ODOE the discretion to determine and develop the best strategy to achieve the state's energy policy objectives and does not prohibit expansion of existing facilities.

# Mist Facility Request for Amendment 13 Draft Proposed Order

## DEPARTMENT EVALUATION AND RECOMMENDATION

- Council has not adopted a need standard for surface facilities related to an underground gas storage reservoir.
- Recent statutory changes precluding EFSC from approving new or amended facilities that would produce or result in a significant increase CO2 emissions, respectively, specifically apply to “generating facilities”, and not to “non-generating facilities.”
- The Department is not recommending any changes in the Proposed Order.



# Mist Facility Request for Amendment 13 Draft Proposed Order

## COMMENT SUMMARY (STAFF REPORT, TABLE 1 AND ATTACHMENT 2)

**Issues raised in American Aquifers Letter and by multiple commenters:**

**Structural Standard and Exhibit H (OAR 345-022-0020), Public Health and Safety Standards for Surface Facilities Related to Underground Gas Storage Reservoirs (OAR 345-024-0030):**

- Commenters identified 2020 USGS source that identified a previously unknown fault not cited in RFA13.
- RFA13 Exhibit H, Table H-8 is not based on USGS's 2020 geologic hazards map; recent USGS mapping show extensive faulting and cap rock exposure within the southernmost boundary of the gas field.
- Potential for increased seismic risks as a result of the newly identified fault in site boundary.

# Mist Facility Request for Amendment 13 Draft Proposed Order

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## CERTIFICATE HOLDER RESPONSE

None Provided

## DEPARTMENT RECOMMENDATION

- RFA13 Exhibit H was prepared by registered professional engineers and certified engineering geologist from GeoEngineers.
- Two site-specific geotechnical reports are provided in RFA13 Exhibit H.
- The Department retained subject matter experts through its consultant, Haley-Aldrich, to review and evaluate the adequacy of these Geotech reports.
- Department has requested DOGAMI review of Exhibit H and comments. Responses pending and will be updated per DOGAMI and Haley-Aldrich review.



# Mist Facility Request for Amendment 13 Draft Proposed Order

## COMMENT SUMMARY (STAFF REPORT, TABLE 1 AND ATTACHMENTS 2 & 3)

**Issues raised in American Aquifers Letter and by multiple commenters:**

**Public Services (OAR-345-022-0110); Public Health and Safety Standards for Surface Facilities Related to Underground Gas Storage Reservoirs (OAR 345-024-0030)**

- Alleged issues of groundwater/drinking water contamination from facility.
- Alleged impacts to public health from contamination of water by facility.
- Alleged issues and concerns of non-compliance by the facility and lack of regulatory oversight and enforcement.

# Mist Facility Request for Amendment 13

## Draft Proposed Order

### CERTIFICATE HOLDER RESPONSE

- Certificate holder and several federal and state regulatory agencies, including DOGAMI, DEQ, ODOE, and U.S. Pipeline and Hazardous Materials Safety Administration (PHMSA), reviewed the concerns that were raised and did not find any violations in how NWN operates and maintains natural gas storage operations.
- DOGAMI enforces storage well design and implementation standards to prevent the release of any natural gas into the atmosphere or contamination of the native aquifers. These standards remain at or above the level of national storage standards set by PHMSA.
- The Mist Underground Natural Gas Storage Facility employs a variety of technologies and systems to monitor the wellheads and pipelines: continuous monitoring of the storage wells and associated transmission line pressure via SCADA, wellheads, well safety systems, well piping, and site locations are inspected weekly.



# Mist Facility Request for Amendment 13 Draft Proposed Order

## DEPARTMENT EVALUATION AND RECOMMENDATION

- Nov. 2022: Complaint submitted to Department. The Department, DEQ and DOGAMI investigated. DEQ and DOGAMI responded to the complaint in writing and ODOE completed its final inspection response on Nov. 22, 2024. DOGAMI's letter verified that the facility was in compliance with their permit from DOGAMI. DEQ was never asked to renew the permit by NWN. The Department found that there was no evidence that NWN had ever used the wells in question, and for that reason, had not violated the site certificate. The Department closed the complaint in November 2022.
- There is no evidence that NWN's facility operations are associated with the alleged issues, and there is no evidence that the changes proposed in RFA13 would change the outcome or result in public health and safety impacts.
- No substantive changes to Proposed Order recommended.





# Mist Facility Request for Amendment 13 Draft Proposed Order

## COMMENT SUMMARY (STAFF REPORT, TABLE 1 AND ATTACHMENT 3)

### Public Health and Safety Standards for Surface Facilities Related to Underground Gas Storage Reservoirs (OAR 345-024-0030)

- Council Member Condon had questions about the potential for fugitive emissions from facility pipelines and what measures NWN takes to prevent.

## CERTIFICATE HOLDER RESPONSE

- NWN uses Supervisory Control and Data Acquisition (“SCADA”) and telemetry to monitor the system in real time and transmit data from remote sources to detect leaks.
- NWN conducts biannual aerial patrols and two-week-long foot patrols at the Facility and regular valve maintenance.
- Any fugitive emissions are publicly reported to the DEQ annually.

# Mist Facility Request for Amendment 13 Draft Proposed Order

## CERTIFICATE HOLDER RESPONSE (CONTINUED)

In addition to continuous monitoring of the storage wells and associated transmission line pressure via SCADA, wellheads, well safety systems, well piping, and site locations are inspected for operability, leaks, and mechanical or other faults weekly under our integrity monitoring program. Wellhead master valves and pipeline isolation valves are tested at least annually to ensure proper function and ability to isolate the well.

DOGAMI enforces stringent storage well design and implementation standards to prevent the release of any natural gas into the atmosphere or contamination of the native aquifers. These standards remain at or above the level of national storage standards set by PHMSA.

## DEPARTMENT RECOMMENDATION

Additional facts provided in NWN response to be incorporated into Section IV.C (evaluation of OAR 345-024-003) of the Proposed Order.



# Mist Facility Request for Amendment 13 Draft Proposed Order

MEANS OF COMPLIANCE FOR NONGENERATING ENERGY FACILITIES (See DPO Section pp:186-188)

New Carbon Offset Rate for Monetary Path option just adopted by Council.

## DEPARTMENT RECOMMENDATION

Department to apply new rate to RFA13 and make changes to Table 19 in Proposed Order:

Description	Value
Offset Fund Rate (\$/ton CO <sub>2</sub> ) – at new rate	\$6.40
30-Year Total Excess CO <sub>2</sub> Emissions (estimated)	747,556
Offset Funds Required	\$4,784,358
Contracting and Selection Funds*	\$233,628
<b>Total Estimated Offset Cost =</b>	<b>\$5,017,986</b>
*Contracting and selection funds are based on an amount equal to 10 percent of the first \$500,000 of offset funds, and 4.286 percent in excess of \$500,000.	



# Council Deliberation



# ADJOURN

