



OREGON ENERGY FACILITY SITING COUNCIL MINUTES

February 4, 2011

*Lori Brogoitti, Vice Chair
Jacob Polvi, Council Member
Barry Beyeler, Council Member*

Bryan Wolfe, Chair

*Trey Senn, Council Member
Bob Shiprack, Council Member
Paul F. Sumner, Council Member*

MINUTES

February 4, 2011

**5000 Discovery Center Drive
The Dalles, OR 97058**

The meeting was called to order at 9:34 by Chair, Bryan Wolfe.

Roll Call: Lori Brogoitti, Bob Shiprack, Trey Senn, Barry Beyeler, Paul Sumner, Bryan Wolfe were present. Jake Polvi was absent.

ODOE Staff present were: Tom Stoops, John White, Todd Cornett, Chris Green, Sue Oliver, and Tammy Reid along with Janet Prewitt from the Department of Justice.

Chair Wolfe announced that Council would welcome public comment before lunch and later in the meeting. He also announced that Council expects to be done around lunch and will ask for comments at that time. Tom Stoops stated that he would like to discuss the January 25, 2011 Information Meeting at the City of Union. Mr. Wolfe stated that Mr. Stoops and Mr. Beyeler had attended the Health Impact Assessment Task Force Meeting yesterday and stated that Council would like updates.

I. Action Items:

A. Council Ratification of the Chair's approval of Letters of Credit for the following items:

Shepherd's Flat North, Central & South: Chair Wolfe stated that he would like Council action to ratify his actions that approved several Letters of Credit. John White reported on the Leaning Juniper II, the three Shepherd's Flat Projects Letters of Credit indicating that form, amount and issuer have been deemed satisfactory by the Department. He also stated that the Council should ratify Chair Wolfe's approval of the three replacement Letters of Credit with separate motions for each project.

1. **Action:** The motion to ratify Chair's approval of the new Letter of Credit for Shepherd's Flat North was made by Bob Shiprack, seconded by Lori Brogoitti and passed unanimously. **Vote:** Senn, yes; Beyeler, yes; Sumner, yes; Brogoitti, yes; Shiprack, yes; Wolfe, yes.

2. **Action:** The motion by Bob Shiprack, seconded by Lori Brogoitti, to ratify Chair's approval of the new Letter of Credit for Shepherd's Flat Central, passed unanimously. **Vote:** Beyeler, yes; Sumner, yes; Senn, yes; Brogoitti, yes; Shiprack, yes; Wolfe, yes.
 3. **Action:** Bob Shiprack made the motion to ratify the Chair's approval of the Letter of Credit for Shepherd's Flat South was seconded by Trey Senn and passed unanimously. **Vote:** Sumner, yes; Brogoitti, yes; Beyeler, yes; Senn, yes; Shiprack, yes, Wolfe yes.
 5. **Coyote Springs:** Tom Stoops reported that Avista had provided a revised Letter of Credit and that the Department concurred with form, amount and issuer. It was noted that due to the change in the price deflator, the dollar amount was adjusted down by one tenth of a percent.
Action: The motion by Barry Beyeler, seconded by Paul Sumner, to ratify Chair's approval of the Letter of Credit for Coyote Springs passed unanimously.
Vote: Senn, yes; Brogoitti, yes; Shiprack, yes; Sumner, yes; Beyeler, yes; Wolfe, yes.
 4. **Port Westward:** Tom Stoops reported that PGE had provided a revised Letter of Credit for the Port Westward Generating Project. The Department concurred with form, amount, and issuer. It was noted that the amount had been increased by \$80,000.
Action: The motion by Paul Sumner, seconded by Trey Senn, to ratify Chair's approval of the new Letter of Credit for Port Westward passed unanimously.
Vote: Shiprack, yes; Beyeler, yes; Brogoitti, yes; Senn, yes; Sumner, yes; Wolfe, yes.
- B. Leaning Juniper II:** John White reported that Leaning Juniper II Site Certificate requires financial assurance in the form of a bond rather than a Letter of Credit. Annual adjustments are made by the writer of the bond. Leaning Juniper II is a two-phased project and two amounts were calculated about a year ago before construction began. Modifications made to the facility during construction in Phase 2 included changes to access areas and operations and maintenance. The financial assurance requirement was overstated in the Site Certificate.
Action: The motion by Bob Shiprack to approve the adjusted bond amount of \$10,335,000.00 was seconded by Lori Brogoitti and passed unanimously.
Vote: Senn, yes; Beyeler, yes; Sumner, yes; Brogoitti, yes; Shiprack, yes; Wolfe, yes.
- C. Klondike:** Mr. White stated that he had sent Council a one page briefing memo prior to the meeting on Klondike III Wind Project, which is a wind facility in Sherman County. He

also stated that the information portion will be reviewed at this meeting and because of recent discussions with ODFW no Council action would be required. Action to approve would be asked of Council at its March meeting. Klondike III was built in two phases. Phase One was built in October of 2007 and Phase Two in March of 2008. Part of the Site Certificate is a Revegetation Plan and the Habitat Conservation Plan to mitigate for the permanent footprint for the facility. A presentation was given that discussed the Wildlife Mitigation Plan and the fatality rate for Phase I to provide context. Phase Two will be addressed in the coming months. Fatality rates are based on an average after two years. The raptor and other rates are based on the number of found fatalities in search plots. The data is presented in the form of fatalities per year, per megawatt for the facility. The thresholds of concern are benchmarks of exceedance, not biologic concern, to cause discussion. The threshold number should not be thought of a level of biological significance. For Raptors, as a group, the threshold of concern was .09/fatalities/MW/year. Data reflects .15 which initiated a discussion with Certificate Holder and the ODFW and the ODOE determined that some additional mitigation needs to be done.

Mr. White introduced Jerry Roppe, Wildlife Operations Compliance Manager, Wally Erickson and Sara Parsons, who all work on wildlife issues on the project. Mr. White then gave a presentation with a brief description of Klondike Wind Project, with a summary of the revegetation and conservation efforts and post construction wildlife mitigation and monitoring followed by a discussion on thresholds. Sara Parsons (Iberdrola), Wally Erickson (Contractor) and Karen Kronner (Contractor) were also present to discuss how the surveys were conducted and the resulting reports. Iberdrola is funding a study of the thresholds so that more informed decisions can be made. Mr. Beyeler asked when the white paper is due to be completed. Mr. Roppe responded that it would depend on ODFW and could be two to three months after Council decision. Ms. Brogoitti asked if Iberdrola is collaborating with other agencies. Mr. Roppe responded that Iberdrola is using data from other agencies to interpret their results. The goal is to provide agencies with all the information necessary to make informed decisions, not only on mitigation issues, but how to focus monitoring.

Staff noted that ODFW has not signed onto the proposal yet, and the company is continuing discussions with ODFW. The Site Certificate does not contain a requirement that ODFW approve the mitigation plan, however, ODFW approval is important. The final package is subject to change. Mr. Wolfe stated that Council would appreciate it if they could have the written plan as soon as possible so that they have ample time to study it.

Break – 10:58 am. Reconvened. 11:13 am.

II. Information Items:

- B. Summit Ridge Wind Farm Draft Proposed Order:** Tom Stoops reported that the Hearing on Draft Proposed Order for Summit Ridge Wind Farm was held by Sue Oliver on February 3, 2011. . Mr. Stoops noted that the deadline for written comments was extended to February 24th. He explained the need to schedule a conference call Special Purpose Meeting to hold the First Reading of the Draft Proposed Order, which is not a decision meeting. The Special Purpose Meeting was then scheduled for Friday the 4th of March. Lori Brogoitti, as Vice Chair would preside, with Barry Beyeler also present. Call in attendance is anticipated for Sumner, Senn, Wolfe and possibly Shiprack. This item was left pending.
- C. CO2 Equivalency Project:** Mr. Wolfe stated that he would like Ben Vitale and Shanna Brownstein of the Climate Trust to give Council an update on CO2 Equivalency Project. They reported that they are drafting legislation, due by February 18, 2011, which includes only elements that are focused on greenhouse gas offset components and they would like the Council's support. Mr. Senn stated that when we started this, we had a very serious conversation about what Climate Trust couldn't do in the State of Oregon, but could do in Washington. He supports efforts to find ways so that funds can be used to better atmospheric conditions anywhere, but specifically in Oregon. Jan Prewitt advised that the Council needs to approve correspondence before it is sent. It's up to the Council to decide what they want to do. Under the Council's rules, majority approval is required before Council or Council Secretary can send correspondence.
- Action:** The motion by Paul Sumner, seconded by Trey Senn, to authorize Chair to present a letter on Council's behalf, to appropriate legislative bodies, consistent with the sense that Council is supporting efforts to expand the CO2 mitigation provision to CO2 equivalencies, passed unanimously.
- Vote:** Brogoitti, yes; Beyeler, yes; Shiprack, yes; Senn, yes; Sumner, yes; Wolfe, yes.
- Ms. Brownstein reported that she hopes to have the draft to Council by February 17th.

Shiprack departed at 11:35 am

The Council asked for and received public comments.

Public comments:

Charles Gillis - Thanked Council Members for their participation in the Antelope Ridge Public Information meeting held in the City of Union. Mr. Gillis then expressed concern about the take of eagles. He asked, if the USFWS accuses Horizon and if they are convicted of a federal crime, would their application be withdrawn because they would be an unsuitable applicant?

Jed Farmer – Presented prepared information handouts to the Council that included photographs that show fog conditions on the rim of Craig Mountain. Mr. Farmer expressed concerns for migratory birds and big game habitat due to the Antelope Wind Farm, and that a protection plan is in place prior to finalizing the project order. Mr. Farmer expressed that the same thresholds that are proposed for use with Summit should be used for Antelope.

Norm Kralman, Milton-Freewater - Stated that he is involved with Blue Mountain Alliance. They recommend limits to the wind farm industry to be more site specific to protect our habitat, viewscape and wildlife. Mr. Kralman expressed concern about the calculation of percentage of habitat impacts and monitoring for the number of bird mortalities.

Richard Jolly, of Milton Freewater - Stated that he agrees with Mr. Kralman, while noting that he has discussed habitat and eagle issues with ODFW. Mr. Jolly expressed concern that present approaches don't seem to be working and that cumulative information needs to be considered. Mr. Jolly stated that the Council should request studies for long term cumulative impacts.

Nick Benjamin, the Project Developer for Horizon Wind Energy - While Horizon appreciates stakeholders, the process and the way the stakeholders have used the process to express their comments, they are not prepared to respond at this time.

Larry Givens, Umatilla County Commissioner - Stated that he would like to encourage the Council to push for a long sustainable power plan for the State of Oregon that would reach into the future and should include hydroelectric projects as part of the sustainable portfolio. There are twelve projects on the Columbia & Snake Rivers and none of these projects are considered a renewable energy source. He asked Council to write a letter to the Governor asking for his support in considering hydropower as a renewable. Commissioner Givens noted that as a country we have an insatiable need for power; we will be more pressured in the future to meet those needs.

Break for a working lunch at 12:10 p.m.

II Information Items (Continued):

- A. **BioEnergy:** Matt Krumenauer, Department of Energy Staff, provided an overview of BioMass projects in Oregon. There are over 80 biomass facilities in the State of Oregon including wastewater, landfill, pellets, woody biomass and biofuels. Almost all generate thermal energy used which is used on-site for adjacent facilities. Ms. Brogoitti asked about the use of wheat straw. Mr. Krumenauer answered that there is a facility in the valley that uses plant waste. Mr. Krumenauer presented several slides, including a 2009 map showing slash burns/tons across the State and a map of mill closures and related job losses from 1980 to 2003. He noted there are over a million tons a year that could be brought out of the forests to support biomass projects. The presentation included an analysis of the positive employment impacts and he cited 20-30 jobs in the Seneca Sawmill and 2-3 times that bringing in the supplies to run the facility. Mr. Krumenauer also addressed the regulatory climate for biomass, noting that EPA didn't take a stand on biomass being a carbon source in a recent ruling, instead withheld implementing the rules while a study can be completed to make determination. When asked about BLM's stance on the subject, he stated that natural resource agencies are balancing policies with issues like juniper problems, with energy needs and ecological issues. Chair Wolfe thanked Mr. Krumenauer for his presentation and encouraged all in attendance to go back to their respective communities and help raise awareness and possibly even have Matt Krumenauer speak at public gatherings to get the word out.

The meeting reconvened at 1:05 p.m.

III. Consent Calendar:

A. Minutes:

Action: The motion by Trey Senn, seconded by Paul Sumner, to approve the minutes of the April 30, 2010 meeting with scrivener comment changes to correct small items, passed unanimously. **Vote:** Beyeler, yes; Brogoitti, yes; Senn, yes; Sumner, yes; Wolfe, yes.

Action: The motion by Trey Senn, seconded by Lori Brogoitti, to approve the minutes of the July 30, 2010 meeting, passed unanimously. **Vote:** Beyeler, yes; Sumner, yes; Brogoitti, yes; Senn, yes; Wolfe, yes.

Action: The motion by Barry Beyeler, seconded by Trey Senn, to approve the minutes of the October 28, 2010 meeting passed unanimously. **Vote:** Brogoitti, yes; Sumner, yes; Senn, yes; Beyeler, yes; Wolfe, yes.

Action: The motion by Trey Senn, seconded by Barry Beyeler, to approve the minutes of the October 29, 2010 meeting passed unanimously. **Vote:** Sumner, yes; Brogoitti, yes; Beyeler, yes; Senn, yes; Wolfe, yes.

Action: The motion by Trey Senn, seconded by Paul Sumner, to approve the minutes of the September 10, 2010 meeting as amended, passed unanimously. **Vote:** Brogoitti, yes; Senn, yes; Sumner, yes; Beyeler, yes; Wolfe, yes.

Tom Stoops then announced that the only outstanding minutes are those of the Burns meeting, which, are at this point, 52 pages long and still need editing.

Council Resignation: Mr. Stoops announced that Jake Polvi has asked to resign from the Council and as Council's representative on the Climate Trust Board. A search is underway for a new member. Mr. Wolfe expressed appreciation for Mr. Polvi's input on the Council and the Board. Trey Senn volunteered to be the representative on the Climate Trust Board and Paul Sumner volunteered to be the alternate on the Climate Trust Board. No action is required, but they were noted as appointed and as volunteered. Mr. Wolfe expressed appreciation to Mr. Senn and Mr. Sumner for stepping up and accepting the challenges that are ahead of them.

IV. Project Updates:

Antelope Ridge Wind Farm Public Information Meeting: (Sue Oliver) The Public Information Meeting was held on January 25th the City of Union. Beyeler, Wolfe and Brogoitti all attended. Beyeler estimated that there were approximately 150-200 in attendance and opinions were split evenly. Wolfe, Beyeler, and Brogoitti praised the Union County residents, stating that the crowd was gracious and courteous and the Council and Staff very well received and thanked several times for coming there. The Council also acknowledged Sue Oliver's great job. Oliver thanked Council Members for their participation in the meeting, the community and Sheriff Rasmussen and suggested that the Council write a letter to him and the editor of the local paper thanking everyone. **Action:** The motion by Senn, to write a letter of appreciation to all concerned was seconded by Sumner and passed unanimously. **Vote:** Beyeler, yes; Brogoitti, yes; Senn, yes; Sumner, yes; Wolfe, yes.

Health Impact Assessment: (Tom Stoops) A meeting was held February 3, 2011, on the State Health Department's Health Impact Assessment on wind energy. Stoops reported that the process is in the scoping phase and this was the first scoping meeting. The purpose of the meeting was to evaluate if the process is focusing on the right questions and what are the research questions coming out of the process. Wolfe thanked both Tom and Barry for their participation.

Travel Expense: Tom reminded Council that they needed to turn in their travel expenses.

New Employee Introduction: Tom introduced two new employees in Siting Division. Todd Cornett was Wasco County Planner and brings knowledge from that position with him. Chris Green comes to us by way of a couple of city land use planning jobs, which should prove valuable to the Department.

The Council asked for and received public comments.

Public Comment: Gary Thompson, Sherman County Judge, expressed concerns about the status of hydroelectric power as renewable energy under the renewable portfolio.⁹⁹

Meeting adjourned 1:37 pm