

**Agenda Minutes
Energy Facility Siting Council Meeting
Oregon Department of Energy
Columbia Gorge Discovery Center
The Dalles, Oregon
January 23, 2009**

Energy Facility Siting Council

Bob Shiprack, Chair
Martha Dibblee, Vice Chair
Cheri Davis
Lori Brogoitti
Michael Haglund
Jacob Polvi
W. Bryan Wolfe

Oregon Department of Energy:

Tom Stoops, Council Secretary
Adam Bless, Project Officer
John White, Project Officer
Meiko Kristiansen, Administrative Assistant

Oregon Department of Justice:

Jan Prewitt, Assistant Attorney General

Others:

Dave Ball	Bob Hall, Portland General Electric (PGE)
Jill Barker	Chuck Little
Dave Becker, ONDA	Georgia Macnab, Sherman County
Barry Beyeler	Carla McLane, Morrow County
Diane Bloomer	Tim McMahan, Stoel Rives
Cindy Brown	Leslie Nelson
Linda Casady	Jon Norling
Bruce Corn	Kelly O'Brien, BP
Chris Crowley	Bob Sallinger, Portland Audubon Society
Carolyn DeMoss	Len Schelsky
Dwight D Evans	Art Schlack, AOC
Bibi Gaston	Terry Tallman, Morrow Co.
Steve Grasty, Harney County Judge	Cheryl Woods

Chair Bob Shiprack called the meeting to order at 9:30 am.

Roll was called.

Bryan Wolfe	Present	Michael Haglund	Present
Lori Brogoitti	Present	Cheri Davis	Present
Jacob Polvi	Present	Bob Shiprack	Present
Martha Dibblee	Present		

I. Consent Calendar:

A. Announcements and Introductions

Announcements:

Tom Stoops announced the withdrawal of the Cascade (First) Wind Project Application. He also announced that an invitation has been extended to tour both Coyote Springs and the Boardman Coal Plant on March 6, 2009, and would like the council members to go.

Martha Dibblee made a motion to authorize the tour.

Jacob Polvi seconded the motion.

Bryan Wolfe	Yes	Michael Haglund	Yes
Lori Brogoitti	Yes	Cheri Davis	Yes
Jacob Polvi	Yes	Bob Shiprack	Yes
Martha Dibblee	Yes		

II. Action Items:

A. Approval of October 31, 2008 Minutes

Martha Dibblee made a motion to approve the October 31, 2008 EFSC meeting minutes, with scrivener's changes.

Lori Brogoitti seconded the motion.

Bryan Wolfe	Yes	Michael Haglund	Yes
Lori Brogoitti	Yes	Cheri Davis	Yes
Jacob Polvi	Yes	Bob Shiprack	Yes
Martha Dibblee	Yes		

Approval of September 26, 2008 Minutes

Jacob Polvi made a motion to approve the September 26, 2008 EFSC meeting minutes. Martha noted that she was not there, thus there are no scrivener's notes.

Bryan Wolfe seconded the motion.

Bryan Wolfe	Yes	Michael Haglund	Yes
Lori Brogoitti	Yes	Cheri Davis	Yes
Jacob Polvi	Yes	Bob Shiprack	Yes
Martha Dibblee	Yes		

B. Approval to contract with Golder & Associates

Adam Bless requested the council's approval to contract with Golder & Associates to review Port Westward's Amendment #6, and Klamath CoGeneration's Amendment #4.

Michael Haglund made a motion to approve the use of Golder & Assoc.

Bryan Wolfe seconded the motion.

Bryan Wolfe	Yes	Michael Haglund	Yes
Lori Brogoitti	Yes	Cheri Davis	Yes
Jacob Polvi	Yes	Bob Shiprack	Yes
Martha Dibblee	Yes		

C. Council Approval of Stateline Wind Project Phases I and II Replacement Bond

Due to the length of the Golden Hills Wind Farm presentation, and the need to set up the visual aids for that presentation, the Council agreed to change the agenda order and take up the approval of three replacement sureties before moving on the Golden Hills agenda item.

John White asked for Council approval of the Replacement Bond for Stateline Wind Project, Phases I and II.

Martha Dibblee made a motion to approve.

Bryan Wolfe seconded the motion.

Bryan Wolfe	Yes	Michael Haglund	Yes
Lori Brogoitti	Yes	Cheri Davis	Yes
Jacob Polvi	Yes	Bob Shiprack	Yes
Martha Dibblee	Yes		

D. Council Approval of Klondike III Wind Project Replacement Letter of Credit

John White asked for Council approval of the Replacement Letter of Credit for Klondike III Wind Project.

Bryan Wolfe made a motion to approve.

Lori Brogoitti seconded the motion.

Bryan Wolfe	Yes	Michael Haglund	Yes
Lori Brogoitti	Yes	Cheri Davis	Yes
Jacob Polvi	Yes	Bob Shiprack	Yes
Martha Dibblee	Yes		

E. Council Approval of Klamath CoGeneration Retirement Letter of Credit

Adam Bless asked for Council approval of the Retirement Letter of Credit for Klamath CoGeneration Project. Adam explained that the original issuer of the Retirement Letter of Credit for Klamath Cogeneration was the Tokyo Mitsubishi bank. In September 2008, the Tokyo Mitsubishi bank notified ODOE that it would not renew that Letter of Credit when it expired in November 2008. Iberdrola Renewables, which owns the Klamath Cogeneration Plant, was able to secure a letter of credit from JP Morgan. The annual premium for the new letter of credit was 5%, compared to the 1.5% rate available in past years.

Since the expiration on the letter of credit was imminent, and since the December 2008 Council meeting had been cancelled due to bad weather, Chair Shiprack had approved the new letter of credit on an emergency basis. However, the Council's rules still require full Council approval of a new letter of credit at the first opportunity.

Michael Haglund made a motion to approve.

Cheri Davis seconded the motion.

Bryan Wolfe	Yes	Michael Haglund	Yes
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Lori Brogotti Yes
Jacob Polvi Yes
Martha Dibblee Yes

Cheri Davis Yes
Bob Shiprack Yes

F. First Reading of Draft Proposed Order for Golden Hills Wind Project

Before beginning the discussion of the Draft Proposed Order, Adam explained the purpose of the review referred to as First Reading. He explained that ODOE had issued a Draft Proposed Order and had held public hearings and opened a public comment period. He explained that the comment period was over, and that this First Reading was the chance for the Council to review the Draft Proposed Order with staff, including issues raised in public comment. He also explained that although the public was welcome to attend, the public comment period was over for this project, and no comments on the Golden Hills project would be taken at this meeting.

Mr. Bless gave a PowerPoint presentation on the Golden Hills Draft Proposed Order. That presentation is attached to these minutes.

Adam began by going over the timeline for the review of the Golden Hills project, and explained why it took longer than other wind projects. He explained that for most Council standards, the project was very similar to previous projects in Sherman County such as Klondike and Biglow Canyon. Therefore the Draft Proposed Order for those standards was very similar to the Final Orders for those standards. However, there were numerous public comments in opposition to the Golden Hills project, and those comments raised new issues. Mr. Bless pointed out some of the specific differences between the Klondike and Golden Hills orders for those standards. The major new issues that were raised in public comments were related to Land Use and noise. Mr. Bless pointed out that Golden Hills is closer to residential zones than the previous projects in Sherman County had been. He discussed a new zoning ordinance in Sherman County that would apply to new wind facilities but would not apply to Golden Hills because the new ordinance was adopted after the Application for Site Certificate was submitted. Many local residents objected to the fact that the new ordinance would not apply to Golden Hills. However, under a provision in Land Use law known as the "goalpost" law, a county does not apply new ordinances that are adopted after an application is submitted.

Adam explained that the recommended retirement bond for Golden Hills was more than \$17 million dollars. He noted that the credit markets now are very poor, and premiums for letters of credit are about four times higher than in the past. He also noted that the Council might need to consider a new approach to the retirement surety, but that would require rulemaking.

The most lengthy discussion on Golden Hills regarded the noise standard. Adam explained some of the technical details on how the applicant analyzes their noise impact under the standard. The Golden Hills Draft Proposed Order includes a required post-construction noise test, which has not been required of other wind projects.

Bob Shiprack called for a short recess at 12:03.
Mr. Shiprack called the meeting to order again at 12:45.

Adam Bless resumed his presentation. He asked for Council policy guidance on the condition regarding post construction noise testing. He presented three options. The first option would be to not require testing at all, which would be consistent with Klondike and Biglow. A second option would be to require comprehensive noise testing at all affected homes that were not

receiving lease payments from the applicant and were potentially affected by noise from the facility. A third option was to require noise testing only for those homes who registered a complaint. The Council did not vote, but generally agreed that testing should be required based on complaints.

Adam asked if EFSC had policy recommendations regarding changes to the requirements for retirement sureties, and if the Council wanted to adopt setbacks between wind facilities and residences, as Sherman County has done. Either action would require rulemaking. The Council made no recommendations at this time.

Mr. Bless requested that the council make any final comments at the end of his presentation. There were none.

G. Public Comment period

Tom Stoops opened the floor to public comments on anything except Golden Hills Wind.

Bruce Corn gave comments about the Boardman to Hemingway Transmission Line on behalf of the citizen's group, Stop Idaho Power. He discussed the impact the power line would have on farms in Malheur County. Please see handout.

Art Schlack, of the Association of Oregon Counties, gave a short presentation. No handouts available.

Diane Bloomer, a farm property owner from Durkee, asked briefly when the best time to make comments would be. Jan Prewitt, of the Oregon Department of Justice, explained that the best time to comment is during public comment periods and at EFSC meetings. Jan further explained that the comment period following issuance of the Draft Proposed Order is especially important because only persons who comment on the record of the hearing on the Draft Proposed Order are eligible for party status in the contested case.

Jill Barker made comments on the handouts she made, which she requested to be sent to members of the council. Tom Stoops assured her that ODOE is signed up on Dr. Pierpoint's site for updates. Please see handouts.

Mr. Stoops announced that East Wind and West Wind Facilities had withdrawn their applications. The notifications were received during this meeting's recess a few minutes ago.

David Becker, of the Oregon Natural Desert Association, and Bob Sallinger, of the Portland Audubon Society, gave a powerpoint presentation opposing wind development in certain areas. Please see the attachment.

Judge Steven Grasty, of Harney County, gave the next presentation in favor of wind development in Harney County. Please see handout.

Carla McLane, of the Morrow County Planning Department, gave a presentation of Morrow County's comments. She explained that the county can issue a conditional use permit that requires detailed mitigation plans to be finalized before construction can begin. No handouts available.

Tim McMahan, of Stoel Rives, gave a presentation regarding the Kittitas Valley Wind Project, and also in behalf of David Evans & Associates. Please see handouts.

Tom Stoops asked for any further comments. There were none. He hopes to plan the next Energy Facility Siting Council meeting for mid to late March.

Bob Shiprack adjourned the meeting at 2:46.

