

**THE PUBLIC INTEREST IN OREGON ENERGY FACILITY SITING**

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**Testimony to the Task Force**

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**Talking points**

**How the Issue Arose**

**EFSC's Need for Power Standard**

The original public Interest: Concern for overbuilding by utilities to add to the asset base

Predictions of growth were unlimited

No consequences for overbuilding

High cost of plants -- a CCCT plant generates about 460MW of electricity and costs about \$590MM

Need and the unnecessary use of environmental resources -- "the commons"

Exemption to need for power standard as a means of fulfilling other public objectives such as conservation and renewable

951 and the industry's desire to eliminate the need for power standards

Market keeps costs in check

Need for Power standard no longer needed

Impediment to development because of difficulty of proof of need

No new rules until the Task Force reports

EFSC's opposition to elimination of the standard

How are alternative policies to be fulfilled?

Least cost plans need support

Concern that if the need for power standard were eliminated, there would be no independent purpose in EFSC

Compromise: Task Force and 500MW exemption but no stand still

" In recognition of (increased competition, changes in energy industry regulation, and changes in energy planning) a task force is created to review the public's interest in the siting of energy facilities ... to develop and present recommendations ...." (§3, SB 951)

**Analyzing the Market and the regulatory environment**

Unbundling of Gas prices

Least Cost Plans -- their rise and demise

Unbundling of electricity prices -- wholesale wheeling

Separation of generation from transmission from distribution

BPA, fish and debt

THE IPPs

The California energy surplus -- 32,000 MW currently; but only available to the extent of transmission line:

Current Costs: BPA -- 34 mills; Costs of CT production -- 25 mills;  
Variable v total costs

Operation of inefficient and dirty plants because they can pay variable costs

Estimated need: 2-300 MW per year in the NW

The Comprehensive review: its consequences to NWPPC and BPA

#### **EFSC and Oregon's land use process**

Goals: intended to cover all development situations

Plans: implement the goals, the repository of all public information about a site

Zoning: Address the immediate concerns of siting

Coordination: Bring all the public interests together so that the picture presented by the plans is reliable

Acknowledgment: Assurance that in fact there is conformity

Periodic Review: Assuring that as conditions change, the local plans change

EFSC one stop

Size, complexity, technical knowledge, and utility clout justify one stop

idea: use substance of local plans and zoning, but procedure of EFSC

Override for EFSC rules and individual land use standards, but not goals

Special exceptions process (but it tracks the three kinds of exceptions, i.e., physically developed, irrevocably committed, or reasons)

#### **What is the Public Interest and How should the State Respond?**

Global Warming: Rio Treaty, 1990 levels in Oregon: 55.3 MM Tons of CO<sub>2</sub>  
One 500 MW plant represents 42% of the increase since 1990

Renewables: Problem is, electricity may be 10 to 25 mills; the CEN plant came in at more than 40 mills

Conservation: Even Conservation is not cheap when the price of electricity is so low.

Assure cheap, abundant and stable energy, particularly to rural areas

Assure protection of the Environment: Impact on Salmon, water, air,

Assure protection of the public Health: EMF, radioactivity

Assure credibility to the Oregon land use system

Avoid overbuilding because it uses up the commons and in the long run probably increases the cost of electricity

### The Choices

Should EFSC continue to look at Need for Power

If there is no need for power standard, is there a need for a separate siting authority?

How will the other public concerns be addressed: e.g., renewables, conservation, and cheap, abundant and stable power supplies

Can the local land use process take care of siting energy facilities, if there is no need for power standard?

If the only issue is interjurisdictional transmission facilities, then Would an arm of LCDC be better, a state siting authority?

How will rolling environmental problems be addressed without a rule making - siting authority: e.g., low level radioactivity, EMF, and Global Warming

Argument: Any one stop permitting process undermines the integrity of the land use process: e.g., Portland solid waste, prisons, light rail, super collider; without a need for power standard, undermining is not justified

Argument: LCDC goal 13 (current version attached) is a receptacle that could be used much more effectively in the siting of energy facilities