



Oregon

Kate Brown, Governor



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To: Energy Facility Siting Council

From: Sarah Esterson, Senior Policy Advisor

Date: December 2, 2022

Subject: Agenda Item I (Action Item):
Columbia Ethanol Project, Request for Council Approval to Amend Port of
Morrow Agreement to Reflect Certificate Holder Name Change for the
December 16, 2022 EFSC Meeting

Attachments: Attachment 1: Cover Letter and Draft Amended Agreement (to be provided at
a later date)

STAFF RECOMMENDATION

The Oregon Department of Energy (Department) recommends that the Energy Facility Siting Council (Council) approve a change to an agreement between certificate holder and Port of Morrow required under the Columbia Ethanol Project Site Certificate, to update the name of the certificate holder from Pacific Ethanol Columbia, LLC to Alto Columbia, LLC following a 2021 organizational restructure.

BACKGROUND

The Columbia Ethanol Project is an operational ethanol plant capable of producing 44 million gallons per year, located on a 25-acre parcel leased from the Port of Morrow in the Boardman Industrial Park in Morrow County Oregon. Council granted issuance of a site certificate in 2007; and granted issuance of an amended site certificate in 2017. One of the changes approved in the 2017 First Amended Site Certificate applies to Condition IV.C.13. Condition IV.C.13 was imposed to reflect the requirements of Council's Mandatory Condition pursuant to OAR 345-025-0006(8), which states:

Before beginning construction of the facility, the certificate holder must submit to the State of Oregon, through the Council, a bond or letter of credit in a form and amount satisfactory to the Council to restore the site to a useful, non-hazardous condition. The certificate holder must maintain a bond or letter of credit in effect at all times until the facility has been retired. The Council may specify different amounts for the bond or letter of credit during construction and during operation of the facility.

Condition IV.C.13 approved a decommissioning amount that represents an amount less than what would be required for complete removal of all facility components. The Council allowed for a reduced decommissioning from approximately \$900k to \$300k (4th quarter 2016 dollars) based on receipt of executed agreement between the certificate holder and Port of Morrow, the underlying landowner of the facility site, whereby Port of Morrow agreed to accept and utilize facility components as useful and nonhazardous once the facility components were cleaned and component contents were properly hauled from the site and disposed (estimated at approx. \$300k).

Condition IV.C.13 requires Council approval for any amendment of the executed agreement between the certificate holder and Port of Morrow.

In January 2021, the certificate holder of the Columbia Ethanol Project Site Certificate, Pacific Ethanol Columbia, LLC, submitted an Amendment Determination Request (ADR) to the Department seeking review of whether an amendment was required to reflect an ownership restructure whereby the name of the certificate holder was changing from Pacific Ethanol Columbia, LLC to Alto Columbia, LLC. On June 18, 2021, the Department issued its ADR determination confirming that the ownership restructure did not represent a change in ownership of the facility or certificate holder, and therefore would not require a site certificate amendment to transfer under OAR 345-027-0400.

During the October 2021 compliance audit for Columbia Ethanol Project, the Department identified that the executed agreement between certificate holder and Port of Morrow did not reflect the 2021 certificate holder name change. At that time, the Department notified the certificate holder that the agreement needed to be amended to reflect the change in certificate holder name to ensure that the terms and conditions were still legally binding.

PROPOSED CHANGES TO AGREEMENT

The changes proposed to the agreement include replacing all references of Pacific Ethanol Columbia, LLC to Alto Columbia, LLC. No substantive changes are proposed. If Council approves the requested changes, the Department will request that the amended agreement be executed and returned to the Department within 30-days.

ATTACHMENTS:

Attachment 1: Attachment 1: Cover Letter and Draft Amended Agreement (to be provided at a later date)