

BCW OPS DOC 99



Portland General Electric Company
121 SW Salmon Street • Portland, Oregon 97204

JUL 10 2008

July 8, 2008
ES-144-2008
Gov Rel

John White
Oregon Department of Energy
625 Marion Street, NE
Salem, OR 97301-3742

**Re: Proposed Change to Biglow Canyon Wind Farm: Request for
Department of Energy Determination Pursuant to OAR 345-027-
0050(5)**

Dear John:

As you know, Portland General Electric Company (PGE) is the holder of the Second Amended Site Certificate for the Biglow Canyon Wind Farm (the "Site Certificate"). Construction of the Biglow Canyon Wind Farm has commenced. PGE is proposing to modify the approved facility as shown on the attached plans in order to provide operations and maintenance (O&M) facilities at the approved five-acre O&M site to accommodate a second turbine supplier.

Based on various factors, including minimizing costs to PGE's customers and reducing 'one supplier/technology' risk, PGE has purchased wind turbines from a competing turbine supplier for Phase II of Biglow Canyon (Siemens) to the Phase I turbine supplier (Vestas). Each turbine supplier has proprietary information and technology that they require be protected from the other. Thus, PGE must build a new warehouse and office to separately house the two turbine suppliers.

The new warehouse PGE is proposing will be located on the approved five-acre O&M site south of Herin Lane, on the southwest corner of the existing O&M facilities. The warehouse will be approximately 5200 square feet and will be used by Vestas. This building will be permanent and similar in appearance to the existing O&M building.

The new office building will be located to the south of the location of the new warehouse. This office building will be a single level, approximately 1500 square foot modular building and occupied by Vestas. This building will also be permanent and will provide work stations for the technicians that will operate the wind farm.

Although PGE will be submitting a Request for Amendment No. 3 to the Site Certificate for the Biglow Canyon Wind Farm, it is critical to have the expansion of the O&M facility complete by December of 2008 to allow Vestas to relocate into the new warehouse and offices. Siemens will occupy the existing O&M facility. In order to achieve a December 2009 commercial operation date for Phase II, Siemens is scheduled to commence its installation and erection activities in March 2009. Given the unfavorable construction conditions during the Fall and Winter months, it is imperative that construction of the new O&M facilities commence as soon as possible. The metal warehouse building ordered by PGE has been delivered to the project site. The building permits and plan review have been approved, with the exception of the site plan approval from the county. The general contractor has scheduled this work and may not be available if the project schedule is delayed. This project was a design build project and using another contractor will not be an option. In addition, the subcontractors may not be able to hold the pricing of their approved bid, and may have rescheduling challenges if the schedule is delayed.

Pursuant to OAR 345-027-0050(5), PGE therefore requests a determination by the Oregon Department of Energy that the change outlined above does not require an amendment to the Site Certificate. OAR 345-027-0050(5) provides:

A certificate holder may ask the Department to determine whether a proposed change requires a site certificate amendment by submitting a written description of the proposed change, the certificate holder's analysis of the proposed change under sections (1) and (2) and the written evaluation described in section (3). The Department shall respond in writing as promptly as possible. The Department may refer its determination to the Council for concurrence, modification or rejection. At the request of the certificate holder or a Council member, the Department must refer its determination to the Council for concurrence, modification or rejection.

1. Analysis Under OAR 345-027-0050(1)

PGE requests a determination that the proposed change does not meet the threshold requirements for an amendment to the Site Certificate under OAR 345-027-0050(1). OAR 345-027-0050(2) is not directly relevant to PGE's request. OAR 345-027-0050(1) provides:

Except as allowed under sections (2) and (6), the certificate holder must submit a request to amend the site certificate to design, construct or operate a facility in a manner different from the description in the site certificate if the proposed change:

- (a) Could result in a significant adverse impact that the Council has not addressed in an earlier order and the impact affects a resource protected by Council standards;
- (b) Could impair the certificate holder's ability to comply with a site certificate condition; or
- (c) Could require a new condition or a change to a condition in the site certificate.

A. The proposed change would not result in a significant adverse impact that the Council has not addressed in an earlier order.

The certificate holder has evaluated the potential impacts of the change shown on the attached site plan to determine whether the additional O&M facilities at the approved O&M site would adversely impact any resources protected by Council rules. Although PGE's proposal will add new structures to those indicated in Section III.A.2.d of the Second Amended Site Certificate, there are no additional adverse impacts associated with the proposed expansion of the O&M facilities; the additional warehouse structure and office structure would be located entirely within the approximately 5-acre O&M site south of Herin Lane, which was one of three potential O&M sites evaluated and approved by the Council in the Final Order for Biglow Canyon Wind Farm, June 30, 2006. In other words, the proposed site has already been evaluated in the ASC and ASC Supplement, reviewed by the Council, and approved.

Moreover, as shown in Table 6 of the Final Order of June 30, 2006 (p. 59), the O&M building site was assumed for purposes of the land use analysis to be 5 acres, not just the area occupied by an O&M building. The entire 5-acre site was also considered part of the approximately 177-acre permanent habitat impact of the Biglow Canyon Wind Farm. The area south of Herin Lane, where the O&M facility is located, is identified on Figure P-6 of the ASC as Agricultural, and therefore Category 6 habitat. Because the Certificate Holder was only required to provide mitigation for impacts to Category 3 and Category 4 habitat, the permanent impact to the O&M site was not germane to the Certificate Holder's habitat mitigation obligations set forth in Attachment C to the Final Order.

B. The proposed change would not impair the certificate holder's ability to comply with any site certificate condition.

As discussed above, the proposed change does not result in permanent disturbance of a type or extent not previously evaluated. Moreover, as described above, the change does not create any impacts to habitat categories not already evaluated and does not create any adverse impact to other resources protected by Council rules. The Site Certificate already contains adequate conditions to address the potential impacts of the temporary disturbance associated with construction in the altered turbine corridors (for example, Soil Protection conditions 26-35, Condition 56 requiring preconstruction surveys for raptor nesting sites, and Historic, Cultural and Archaeological conditions 69-

73). Construction of additional O&M facilities at the approved 5-acre O&M site would not impair PGE's ability to comply with those conditions.

Condition 9 requires that the certificate holder provide a bond or letter of credit as financial assurance for site restoration, based on the costs shown on Table 3 of the Final Order on Amendment #2 (March 14, 2007). Table 3 includes a cost of \$103,608 to "dismantle and dispose of O&M building." PGE is currently working with the Department of Energy to recalculate the letter of credit amount required for the installation of Phase II turbines. We will include the new O&M buildings in the calculation in order to provide financial assurance, proportionately with the extent by which the constructed facilities exceed the 5,000 square foot estimate for O&M facilities.

Condition 20 requires that aboveground structures no be located within 30 feet of any property line or within 50 feet from the right-of-way of any arterial or major collector road or street. The new buildings would comply with these setback requirements.

Condition 75 requires that prior to beginning facility operation, the certificate holder must have a well (not exceeding 5,000 gallons per day) suitable for delivering water for domestic use at the O&M building. The Second Amended Site Certificate, Section III.A.2.d indicates that domestic water use at the O&M building is not anticipated to exceed 1,000 gallons per day. The certificate holder has developed a well to serve water needs at the O&M facility; the well is capable of providing adequate water for the planned O&M building expansion without exceeding 1,000 gallons per day. The certificate holder will not need additional water to serve the additional structures. As mentioned above, the new turbine vendor will occupy the existing buildings, and the Phase I turbine vendor will be moved into the new buildings. Because Phase I construction is complete, the use of the new facility will not be as intensive as the use of the existing facilities, and is not expected to result in a substantial increase in water use or sanitary sewer discharge.

Condition 50 requires that certificate holder "apply a low-reflectivity finish to the exterior of the O&M building and substation equipment to control their visual integration into the surrounding background. Condition 51 requires that the certificate holder "design and construct the O&M building to be generally consistent with the character of similar buildings used by commercial farmers or ranchers in the area and shall paint the building in a neutral color to blend with the surrounding background." The certificate holder can and will comply with Conditions 50 and 51 in the construction of the new O&M facilities.

Condition 83 requires that sanitary waste generated at the O&M facility be discharged to "a licensed on-site septic system in compliance with county permit requirements. The certificate holder shall design the septic system with a capacity that is less than 2,500 gallons per day. As shown on the septic permit (attached), the certificate holder has constructed a county-permitted septic system on the O&M site. The system

has a 2,000 gallon tank, and a drainfield. The additional O&M buildings would be connected to this septic system, and would not require enlargement or alteration of this system at this time.

C. The proposed change would not require a new condition or a change to a condition of the site certificate.

As described above, the Site Certificate already contains adequate conditions to address any impacts (soil impacts, restoration of temporary disturbance areas, and impacts to previously undiscovered archaeological resources) that might arise from the facility changes addressed in this request.

2. Evaluation required by OAR 345-027-0050(3)

OAR 345-027-0050(3) requires that if the certificate holder concludes that a change does not require a site certificate amendment "based on the criteria in section (2), the certificate holder shall, nevertheless, complete an investigation sufficient to demonstrate that the proposed change in the design, construction and operation of the facility would comply with applicable Council standards." The certificate holder's justification for not requiring a site certificate amendment arises under OAR 345-027-0050(1), rather than OAR 345-027-0050(2). However, in order to ensure that the Department and the Council have all relevant information, we are providing the evaluation of compliance with applicable Council standards.

For the reasons described above, the entire 5-acre O&M site has already been evaluated by the Council, and the certificate holder's proposal to construct two additional structures (a warehouse of approximately 5200 square feet and an office of approximately 1500 square feet) on that site does not alter the Council's prior findings that the Biglow Canyon Wind Project will comply with Council standards for Soil Protection (OAR 345-022-0022), Threatened and Endangered Species (OAR 345-022-0070), Fish and Wildlife Habitat (OAR 345-022-0060), and Historic, Cultural and Archaeological Resources (OAR 345-0220-0090). The proposed facility changes would not involve the construction of additional turbines, transmission facilities, or access roads, and would not increase the area of permanent disturbance associated with the Biglow Canyon Wind Farm.

Several conditions of the Second Amended Site Certificate were required by the Council to ensure that development at the O&M site would comply with Council standards. For the reasons set forth above, the certificate holder has concluded that the proposed construction of two additional buildings at the O&M site can be accomplished in full compliance with those conditions.

Therefore, the changes do not alter the Council's prior findings of compliance with standards regarding Organizational Expertise (OAR 345-022-0010), Retirement and Financial Assurance (OAR 345-022-0050), Land Use (OAR 345-022-

0030), Protected Areas (OAR 345-022-0040), Scenic and Aesthetic Values (OAR 345-022-0080), Recreation (OAR 345-022-0100), Public Health and Safety for Wind Energy Facilities (OAR 345-024-0010), Siting Standards for Wind Energy Facilities (OAR 345-024-0015), Siting Standards for Transmission Lines (OAR 345-024-0090), Structural Standard (OAR 345-022-0020), Public Services (OAR 345-022-0110), Waste Minimization (OAR 345-022-0120), and Noise Control (OAR 340-035-0035).

For the reasons set forth in this letter, we request the Department's determination that the proposed construction of two additional structures as part of the approved O&M site does not require an amendment to the Site Certificate.

Respectfully,

A handwritten signature in black ink, appearing to read "Ray Hendricks", with a long horizontal flourish extending to the right.

Ray Hendricks
Portland General Electric Company

Enclosures (2)

Revised 9/6/07

STATE OF OREGON
Department of Environmental Quality
Onsite Wastewater Treatment System Construction Installation Permit

28-07-002
PERMIT NUMBER

CONTROL NUMBER

S.E. NUMBER

485.00
FEE

[X] NEW CONSTRUCTION [] REPAIR [] ALTERATION [] RENEWAL [] OTHER

PERMIT ISSUED TO: PBE-Biglow (Kirby Nagelhout Const.)
Property Owner's Name

2N
Township

18E
Range

19
Section

4300
Tax Lot/Acct.#

96900 Herin Lane
Site Address

Wasco
Nearest City or Community

Sherman
County

John Zalaznik
Issued by Signature

8/21/2007
Date Issued

8/22/2008
Expiration Date

Type of Facility Served: [] Single Family Res. # Bdrms.: [] Other - Specify Office building serving up to 40 office staff from 8A-5P daily. The office will have restrooms (40 X 10), hand sinks (40 x 2), showers (10 x 10) and a washer that will be used occasionally (3 x 50).

ALL WORK IS TO CONFORM TO OREGON ADMINISTRATIVE RULES, CHAPTER 340, DIVISIONS 71 & 73. WORK MUST BE DONE BY THE PERMITTEE OR BY A LICENSED SEWAGE DISPOSAL SERVICE BUSINESS. MAKE NO CHANGES IN SYSTEM LOCATION OR SPECIFICATIONS WITHOUT WRITTEN APPROVAL FROM THE PERMIT ISSUING AGENT.

SYSTEM SPECIFICATIONS

[X] Standard [] Capping Fill [] Sand Filter [] Seepage Trench [] Seepage Bed [] Pressurized Distribution
[] Tile Dewatering [] ATT - Treatment Level Required: [] I or [] II [] Other: _____

Specify Type

Max. Peak Design Flow: 730 Gal/Day Min. Septic Tank Volume: 2000 Gal Min. Dosing Tank Volume: _____ Gal

Special Tank Requirements: Oregon Approved Septic Tank

DRAINFIELD SPECIFICATIONS

Media Type: [] Rock/Pipe [X] Other (Product/Manufacturer): Contractor will be using infiltrator chamber with rabbit wire or hardware cloth (1/2" openings) as a rodent barrier.

Trench Spec.: 400 Linear Ft. 2 Trench Width (Ft.) Undisturbed Soil Between Trenches: 8 feet
Max. Depth: 36 inches Min. Depth: 24 inches Total Rock Depth: 12 inches
Rock Below Pipe: 6 in. Rock Above Pipe: 2 in. Capping Fills - Min. Depth of Fill Material : _____ in.

Seepage Bed Specifications: Contractor may choose to increase the length of the drain field. Up to 150 linear feet may be installed under this permit.

Distribution Method: [] Equal [] Loop [] Equal-Hydrosplitter [X] Serial [] Pressurized [] Gravelless Half Pipe

Special Requirements: [] Ground water interceptor: Depth: _____ inches Amount of Drain Media _____ inches

[] Rake Trench Sidewalls [] Filter Fabric On Top of Drain Media [] Other: _____

Inspection Requirements: For Pressurized, Sand Filters, RGFs, ATTs and Capping Fill systems, there are several inspections required. See inspection requirements specific to each system.

The attached Final Inspection Request And Notice Form must be completed and submitted at time of system completion.

For pre-cover inspection information, contact: WSHD

CERTIFICATE OF SATISFACTORY COMPLETION

[X] System Inspection [] Operation of Law - 7 Days Notice [] Pre-Cover Inspection Waived Per 340-071

John Zalaznik
Signature

REHS

WSHD

9/26/07

Authorized Agent - Signature

Title

Office

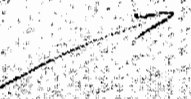
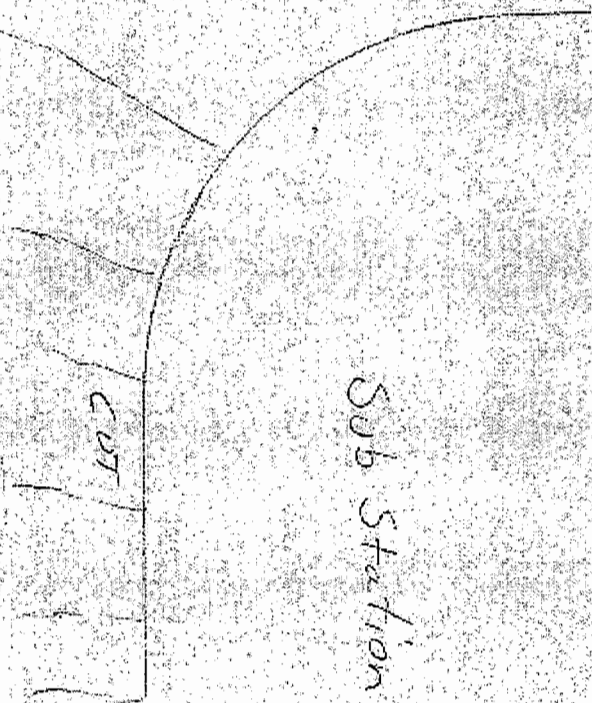
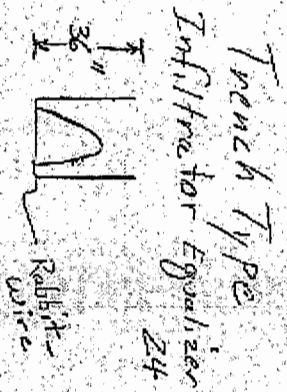
Date

To be valid, this document must be signed by an "Agent" as defined in OAR 340-071-0100.
Requirements for this Certificate of Satisfactory Completion and additional inspection information are attached to this document.

PGE - Biglow Wind Project

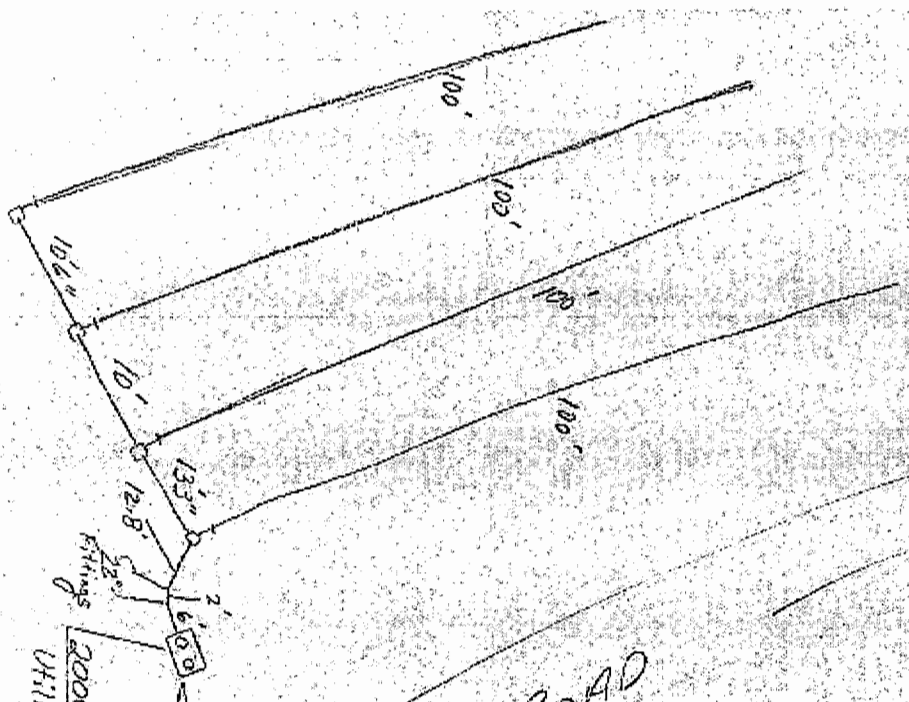
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28-07-002

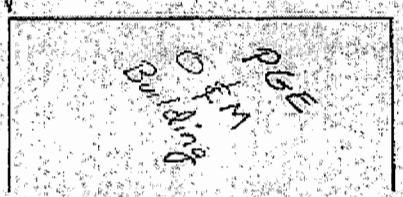


ROAD

Access Area



20000 gal Concrete
Utility Vault Septic Tank



9-26-07

12/3/07
Date Received

FINAL INSPECTION REQUEST AND NOTICE

Pursuant to the requirements within ORS 454.665, OAR 340-71-170 and OAR 340-71-175, the system installer and/or the permittee must notify the Department of Environmental Quality (or its authorized Agent) when the construction, alteration or repair of a system for which a permit was issue is completed (except for the backfilling or covering of the installation). The Department (or Agent) has 7 days to perform an inspection of the completed construction after the official notice date, unless the Department (or Agent) elects to waive the inspection and authorizes the system to be backfilled earlier. Receipt and acceptance of this completed form by the Department (or Agent) establishes the official notice date of your request for the pre-cover inspection. Please complete all four sections of the form and return it to the office that issued the permit. Forms that are determined to be incomplete will be returned.

SECTION 1: BASIC INFORMATION

Property Owner PGE Permit Number 28-07-002 County SHERMAN
Township 2N Range 18E Section 19 Tax Lot 4300 Tax Acct. # 4300
Job Location 96900 Herin Lane Wasco OR 97065
Date System Construction Completed 9/21/07 Date Submitted to DEQ or Agent 9/25/07

SECTION 2: MATERIALS LIST

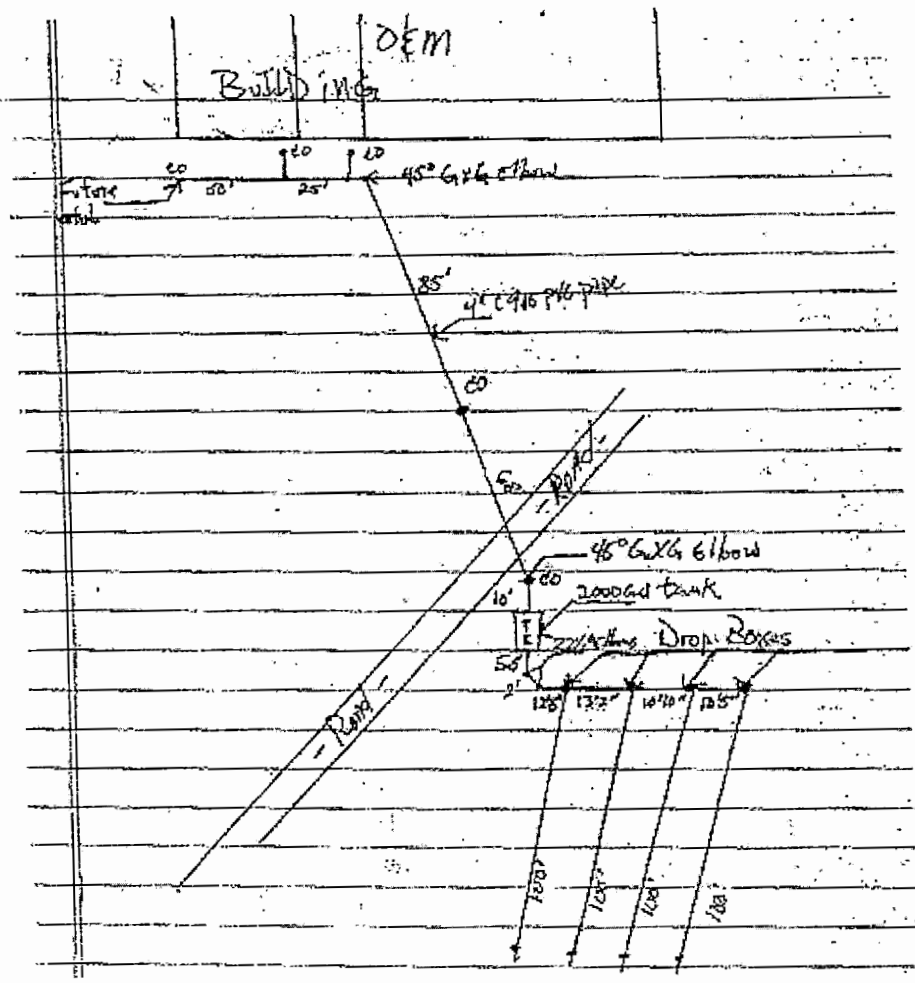
Identify and list all materials used in the system's construction.

- | | |
|--|----------------------|
| 1 - 2000 GAL CONCRETE TANK | WILLAMETTE GRAYSTONE |
| 50' 4" 3034 EFFLUENT PIPE | H D FOWLER |
| 4 DROP BOXES Poly | H D FOWLER |
| 400' WIRE MESH (Rabbit Wire 1/2" mesh) | H D FOWLER |
| 400' INFILTRATOR | H D FOWLER |

Property Owner P.G.E. Permit Number 28-07-002 County SHERMAN

SECTION 3: AS-BUILT PLAN OF THE CONSTRUCTED SYSTEM

Indicate the direction of NORTH and show the locations of all wells within 200 feet of the system.

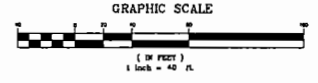
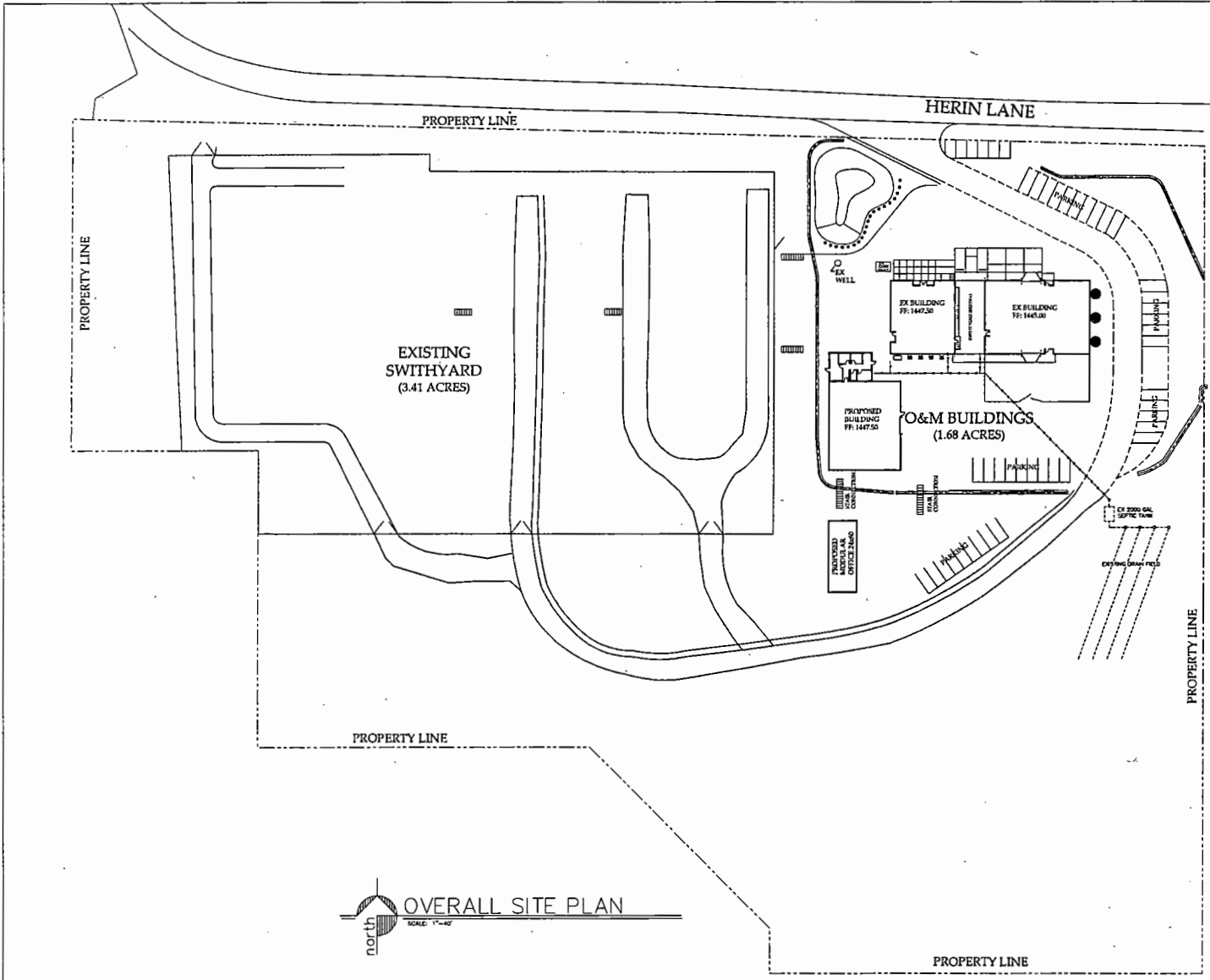


SECTION 4: CONSTRUCTION WAS PERFORMED BY: OR C.C.B. 59857

Property Owner (Permittee)
 Sewage Disposal Service Business: LATHAM EXCAVATION DEC # 36668
Print Full Business Name License Number

I certify the information provided in this notice is correct and that the construction of this system was in accordance with the permit and the rules regulating the construction of on-site sewage disposal systems (OAR Chapter 340, Divisions 71 and 73).

Cougar Coverhill INSTALLER I.P. #
System Installer's Signature Title I-089
9/28/07
Date



OVERALL SITE PLAN
 SCALE: 1"=40'

| | | | | | | | |
|--|---------------|------------------------|-----|---------------|---------------|------|-----|
| 0 | 07-08 | ISSUED FOR INFORMATION | NAS | | | | |
| REV | DATE | DESCRIPTION | BY | CHK | ENGR | SUPV | MGR |
| REVISIONS | | | | | | | |
| PORTLAND GENERAL ELECTRIC CO. PORTLAND, OREGON BIGLOW CANYON | | | | | | | |
| OVERALL SITE PLAN SWITCHYARD AND O&M | | | | | | | |
| APPROVALS | | | | SCALE: 1"=40' | | | |
| DESIGNER: | NESTOR SOTELO | | | DRAWN BY: | NESTOR SOTELO | | |
| DESIGN ENGR: | | | | CHECKED BY: | | | |
| ENGR SUPV: | | | | DATE: | 07-08-2008 | | |
| ENGR MANAGER: | | | | BC-OM-SK4 | | | |



Oregon

Theodore R. Kulongoski, Governor



OREGON DEPARTMENT OF ENERGY

625 Marion St. NE
Salem, OR 97301-3737
Phone: 503-378-4040
Toll Free: 1-800-221-8035
FAX: 503-373-7806
www.oregon.gov/energy

July 21, 2008

Mr. Ray Hendricks
Portland General Electric
121 SW Salmon Street, 3WTCBR05
Portland OR 97204

Re: Biglow Canyon Wind Farm
Change Request #4
Additional O&M buildings

Dear Ray,

We have reviewed your request, dated July 8, for a Department determination under OAR 345-027-0050(5) that the construction of two new O&M buildings does not require an amendment of the site certificate. The need for building a new warehouse and a new office building arises from PGE's decision to use a different turbine supplier for Phase II (Siemens) than for Phase I (Vestas). You have explained that the personnel for these competing turbine suppliers cannot share the existing O&M structure, due to their concerns about protection of "proprietary information and technology." PGE is planning for Vestas personnel to move into the new structures no later than December 2008 so that Siemens personnel can occupy the existing structure.

In your letter, you indicate that the construction contractor is ready to begin construction of these buildings and "it is imperative that construction of the new O&M facilities commence as soon as possible." For this reason, PGE cannot defer the request for approval of the additional structures to the amendment proceedings for PGE's anticipated Request for Amendment #3.

Under OAR 345-027-0050(5), a certificate holder may ask the Department to determine whether a proposed change requires a site certificate amendment by submitting a request describing the proposed change, the certificate holder's analysis under OAR 345-027-0050(1) and (2) and the evaluation described in OAR 345-027-0050(3). The Department may refer its determination to the Council.

In your letter of July 8, you conclude that an amendment is not required for the proposed new O&M buildings, based on the factors in OAR 345-027-0050(1). You state that "OAR 345-027-0050(2) is not directly relevant to PGE's request." We believe, however, that the construction of additional O&M facilities to accommodate the proprietary concerns of competing turbine suppliers is allowable under OAR 345-027-0050(2) for the reasons discussed below and that analysis of the factors in OAR 345-027-0050(1) is unnecessary.

Under OAR 345-027-0050(2), a site certificate amendment is not required if a proposed change to the design, construction or operation of the facility is "in substantial compliance with the terms and conditions of the site certificate" and is a change "to an aspect or feature of the facility, operating procedures or management structures not addressed in the site certificate."



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The determination of whether a change is or is not addressed in the site certificate is necessarily a case-by-case, fact-based determination. Under the specific circumstances of this request, we conclude that the proposed O&M structures is a change to both operating procedures and management structures not addressed in the site certificate. Although the site certificate describes an O&M building, the site certificate does not address the need for separate facilities for use by personnel of competing turbine suppliers. The need for separate O&M facilities was not anticipated.

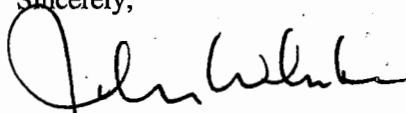
As described in your request, two new structures would be built within the previously-approved five-acre O&M facility site. No expansion or modification of the site boundary would be necessary. The new structures would consist of a warehouse (approximately 5,200 square feet) and an office building (approximately 1,500 square feet). The warehouse would be "similar in appearance" to the existing O&M building. Both of the new structures would be built in compliance with Conditions 50 (specifying finish) and 51 (specifying design consistent with the character of buildings used by farmers and ranchers in the area). The new structures would comply with Condition 20, which specifies setback requirements consistent with County ordinances. Water for the new structures would be supplied from the existing well, in compliance with Condition 75. Sanitary wastewater disposal would be discharged to the existing county-permitted septic system, in compliance with Condition 83. For these reasons, we conclude that the construction of additional O&M facilities within the previously-approved site would be "in substantial compliance with the terms and conditions of the site certificate."

As discussed in your letter, a revised financial assurance letter of credit is required before construction of Phase II of the Biglow Canyon facility, in compliance with Condition 9. Because the new structures are associated with Phase II, the estimated cost for removal of these structures must be included in the revised LOC total. We will assist PGE in the calculation of the appropriate amount based on the costs shown in Table 3 of the Final Order on Amendment #2.

We agree with your evaluation, required under OAR 345-027-0050(3), and conclusion that the proposed O&M structures are consistent with applicable Council standards.

For the reasons discussed above, we have determined that a site certificate amendment proceeding is unnecessary and that you may construct the two new structures described in your letter of July 8. Please include a description of this change request and our determination in the next annual report required under OAR 345-026-0080 and Condition 122. In the annual report, please describe any unanticipated impacts that result from construction of the new O&M facilities and describe how PGE addressed those impacts.

Sincerely,



John G. White
Senior Analyst

July 21, 2008

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altered turbine corridors (for example, Soil Protection conditions 26-35 and Historic, Cultural and Archaeological conditions 69-73).”

You have not addressed Conditions 13 and 103 (which require the certificate holder to construct the facility “substantially as described in the site certificate”) and Condition 59 (which describes restrictions on the location of turbines and other facility components).

For Conditions 13 and 103, the issue is whether the proposed micro-siting corridor modifications would change the facility to such an extent that the construction would fall outside the scope of what is “substantially” described in the site certificate. The modification affects turbine locations, locations of parts of the power collection and control systems, locations of access roads and locations of temporary disturbances associated with laydown areas and crane paths. All of the changes in location, however, are contiguous with the previously-approved micro-siting corridors. No new corridors are proposed, and most of the construction disturbance for the facility components associated with strings 2, 5 and 13 would remain within the previously-approved corridors. As described above, the corridor modifications would not significantly alter the permanent footprint area. For these reasons, we conclude that the proposed modifications would not impair PGE’s ability to comply with Conditions 13 and 103.

Determining whether the proposed corridor modifications would “impair” PGE’s compliance with Condition 59 requires a careful analysis and interpretation of the condition language. The condition is as follows.

- (59) The certificate holder may construct turbines and other facility components within the 500-foot corridors shown on Figures P-1 through P-10 of the site certificate application and March 2006 supplement, subject to the following requirements addressing potential habitat impact:
- (a) The certificate holder shall not construct any facility components within areas of Category 1 or Category 2 habitat and shall avoid temporary disturbance of Category 1 or Category 2 habitat.
 - (b) The certificate holder shall design and construct facility components that are the minimum size needed for safe operation of the energy facility.
 - (c) To the extent possible, the certificate holder shall construct facility components in the locations shown on Figure C-2 of the March 2006 site certificate application supplement.

We have reviewed the Council’s Final Order on the Application (June 30, 2006). The Council adopted Condition 59 in support of findings under the Fish and Wildlife Habitat Standard, but there is little discussion about the rationale for the condition in the Final Order (we note a reference to “500-foot corridors” on page 102). We believe that the overriding concern addressed by Condition 59 is the potential impact of the facility on high-value habitat. Subsection (a) specifically prohibits construction within Category 1 or Category 2 habitat and requires avoidance of temporary disturbance of those areas. The proposed corridor modifications would not impair PGE’s ability to comply with these requirements. Approval of the modifications would be subject to the requirements of this condition. Specifically, PGE must avoid disturbance to the Category 1 habitat north of string 2, described above.

The modifications would not impair PGE’s compliance with subsection (b) of Condition 59, which requires facility components to be “the minimum size needed for safe operation of the energy facility.” The data you have provided show that the net area occupied by access roads

July 21, 2008

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would be somewhat reduced, if PGE is allowed to build the facility as proposed with the modified microsites areas.

Subsection (c) of Condition 59 requires PGE to build the facility components in the locations shown on Figure C-2 in the Application Supplement "to the extent possible." The Final Order contains no discussion of this qualifying language that might help us interpret the circumstances in which it would not be "possible" to construct facility components in the locations shown on Figure C-2. There is no information in your request that suggests that it would not be "possible" to construct the facility using the previously approved microsites corridors, and we must assume that it would be "possible" to build turbines T-81, T-98 and T-100 (and their associated access roads, collector lines and communication lines) in the locations shown on Figure C-2.

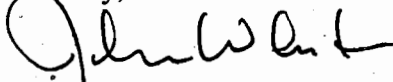
In the context of this change request, we do not believe that an arbitrarily constrained, literal interpretation of the qualifying phrase, "to the extent possible," serves the Council's interest in efficient use of the site certificate amendment process. In consideration of the apparent concern for habitat impacts that Condition 59 addresses and the fact that the proposed microsites area modifications would have no substantial effect on temporary or permanent habitat disturbance, we believe that approval of the modifications would not significantly impair PGE's ability to comply with Condition 59.

The final factor under OAR 345-027-0050(1) would require a site certificate amendment if the proposed change "could require a new condition or a change to a condition in the site certificate." You conclude that no new or changed conditions are needed, because the site certificate already contains adequate conditions to address the impacts that might arise from the changes addressed in your request. Although our analysis of Condition 59, discussed above, suggests that a clarification of the condition might be useful (and could be accomplished as part of a future amendment proceeding), we do not believe that the proposed corridor modifications "require" a change to the condition or any new condition.

We agree with your evaluation, required under OAR 345-027-0050(3), and conclusion that the proposed microsites area modifications are consistent with applicable Council standards.

For the reasons discussed above, we have determined that a site certificate amendment proceeding is unnecessary and that you may modify the three microsites areas as shown on Figures 1-3 that you sent to us on July 8. Please include a description of this change request and our determination in the next annual report required under OAR 345-026-0080 and Condition 122. In the annual report, please describe any unanticipated impacts that result from modification of the microsites areas and describe how PGE addressed those impacts.

Sincerely,



John G. White
Senior Analyst