



DAVID EVANS  
AND ASSOCIATES INC.

April 17, 2006

RECEIVED

APR 19 2006

DEPARTMENT OF ENERGY

Adam Bless  
Oregon Department of Energy  
625 Marion Street NE  
Salem, Or 97301

**SUBJECT: PACIFIC ETHANOL – PORT OF MORROW SITE**

Dear Adam:

This letter is to request an exemption from the requirement for a Site Certificate for the Pacific Ethanol project proposed at the Port of Morrow's Boardman Industrial Park. OAR 345-015-0350 (Council Determination of Exemption) states that a facility is exempt if:

- It uses biomass exclusively from grain, wheat or potatoes as the source material for conversion to a liquid fuel;
- Has received local land use approval under the applicable acknowledged comprehensive plan and land use regulations of the affected local government and the facility complies with any statewide planning goals or rules of the Land Conservation and Development Commission that are directly applicable to the facility under ORS 197.646(3);
- Requires no new electric transmission lines or gas or petroleum product pipelines that would require a site certificate; and
- Produces synthetic fuel, at least 90 percent of which is used in an industrial or refueling facility located within one mile of the facility or is transported from the facility by rail or barge

***Description of the proposed plant***

The proposed Pacific Ethanol project has been described in the Notice of Intent submitted to the Department of Energy in February 2006. Briefly, the project will be located on approximately 25 acres at the Port of Morrow's Boardman Industrial Park and will produce up to 42 million gallons per year of ethanol.

***Source of material***

Initially, corn will be the raw material to be converted to ethanol. Ultimately, because potatoes and wheat are produced locally in Morrow County, the plant may use these other raw materials, or a combination of these raw materials for conversion to ethanol. No other material will be used to produce ethanol at this plant.



***Land use approval***

Morrow County has reviewed the project and determined that no land use approval is required for the project (see attached April 11, 2006 letter). Building permits will be obtained prior to construction to ensure appropriate setbacks, adequate parking, and other requirements related to construction of the plant are met. The contact information for Morrow County Planning is:

Carla McLane, Planning Director  
Morrow County Community Development  
100 S Court Street  
Heppner 97836  
(541) 481 -2112

***Statewide planning goals***

None of the statewide planning goals apply directly to the project. The site contains no Exclusive Farm Use zoned land, so Goal 3 does not apply. The County Comprehensive plan has been acknowledged and addresses all of the statewide goals (see attached April 11, 2006 letter).

***Expected electrical loads and fuel needs***

The proposed ethanol plant will utilize approximately 3.5 MW of electricity; power will be provided to the site by Umatilla Electric Coop. Either a 12 or 13.5 kV, whichever is available, transmission line of less than 2000 feet will be constructed to the plant for this purpose. As defined by (rule citation), this does not meet the definition of a transmission line that would require a site certificate.

Gas will be provided by Cascade Natural Gas Company via a 3500-foot long, 6-inch diameter pipeline. The maximum connected load will be 3,628,800 cubic feet per day; the average for the 42 million gallon-per-year (MGY) plant will be 3,000,000 cubic feet per day. As defined by (rule citation), this does not meet the definition of a gas pipeline that would require a site certificate.

***Synthetic Fuel Transportation***

The primary market for the ethanol will be the Portland metropolitan area. Secondary markets would be Puget Sound and California. It is anticipated that the ethanol would be blended with other fuels in these market centers prior to distribution to retail outlets. Ethanol produced will be 42 MGY, or 800,000 gallons per week.

Rail access at the Port of Morrow is excellent, and easily will be able to transport 90 percent or more of the ethanol produced at the plant. The Union Pacific Mainline passes right through the Port's Boardman Industrial Park. The Pacific Ethanol Facility will adjacent to the existing rail loop track (see attached map), which can handle unit trains of approximately 100 cars simultaneously. Assuming the ethanol product is shipped from the plant by rail car, the 42 MGY ethanol production rate represents about 27 tanker cars per week. Ninety percent of this would be about 38 MGY, or just over 24 rail tanker cars per week.

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April 17, 2006  
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Pacific Ethanol and the Port of Morrow intend to construct a new barge facility on the Columbia River to accommodate transportation of ethanol by barge to Portland. This facility will be completed by the time the ethanol plant becomes operational. As shown on the attached drawing, this would require construction of a 3500-foot long pipeline from the plant to load the barges with ethanol. Barges that may be available for the purpose of transporting ethanol to Portland would typically have a capacity from of 100,000 gallons. Seven to eight barges per week would be necessary to transport 90% of the ethanol to market by this mode.

Please call me at (503.499.0369) if you have any questions, and let me know when the council might decide to take action on this request.

Sincerely,

**DAVID EVANS AND ASSOCIATES, INC.**

A handwritten signature in cursive script, appearing to read 'Dana Siegfried'.

Dana Siegfried  
Project Manager

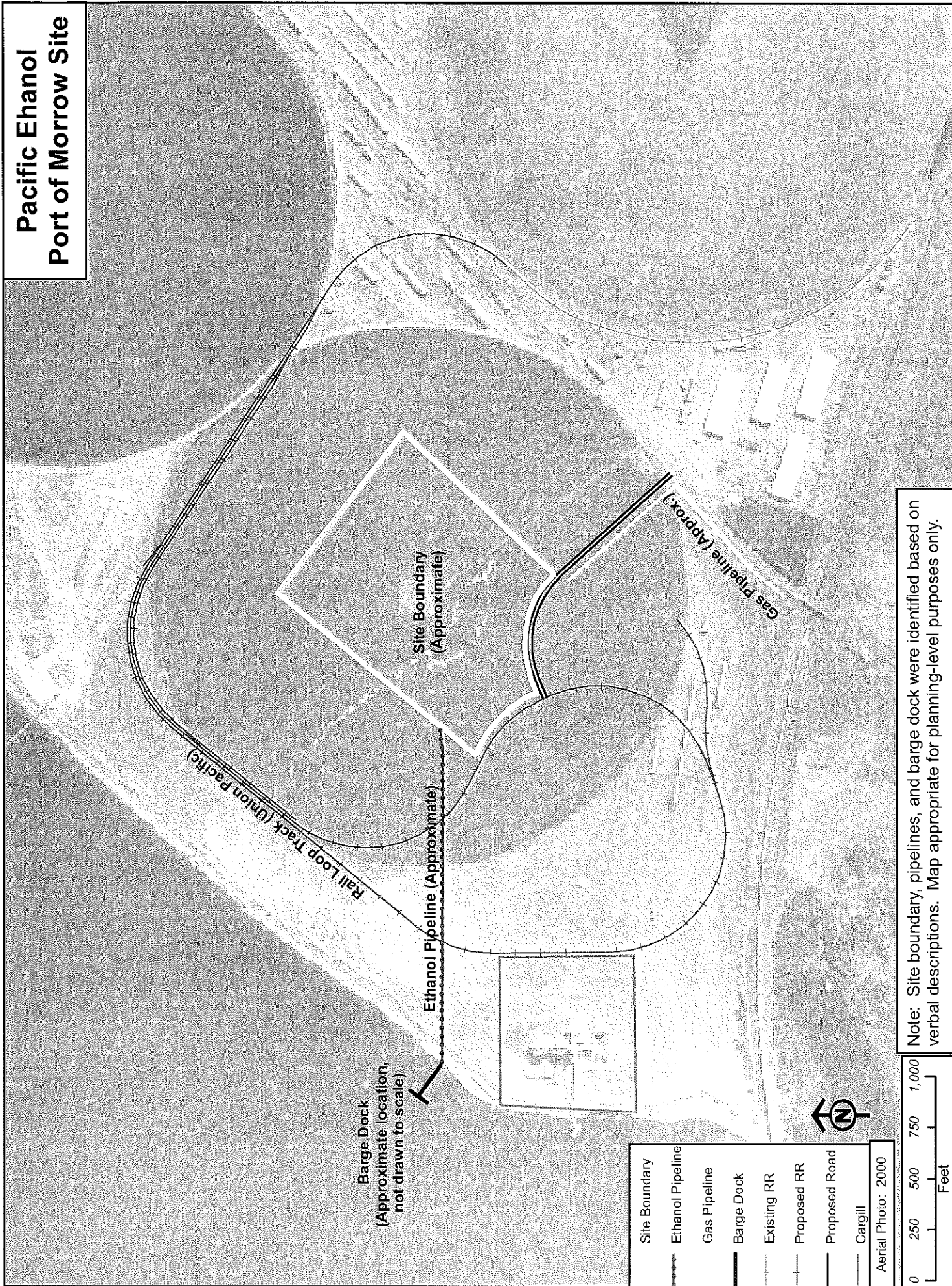
Copies: Tom Koehler, Pacific Ethanol

Attachments/Enclosures:

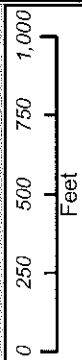
Site Map

April 11, 2006 letter from Carla McLane, Morrow County Planning Director

# Pacific Ehanol Port of Morrow Site



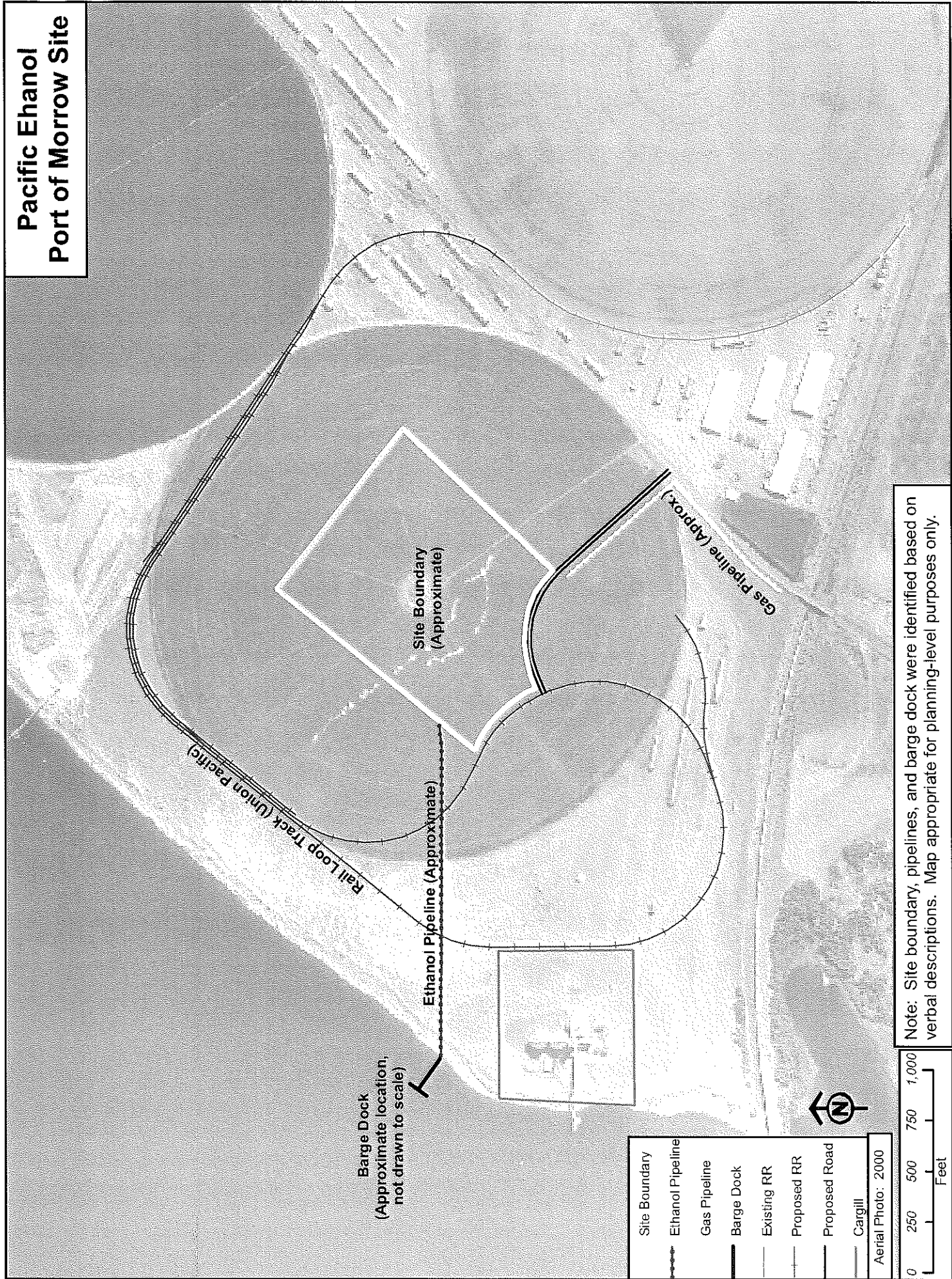
Site Boundary	—
Ethanol Pipeline	—
Gas Pipeline	—
Barge Dock	—
Existing RR	—
Proposed RR	—
Proposed Road	—
Cargill	—
Aerial Photo: 2000	



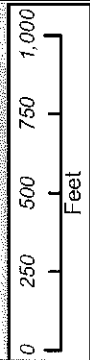
Note: Site boundary, pipelines, and barge dock were identified based on verbal descriptions. Map appropriate for planning-level purposes only.



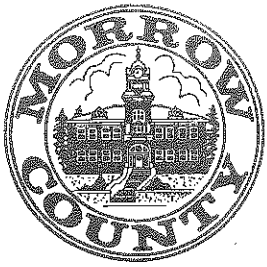
# Pacific Ehanol Port of Morrow Site



- Site Boundary
  - Ethanol Pipeline
  - Gas Pipeline
  - Barge Dock
  - Existing RR
  - Proposed RR
  - Proposed Road
  - Cargill
- Aerial Photo: 2000



Note: Site boundary, pipelines, and barge dock were identified based on verbal descriptions. Map appropriate for planning-level purposes only.



## PLANNING DEPARTMENT

P. O. Box 40 • Irrigon, Oregon 97844  
(541) 922-4624 or (541) 676-9061 x 5503  
FAX: (541) 922-3472

April 11, 2006

David Evans and Associates  
Dana Siegfried  
2100 SW River Parkway  
Portland OR 97201

Dear Ms. Siegfried:

Per your request, this letter has been written and is being sent to aid Pacific Ethanol in meeting the requisites and securing an exemption under OAR 345-015-0350(5) from the Energy Facility Siting Council for your proposed ethanol production facility to be located at the Port of Morrow in Boardman, Oregon. The Morrow County Planning Department does hereby state that Pacific Ethanol, to be located at the Port of Morrow in Boardman, is an outright allowed use as defined within the Morrow County Zoning Ordinance. By meeting the requirements of the Port Industrial use zone by extension the planning goals of the Land Conservation and Development Commission that are applicable to your facility are also met.

I would also like to take this opportunity to share, as a reminder, that while the facility is allowed as an outright permitted use a Zoning Permit and applicable Building Permits will still be required. Specifically Section 4.165 Site Plan Review of the Morrow County Zoning Ordinance will be applicable.

Please contact me should you have any questions or require additional information for your exemption from the Energy Facility Siting Council at 541-922-4624 or by email at [cmclane@co.morrow.or.us](mailto:cmclane@co.morrow.or.us). It has been a pleasure working with you and others on this project.

Cordially yours,

A handwritten signature in cursive script that reads "Carla McLane".

Carla McLane  
Planning Director