

Morrow County Court
August 31, 2016
Boardman, Oregon
Port of Morrow Riverfront Center
2 Marine Drive

Present

Judge Terry Tallman
Commissioner Don Russell
Jerry Sorte, Administrative Officer
Mike Gorman, Assessor/Tax Collector
Kate Knop, Finance Director
Carla McLane, Planning Director
Roberta Lutcher, Court Executive Assistant
Melissa Lindsay, Judge-Elect
Wendy Veliz, PGE, Government Affairs

Craig Armstrong, PGE, Generation Projects
Rick Tetzloff, PGE, Generation Projects
Karen Pettigrew, Boardman City Manager
Rick Stokoe, Chief of Police, Boardman/
Port of Morrow Commissioner
Barry Beyeler, Community Development
Director, City of Boardman/Chair,
Energy Facility Siting Council

Excused

Commissioner Leann Rea

Call to Order: 10:03 a.m.

PGE Update

Ms. Veliz began by saying PGE is looking at new potential projects in Morrow County. She said PGE would like to get in front of the information and avoid speculation. She then introduced Mr. Tetzloff and Mr. Armstrong as Project Managers for the proposed projects in Morrow County.

Mr. Tetzloff said the potential expansion projects in the initial permitting process are Carty Unit 2, Carty Unit 3, and Carty Solar Farm. He explained that Carty 1, which came into service on July 29th, is a highly efficient combined cycle, natural gas-fired plant and is the “anchor facility” for PGE’s portfolio going forward.

The following is excerpted from PGE’s presentation regarding the proposed projects and timelines, assuming all goes well with the permitting and proposal processes:

“Carty Unit 2 (390-530 Megawatt)

Highly flexible combined cycle for capacity, energy, and variable renewable integration

- Located at Carty site alongside Unit 1
- Using existing infrastructure
 - Natural gas pipeline from GTN (Gas Transmission Northwest)
 - Transmission line to BPA (Bonneville Power Administration)
- Construction: 2018-2021, if selected as prevailing bid in competitive Request for Proposals (RFP) after Integrated Resource Plan (IRP) acknowledgement

Carty Unit 3 (225-330 MW)

Highly efficient simple cycle frame-type combustion turbine for capacity and variable renewable integration

- Located on Boardman Plant site just north of boiler building
- Using existing infrastructure
 - Natural gas pipeline from GTN
 - Transmission line to BPA
- Construction: 2019-2021, if selected as prevailing bid in competitive RFP after IRP acknowledgement

Carty Solar Farm

- Site Capacity: 50 MWac
- ...
- Site size: approximately 315 acres located on existing Boardman Plant property and adjacent to the existing Boardman Plant ash disposal area and Carty Reservoir
- ...
- Transmission: 34.5 kV gen-tie line to interconnect at either of the existing generation sites or Grassland Switchyard
- Construction timeframe: less than 12 months; 2018-2022 dependent on permitting requirements and economics”

Mr. Tetzloff noted all three projects are independent of each other and at the end of the day, they may not get approved. He then discussed the IRP and RFP in greater detail and said PGE would not be submitting a bid on this project. He explained that last time PGE selected a separate contractor it wasn't the one ultimately chosen – Abensia was. He said there is an advantage to not following that approach next time. If top tier contractors see a selected party, they won't waste their time or money - it discourages competition, he said. There will also be more stringent qualifications for contractors next time, he added.

Later in the presentation, Mr. Beyeler asked if torrefaction has been “scuddled.” Mr. Tetzloff responded that research and development efforts continue but PGE needs to decide relatively soon what the future is for the plant – pursue biomass or decommission. The economics aren't great for it because gas is so cheap, but it could be possible further down the road, he said.

Ms. Veliz discussed regulations around transmission line siting and said they create obstacles for expansion. Mr. Beyeler commented he didn't see regulations coming, but did see legislation as PGE's biggest concern. Ms. Veliz agreed, adding there is something coming in the 2017 session that they will be watching.

Mr. Armstrong outlined the specifics of the proposed solar farm and responded to questions. Ms. Veliz discussed the potential local benefits of the proposed projects.

Ms. Pettigrew asked if Measure 97 will affect PGE. Ms. Veliz said the company has done an analysis and the conservative impact would mean a two-percent rate increase for all customers, suppliers, etc. The cost of doing business will go up, she said. PGE and its President and Chief Executive Officer, Jim Piro, have taken a strong position against Measure 97, she said. PGE is also contributing toward the campaign opposing the measure by as much as \$200,000, she offered.

In her concluding remarks, Ms. Veliz thanked the Court for the meeting and said there may be an “ask” coming from PGE depending on how the projects progress. We may be back for support or assistance, she said. Judge Tallman said he’d be more than ready to listen and provide what is needed to help.

Adjourned: 11:15 a.m.