

INTRODUCTION REGARDING SB 1519 and SB 1537

Since much of the language is similar in both these bills, I am addressing SB 1519 first. The comments also apply to SB 1537 along with additional specific comments listed at the end of this document. I noted the page and line where the information starts in the introduced bill for reference.

Both these bills are a very positive step in addressing the problems inherent in the current process of energy siting in Oregon. I thank Senator Olsen and the committee for proposing these changes. My comments are often simply editorial in nature. I provide them simply for your consideration.

Moving policy and rules to the Oregon Energy Commission is a positive step in improving public perception that rules are developed to meet the needs of the agency and a few stakeholders.

SPECIFIC COMMENTS

Page 6, line 2: While monitoring is an important component of a well run organization, I question the use of the commission to perform this function. This commission is going to have many responsibilities and in the interests of them obtaining quality outcomes, it seems that this activity would better fall under the office of the Secretary of State. This office has staff trained in monitoring, evaluating and compiling audit results which appears to be the intent of this section.

Page 7, Section 14: References to the need to focus on balanced review and accountability demonstrate a positive direction.

Page 7. Line 16: (A) I believe the use of the terms “generation” and “production” are referring to the same activity. I encourage the addition of information regarding the amount and sources of energy that is purchased from out of state. In light of the potential for a “cap and trade” bill, a policy decision should be made regarding whether or not Oregon citizens should be taxed on carbon generated in other states, and whether the state constitution allows it.

Page 7 and Page 8, Line 31. Section 14 and Section 16 appear very similar. It might be clearer if you only used Section 14 as the report for both groups and added any additional items you want included in the second report such as Item (2)(b) from Page 8 requiring information on how existing programs or newly Implemented programs are impacting greenhouse gas emission reduction and any other items specifically requested for the second report.

Page 16, line 39: Please note that developers dissatisfied with the amount of their assessment address their concerns through the Circuit Courts. When the public is dissatisfied with rules or actions, they must go directly to the Oregon Court of Appeals. I encourage you to consider having appeals of rules also be directed to the Circuit Court.

Page 17, Line 18: I suggest the words, “if the court determines that the director had no objectively reasonable basis for asserting the claim or no reasonable basis for appealing an adverse decision of the trial court” be removed. This statute provides a higher standard for award of attorney fees for defendant who prevails in a court action than the director. I believe it should be the same.

Page 21, Line13: Providing loans to industrial or manufacturing employer with 200 employees or fewer seems to be a large number for a program intended for small employers. Recommend reducing number of employees to 100 or fewer.

Page 21, lines 26 and line 30: The use of the term “primarily” to state where the employer must be located lends itself to differing interpretations and opportunities for abuse. It seems prudent to limit the program to employers located in Oregon.

Page 21, Line 39: The use of the term “indirectly” to describe the need to reduce the use of energy also provides opportunity for multiple interpretations. It also makes it nearly impossible to determine whether the loan reated any impacts. Consider requiring that it directly reduce the use of energy.

Page 22, Line 25: Recommend removal of (e) and (f) and that these loans not be available to state or federal agencies. Shuffling money between state agencies is highly inefficient and results in reducing the value of the funding available due to administrative costs to approve the loans and repay them. In addition, it is viewed by many citizens as a method of avoiding public disclosure of the actual budget of the receiving agency and leaves future legislators in the position of having to budget for items they never approved in the first place.

Page 23, Line 20: Recommend adding to the statement that at least one member must represent the interests of each of the groups identified.

Page 23, Line 30: Recommend that the Oregon Business Development Department draft the rules after consultation with the Small Scale Local Energy Project Advisory Committee. Draft rules must be approved by the Commission prior to start of the required rulemaking public process. This recommendation is also intended to control the workload of the Commission.

Page 23, line 30 and Page 26, Line 10 and Line 17: Recommend removing state and federal agencies as being eligible for this program. The process involved with providing loans to state agencies eats up a large amount of money in administrative costs that do not benefit the public or the environment. There are costs for both the agency and the Business Development Department associated with determining eligibility for the loan, costs associated with the receiving agency processing the loan and making payments on the loan, and costs on the agency receiving the money for processing the loan payments. Seems a great waste of taxpayer funds compared to having agencies simply include the request in their budget or have them pay for it out of their existing budget. This process is extremely inefficient. Also, the public has reason to be dissatisfied when large amounts of public funds are eaten up by administering the program.

Additional comments for your consideration:

1. Is there a limit on Loan Amounts or the total loan program amount?
2. Is there a maximum on the % of total funds that can be used for publicity and administration of the program? It would be helpful to establish a maximum % of funds that could be used for administrative purposes.

Page 51, Line 8: I believe there may be an error in the dates listed. Both section (4) and (5) reference site certificates issued prior to July 2, 1975. I am confused regarding why section 4 lists a date at all. Isn't it the intent that all site certificates include monitoring of environmental and ecological effects to

ensure compliance with the site certificate? I encourage you to look at the wording and determine if a change is needed.

Page 55, Line 20: This section may need to be removed or changed. It identifies actions which were to occur within 365 days of November 1, 1981.

Page 87, Line 28: The inclusion of a study seems to be a good idea. It would require the Oregon Department of Energy to have a plan for how they are going to proceed in meeting the mission and actions delegated to them.

#### Comments Specific to SB 1537

The inclusion of only six members to the committee can make it difficult to make decisions. Adding an additional member to the Oregon Energy Commission would make the function of approving actions much more efficient. It is difficult to get a majority when committees have an even number of members.

Including the requirement to provide a report regarding how the Department of Energy is going to move forward in order to meet their mission would help ODOE in defining their new roles.

Thank you.

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Example of the kinds of things being allowed by the rules being written by the Oregon Department of Energy and Energy Facility Siting Council that make the passing of one of these bills a critical need:

DEPARTMENT OF ENERGY IS UTILIZING THEIR "NEW" AMENDMENT RULES TO ALLOW DEVELOPERS TO MAKE CHANGES WHICH MEET THE DEFINITION OF NEW DEVELOPMENTS AND APPROVE THEM AS AMENDMENTS. FOLLOWING ARE TWO EXAMPLES:

-- ONE WILL INCREASE THE SITE BOUNDARY BY OVER 13,000 ACRES AND ADD A NEW DEVELOPMENT WITH A DIFFERENT SOURCE OF ELECTRICITY WHICH SHOULD BE PROCESSED AS A NEW APPLICATION, BUT ODOE IS PROCESSING IT AS AN AMENDMENT.

--A SECOND WILL MAKE CHANGES AND ADDITIONS WHICH MEET THE DEFINITION OF A NEW TRANSMISSION LINE, BUT ODOE IS PROCESSING IT ALSO AS AN "AMENDMENT".

The public will be almost entirely removed from input regarding these changes and the chances of being allowed a contested case is virtually non-existent.