

OREGON DEPARTMENT OF ENERGY

NOTICE OF DRAFT PROPOSED ORDER And PUBLIC HEARINGS On the Proposed COB ENERGY FACILITY

On September 5, 2002, COB Energy Facility, LLC (COB), submitted an Application for Site Certificate (ASC) for its proposed 1,160 megawatt gas-fired power plant (facility) about three miles south of Bonanza in Klamath County. In order to construct the proposed facility, COB must obtain a Site Certificate from the Energy Facility Siting Council (“the Council”).

The Department of Energy (DOE) serves as staff to the Council and has reviewed COB’s application for compliance with applicable regulations of the Council and other state and local agencies.

Draft Proposed Order Issued

On December 30, 2003, DOE issued a Draft Proposed Order on the proposed facility. In the Draft Proposed Order, DOE recommends approval of the proposed facility, with conditions.

Public Hearings

DOE has scheduled two public hearings on the Draft Proposed Order. You may attend either one. It is not necessary to come to both. The hearings are at:

2 p.m. Thursday, January 22, 2004 Lorella Community Hall 9787 E. Langell Valley Rd. Lorella, OR	7 p.m. Thursday, January 22, 2004 Exhibit Hall #2 Klamath County Fairgrounds 3531 South Sixth St. Klamath Falls, OR
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You do not need to attend more than one session. The purpose of the afternoon and evening sessions is to make sure that people with different schedules can attend at least one session.

The Council has appointed an independent hearing officer to preside over these hearings. The hearing officer is Virginia Gustafson. Her address is P.O. Box 1735, Corvallis, OR 97339.

BPA Open House

Please note that the Bonneville Power Administration (BPA) is considering COB's request to connect with the Federal Transmission System, as documented in the federal draft environmental impact statement (EIS) published in November. This federal process is separate from Oregon's siting process, and the two reviews are not connected.

To facilitate public review of the draft EIS, BPA will hold a public open house reception prior to each Department of Energy draft proposed order hearing. The first open house will start at the Lorella Community Hall at noon on January 22. The second will start at the Klamath County Fairgrounds at 5 p.m. BPA is not planning a formal presentation, but representatives of BPA, COB, and the EIS contractor will be available to discuss the project and the draft EIS. Comments are due on the draft EIS by February 13, 2004.

Description of the Facility

COB originally proposed its facility as a water-cooled facility. In response to public comment on its plans for water use, COB amended its application to propose an air-cooled facility.

The facility would require a total of about 300 acres for all of its components. Because more than 20 of the acres for the energy facility would be farmland, COB would require an exception from State Land Use Planning Goal 3 to build its facility. Oregon law provides for the consideration of exceptions to state land use planning goals, and the Department has recommended that the Council allow a Goal 3 exception for the proposed facility. The Department also has recommended that the Council allow a Goal 4 exception for the proposed facility to the extent that one is needed.

COB would require a new water right for its proposed water use of a maximum of 210 gallons per minute of water for industrial use and 90 gallons per minute of water for irrigation from March 1 to October 31. The Department has recommended that the Council direct the Department of Water Resources to issue COB a water use permit. The priority date on the water permit would be April 29, 2002.

Main components of the proposed facility include:

- Four combustion turbine generators, four heat recovery steam generators, and two steam turbine generators. With duct burning, the facility would produce a maximum of 1,160 MW. The applicant has requested the ability to build the facility in two phases of 580 MW each.
- An on-site switchyard.
- One existing and two new water supply wells located almost three miles east of the energy facility site. COB would deliver the water from these wells to its energy facility by means of a 6-inch diameter, 2.8-mile water supply pipeline. To use this water, COB would need a new state-administered water use permit.
- A 3-million-gallon on-site storage tank for raw water.
- Two on-site five-million-gallon process wastewater storage tanks and a 31-acre irrigated pastureland area for irrigation of industrial wastewater.
- An adjacent back-up evaporation pond to provide for disposal of wastewater should DEQ or DOE determine the land application system does not function as designed.
- An on-site storm water infiltration basin.
- An on-site septic tank and leach field.

- A 20-inch diameter, 4.1-mile natural gas pipeline to connect the energy facility with the existing PG&E Gas Transmission Northwest pipeline to the west.
- A 7.2-mile electric transmission line from the energy facility that would run south from the energy facility to the Bonneville Power Administration's Captain Jack Substation. The line would consist of about 38 transmission towers ranging in height from 100 to 165 feet, with most towers standing 105 to 110 feet. The average transmission tower span would be about 990 feet, with a range from 380 to 1,500 feet.

This is an important hearing

To raise an issue on the record of this hearing, you must raise the issue at one of the hearings or in writing. If you do not raise an issue on the record of this hearing, that issue is precluded from consideration in the contested case. Any comments to the Department about COB received prior to this notice will not be included on the record of this hearing. (The Department used previous comments to help it review COB's application and write the Draft Proposed Order. New comments must now be submitted on the Draft Proposed Order.)

You must comment in person at one of the hearings or in writing by the deadline to participate in the forthcoming contested case or to appeal the Council's final decision. Even if you commented earlier in the process, you must still raise your issues at one of the hearings or in writing to participate in the contested case.

You can comment either in writing by the comment deadline below or by appearing at one of the hearings.

Public Comment Period

You may comment in writing instead of speaking at the public hearings. **DOE must receive your written comments by 5 pm on Friday, February 5, 2002.** This deadline is two weeks after the public hearings. Written comments received by the deadline will be included in the record of the public hearings. Comments should be sent to Catherine Van Horn at the Department of Energy address below.

Comments must be related to one of the applicable Council standards. You must state your issues specifically enough so that the Council can respond to those issues. Also, you must present facts that support your position on the issue.

To See the Draft Proposed Order

The Draft Proposed Order will be available on the Office of Energy website at:

www.energy.state.or.us/siting/facility.htm

Click on "announcements" and follow the links to the proposed COB Energy Facility.

Copies of the Draft Proposed Order and COB's application are available for review at:

Bonanza Library
31703 Hwy 70
Bonanza, OR 97623

Klamath County Library
126 South 3rd St.
Klamath Falls, OR 97601

Bly Library
366 Elder
Bly, OR 97622

DOE will also mail or email a copy of the Draft Proposed Order on request.

To Comment or Request Further Information

Please call DOE with any questions or comments about either the proposed facility or the Draft Proposed Order. Please submit any written comments on the Draft Proposed Order to DOE. The DOE contact for this project is:

Catherine Van Horn
Oregon Department of Energy
625 Marion St. NE
Salem, OR 97301-3742
Phone: (503) 378-4041
Fax: (503) 373-7806
Email: catherine.vanhorn@state.or.us

If you cannot reach Catherine Van Horn, you may contact DOE's administrative assistant, Loretta Kohanes, at (503) 378-2843 for assistance.