



November 14, 2017

Oregon Public Utility Commission
Administrative Law Judge Patrick Power
Attn: PCN 2
PO Box 1088
Salem, Oregon 97308

Via email: puc.hearings@state.or.us

RE: Oregon Farm Bureau, Tillamook County Farm Bureau, and Oregon Dairy Farmers Association Comments on the Tillamook PUD Application for a Certificate of Public Convenience and Necessity

Dear ALJ Power,

The Oregon Farm Bureau Federation (OFB), Tillamook County Farm Bureau (TCFB) and Oregon Dairy Farmers Association (ODFA) appreciate the opportunity to comment on the Tillamook People's Utility District's (Tillamook PUD) petition for a Certificate of Public Convenience and Necessity ("CPCN") authorizing the construction of an 8.6-mile-long overhead transmission line through valuable agricultural land in Tillamook County. OFB, TCFB and ODFA do not believe that this transmission line is necessary or that it presently can or should receive land use approval at the local level. We urge the PUC not to approve this application.

By way of background, OFB is a voluntary, grassroots, nonprofit organization representing Oregon's farmers and ranchers in the public and policymaking arenas. As Oregon's largest general farm organization, its primary goal is to promote educational improvement, economic opportunity, and social advancement for its members and the farming, ranching, and natural resources industry. Today, OFB represents over 7,000-member families professionally engaged in the industry and has a total membership of over 60,000 Oregon families. TCFB is the voice of agriculture in Tillamook County, representing members across Tillamook County, including several who would be impacted by this project.

The ODFA was founded in 1892 to work on behalf of the Oregon dairy farmers. Today, ODFA represents Oregon's 240 dairy farming families. Dairy farms are located in 20 counties and approximately 125,000 cows call Oregon "home." ODFA works to create an atmosphere that is conducive for Oregon dairy producers of all sizes and types of production in all areas of the state.

Tillamook PUD has not demonstrated the necessity of this transmission line. We understand that Tillamook PUD first proposed this project in the late 2000s, and they are basing their demand projections on growth experienced prior to 2011. The demand estimates used in the application do not account for the recent slowing of demand. Indeed, data from the Tillamook PUD shows that demand has been flat or decreasing since 2011, and has a purchase contract with BPA that

estimates future load growth at .25%, not the 1.1% stated in the application. Additionally, the Tillamook PUD appears to have increased its loading estimates since it initiated the Citizen's Advisory Group process in 2014, with actual loading somewhere in the 60% range. Tillamook PUD has not adequately explained the discrepancies in its demand estimates and projected need, and has not adequately explained why this project is necessary in the face of slowing demand. We urge the PUC to closely evaluate the Tillamook PUD's demand and load projections and the need for this project.

Tillamook PUD has also drastically overstated its ability and likelihood to be granted land use approval. While we appreciate Tillamook PUD's work to engage community members in reviewing and commenting on the proposed route for the transmission line, Tillamook PUD has not secured approval of most of the farmers whose property and livelihood will be impacted by the line nor have they accurately captured the myriad of negative impacts the proposed transmission line could have on agricultural operations within its route.

Contrary to what the PUD states in its application, the proposed transmission line is not permitted outright. It may be permitted only after found to be consistent with ORS 215.275. This statute involves discretionary review/approval criteria and constitutes a land use decision. We understand that Tillamook PUD has filed an application with the County, but that application was incomplete and has not begun to move through the permitting process.

The PUC should not approve the application for a Certificate of Public Convenience and Necessity as Tillamook PUD is not guaranteed to secured its local land use approval. Utility facilities may only be permitted in EFU zones if the utility can meet certain criteria, including demonstrating that the route must pass through farm zoned land and minimizing impact on agricultural uses. Tillamook PUD provides only a short paragraph noting that it has located the transmission line along edges of fields and property lines as far as possible. This statement does not demonstrate land use compatibility. Tillamook PUD has not addressed farming practices along the route, any conflicts with the transmission line, any potential mitigation it will provide for the farmers, and a myriad of other issues associated with agricultural compatibility.

Given that the construction and operation of the transmission line will be severely disruptive to the agricultural operations along the route, Tillamook PUD has not demonstrated that its proposed transmission line will receive land use approval. Construction of a transmission line will preclude impacted farmers from utilizing large portions of their property and require significant changes in farming practices during construction. Operation of the line can impact the ability to apply nutrients, aerially address pest and weed issues, and utilize drone technology to assist their operations. Additionally, we have had several reports of impacts to cattle from stray voltage along Tillamook PUD lines that the utility has not addressed. Tillamook PUD has not demonstrated that its line will be compatible with the impacted agricultural operations, that it can mitigate any impacts, or that siting through agricultural lands is necessary. Until the required conditional use permit is approved by Tillamook County, the PUC cannot determine compatibility with the applicable Statewide Planning Goals or the Tillamook County Comprehensive Plan. Tillamook PUD is not guaranteed land use approval, and its application should not be granted absent such approval.

The Tillamook PUD also failed to fully consider all alternatives to the proposed transmission line. The Tillamook PUD’s application dismisses both alternatives to the transmission line as well as alternative routes because it states that neither meet its needs.

As we discussed above, Tillamook PUD has not demonstrated that a new transmission line is necessary or that it can get permit approval for a new transmission line. Tillamook PUD should be required to more fully evaluate and consider upgrading existing facilities instead of dismissing those options as not meeting its needs.

Additionally, even if they can demonstrate need, Tillamook PUD has not fully evaluated alternative routes for a transmission line. Tillamook PUD states that the “alternative routes are reasonable,” but not preferable. They mention costs as a consideration. Cost alone may not be a basis for failing to choose alternative routes under the applicable land use standards. *See* ORS 215.275(3)(“cost alone shall not be the only consideration in determine that a utility facility is necessary... [and] land costs shall not be included considering alternative locations...”).

In this case, Tillamook PUD’s proposed transmission line route is the most cost effective largely because Tillamook PUD assumes that it will be able to acquire easements on agricultural land at sub-market rates, either through purchase or condemnation. Tillamook PUD must include reasonable cost estimates in evaluating the cost of acquisition and should not be permitted to base its estimates on sub-market rates for agricultural land. If Tillamook PUD correctly estimates the costs associated with siting on agricultural land, the cost relative to other routes will become more realistic. At any rate, Tillamook PUD must fully evaluate alternative routes, even those where easement acquisition may cost them more.

Thank you for the opportunity to provide comments on Tillamook PUD’s Application for a Certificate of Public Convenience and Necessity. If you have any questions, please do not hesitate to contact Mary Anne Cooper at maryanne@oregonfb.org or Tami Kerr at Tami.kerr@oregondairyfarmers.org.

Sincerely,



Mary Anne Cooper
Public Policy Counsel
Oregon Farm Bureau Federation



Tami Kerr
Executive Director
Oregon Dairy Farmers Association