

BEFORE THE ENERGY FACILITY SITING COUNCIL
FOR THE STATE OF OREGON

In the Matter of Tillamook People’s Utility District’s Petition for Certificate of Public Convenience and Necessity (PCN-2))	Oregon Coast Alliance’s Intervenor Testimony
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Intervenor Oregon Coast Alliance (ORCA) incorporates all prior testimony from itself and other parties by reference herein. For the reasons set forth below, the Petition for a Certificate of Public Convenience and Necessity should be denied.

I. TPUD has not satisfied all land use criteria

The applicant has not satisfied all (or any) land use criteria for the proposed transmission line. The proposed use is not an outright permitted use, and until all relevant criteria have been satisfied, the Commission is well within its authority to deny the application. The applicant does not rely on a land use compatibility statement. Instead, the applicant appears to simply rely on its own belief that all of the County’s land use regulations and comprehensive plan provisions could be satisfied. This is not enough. Until all relevant criteria have been satisfied, the application for a certification of public convenience and necessity should not be approved.

Moreover, as it relates to Goal 3 consistency. The applicant has not determined what types of farming practices would be subject to the transmission line, what conflicts, what mitigation, and so forth. There is a general failure on the part of the applicant to satisfy the applicable land use criteria. Despite the fact that the land use approval process before the County is in its infancy, it does not appear that the applicant could satisfy such criteria.

II. TPUD has not demonstrated that there is a sufficient need nor that there is a sufficient lack of existing coverage to justify the transmission line

The applicant alleges that the transmission line is “needed to adequately provide reliable service to existing and new customer loads in large portions of Tillamook PUD’s service territory, and is most critical for customers in the coastal areas around Netarts and Oceanside.” Moreover, the applicant alleges, without support, that the existing 24.9kV

line is aging, has limited capacity and limited reliability, and has subjected Tillamook PUD customers to outages of increased frequency. This is nothing more than conclusory allegations. The applicant has not listed the allegedly frequent outages and compared that with historical outages to see if there has been an uptick in such incidents. Without this information, there is simply no way to substantiate the alleged need and justification for the transmission line or demonstrate the reliability of the existing facilities. Indeed, Doris Mast identifies a significant discrepancy in that the outages accounted for by the applicant. The applicant's attempt to justify the new transmission line based on the purported outages is unavailing in light of these unexplained inconsistencies.

The testimony of Doris and David Mast unequivocally undermine the notion that the transmission line is necessary. For example, under the heading "contingency," Doris Mast demonstrates that the applicant changed the capacity of the four substations used in the N-1 scenario, and the disparity in what that change means for capacity of existing transmission lines. In essence, the need has been artificially inflated at significant cost to the PUD consumers.

The alleged necessity of the transmission line is also contingent upon the expected growth of the service area. The testimony of David Mast demonstrates that the applicant has used a 1.1% annual growth rate. In reality, however, the applicant had reduced its forecast to 0.45% and the applicant utilized a 0.25% growth rate over the next 20 years in an agreement with the Bonneville Power Administration. The applicant has, again, artificially inflated the annual growth rate to make it appear as though there is a need for the transmission line.

The applicant also failed to account for energy efficiency in various TPUD consumers. The applicant also failed to account for the trend towards renewable energy infrastructure that will also reduce the demand for electrical usage.

Finally, it does not appear that the applicant has taken into account the seasonality of coastal communities. This omission is simply another error in the applicant's analysis that should be investigated by the Commission.

III. TPUD has not satisfied ORS 758.015(1)

ORS 758.015(1) requires that the applicant set "forth a detailed description and the purpose of the proposed transmission line, the estimated cost, the route to be followed, the availability of alternative routes, a description of other transmission lines connecting the same areas, and such other information in such form as the commission may

reasonably require in determining the public convenience and necessity.” Here, the applicant has not met its burden.

A. The Applicant has not provided a reasonable or objective estimate of the costs of transmission line

The applicant’s cost estimate for the transmission line is \$13,208,700. This number rests on various assumptions and much speculation. The applicant purports a conservative methodology, alleging that “there would be very little impact to current farming practices – only the areas occupied by power poles would be impacted.” This argument, however, does not account for parameters of the easement agreement, including any possible restrictions on farming within the easement or the impact to farm practices from TPUD accessing the site.

An additional glaring omission is the legal and permitting costs for siting of the transmission line. The cost estimate does not appear to include the expected reasonable legal costs to approve the transmission line. If the applicant has not accounted for this cost, then the applicant has not set forth an objective, reasonable estimate of the costs for siting the transmission line. These represent hidden costs that will only be passed upon to TPUD consumers. For example, the applicant has spent significant resources in pursuit of this transmission line, as outlined in their application. But there is no indication that the cost of prior failed attempts has been accounted for in the cost estimate.

B. The applicant has not provided a reasonable or objective review of potential alternative routes

According to the applicant, two alternatives were initially pursued. One route was abandoned because BPA was no longer constructing certain infrastructure near the substation. The second route considered failed to receive approval from the City of Tillamook.¹ The applicant then formed a Citizens Advisory Group that purported to identify feasible routes based upon certain criteria. The applicant admits that “other alternatives are feasible, [but] those alternatives were eventually ruled out because they did not meet the criteria” The application of the criteria, however, do not appear to comport with the final route selected. For example, one criterion purports to prioritize land to be avoided as residential, then commercial, and finally farm/agriculture areas. This allegation clearly contradicts the County’s land use code, including section

¹ The applicant has not disclosed how the cost of pursuing the failed conditional use permit before the City of Tillamook. Again, these are hidden costs that are not being accounted for in the total costs of the transmission line.

3.002(2)(kk) and (4)(n)(1)(a), which requires that a utility facility that is “necessary” and that “reasonable alternatives have been considered and that the facility must be sited in an exclusive farm use zone” due to one of several factors. The County code requires that farmland be elevated over other uses, but the applicant’s PUC testimony does just the opposite by favoring agricultural/farm land for the placement of the transmission line. The applicant’s position that contradicts County code requirements is not a reasonable or objective review of alternatives for the transmission line.

Moreover, testimony establishes that there are viable alternatives to constructing an additional transmission line that would present practical solutions for the outages. As noted by Doris Mast, if the outages are caused overwhelmingly by auto accidents with utility poles or from wind causing falling trees, then the applicant could install guard rails or remove trees that are at risk of falling. Though these are not necessarily alternative routes, they are practical alternatives to an unnecessary transmission line. Other alternatives left unexplored by the applicant include rebuilding existing infrastructure that would not require a new substation or transmission line or otherwise encourage efficiency in its practices and by its consumers.

Finally, the applicant alleges that “alternative routes are reasonable” but not preferable. The applicant inserts costs into this issue, but ORS 215.275(3) provides that “cost alone shall not be the only consideration in determining that a utility facility is necessary....” ORS 215.275(3) further notes that “land costs shall not be included when considering alternative locations for substantially similar facilities.” While technically a component of the land use proceedings, this is simply another indication of the project’s eventual failure.

IV. Neither TPUD nor the Commission has satisfied ORS 758.015(2)

Under ORS 758.015(2), the Commission is required to hold a public hearing and perform its “own investigation to determine the necessity, safety, practicability and justification in the public interest for the proposed transmission line and shall enter an order accordingly.” The Commission cannot simply rely upon the applicant’s allegations; it must perform its own independent analysis. The Commission should be guided in its own investigation by giving credence to the public testimony that undermines the applicant’s contradictory allegations.

V. The project is not feasible, effective, or efficient

The applicant has not demonstrated that the cost to customers is within a reasonable range. As such, the applicant has not demonstrated financial feasibility. The

path for the proposed line is not feasible. The applicant has similarly failed to demonstrate that the project is effective or efficient in light of the testimony from above.

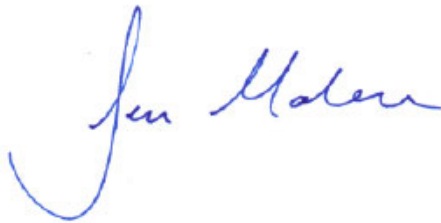
VI. TPUD has not provided documentation to support findings under OAR 860-025-0030(a), (b), or (c)

At this time, the applicant has not provided any information to substantiate the requisite findings under OAR 860-025-0030(3)(a), (b), or (c). Because of this failure, the application must be denied.

VII. Conclusion

For the above reasons, the Commission must deny the application, or at the least require additional information of the applicant before the application can be approved.

Sincerely,



Sean T. Malone
Attorney for ORCA

Cc:
Client