

Group: Ratepayers shouldn't pay for offshore wind project

Power would be more expensive than onshore wind turbines

By HILLARY BORRUD
Capital Press

SALEM — Oregon utility ratepayers should not be forced to subsidize an offshore wind pilot project near Coos Bay, according to a recent report by an advisory committee to Gov. Kate Brown.

Power from the project, proposed by Seattle-based Principle Power, would be more than four times as expensive as electricity from onshore wind turbines in the Columbia River Gorge, according to the Jan. 15 report obtained by the EO Media Group/Pamplin Media Group Capital Bureau.

The governor formed the WindFloat Pacific Offshore Wind Advisory Committee in August to help Principle Power secure a long-term power purchase agreement with Oregon utility companies. The guaranteed revenue stream would help the company to secure private financing.

Principle Power also needs a commitment by May that Oregon ratepayers will purchase the electricity from the 16- to 24-megawatt project, in order to qualify for the remaining \$40 million in a grant from the U.S. Department of Energy.

"(Committee) members indicated that the Northwest's historically low-cost electricity would make it difficult for any utility to engage in a (power purchase agreement) with an offshore wind resource, given that utilities are generally required to procure the lowest-cost and lowest-risk resources on behalf of their customers," the governor's staff wrote in the report, which they described as a summary of the committee recommendations.

Two meetings

The advisory committee held just two meetings and the Governor's Office originally said the meetings would be closed to the public. In the end, the Governor's Office allowed the public to attend the meetings but did not advertise their times or locations. Utility representatives said during the second meeting, in November, they did not want to purchase power from the project.

Kevin Banister, Principle Power's vice president of business development in the Americas and Asia, said the company was still considering how to proceed following the committee's recommendation.

"I think we need to take some time to digest what it all means," Banister said. "But it certainly doesn't make it easier for the

project to move forward."

As for whether Principle Power might give up on building a pilot project in Oregon, Banister said the company has not made any decision but has projects under development in other countries. "We've seen a lot of interest in the technology in other places in the United States, too," Banister said. "It is something that we have to take into consideration."

After the committee's final meeting, Oregon Wave Energy Trust executive director Jason Busch said the project seemed doomed by the skeptics Brown selected for the advisory committee.

"We brought the state an opportunity, a deal in Principle Power," Busch said. "It's pretty much in a neat little box with a bow on top." The Oregon Wave Energy Trust is largely funded by the state.

"The advisory group brought together by the Governor's Office appeared to be made up of folks who weren't particularly interested in this type of project," Busch said, adding that utility representatives on the committee were there to make sure ratepayers didn't pay for the project and "(state Sen. Betsy) Johnson was there to make sure the taxpayers didn't pay it."

Fishing industry concerns

A bill in the Legislature last year would have required Portland General Electric and Pacific Power to purchase electricity from WindFloat under 20- to 25-year agreements. The legislation died in the face of opposition by the two companies, industries that use large amounts of power, the fishing industry and the Citizens' Utility Board.

The fishing industry has raised concerns Principle Power's WindFloat pilot project would be located in important fishing territory, and Susan Chambers, deputy director of the West Coast Seafood Processors Association, said the group was pleased by the advisory committee's final report.

"This is new territory for the seafood industry," Chambers wrote in an email. "Do we like the concept of renewable energy? Of course. Can we find a better way to share the ocean? I believe we can. It will take concerted efforts by developers, fishermen and state and federal governments to accomplish a process that works for everyone, but we can do it."

The governor's advisory committee was also supposed to recommend "further action, including potential legislation," according to the report. The final report contained no such recommendation, but a draft report suggested the state should "study the structure of a renewable energy aggregated purchasing model" that would

spread the cost of energy pilot projects across several states.

The draft report also suggested the state "study the transmission benefits of electricity generation on the Oregon Coast," for example, if the area were cut off from other power sources following a major earthquake.

Johnson's worries

Johnson, D-Scappoose, said the two recommendations did not reflect the discussions by the committee, so it was inappropriate for the governor's staff to have included them. "We did not discuss those two recommendations, to the best of my recollection, ever," Johnson said.

Johnson wasn't the only committee member who noticed the discrepancy.

Scott McMullen, chairman of the Oregon Fishermen's Cable Committee and a member of the governor's advisory committee, wrote in comments on the draft proposal: "I don't think the advisory committee can make these suggestions since they were not discussed at the committee meeting. Regardless of their merits, inclusion in this report is not representative of the work of the committee."

Hillary Barbour, policy director for the group Renewable Northwest and an advisory committee member, wrote in an email that the governor's staff should stick with the recommendations in order to signal Oregon's support for the project to the federal government.

"While I appreciate Scott's point that the two study related items for the governor to consider at the end were not specifically discussed by the committee, one point (Renewable Northwest) raised in our written comments is that we would support additional federal investment to help make the project more affordable," Barbour wrote.

Brown's energy policy adviser, Ruchi Sadhir, declined to comment on which committee members made those recommendations. Chris Pair, Brown's press secretary, wrote in an email that "these were ideas that were briefly raised and discussed by some committee members. There was no single source." According to Pair, the governor does not plan any further action to help Principle Power launch the pilot project.

The Capital Bureau is a collaboration between EO Media Group and Pamplin Media Group.



Joshua Bessex/The Daily Astorian

Corpac Construction, Inc., of Corvallis was chosen to rehabilitate Runway 13-31, center, at the Astoria Regional Airport. The company estimated \$3.8 million to repave and repair drainage on the runway and could start construction by July.

Port of Astoria signs off on runway repairs contract

Commission also backs draft of new boatyard rates

By EDWARD STRATTON
The Daily Astorian

The Port of Astoria Commission has voted to have staff award a contract for runway repairs at the Astoria Regional Airport in Warrenton to Corpac Construction, Inc., of Corvallis.

The runway to receive the engineering overhaul runs northwest-southeast at the Warrenton airport.

"The runway is still serviceable, but over time the failure of the drainage is going to cause a failure of the surface," said Gary Kobes, the Port's new airport manager.

The Port secured \$480,000 from the state Department of Transportation's Connect Oregon V infrastructure grant program, which it used as a local match to \$4.5 million from the Federal Aviation Administration. Kobes said the Port has \$5.14 million for airport projects, more than enough for the runway and some left over to plan for future endeavors.

The Port is still waiting for approval on the project from the FAA, and still needs to negotiate the final contract with Corpac. Kobes said construction could start in June or July, adding the contractor has the discretion to find the driest work window to finish construction in the required 70-day timeframe.

Strategic planning

Executive Director Jim Knight said he is trying to secure \$150,000 from the U.S. Department of Commerce as a 50 percent match in creating a strategic plan for the underutilized airport. He said the agency has the support of the Columbia-Pacific Economic Development District and Business Oregon.

He said the Port, which is looking to update its strategic plan agency-wide, might be wise to tackle one property at a time, eventually bringing them together into a comprehensive plan.

In other business, the Port Commission on Tuesday approved:

- A draft resolution increasing boatyard rates, including a \$140 fee to cover environmental cleanup. Operations Manager Scott McGrath said the boatyard's rates have not increased substantially

since the facility was opened in 2004 on Pier 3. McGrath said the new rates could increase the Port's revenues by \$84,000.

- A \$44,000 work order for environmental engineering firm Maul Foster Alongi to design a stormwater treatment facility on Pier 3 that can accept and treat runoff from the entire central waterfront. The Port was required by the state Department of Environmental Quality to have a treatment facility by June. The Port Commission last authorized \$50,000 for design and permitting on the stormwater system in September.

- The auction of three surplus vehicles, including two Ford Econoline van-bus hybrids and a 1973 Drott rough terrain hydraulic crane.

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