

Work resumes at Carty Generating Station

Former contractor fired last month, near bankruptcy

By **GEORGE PLAVERN**
Staff Writer

Employees are slowly getting back to work on the Carty Generating Station after Portland General Electric fired the project contractor last month.

In a recent filing with the U.S. Securities and Exchange Commission, PGE confirms construction has resumed at Carty along Tower Road near the Boardman Coal Plant.

Abeinsa, an affiliate of the Spanish multinational corporation Abengoa, was originally chosen by PGE to build the natural gas-fired power plant in 2013. Abengoa is now fighting for its financial life, and risks becoming the largest bankruptcy ever in Spain.

A spokesman for PGE

previously said they weren't aware of any issues at the time with Abengoa, though at least one competing company foresaw trouble on the horizon. Calpine Corporation, based in Houston, appealed to the Oregon Public Utility Commission in 2013 that Abengoa did not appear to be a creditworthy contractor.

Calpine had also submitted a bid for the project, and later provided comments as part of a petition to the PUC. In its comments, Calpine noted Abengoa's credit rating had been downgraded from B+ to B with a negative outlook by Standard & Poor's earlier that year.

Another agency, Moody's Investor Service, also downgraded its rating of Abengoa from B1 to B2, with a stable outlook.

"It seemed to us there were significant questions," said John Stephens, a Portland lawyer repre-

sending Calpine.

The PUC ultimately denied the petition for declaratory ruling, and PGE moved forward with Abengoa. PGE spokesman Steve Corson said the company closely evaluated all bids, as well as an independent evaluator, and decided Abengoa had provided appropriate assurances.

"We felt comfortable, the independent evaluator felt comfortable, and the PUC had also affirmed we used an appropriate process in evaluating the bidding," Corson said.

There is no such thing as a risk-free project, Corson said, especially on a 440-megawatt, \$514 million power plant. PGE did have a performance bond worth \$145.6 million through Liberty Mutual and Zurich North America. Corson said they are now working with those sureties to update the construction cost and schedule.

"Part of our job is to

mitigate risk by putting in appropriate financial safeguards, and that's what we did," Corson said.

Construction was already about 75 percent finished at Carty when Abeinsa began turning approximately 500 workers away from the site on Dec. 14. Four days later, PGE ruled Abeinsa in default of its contract and took over the site.

Since then, construction has gradually ramped back up and Corson said they expect to be back to full strength in the next few weeks.

"We're pleased to have the project back underway," he said. "We remain convinced this will be a very valuable and reliable resource for our customers moving forward."

Carty was expected to come online in mid-2016, though that could change. PGE says it plans to provide an update on the schedule in February.

School district hires pre-bond architects

By **JADE McDOWELL**
Staff Writer

Hermiston School District's board of education approved the appointment of a "pre-bond" architect during Monday's school board meeting.

The board approved YGH/LKV Architects for the job.

Deputy superintendent Wade Smith said the architects would assist in some preliminary design work while the district "starts wrestling with finding longterm solutions to some of our population challenges."

In June 2015 the district approved a Comprehensive Master Plan that recommends the district build an additional elementary school on Theater Lane and expand Sandstone Middle School and Hermiston High School at an estimated cost of \$73.7 million. More expensive versions of the plan would pay for larger expansions and

replace Rocky Heights Elementary, Highland Hills Elementary or both.

The district recruited a Citizens Review Committee to study the recommendations, with an eye on refining a plan by March, drumming up support in the community and making a final decision in January 2017 about whether to pursue a bond issue during the May 2017 election.

Enrollment in the district is currently 212 students higher than during the same time period last year and 112 more than had been forecast.

On Monday night the school board also listened to an informational presentation by assistant superintendent Brynn Browning about the district's English Learner program.

Overall the district's English-language learners are outpacing their peers in other school districts, noted Browning.

Counties collaborate on powerline comments

Deadline extended to Jan. 22

By **GEORGE PLAVERN**
Staff Writer

Umatilla and Morrow county planners will work together on comments to the Bureau of Land Management seeking common ground on where to build the proposed Boardman to Hemingway Transmission Line.

As the project's lead environmental review agency, the BLM is responsible for coming up with a preferred alternative for the 300-mile line. Their current preference is to follow Interstate 84 from Boardman to just west of

Pendleton, before breaking south to avoid the Umatilla Indian Reservation.

The counties, however, say that proposal would interfere with too many homes and farms on either side of the highway. They want the line to run significantly farther south, but just how far south remains to be determined.

Both counties are concerned with protecting high-value agriculture within their borders. Transmission towers can interrupt farming operations and, in some cases, take swaths of land out of production.

Boardman to Hemingway has been in the works for a decade, proposed by Boise-based Idaho Power

to share electricity with the Columbia Basin during times of peak demand. The trick has been identifying the route with the fewest impacts to farms and wildlife, while keeping the project affordable. Early estimates have pegged the project at anywhere between \$890-\$940 million.

Morrow County Planning Director Carla McLane and Umatilla County Senior Planner Bob Waldher will meet to collaborate on comments to the BLM. Comments are due Friday, Jan. 22, after the agency granted counties a two-week extension.

Umatilla County commissioners say they favor the most southerly alternative, while Morrow

County is focused primarily on placing 22 miles of line along the west side of Bombing Range Road on Navy land. Waldher said the goal is to identify and refine a route that works for both counties.

"Our hope is the Umatilla South route can tie into the west side of Bombing Range Road," he said.

McLane said most of their conversation will likely center on how far south the line needs to go to balance everyone's interests. They hope to make site visits as early as this week.

The Morrow County Court held a public meeting on Boardman to Hemingway last week, and McLane said residents seem

to understand the project is needed. It's just a matter of compromising on the location.

"At the end of the day,

the no-action alternative just isn't reasonable," she said. "This really does provide additional reliability to our power supply."



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The Hermiston Herald (USPS 242220, ISSN 8750-4782) is published weekly at Hermiston Herald, 333 E. Main St., Hermiston, OR 97838, (541) 567-6457, FAX (541) 567-1764.

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BRIEF CASE

Free seminar highlights business branding

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For more information,

contact 541-567-6151, kelly@hermistonchamber.com or visit www.hermistonchamber.com.

Two local businesses celebrate anniversaries

Hors d'oeuvres and local wine samples are featured in the upcoming anniversaries of a pair of Hermiston businesses

The public is invited to stop by as Home Town Mortgage Group celebrates its third anniversary and Real Business Solutions, LLC marks two years. The event is Wednesday, Jan. 20, from 5-8:30 p.m. at 505 E. Main St., Hermiston.

For more information,

call 541-564-5900 or 541-567-0869.

Area author to sign latest book

The author of a novel that explores the everyday heroics of a family dealing with financial worries, relationship issues and grandpa's dementia will visit Armchair Books.


Umatilla County author Ira White will sign copies of "We Won't Forget You, Mr. McGillicuddy" Saturday, Jan. 23, from noon to

2 p.m. at 39 S.W. Dorion Ave., Pendleton.

Retired from the United States Department of Agriculture, White has written short stories, poems, essays and novels. He also performs speaking engagements about his publications, as well as poverty, government surveillance and care giving for those with Alzheimer's and dementia.

For more information or to reserve a copy of the book, call 541-276-7323. For more about the author, visit www.irawhite.com.


STUDENT OF THE WEEK



Delaney Clem
PENDLETON HIGH SCHOOL

Delaney Clem is a senior at PHS and currently has a 4.26 GPA while involved in many sports and activities. She runs cross country and track, and is currently on the swim team. Delaney is a member of National Honors Society, Leadership, and is a student director of Link Crew. She is interested in majoring biology at Central Washington University next year, where she will also run cross country and track. Lastly, Delaney participates in the community by doing volunteer work such as Round-Up City Racers, elementary school carnivals, and multiple Salvation Army charities.

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