

**Community Development Steering Committee
and
Energy and Environment Steering Committee
Joint Meeting
Association of Oregon Counties**

September 13, 2009 Meeting Minutes

Members: Nellie Hibbert, Chair of Community Development (Union); Mary Stern, Chair of Environment and Energy (Yamhill); Dennis Luke (Deschutes); Gary Thompson (Sherman); Mike Benedict (Hood River Planning); Mark Labhart (Tillamook); Steve Grasty (Harney); Georgia Nowlin (Curry County); Bob Austin (Clackamas County); Joe Laurance (Douglas County)

Guest: Kip Pheil, Oregon Department of Energy; Ericka Hagedorn (Deschutes County-Public Affairs Council); Alex Cuyler (Lane County)

AOC Staff: Ann Hanus, Doris Penwell, Emily Ackland, Art Schlack

Chairs Hibbert and Stern convened the meeting at 9:00 a.m.

Discussion and Update on HB 2940

Doris Penwell discussed the status of HB 2940 dealing with including biomass as part of renewable facilities. AOC decided not to take a position on the bill during the session. Dennis Luke expressed concern because Deschutes County wanted to apply other renewable sources such as geothermal, not only solar.

Kip Pheil, Oregon Department of Energy, reviewed the Renewable Portfolio Standard (RPS) requirements. New renewable sources are defined as those sources that are new since 1995. HB 2940 would have brought in about half of the required renewable energy. HB 2940 did require that the facilities upgrade in order to continue to be eligible. However, he noted that this is already required in the existing legislation. Allowing eligibility would have these sources being qualified for California renewable energy standards. Kip referred to his memorandum for more details.

Kip suggested using stimulus money, loan program, and tax credits to upgrade older facilities. Kip mentioned an option of raising the bar by bumping up the RPS requirements over time.

Commissioners discussed how the standards affect urban and rural counties as well as older and new facilities. They also talked about the economic implications.

Governor Kulongoski vetoed the legislation; however, there will be an attempt to override the veto at the February 2010 session. The Commissioners asked staff to attend the meetings relating to this legislation and return with a recommendation at the October meeting.

Discussion of HB 2472, Business Energy Tax Credit

Doris Penwell updated the Committees on the status of HB 2472 which was vetoed by the Governor. AOC wrote a letter to the Governor outlining the reasons to veto the bill.

AOC is working with interim committees and the Governor's Office. There is interest to negotiate an alternative proposal consistent with the House version. If the override of the Governor's veto is successful, then bigger wind and biomass projects will not likely locate in Oregon. If the Senate agrees to negotiate the bill, then we could have a good outcome in February.

HB 2180 requires an economic analysis of the state's investment using the BETC.

Chair Hibbert suggested there be more discussion on this issue at the next meeting.

Discussion of Areas of Critical Concern

Art Schlack reviewed his memorandum regarding "area of critical concern". He identified it as an issue that AOC should take up in the interim and draft statutory amendments dealing with the process for proposing an area of critical concern. He said, if approved, AOC would work with county planners and other interested parties to develop legislation.

Dennis Luke moved to direct staff to look into proposing statutory amendments as suggested in Art Schlack's memorandum. Georgia Nowlin seconded the motion. Motion approved.

Pre-emption/Lot of Record

Dennis Luke read from a memorandum on a Hearings Officer's decision concerning the 1981 MOU with USFS, BLM and Deschutes County dealing with lots of record. An amendment to ORS 215.010 to recognize the lots of record as legal properties conveyed from federal ownership to non-federal ownership is needed. Commissioner Luke provided the memo to Art Schlack and asked that AOC follow-up with research and a recommendation.

Meeting adjourned at 10:15 a.m.