

06-08-95P01:42 RCVD

BEFORE THE HEARINGS OFFICER  
KLAMATH COUNTY, OREGONIN THE MATTER OF CUP 29-95 FOR KLAMATH ENERGY, INC.,  
TO ESTABLISH A 240 MEGAWATT NATURAL GAS FIRED  
COGENERATION FACILITY1. NATURE OF THE REQUEST:

The applicant, in conjunction with the City of Klamath Falls and Diamond Energy, Inc., wishes to develop a 240 megawatt natural gas fired cogeneration facility on 15 acres of property currently owned by Weyerhaeuser west of the Highway 97 bridge over the Klamath River and east of West Klamath on land zoned Heavy Industrial together with appurtenant gas, electrical and water lines.

This request was heard by the Hearings Officer on June 2, 1995 and reviewed for conformity with Articles 44 and Section 53-430 of the Klamath County Land Development Code.

2. NAMES OF THOSE WHO PARTICIPATED:

The Hearings Officer in review of this application was Michael L. Brant. The applicant appeared and offered testimony in support of the application through Tim Donnelly of Diamond Energy, Inc., and Peter van Alderwerelt of Resource Management International, Inc. The Planning Department was represented by Kim Lundahl, Senior Planner and the recording secretary was Karen Burg, Planning Assistant. In addition Dale Forsee of Pacific Power appeared and offered testimony and William Brown of Klamath County Economic Development Association submitted a written statement. Written

comment was received from Klamath County Fire District #1 and from the Oregon Department of Transportation.

3. LOCATION:

The property for the facility is located west of the Highway 97 bridge over the Klamath River and East of West Klamath on a portion of the northwest and southwest Section 18, T.39S, R9EWM. T.A. 3909-18-1000. The facility will include ancillary natural gas delivery lines, electrical transmission lines, water supply and discharge lines and steam distribution lines. The locations of these lines as currently proposed are shown on attached Exhibit A. References to the "facility" include those ancillary lines and references to the "property" include the approximate locations for these ancillary lines.

4. RELEVANT FACTS:

The property is zoned Heavy Industrial, is owned by Weyerhaeuser Company and is within the Weyerhaeuser plant property. The proposed facility is an Extensive Impact Service and Utility under Article II of the Land Development Code, which is a conditionally permitted use in the Heavy Industrial Zone under Section 53.430 of the Land Development Code. The property has no trees or agricultural use, is not designated as wetland or floodplain and has no identified cultural, historic or archaeological values. The property is not located at or near any mineral or aggregate site, significant resource area, wildlife area or recreational area, and

locating the facility at the property will not impact or restrict the use of any mineral or aggregate site, significant resource area, wildlife area or recreation area.

The site is located approximately one-half mile from the Klamath River along the route of the new PGT gas transmission line and approximately 3 miles from PP&L's 230kV substation on Mallard Lane. The facility will use treated effluent from the City's water treatment plan for cooling, reducing the City's level of discharge into the Klamath River.

Steam produced by the facility will be available to Weyerhaeuser and to Columbia allowing them to reduce their reliance on natural gas, fuel oil and waste wood-fired boilers.

Power generated from the facility will be sold to public and private utilities in the Pacific Northwest with the ability to sell power in the summer off-peak season outside the region. The latest Northwest Power Planning demand forecast shows an anticipated need for several hundred megawatts of new power supplies in the late 1990's and beyond.

The project will have a construction value of approximately 150 million dollars, will create 150 to 200 temporary jobs during 18 months of construction and provide approximately 25 permanent positions. It will return substantial revenues to the City and provide economically priced steam for future economic development in the community while assisting existing mill operations.

No new water rights are anticipated to be required for the facility which will utilize City treated effluent for cooling. Discharge from the cooling tower will be available to off-set Weyerhaeuser's

ground water use for wetting of logs and irrigation in the PLEVNA irrigation district or returned to the City's treatment plant. Reuse of City effluent discharge will help address DEQ's current TMDL concerns for the Klamath River.

Noise impact from the facility will be less than that existing with the Weyerhaeuser plant. Visually it will be screened from the north by the topography and from the south and east the facility's scale will be less than or compatible with existing Weyerhaeuser plant structures.

The facility will not be located in an area of airport hazard and will be designated to ensure there are no risks to aircraft safety and to comply with any applicable requirements under the Airport Master Plan. The facility will be 3/4 of a mile from Miller Island.

The facility will have no impact on the provision of public services not already present at the property or the Weyerhaeuser plant. There will be no material increased need for sewerage or waste disposal. Adequate water, electrical, telephone, medical and law enforcement services are available. To the extent practical, the location of ancillary utility lines will be located on or adjacent to existing public and private rights of way to avoid dividing existing parcels and to avoid residential areas.

5. FINDINGS:

All evidence submitted in the staff report, all exhibits, and all offered evidence show that the approval criteria as set out in Code Section 44.030 have been satisfied.

The Hearings Officer finds that this application:

A. Complies with the following Comprehensive Plan policies:

Goal 1 - #1

Goal 2 - #9, #12

Goal 3 - #17, #18, #22, #28

Goal 6 - #1, #5, #7

Goal 9 - #1, #9, #12, #13, #14, #15

Goal 11 - #7, #12

Goal 13 - #1, #2

The Hearings Officer finds that other Goal policies are not applicable to this application.

B. Is in conformance with other required standards and criteria of the Land Development Code and will be subject to further more detailed review during the Site Plan Review process.

C. Will not have a significant adverse impact on the liability, value or appropriate development of abutting properties and the surrounding areas given the site's location within a large industrially zoned parcel, near a substantial existing heavy industrial use and situated at least 3/4 of a mile from abutting properties.

6. ORDER:

Therefore, it is ordered the request of Klamath Energy, Inc., for CUP 29-95 is approved subject to the following conditions:

- A. Visual impact of the project viewed from Highway 97 will be mitigated by use of neutral color schemes and landscaping.
- B. Noise levels from the project will not exceed those currently generated by neighboring Weyerhaeuser facilities.
- C. Access to the project site from Highway 97 for construction and for operation shall be subject to ODOT approval. In the event such approval is not obtained and the applicant proposes to access the site through West Klamath such access shall be subject to hearing and review by this Hearings Officer on the limited issue of access only.

Dated this 7<sup>th</sup> day of June, 1995.

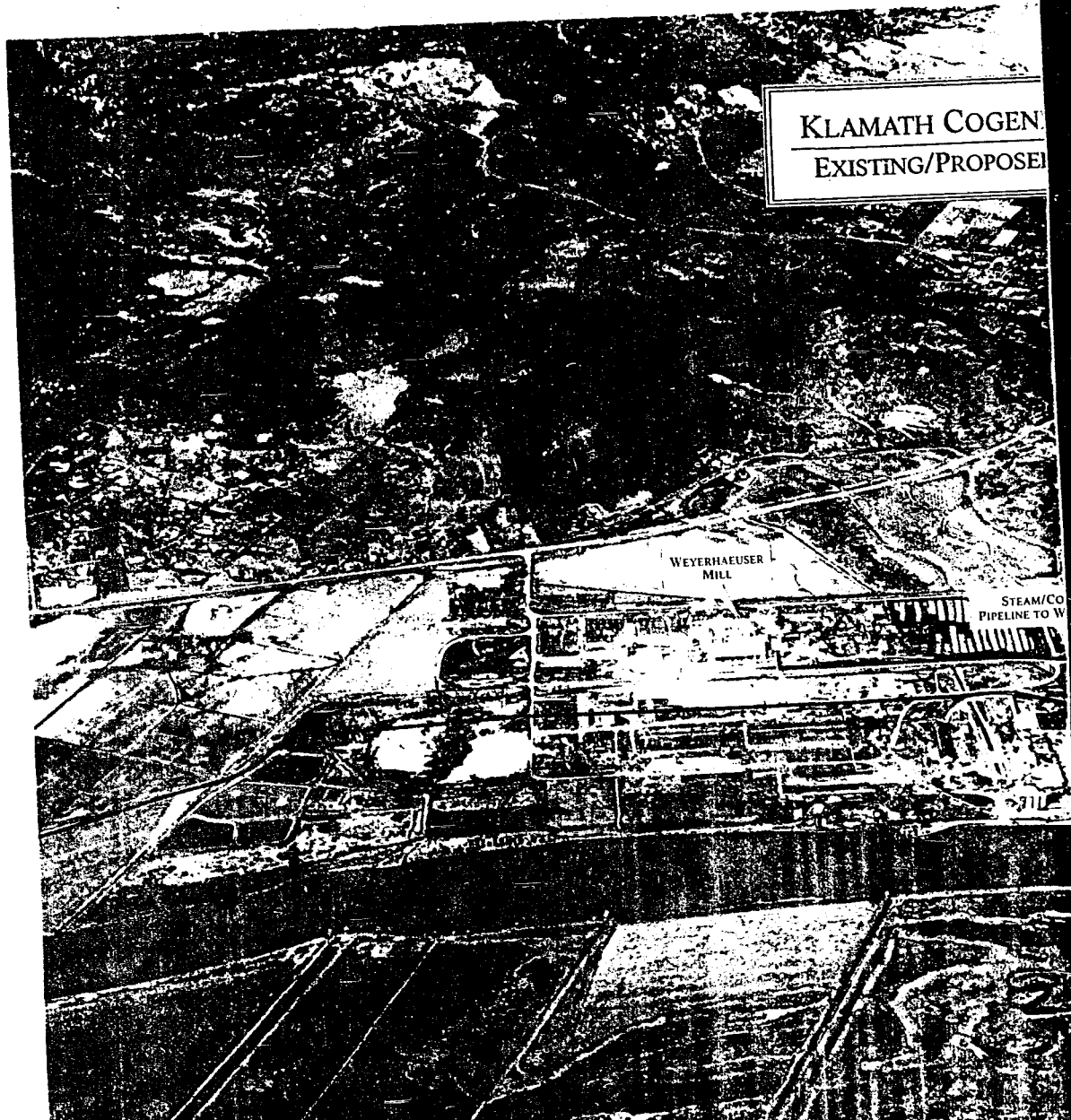
Michael L. Brant  
Michael L. Brant, Hearings Officer

NOTICE OF APPEAL RIGHTS

You are hereby notified this application may be appealed to the Klamath County Board of Commissioners by filing with the Klamath County Planning Department a Notice of Appeal as set out in Section 33.004 of the Klamath County Land Development Code, together with the fee required within SEVEN DAYS following the mailing of this order.

15168

KLAMATH COGEN  
EXISTING/PROPOSED







15169

TION PROJECT  
RASTRUCTURE

