



August 7, 2008

NEWBERRY GEOTHERMAL PROJECT: NOTICE OF INTENT RECEIVED

Newberry Geothermal Holdings LLC has submitted a Notice of Intent (NOI) to apply for a Site Certificate for the proposed **Newberry Geothermal Project**. The NOI will be available for public review at the Oregon Department of Energy in Salem and at the Bend Public Library, 601 N.W. Wall Street in Bend. The document is also available on the Department's website (<http://www.oregon.gov/ENERGY/SITING/announce.shtml>).

Description of the Proposed Facility and Its Location

The Newberry Geothermal Project (NGP) would include power generation systems, geothermal fluid systems, transmission lines, access roads, operations and maintenance buildings and other related or supporting facilities. The NGP would have up to four separate electric generating units, each consisting of a turbine, generator, condenser, cooling water pumps, gas removal system, cooling tower and other equipment. Each generation turbine would produce 35 to 45 megawatts.

Geothermal fluid would be extracted from geothermal production wells located near each generation unit. The fluid would flow through aboveground pipelines to a steam handling system. A steam handling system separates steam from geothermal fluid at two pressures, producing both high pressure and low pressure steam, which drive the turbines. After leaving the turbines, steam passes to a condenser, where it is converted to fluid. The spent fluid is pumped through aboveground pipelines to injection wells. Non-condensable gases that enter the condenser are evacuated and dispersed through the cooling tower.

Production and injection wells would be 6,000 to 10,000 feet deep. Well locations depend on efficient utilization of the geothermal resource, minimizing interference between wells, environmental constraints and other factors. Reservoir management considerations require production wells to be separated from injection wells.

A 230-kilovolt transmission line, approximately 12 miles in length, would carry power from the NGP to a Bonneville Power Administration (BPA) substation near La Pine. The applicant has executed transmission service agreements with BPA for long-term transmission of the project's power output to Pacific Gas & Electric Company ("PG&E"). The Applicant has a contract with PG&E for the sale of 120 megawatts of NGP output for a period of 20 years beginning as early as 2010.

The facility would be located in Deschutes County. The proposed site is within the Bend-Fort Rock Ranger District of the Deschutes National Forest in Deschutes County south of Bend. The NGP would lie completely outside the boundaries of the Newberry National Volcanic Monument. The area under consideration is approximately 9,000 acres, but the project would occupy less than 5 percent (450 acres) of this total.

Procedure for Review of the Application

The applicant expects to submit a Preliminary Application for a Site Certificate in November 2008. The application must demonstrate that the proposed NGP meets standards established under ORS 469.501 by the Oregon Energy Facility Siting Council (Council) and set forth in OAR Chapter 345, Divisions 22 and 24. The Department serves as staff to the Council and conducts the application process. The Department's website at oregon.gov/ENERGY/SITING/process.shtml includes a full description of the Site Certificate review process.

Information Meeting

The Department will hold a public meeting on September 18, 2008, at 7:00 PM, in the Barnes Room at the Deschutes County Services Center, 1300 NW Wall Street in Bend. The purpose of the meeting is to provide the public with information about the proposed NGP and the Site Certificate process. This meeting will not be a formal public hearing. Instead, it will be an opportunity to ask questions and give comments about the proposed NGP at a very early stage in the process. Public comments at this stage will be helpful to the Department to identify additional information that the applicant should provide in the Site Certificate application.

A formal public hearing (as described in OAR 345-015-0220) will be scheduled much later in the process after the Department has issued a Draft Proposed Order. Failure to comment in person or in writing on the record of the public hearing precludes participation in the subsequent contested case and the right to appeal the Council's final decision. Comments made at the informational meeting on September 18 do not preserve these rights.

The Council's Site Certificate process is a consolidated permitting process that includes the review of applicable regulations of most other state agencies. The applicant intends to satisfy the Council's Land Use Standard by seeking a Council determination under ORS 469.504(1)(b) instead of seeking a land use determination by Deschutes County. The Site Certificate process does not include the issuance of federal permits or permits that the federal government has delegated to other state agencies (such as air quality permits delegated to the Department of Environmental Quality). The NGP will be reviewed by the USDA Forest Service (because the project is located on federally-managed land) and the USDI Bureau of Land Management (which has jurisdiction over geothermal leases). The federal agency review is required under the National Environmental Policy Act (NEPA).

Comments on the Notice of Intent

The public may comment on the NGP at the information meeting on September 18 or by sending written comments to the Department. **This comment period ends on September 30, 2008.** Written comments or questions can be submitted by regular mail, e-mail or fax. The public will have additional opportunities to comment on the NGP later in the process. Future public comment opportunities will be announced on the Department's website.

For More Information

The Department will post all announcements and notices about the proposed Newberry Geothermal Project on the Department's website: oregon.gov/ENERGY/SITING/announce.shtml. If you would like to comment, or if you have questions about the proposed facility or the Site Certificate process, contact the Department's project officer:

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