



July 14, 2023

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VIA E-MAIL

Mr. Dan Magnia, Chair  
Columbia County Planning Commission  
c/o Mr. Hayden Richardson, Director  
Columbia County Land Development  
445 Port Avenue  
St. Helens, OR 97051

RE: Final Written Argument  
NEXT Renewable Fuels Oregon, LLC Application DR 21-03 (MOD)  
Our File No.: 133639-242725

Dear Chair Magnia Planning Commissioners:

This office represents NEXT Renewable Fuels, Inc. (“NEXT”) in the above-referenced site design review modification application. This letter constitutes NEXT’s final written argument in this matter and is timely submitted prior to the July 19, 2023 deadline. As explained in more detail below, NEXT intends to withdraw this application and refile it with the conditional use permit necessary for the small amount of rail branchline that will be proposed within a small portion of PA-80 zoned land, which is necessary to connect the rail within the RIPD zone with the Portland and Western Railroad line.

**1. Explanation of the proposed modification of the rail branchline.**

As explained by County staff and NEXT at the June 26, 2023 hearing, the Application is for a modification of a site plan approval. It does not expand or change the scope of uses already authorized in the original DR 21-03 decision; its primary effect is to move a section of rail branchline out of land zoned for farming and onto land zoned for industrial uses (RIPD zone). However, at least one Planning Commissioner asked for a better understanding of the purpose and design basis of the rail, which is provided below.

The NEXT Renewable Diesel project design depends on direct river access for the bulk of import and export movements. NEXT’s original feedstock import design was based almost solely on marine transportation, a single logistic input. As the project developed, NEXT

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determined that there was too much risk having only one feedstock delivery mode (i.e. river) for a renewable diesel project of this scale. Consequently, the design was modified and feedstock rail unloading capacity was increased to provide a backup if river traffic or the availability of river transportation was temporarily impeded for any reason. And, as local markets for Renewable Diesel grew, it became prudent to include a modest level of local rail service to serve the Portland and Vancouver metropolitan areas.

Rail service is needed primarily to carry two products: bleaching earth clay (used in processing) and renewable diesel feedstocks. These feedstocks may include organic oils derived from white and brown grease, several types of animal tallow or a variety of vegetable oils. NEXT has entered into a feedstock supply agreement designed to help keep the feedstock's life cycle carbon intensity (CI), which includes transport, as low as possible. Renewable diesel is proposed to be carried by rail in only limited amounts intended to serve local markets where maritime delivery is not logistically reasonable. Over 85 percent of the biomass feedstock received, and renewable fuels produced, at the Facility will be transported via ship or barge at the existing Port Westward dock. Approximately 15 percent of the fuel may be transported via rail or truck for local consumption within the Portland/Vancouver market.

The maximum-capacity rail operations proposed as part of the original site design review/use subject to prescribed conditions included a maximum of 231 cars for feedstock, 60 cars for renewable diesel export, and 20 of bleaching earth clay, for a total of 311 cars per week. The County Board of Commissioners approved this operation level but set an outside limit of 318 cars per week. This is not NEXT's standard plan for operation, but a precautionary necessity to mitigate against abnormal logistical challenges.

The original approval included 5 siding tracks within the RIPD zone and 5 siding tracks located south of the facility, in the PA-80 zone. The proposed rail configuration eliminates entirely the 5 siding tracks originally approved in the PA-80 zone and reduces the number of siding tracks between the main plant and Hermo Road (in the RIPD zone) from 5 to 2. Within the fence line of the primary plant, the approved siding tracks are proposed for minor adjustments in location but remain essentially the same as in the original approved site plan. The unloading stations are not proposed to be changed.

This can be seen when comparing the following two diagrams:

Figure 1 - Approved Design Basis

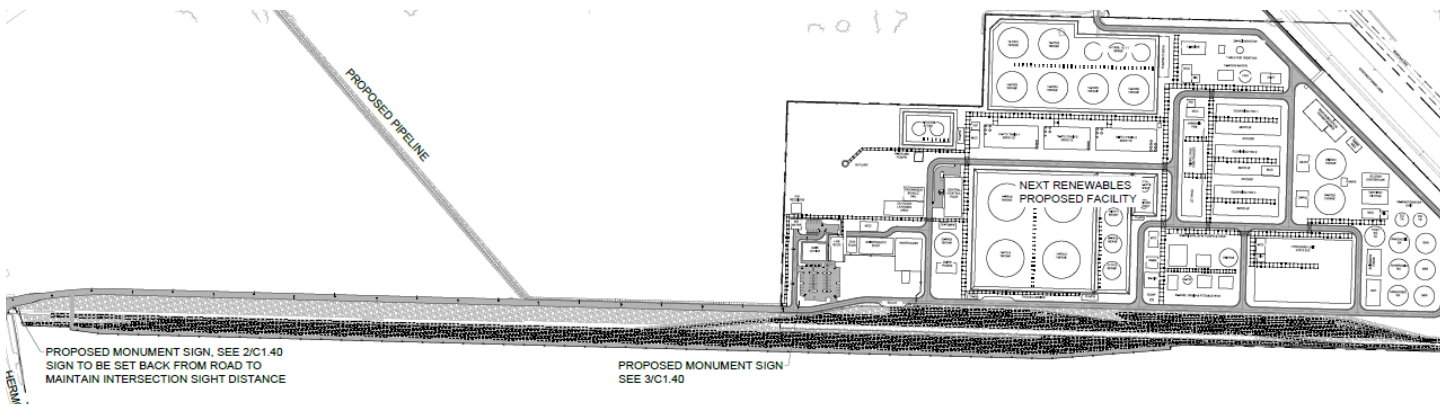


Figure 2 – Proposed Modified Design Basis



The modified site plan proposal significantly reduces the amount of siding track originally approved.

**2. Procedural matters.**

As explained at the June 26 hearing, the County previously approved a section of the rail branchline on certain Port and private property zoned PA-80, which is outside of the property subject to this site design review modification application. LUBA reversed this approval as it applied to the PA-80 zone only (not the RIPD zone) based on an interpretation of state administrative rules, which interpretation was articulated for the first time in that case. Thus, there are two applications that may be needed to re-permit the rail connection to the facility. One of these is the site design review modification and the other is a new conditional use permit to allow a small section of rail to cross PA-80 land between the existing approved facility and the Portland & Western Railroad.

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Public comments submitted during the June 26 hearing largely attacked the merit of the project itself (which is not before the Planning Commission) and the concept of rail service as a general matter. With the exception of the site plan changes proposed in the site design review modification application, rail service as a general matter is also not before the Planning Commission. NEXT understands, though, the desire of the Planning Commission and the broader public to be able to consider both permits necessary for the rail branchline, which is not possible with this Application.

For this reason, NEXT will withdraw this stand-alone site design review modification application. NEXT intends to re-file it concurrently with the conditional use permit for the remainder of the rail. Although these will be separate proceedings, this will allow decision-makers and the public to consider the merits of the entire rail proposal during a single series of proceedings.

NEXT sincerely appreciates staff's and the Planning Commission's time spent in consideration of this application and looks forward working with the County on the future applications.

Sincerely,



Garrett H. Stephenson

GST:jmhi

cc: Mr. Christopher Efird (*via email*)  
Mr. Gene Cotton (*via email*)  
Ms. Laurie Parry (*via email*)  
Mr. Brian Varricchione (*via email*)  
Mr. Spencer Parsons (*via email*)  
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