

Verbatim Transcript of Monthly Council Meeting
Washington State Energy Facility Site Evaluation
Council

January 17, 2017



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WASHINGTON STATE
ENERGY FACILITY SITE EVALUATION COUNCIL
Richard Hemstad Building
1300 South Evergreen Park Drive Southwest
Conference Room 206
Olympia, Washington
January 17, 2017
1:30 p.m.

MONTHLY COUNCIL MEETING
Verbatim Transcript of Proceeding

REPORTED BY: ANITA W. SELF, RPR, CCR #3032

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A P P E A R A N C E S

COUNCILMEMBERS PRESENT:

- BILL LYNCH, Chair
- JAIME ROSSMAN, Department of Commerce
- CULLEN STEPHENSON, Department of Ecology
- JOE STOHR, Department of Fish and Wildlife
- DENNIS MOSS, Utilities and Transportation Commission
- DAN SIEMANN, Department of Natural Resources

LOCAL GOVERNMENT AND OPTIONAL STATE AGENCIES:

- LARRY PAULSON, Port of Vancouver
- KEN STONE, Department of Transportation
- GREG SHAFER, Clark County

ASSISTANT ATTORNEY GENERAL:

- ANN ESSKO, Senior Counsel
- DAVID STEARNS, Assistant Attorney General

STAFF IN ATTENDANCE:

- STEPHEN POSNER
- JIM LASPINA
- TAMMY MASTRO
- SONIA BUMPUS
- JOAN AITKEN
- AMI KIDDER
- HALEIGH MISSILDINE

GUESTS IN ATTENDANCE:

- PETE VALINSKE, Grays Harbor Energy

GUESTS IN ATTENDANCE VIA PHONE:

- SHANNON KHOUNNALA, Columbia Generating Station & WNP 1/4
- KRISTEN BOYLES, Earthjustice
- KAREN MCGAFFEY, Perkins Coie
- JENNIFER DIAZ, Puget Sound Energy
- ERIC MELBARDIS, EDP Renewables
- CONNIE SUE MARTIN, Port of Vancouver
- TADAS KISIELIUS, Tesoro Savage

* * * * *

1 OLYMPIA, WASHINGTON, JANUARY 17, 2017

2 1:30 P.M.

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4

5 CHAIR LYNCH: Good afternoon. Today is
6 Tuesday, January 17th. It's a little bit after
7 1:30 p.m., and it is the monthly meeting for the Energy
8 Facility Site Evaluation Council.

9 Can we please have the clerk call the roll?

10 MS. MASTRO: Department of Commerce.

11 MR. ROSSMAN: Jaime Rossman is here.

12 MS. MASTRO: Department of Ecology.

13 MR. STEPHENSON: Cullen Stephenson, here.

14 MS. MASTRO: Fish and Wildlife.

15 MR. STOHR: Joe Stohr is here.

16 MS. MASTRO: Department of Natural

17 Resources.

18 MR. SIEMANN: Dan Siemann is here.

19 MS. MASTRO: Utilities and Transportation

20 Commission.

21 MR. MOSS: Dennis Moss is here.

22 MS. MASTRO: Local Governments and Optional

23 State Agencies, for the Tesoro project, Department of

24 Transportation.

25 MR. STONE: Ken Stone is here.

1 MS. MASTRO: City of Vancouver.

2 CHAIR LYNCH: Excused.

3 MS. MASTRO: Clark County.

4 MR. SHAFER: Greg Shafer, present.

5 MS. MASTRO: Port of Vancouver.

6 MR. PAULSON: Larry Paulson, here.

7 MS. MASTRO: Chair, there is a quorum for
8 the regular Council and for the Tesoro Savage Project.

9 CHAIR LYNCH: Thank you. And if I could
10 just have the Councilmembers just take a brief look
11 through the proposed agenda today and see if they have
12 any suggested changes. There are no action items
13 today -- excuse me -- but towards the end -- at the end
14 of the Council meeting, we'll be going into a short
15 Executive Session, which I'll be calling.

16 And just for the Councilmembers' information
17 as well, we'll be getting a -- under the Columbia
18 Generating Station, we'll be getting a little bit more
19 of an update about that Boeing [sic] shipment that we
20 got a -- we were notified about last -- at last month's
21 Council meeting that didn't correspond with regulations
22 regarding radioaction -- radioactive levels --
23 acceptable levels.

24 So hearing no proposed changes to the
25 agenda, let's take a look at the minutes from the

1 December 20th, 2016, meeting, and I have a couple of
2 changes -- suggested changes.

3 The first one would be on page 16, line 13,
4 and instead of the word "coin," it should be "cooling,"
5 so it's a reference to the cooling tower.

6 And on page 4, line 18, Frodo is spelled
7 F-R-O-D-O and not F-R-O-T-O. Of course, I don't know if
8 I said Frito or Frodo, now that I think about it, but I
9 think I said Frodo.

10 Councilmembers have any other changes they'd
11 like to flag? And if not, I'll entertain a motion for
12 the approval of the December 20th minutes as amended.

13 MR. MOSS: Chair Lynch, I'd move the
14 adoption of the December 20th, 2016, minutes as
15 transcribed as just modified.

16 CHAIR LYNCH: Do we have a second?

17 MR. ROSSMAN: I'll second.

18 CHAIR LYNCH: It's been moved and seconded
19 that we approve the December 20th, 2016, minutes as
20 amended.

21 All those in favor, say "Aye."

22 MULTIPLE SPEAKERS: Aye.

23 CHAIR LYNCH: Opposed? Motion carries.

24 At this point in time I'd like those people
25 on the phone who wish to identify themselves to please

1 identify themselves, but first I'll start off with those
2 people who are representing our actual projects.

3 MS. KHOUNNALA: Shannon Khounnala, Energy
4 Northwest.

5 MR. MELBARDIS: Eric Melbardis, EDP
6 Renewables.

7 MS. DIAZ: Jennifer Diaz, Puget Sound
8 Energy.

9 CHAIR LYNCH: And now I'll hear from anybody
10 else on the line who wishes to identify themselves.

11 MS. MARTIN: Connie Sue Martin on behalf of
12 the Port of Vancouver.

13 MS. MCGAFFEY: Karen McGaffey, Perkins Coie.

14 MS. BOYLES: Kristen Boyles, Earthjustice.

15 MR. KISIELIUS: Tadas Kisielius is here on
16 behalf of Vancouver Energy.

17 CHAIR LYNCH: Anybody else? Okay. Let's go
18 ahead and move forward and get some of the -- start
19 getting updates from our facilities. Excuse me.

20 First of all, Kittitas Valley Wind Project,
21 Mr. Melbardis.

22 MR. MELBARDIS: Good afternoon, EFSEC
23 Council. This is Eric Melbardis with EDP Renewables for
24 the Kittitas Valley Wind Project.

25 We have nothing nonroutine to report during

1 this period. We are in our lower wind season, so we're
2 retooling and regrouping and getting ready for the
3 spring.

4 CHAIR LYNCH: I'm sorry, Mr. Melbardis. You
5 said you are in what status?

6 MR. MELBARDIS: This time of year is a low
7 wind season for us --

8 CHAIR LYNCH: Oh, okay.

9 MR. MELBARDIS: -- so things are pretty
10 slow. There's some general routine maintenance going
11 on, but nothing out of the ordinary.

12 CHAIR LYNCH: Very good. Any questions for
13 Mr. Melbardis? Hearing none, thank you very much.

14 Now we'll turn to Ms. Diaz, Puget Sound
15 Energy with the Wild Horse Wind Power Project.

16 MS. DIAZ: Yes. Thank you, Chair Lynch.
17 Jennifer Diaz, PSE Wild Horse Wind facility.

18 The only nonroutine update I have is that on
19 December 4th an unplanned outage occurred on circuit 23
20 due to a splice failure on the 34.5kV underground cable.
21 Crews repaired the splice and reenergized the circuit on
22 December 13th, so there's no issues. That's all I have.

23 CHAIR LYNCH: And what you just said,
24 basically you're reading off your report that's on the
25 salmon-colored piece of paper?

1 MS. DIAZ: Correct.

2 CHAIR LYNCH: Okay. Thank you. And you're
3 basically saying you had the one unplanned outage due to
4 a splice failure, and that's been repaired and the
5 circuits reenergized and nothing else to report?

6 MS. DIAZ: Nothing else.

7 CHAIR LYNCH: Okay. Thank you. Any
8 questions for Ms. Diaz? Thank you, Ms. Diaz.

9 Now we'll turn to Ms. Khounnala, and first
10 we'll hear about the Columbia Generating Station.

11 MS. KHOUNNALA: Yes. Good afternoon,
12 Council and Chair. Shannon Khounnala with Energy
13 Northwest.

14 In regards to Columbia Generating Station,
15 you'll see in our report that we are back online. As
16 you remember in our last report we did, I provided a
17 brief update on an unplanned shutdown that we had as an
18 event following a BPA Ashe substation failure. So we
19 are back online. We came back online just before
20 Christmas, and have been operating for 24 days since.

21 I did want to provide a brief update in
22 regards to the Radley shipment that the Chair spoke of
23 at the beginning of the meeting here. We are working
24 with the Department of Health on rectifying the
25 situation in regard to our Radley shipping privileges to

1 the US Ecology sites.

2 Currently we have completed an event
3 investigation as well as the cause determination
4 analysis. From that apparent cause determination
5 analysis, we've provided those details and the level of
6 analysis in a letter to the Department of Health, and we
7 do have an inspection and meeting set up with the
8 Department of Health planned for tomorrow. So there's
9 additional details to come out of that inspection and
10 meeting with the Department of Health. And as I stated
11 previously, my plan was to be -- to update the Council
12 as we progressed through this process with the
13 Department of Health.

14 Are there any questions in regards to
15 Columbia Generating Station?

16 CHAIR LYNCH: Any questions for
17 Ms. Khounnala? And I'm actually going to ask
18 Mr. LaSpina: Mr. LaSpina, you've heard from the
19 Department of Health regarding this particular action?

20 MR. LASPINA: Thank you, Chair Lynch. Yes.
21 What I did was I queried the Department of Health, and
22 we discussed basically the question of whether EFSEC has
23 a role in that incident. And there's a laundry list of
24 agencies that have a role in shipment of low-level
25 waste, but we're not on it. It's the Department of

1 Transportation, the NRC, the State Department of Health
2 and the site license that the NRC issued to the
3 facility. So I didn't go much farther than that.

4 CHAIR LYNCH: And the -- and EFSEC's role
5 regarding radionuclides is just limited to emissions; is
6 that correct?

7 MR. LASPINA: Yes, sir. That's exactly
8 right.

9 CHAIR LYNCH: Okay. Councilmembers might
10 remember that from time to time we will -- at least
11 twice since I've been here, we issued permits
12 regarding --

13 MR. LASPINA: -- emissions of radionuclides
14 from the actual power plant and the facility.

15 CHAIR LYNCH: Right. Any questions for
16 Mr. LaSpina or Ms. Khounnala regarding Columbia
17 Generating Station? Thank you, Ms. Khounnala.

18 Go ahead and update us about WNP 1/4.

19 MS. KHOUNNALA: Certainly. I'm happy to
20 report, in regard to WNP 1/4, that the Department of
21 Energy has completed our NEPA Environmental Assessment
22 and issued a finding of no significant impacts for that
23 site.

24 As you'll recall, we utilize that site for
25 land leasing and a variety of other purposes. And prior

1 to issuing us a new real estate transaction, they
2 determined that a NEPA evaluation was required. So that
3 took some time, but we have completed that action. And
4 that will allow us now to go back to negotiate with the
5 Department of Energy to renew a lease with them for use
6 of that facility. So we will commence land lease
7 negotiations with them again probably starting here at
8 the end of January.

9 And I have nothing else to report in regard
10 to WNP 1/4.

11 CHAIR LYNCH: Any questions for
12 Ms. Khounnala regarding WNP 1/4? Well, everyone's
13 getting off easy today. Thank you.

14 MS. KHOUNNALA: Thank you.

15 CHAIR LYNCH: We have an update on the Grays
16 Harbor Energy Center, and Mr. Valinske, I believe you've
17 got someone to introduce to us as well.

18 MR. VALINSKE: Good afternoon, Chair Lynch,
19 EFSEC Council. My name is Pete Valinske. I'm the plant
20 manager for Grays Harbor Energy. We have nothing
21 unusual to report, just a couple of updates.

22 Our third -- the third cell of our cooling
23 tower should complete this Friday, so that's one-third
24 complete on the reconstruction. And I did bring our new
25 plant engineer, Dan Rottler, with me to introduce him to

1 the Council and EFSEC Staff. And that's all I have.

2 CHAIR LYNCH: And Mr. Rottler, would you
3 please stand and wave so we can all get a good look at
4 you? Thank you. Welcome.

5 MR. ROTTLER: Thank you.

6 CHAIR LYNCH: Any questions for Mr. Valinske
7 of Grays Harbor Energy Center? Thank you, Mr. Valinske.

8 And we have Mr. Miller on the line?

9 MR. LASPINA: Chair Lynch, Mr. Miller could
10 not join us for this meeting today, and the plant sent
11 no representative; however, his report is on the blue
12 sheet.

13 CHAIR LYNCH: And you might notice on his
14 report, it is the -- towards the bottom of that blue
15 sheet, there is a note that EFSEC did, in fact, issue
16 the Title V Air Operating Permit that we approved last
17 time, so that is out the door, so we're very pleased to
18 have that done.

19 So let's turn to Staff now and get an update
20 on the Tesoro Savage Vancouver Energy Distribution
21 Terminal. Ms. Bumpus.

22 MS. BUMPUS: Good afternoon, Chair Lynch and
23 Councilmembers.

24 So I'm going to start with my SEPA updates.
25 I will say, starting off, that I don't have a lot of

1 updates on the permits. They're all three going
2 through -- well, I shouldn't say all three -- two of
3 them, the Industrial Draft and the NOC, Notice of
4 Construction Air Permit are going through various levels
5 of internal review, so we're continuing to coordinate on
6 those as we need to.

7 For the construction permit that went out to
8 public comment, we had about 46 verbal comments at our
9 public hearing in November. Those were sent to our
10 consultant who is sorting through those, reviewing them
11 and extracting any substantive comments. So that's
12 pretty much the gist on the status of the permits. But
13 if you have any questions about those, let me know.

14 So going on to the SEPA update on the EIS,
15 you'll recall that we received a December draft of the
16 EIS with placeholders. There were various appendices
17 and things like that that we did not receive, but in
18 January, specifically January 3rd, we received a
19 preliminary draft FEIS from our consultant, and we
20 started the comprehensive review that I had mentioned
21 last month. The AGs are included in this review, and as
22 soon as we got the document, we started to distribute it
23 to the AGs that are involved and some of our
24 contractors.

25 I wanted to just note that the document's a

1 little over 800 pages, but this doesn't include the
2 appendices, which are more -- there are more in the FEIS
3 than there were in the published draft EIS.

4 The other thing I wanted to note about the
5 appendices is there's an Appendix R, which contains
6 thousands of the extracted comments and responses to
7 those comments, and that is something that we didn't
8 have in December that we're now reviewing, and the AG is
9 also reviewing these. So the review is definitely
10 taking all of the time that we had originally allotted,
11 and perhaps will take a bit more.

12 So I'll keep you updated. We will be
13 getting comments from our AGs. Staff are commenting on
14 the document, and we'll keep you updated on how that
15 develops.

16 Are there any questions?

17 CHAIR LYNCH: Any questions for Ms. Bumpus?

18 And is there anything else for Staff to add on Tesoro or
19 is that it?

20 MS. BUMPUS: I think that's all I had.

21 CHAIR LYNCH: Okay.

22 MS. BUMPUS: Let's see. I think that
23 touches on the key points I wanted to mention today.

24 CHAIR LYNCH: Okay. Good. Thank you.

25 Let's turn to -- we have to do the third

1 quarter cost allocation, and Mr. Posner is going to
2 inform us about that. That's the green sheet that was
3 in your minutes packet.

4 MR. POSNER: Yes. Good afternoon,
5 Chair Lynch, Councilmembers. It is the green sheet, and
6 we do this at the beginning of every quarter. These are
7 the calculated costs for the third quarter, fiscal year
8 2017, January 1st through March 31st.

9 And we basically -- just to kind of
10 reiterate what I say at the beginning of every quarter,
11 we look at the amount of technical staff time that was
12 spent on the various projects in the previous quarter,
13 we look at that time and then we also look at what we
14 project for the next quarter, and then we recalculate
15 the percentages.

16 So the percentages are listed on the green
17 sheet. I'll go ahead and read them off for those who
18 are on the phone.

19 Kittitas Valley Wind Project is 5 percent.

20 Wild Horse Wind Project is 8 percent.

21 Columbia Generating Station, 18 percent.

22 WNP 1/4, 3 percent.

23 Whistling Ridge Energy Project, 3 percent.

24 Grays Harbor Energy 1 & 2, 9 percent.

25 Chehalis Generation Project, 8 percent.

1 Desert Claim Wind Power Project, 3 percent.
2 Grays Harbor Energy 3 & 4, 3 percent.
3 And Tesoro Savage Vancouver Energy,
4 40 percent.

5 And that's all I have. Happy to answer any
6 questions if Councilmembers have any.

7 CHAIR LYNCH: Any questions for Mr. Posner
8 regarding the allocations for the third quarter?

9 Hearing none, then what I'm going to do is
10 I'm going to adjourn this regular meeting, but I'm going
11 to call us into Executive Session pursuant to RCW
12 42.30.110(1)(I), which is to discuss with legal counsel
13 potential litigation to which the Council may become a
14 party.

15 And I will reconvene -- I anticipate this
16 will last about an hour, but we will be taking no action
17 after that, so basically I'm going to adjourn us for --
18 until 3:00, and then at 3:00 I'll come back on the
19 record and close out the Executive Session.

20 And at this point, we're adjourned. Thank
21 you.

22 (Meeting concluded at 1:51 p.m.)

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C E R T I F I C A T E

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I, ANITA W. SELF, a Certified Shorthand Reporter
in and for the State of Washington, do hereby certify
that the foregoing transcript is true and accurate to
the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have hereunto set my hand
and seal this 26th day of January, 2017.

ANITA W. SELF, RPR, CCR #3032

