

BEFORE THE STATE OF WASHINGTON  
ENERGY FACILITY SITE EVALUATION COUNCIL

In the Matter of  
Application No. 93-1

WEYERHAEUSER AND MISSION ENERGY  
COMPANIES  
COWLITZ COGENERATION PROJECT

Findings of Fact, Conclusions of Law, and  
Order Approving the Cowlitz Cogeneration  
Project Application and Recommending  
that the Governor Certify the Site for  
Construction and Operation

This matter came before the Energy Facility Site Evaluation Council of the State of Washington and Chairman Warren Bishop on December 13, 1993 in Olympia, Washington,

I. FINDINGS OF FACT

1. The Weyerhaeuser Company and Mission Energy Company are proposing to construct and operate a cogeneration facility on the Weyerhaeuser Longview Millsite in Cowlitz County, Washington to supply process steam to the paper and pulp making sources on site and to supply electricity for use on site and for sale.
2. The Cowlitz Cogeneration Project consists of the following:
  - a. Two natural gas-fired combustion turbine generator trains each with an expected capacity of about 155 megawatts (MW) (ISO) and an expected heat rate of about 9,690 British Thermal Units per kilowatt hour (Btu/kWh) ISO. Dry Low NO<sub>x</sub> Combustors shall be used to minimize the formation of Nitrogen Oxide (NO<sub>x</sub>).
  - b. A Heat Recovery Steam Generator (HRSG) on each turbine to produce steam. The HRSG's will be equipped with duct burners to produce steam at high and lower temperatures. Each HRSG is to be equipped with Selective Catalytic Reduction (SCR) equipment for removal of NO<sub>x</sub> from the exhaust gasses.

- c. There will be one Steam Turbine Generator (STG) with an electrical capacity of approximately 95 MW. The STG will be driven by steam from the two combustion turbines and HRSGs. Spent steam will be used for both industrial purposes and reinjection (after reheating in the HRSG) into the STG. Steam not reheated or sent to the Weyerhaeuser mill complex will be condensed and reused as boiler feedwater.
  - d. The project will use natural gas as primary fuel for the combustion turbines and the HRSGs and low sulfur No. 2 diesel as backup fuel.
  - e. Makeup and process water will be supplied to the CCP through agreements with Weyerhaeuser companies on the Longview complex and with existing water withdrawal permits held by the companies.
  - f. Waste water will be discharged through the Weyerhaeuser Longview Millsite wastewater treatment facility in compliance with the site's National Pollution Discharge Elimination System (NPDES) Permit #WA 0000012-4.
  - g. A circulating water system will provide cooling water to the Steam Turbine Condenser and to a heat exchanger serving the auxiliary (closed) cooling water system. The heated circulating water will be sent to the cooling towers where the temperature is reduced through evaporative cooling.
  - h. The cogeneration facility will be interconnected to the existing HYCOM and NORPAC substations with 230 kilovolt (kV) interconnections. The interconnection to the NORPAC substation will utilize the exiting 230 kV line currently serving as the interconnection between HYCOM and NORPAC substations. A new line will be installed for interconnection of the cogeneration plant to the HYCOM substation.
3. On April 13, 1992, the Weyerhaeuser Company asked the Council to conduct a Potential Site Study of their proposed Cowlitz Cogeneration Project.
  4. In July 1992, the Council retained URS Consultants, Inc. to conduct the Potential Site Study in accordance with RCW 80.50.175.

5. On October 6, 1992, the Council held a public meeting in Longview, Washington about the project and the Council's review process. During that meeting the public had an opportunity to ask questions and comment about the project and to request to be included on a mailing list to receive information about the project and the Council's review.
6. On December 14, 1992, the Council issued its Potential Site Study for the Cowlitz Cogeneration Project that was prepared by URS Consultants. The study summarized public comment received at the October 6, 1992 meeting concerning natural gas pipeline safety, natural gas supply noise impacts, water quality, and effects to the existing Weyerhaeuser mill site waste treatment system, energy costs, economic issues, air quality, and the Council's permitting process. The study reported that there is abundant natural gas supply, electricity generated by the facility could tie into the Bonneville Power Administration or Cowlitz County electrical distribution system, the project conforms with local land use and zoning, air quality would not be significantly affected, the project would reduce water demands at the Weyerhaeuser complex site, the project would have positive economic impacts, the project would reduce solid waste added to landfills, and the project may cause traffic congestion if construction overlaps with other planned construction activities at the mill complex.

The Potential Site Study also evaluated the most likely State Environmental Policy Act (SEPA) process that the Council could follow. The study concluded that the project was not likely to cause significant adverse environmental impacts, and that it was likely that there would be many positive impacts. The study predicted that the Council was likely to issue a SEPA mitigated determination of non significance for the project and that it would qualify for the Council's expedited review process under RCW 80.50.075.

7. On June 14, 1993, the Weyerhaeuser and Mission Energy companies filed an application with the Council to construct and operate a 395 megawatt cogeneration facility on the Weyerhaeuser Mill site in Longview, Washington. As provided in RCW 80.50.075, Weyerhaeuser and Mission Energy companies submitted a request for expedited processing in their application to EFSEC.
8. On August 3, 1993, fifty days from the date when the application was submitted, the Council held an informational meeting in Cowlitz County. During that meeting the public had an opportunity to speak about the Cowlitz Cogeneration Project. This meeting was held in accordance with WAC Section 463-43-040.

9. On August 3, 1993, the Council also held a land use hearing. At that hearing the Council heard testimony from Cory Pulfrey of the Weyerhaeuser Paper Company and Patrick Keough representing Cowlitz County on local land use ordinances and requirements. The Council also heard public testimony on the project. The hearing was carried over to the August 9 and September 13 Council meetings. The Council reviewed comments and exhibits submitted by the applicant and county regarding local zoning, coastal zone management, and flood plain consistency. On September 23, 1993, the Council held a special meeting and based on the earlier hearings and exhibits, the Council issued Order No. 663 granting Weyerhaeuser and Mission Energy companies a determination of consistency with local land use plans and zoning ordinances.
10. In July 1993, the Council retained ENSR Consulting and Engineering to review the Cowlitz Cogeneration Project application and the SEPA Environmental Checklist. After evaluating the application and SEPA checklist, ENSR recommended that the Council issue a Mitigated Determination of Nonsignificance (MDNS). The Council issued the MDNS with a 15 day comment period at its special meeting on September 23, 1993.
11. The Council received two comments to its MDNS recommending that the Council find that there would be significant environmental impacts from the project and that an environmental impact statement (EIS) was necessary to identify those impacts and to address alternatives. Cowlitz County commented that it supported the Council's findings but requested that an additional mitigation be added requiring that additional noise monitoring be conducted once the project begins operation.
12. During its regular meeting of October 11, 1993, the Council reviewed the comments to its MDNS, discussed responses to those comments by the Department of Ecology and ENSR, and heard from staff. The Council determined that the issues raised by the commentators did not require an EIS to be conducted, and allowed its MDNS to stand.
13. ENSR reviewed the application and the applicant's request for expedited processing and submitted a report to the Council which recommended the Council grant the applicant's request for expedited processing pursuant to WAC 463-43-030. Expedited processing may be granted if the environmental impact of the proposed facility, the area potentially affected, the cost and magnitude of the proposed energy facility, and the degree to which the proposed energy facility

represents a change in use of the proposed site are not significant enough to warrant a full review of the application for certification. ENSR found that:

- a. The proposed Cowlitz Cogeneration Project will not significantly impact the environment because, on completion of the project, there will be a net reduction in air and water emissions from the overall Weyerhaeuser mill complex, and the construction and operation of the project will not have impacts on any animals, plants, or earth resources.
  - b. The area of potential impact is primarily limited to Weyerhaeuser's mill complex - a location that is already a highly developed industrial site. Some potential impacts from noise or traffic might occur, but can be mitigated.
  - c. The cost (\$400 million) and magnitude of the project compared to the mill expansion currently underway and other major industrial projects is not unusually high.<sup>1</sup>
  - d. The site has been historically used as an industrial site and the change in use of the site from a plywood mill to a cogeneration facility that produces both electricity and steam is not significant.
14. ENSR reported, that in Application No. 93-1, the applicant had requested waivers from the application requirements of WAC 463-42-165 Water Supply, WAC 463-42-185 Characteristics Of An Aquatic Discharge Systems, WAC 463-42-195 Wastewater Treatment, WAC 463-42 435 NPDES Application, and WAC 463-42-625 Criteria, Standards, and Factors Utilized to Develop Transmission Route. ENSR recommended that waivers be granted to the applicant for WAC 463-42-165, WAC 463-42-185, and WAC 463-42-625. ENSR recommended that waivers not be granted for WAC 463-42-195 because the applicants failed to thoroughly describe its wastewater sources, applicability of treatment, and recycling and /or resource recovery. Similarly, ENSR recommended that waivers not be granted for WAC 463-42-435 because of questions regarding appropriate permitting authority between the department of Ecology and EFSEC.

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<sup>1</sup>EFSEC staff noted that the Northwest Power Planning Council states in its most recent power plan that the cost of the electricity per kilowatt hour produced by cogeneration facilities is lower than other generating resources such as nuclear, coal, or some hydro powered facilities.

15. During its October 11, 1993 regular meeting, EFSEC approved the applicants' request for expedited processing under RCW 80.50.075 and found the project to be in compliance with WAC 463-43-050. Order No. 664 was issued on November 3, 1993, granting Weyerhaeuser and Mission Energy companies' request to have the Council review Application No. 93-1 under its expedited procedure as outlined in Chapter 463-43 WAC. The Order also granted the applicant's request to waive the requirements under WAC 463-42-165, WAC 463-42-185, and WAC 463-42-625. The Council did not waive the requirements of WAC 463-42-195 and WAC 463-42-435 until further clarification was obtained.
16. On November 1, 1993, the applicants submitted substantial revisions to their application in response to ENSR's request for clarification and additional information resulting from its review of Application No. 93-1.
17. On November 8, 1993, after reviewing the revisions to the application, ENSR reported to the Council that the revisions clarified most issues and that the application was complete and could be the basis for a Site Certification Agreement. Based on the information contained in the revisions and information submitted by the applicants to ENSR, ENSR recommended that the Council grant the applicant waivers from the requirements of WAC 463-42-195 and WAC 463-42-435.
18. The Council contracted with the Department of Ecology to review the Air Permit Application contained within Application No. 93-1. The Notice of Construction (NOC) Application contained in the application was prepared in accordance with WAC 463-42-385, chapter 463-39 WAC, and chapter 173-400 WAC (General Regulations for Air Pollution Sources). On EFSEC's behalf, Ecology prepared a draft NOC approval for comment.
19. On November 17, 1993, the Council held a public meeting in Longview, Washington to review its progress of the Cowlitz Cogeneration Project application and to outline the basic requirements that would be in a Site Certification Agreement and an Approval of a Notice of Construction Application. During that meeting the public had an opportunity to ask questions and comment about the project and air emissions. The Council received comments regarding potential air emissions, emission control technologies, water discharges, and hazardous materials on site, or potentially produced by the project during operation.

20. On November 19, 1993, a letter soliciting requests for comments to the draft NOC approval were sent to the Weyerhaeuser mailing list. In response to comments received at the November 17, 1993 public meeting and its own investigation of available technology, Ecology redrafted the NOC approval lowering the Carbon Monoxide emission requirements. On November 29, 1993, a letter soliciting comments to the second draft NOC approval was sent to individuals that had commented at the November 17, 1993 public meeting regarding air emissions.
21. The Council received comments from the applicants and one member of the public regarding technical components listed in the draft NOC. These comments were evaluated by the Department of Ecology on behalf of the Council.
22. The public was afforded with opportunities to comment to the Council at each regularly scheduled Council meeting held during the Potential Site Study from April 1992 through December 1992, and during the application review from June 1993 through December 1993. In Longview one public meeting was held to elicit comment during the Potential Site Study and two public meetings were held to elicit comments during the application review. Each public meeting was advertised in the local newspaper and legal notice was prepared for each required meeting. During each meeting attendees were encouraged to contact Council staff if they had questions or comments and the Council's address, telephone, and facsimile numbers were distributed. A project mail list was formed and public meeting attendees were asked if they wished to be included on that list. Throughout the Potential Site Study and the application review process information and announcements were sent to the list.
23. A draft Site Certification Agreement has been reviewed and approved by the Council. The Site Certification Agreement lists general and specific conditions and requirements to ensure that the construction and operation of the Cowlitz Cogeneration Project will not significantly affect the environment. The Draft Site Certification Agreement is attached to this order.

## II. CONCLUSIONS OF LAW

HAVING CONSIDERED THE WHOLE RECORD in this proceeding and the foregoing Findings of Fact, the Council makes the following Conclusions of Law:

1. The Council has jurisdiction over the subject matter of Application No. 93-1 pursuant to Chapter 80.50 RCW.
2. The Application for Site Certification is in compliance with the Council's guidelines for such applications contained in Chapter 463-42 WAC.
3. The Council has satisfied the statutory requirements contained in Chapter 80.50 RCW and in Chapter 43.21C RCW (SEPA) by evaluating the application, commissioning an independent consultant review, holding a zoning, land use consistency, and compliance hearing, having required and optional public meetings, issuing a SEPA threshold determination, granting expedited processing under RCW 80.50.075, and developing from the materials presented to the Council, Findings of Fact, Conclusions of Law, and Order, constituting the required recommendation of the Council to the Governor of the State of Washington .
4. The proposed Cowlitz Cogeneration Project and associated facilities are consistent with and in compliance with Cowlitz County land use plans and zoning ordinances.
5. The Application for Site Certification included an Application for Notice of Construction for purposes of Chapter 463-39 WAC. The project, if constructed and operated according to the conditions of the attached Draft Site Certification Agreement and Attachment 1 to said Agreement, will be in accord with Chapter 70.94 RCW (Washington Clean Air Act) and the applicable rules and regulations adopted pursuant to that Chapter.
6. If the Cowlitz Cogeneration Project is constructed and operated according to the conditions of the attached Site Certification Agreement a National Pollution Discharge Elimination System (NPDES) Permit is not required.
7. The Council is authorized to and should submit the following recommendation and order to the Governor of the State of Washington. Certification should be contingent upon execution by the Governor and the Applicants for the Site Certification Agreement for the Cowlitz Cogeneration Project.



III. RECOMMENDATION AND ORDER

Having considered the entire record of this proceeding, including the above Findings of Fact and Conclusions of Law, the Council hereby reports to the Governor of the State of Washington that the Application for Site Certification for the Cowlitz Cogeneration Project is in compliance with the applicable law and regulations. The Council recommends to the Governor that he approve the Application for Site Certification and certify the site for construction and operation of the project, contingent upon execution of the Site Certification Agreement for the Cowlitz Cogeneration Project by the Governor and the Applicants.

WHEREFORE, IT IS HEREBY ORDERED That Weyerhaeuser and Mission Energy companies are hereby granted waivers from the requirements of sections WAC 463-42-195 and WAC 463-42-435, and that the foregoing report and recommendation, together with the foregoing Findings of Fact and Conclusions of Law, shall be, and the same are hereby, forwarded to the Governor of the State of Washington for his consideration and action.

Dated at Olympia, Washington and effective this 21st day of December 1993.

Washington State Energy Facility Site  
Evaluation Council

By \_\_\_\_\_  
Warren A. Bishop  
EFSEC Chair

Attest:

By \_\_\_\_\_  
Jason Zeller  
EFSEC Manager