STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL
P.O. Box 43172 - Olympia, Washington 98504-3172

April 13, 2010 Monthly Meeting Minutes

CALL TO ORDER

Chair Jim Luce called the April 13, 2010 monthly meeting to order at 905 Plum Street, S.E., Room 301, at 1:30 p.m.

ROLL CALL

Council Members present:

Jim Luce, Chair
Jeff Tayer, Department of Fish and Wildlife
Richard Fryhling, Department of Commerce
Hedia Adelsman, Department of Ecology
Terry Willis, Grays Harbor County

Staff in attendance:

Al Wright, EFSEC Manager; Stephen Posner, Compliance Manager; Jim La Spina, EFS Specialist; Mike Mills, EFS Specialist; Tammy Talburt, Commerce Specialist; Kyle Crews, Assistant Attorney General; Kayce Michelle, Office Assistant

Guests in attendance:

Darrel Peeples, Attorney; Brett Oakleaf, Invenergy; Karen McGaffey, Perkins Coie; Mark Anderson, Department of Commerce; Keven Warner, GHEC Satsop; Mark A. Miller, PacifiCorp Chehalis; Katy Chaney, URS; Bruce Marvin, Counsel for the Environment; Doug Coleman, Energy Northwest; Jim Rowland, Energy Northwest; Sid Morrison, Senator; Robert Nielson, Energy Northwest; Tim Sheldon, Energy Northwest; Jack Baker, Energy Northwest

Guests in Attendance via phone:

Tim McMahon, Stoel Rives; Don Coody, Energy Northwest; Kelly Moser, Perkins Coie; Andy Repause, BPA

ADOPTION OF PROPOSED AGENDA

Chair Luce acknowledged Kayce Michelle that's recently

joined the staff from the Department of Commerce, and commented she was doing a really outstanding job. Chair Luce also said Al Wright the new EFSEC Manager was doing an outstanding job.

The agenda was presented to the Council for amendments or additions. The agenda was approved with no additions.

MINUTES

Staff presented the March 9, 2010 monthly meeting minutes for the Council's approval.

Motion: Mr. Fryhling made a motion to approve the minutes. Mr. Tayer seconded the motion. No discussion was held, the question was called for, and the minutes were approved unanimously.

COLUMBIA GENERATING STATION PERFORMANCE UPDATE:

CHAIR LUCE: I want to thank today we're honored by the presence of Congressman Sid Morrison and Senator Sheldon, and Jack Baker.

Sid, I may be wrong, but I think you're the head of the executive board; is that correct?

MR. MORRISON: Yes.

CHAIR LUCE: Tim, we know where you stand, and Tim was very helpful in a number of different capacities. He not only serves with Energy Northwest, but is a state senator from Grays Harbor and very helpful in terms of our recent legislative efforts. I guess I'd also like to recognize Jim Rowland who's sitting in the back. Jim was another person who was very helpful in working on this legislation. So today we're going to have from Columbia Generating Station, actually from Energy Northwest we're going to have a performance update on Columbia Generating Station by Sid and Tim Sheldon. So gentlemen come forward. The mic is yours.

This I will remind Council Members is something we've asked for a couple times, and we've finally got enough breathing room that everybody can get here at the same time. Again, welcome both of you.

MR. MORRISON: Thank you, Mr. Chairman. I want to make sure that everyone also knows that we've had a great visit with you and Mike Mills when we held our annual executive

board meeting session during the legislative session here in Olympia. I think that was very enlightening. May I steel 30 seconds for a historic moment?

CHAIR LUCE: Please.

MR. MORRISON: In 1967, I was selected as the unlikely chair of the joint committee on nuclear energy, and I was unlikely because I was a new member of the legislature. Senator Mike McCormack some of you will remember was the mover and shaker behind that effort, but it was a fascinating experience for me, and we settled on two major things we wanted to achieve. One was a Western Interstate Nuclear Compact which we finally got to Congress and still exists in the form of U.S. Ecology at Hanford. But a very, very proud moment and you've made it so is the creation of then what was the Thermal Power Plant Site Evaluation Council and the process. So I proudly helped get that through the legislature, and that was I think the beginning of something that you've turned into something of great significance to the state.

CHAIR LUCE: Thank you very much for saying so. We appreciate, I think we appreciate your having undertaken that effort.

MR. MORRISON: The idea was the one-stop permit process, and I sense that is still your strong suit.

CHAIR LUCE: One-stop shopping.

MR. MORRISON: Now, with the privilege that Tim and I both have of serving on the executive board at Energy Northwest, we're headed in some new adventures with you and we look forward to it.

CHAIR LUCE: Thank you. So what's going on with Columbia Generating Station?

MR. MORRISON: Columbia Generating Station we are at 151 days of operation. We went through a nose dive in the last part of 2009, and they've got us into not only some great levels of unhappiness with us but also with our customer Bonneville Power Administration, and it spins off and let me just describe. The complication is that if they're expecting us to run with the plant and we don't, not only do they have the ongoing costs of fixing whatever is wrong but have to buy replacement power probably to a tune of a million and a half dollars a day. So it becomes with less and less water available in the Columbia River

for power generation the nuclear plant at Columbia Generating Station is increasingly vital to Northwest ratepayers and the Bonneville Power Administration. So everyone is focused on performance, and we're pleased to report that a turnaround has been achieved. You're never totally sure when you're working with a machine this complex, a 1,150-watt nuclear reactor, and hundreds of people and technicians that work exactly what you've done that's right or exactly what you've done that's wrong, but I think we're back on a very positive path, and we look forward to being part of the energy world.

CHAIR LUCE: If I understand your prior stand correctly, you and Bonneville, Energy Northwest and Bonneville have recently entered into some agreements in terms of how to work on the reliability issues. Maybe that's an overstatement, but I think that's my general sense of how things are headed.

MR. MORRISON: They are as I've just indicated very, very important or interested in performance. So we've spent a lot of time with them saying, "Okay. What do we do?" At times for a while we were throwing barbs kind of back and forth. They issued a white paper which said, "This is one of the worst performing nuclear reactors in the country. What's wrong?" And we said, "Well, what's wrong is you didn't invest in us" and that sort of thing.

I just want to say that's behind us now because I'm not so sure that either side's concern are valid. I think for us on the executive board the thing that's important now is: How do we get on with the future? How do we get on our program for re-licensing? The joyous news is that with all the trials and tribulations that went on with the old supply system now Energy Northwest that the final construction bonds for all of the facilities, including the ones that didn't get built, will be paid off in 2018, and we will be passing onto our children and grandchildren the ownership of a nuclear plant that will be licensed to run into 2043. So it's nice to have the car paid off or your home mortgage paid off and you still get to live there. So that's valid.

MR. SHELDON: It's been a pleasure for me to be on the board of Energy Northwest. I joined the board in 2002, and I had been a Mason County PUD 1 Commissioner.

MR. MORRISON: He's done so many things.

MR. SHELDON: I have done a lot of local jobs. It was a

very interesting time to be a PUD Commissioner, and I have people ask me about it. Terry's been obviously County Commissioner and others, and Sid has served in the legislature too. I was always thought that a PUD Commissioner was such a great job because you narrowed your focus. You really could look at a few issues and get into them very deeply, and I found the board has been a very exciting place to participate. If you're not familiar with our board, we have 11 members. There are five members that are from the board of directors, the full board of directors, and they all have one member on Energy Northwest's Board. We have a very diverse membership. I mentioned PUD 1, one of the smallest first PUD's in our in state 1952; Seattle City Light, Snohomish, the biggest.

MR. MORRISON: The big players.

MR. SHELDON: The big players down to the small players, and they have five representatives that they so elect to be on the executive board for a four-year term, and the board itself picks three individuals by statute who are not PUD Commissioners who have different roles and expertise. Sid is an outside board director, myself and Ted Coates who is a former general manager out of Tacoma City Light, and then there's three gubernatorial appointees as well. Those right now are K.C. Golden, Dave Remington, and the third is Larry Kenney. So we have worked very closely. Andy Repause is on the phone and is a great participant in all our meetings as well.

We have worked real hard in trying to broaden our representation on that board to get some nuclear expertise so we anticipate the next gubernatorial appointment is very soon. We have met with the governor and talked about the need for nuclear expertise on the board itself. We also have an appointment coming up that the board, the full board will make for one of the members that is leaving, and that's an opportunity. They have been interviewing some people with particular nuclear expertise. I think that's been a focus that we all understand would be helpful to your board, but we do have groups that we visit with regularly our review boards through the Institute For Nuclear Power Operators. The staff that we have, the questions that have come up, and the consultants that we have hired have been very helpful to the board. We as board members have attended some training sessions that are very useful to interact with other board members of the 105 nuclear power plants in the United States. That is a very interesting experience. Many of those organizations have multi facilities, many facilities and stations, and nuclear

might be a small portfolio of a large coal utility, for example. But I have learned a lot from other directors and, of course, public power is a different animal than they are usually used to.

MR. MORRISON: Especially public power with one reactor.

MR. SHELDON: Yes, with only one.

MR. MORRISON: A thousand miles from any other reactors. It's an interesting experience.

MR. SHELDON: So I think we're on the upswing. Sid did mention we've gone through an exhaustive search for a new CEO. The average CEO of a nuclear power plant stays for three and a half years. That's the average life at a particular plant, and ours has been there I think 14 years. So this is a big change for us. We had some excellent, excellent applicants for the job and we are still working on our final selection. We can't say too much because of the laws that we must adhere to on personnel and selection for a public agency, but I'm confident that we will have a very well qualified and experienced person, and that person's first duty as our CEO is going to be plant performance. We've made some changes in our committee structure, and I don't think those changes have ever been made since 1957.

MR. MORRISON: I don't think so.

MR. SHELDON: In our committee structure we have three committees. Now we have a nuclear operations committee that is just really devoted to the operations of the plant.

CHAIR LUCE: Thank you very much. Council Members have any questions?

MS. ADELSMAN: I have a quick question. The relationship between Energy Northwest and BPA. I mean I understand BPA buys the power and so on, but could you explain a little bit more what's their relationship so I could understand why the frictions and all of that.

MR. MORRISON: Hedia, this is sufficiently complicated that it could have come from the Department of Ecology.

MS. ADELSMAN: Maybe we have something.

MR. MORRISON: Our relationship with Bonneville Power is governed by a project agreement that goes back to the

1970s. This was an ingenious way that public power that made the investment in the nuclear plants started five of them, one is completed and one that's operating, that power would be distributed by BPA as the only customer and they would pay the bills. It's called net billing, and that's what has directed our working relationship obviously if we're supplying the power that they need to supply the Northwest. By the way, the other thing that's happened since thanks to Judge Redden there's hydro generated power and, Jeff, you've played a role in that as well. And we face a 65 percent flow in the Columbia River this summer. All of a sudden that nuclear plants becomes solid gold as part of the energy supply for the Northwest is distributed primarily by Bonneville.

So what our goal as Tim has indicated is performance, and we're assembling the right team. By the way, there will be some shock among all of you when we tell you who we've hired and what we're having to pay. Certainly the resurgence of nuclear power around the world has really changed that market. So if you've got any kids that are looking at a career, that's the place to go. It's going to be very, very rewarding, but, you know, we look at it philosophically. Everyday that plant runs it's a billion and a half dollars or so in energy put out. Any day it doesn't run, you've got just the opposite. You've got to replace the power, as well as not getting the product. So I think Tim and I would both say that a number of changes we have made, and the changes that will be coming for our board and through our management are all very positive.

Hedia, just a personal observation. When I drive down from my home in the Yakima Valley and I turn the corner down by Benton City, I can see if there's steam coming up out of the condensers at Columbia Generating Station. When that plant is running everybody is so happy. When it isn't running after a while people get unhappy. I think the relationship with BPA now that they are so dependent on us is in fact even more important. They used to, for instance, have us refuel every year. Stop the reactor, we don't need the power. Now they are concentrated on everyday to keep that plant running, and it runs best at a hundred percent of the time, a hundred percent power. It doesn't have wind integration very well which I know you're all wrestling with at this point because you don't want to turn it on and off. But I think as you also know that base-load capacity so that those people who now flip the light switch at home consider it an entitlement, not just a privilege that our parents might have considered. Now it's entitlement and it's so vitally important to our future.

CHAIR LUCE: Thank you very much. Mr. Tayer.

MR. TAYER: You said you mentioned pressure really on both the hydropower system with Judge Redden and all of the other court cases there, but also on carbon fossil fuel produced power. What do you see as the future for nuclear power in Washington? I mean what's ahead?

MR. MORRISON: You didn't get any sleep last night. You can answer that one.

MR. SHELDON: I think it's very bright. I think we talked a little bit about this at lunch. When you start to think of our state, and we've got a lot of young people now, of course, and WPPSS happened. If you were 40 that wasn't maybe part of your recollection. We've got some older people that remember that, but a lot of people are very concerned about the environment and they see nuclear as carbon free. You'll see in the national polls there seems to be more acceptance. We've got a president from the state which has, what, I think seven or nine nuclear power plants. There was a time when, you know, there was not as much as Sid mentioned, not as much demand for these executives. But now as we're talking about, we're going to pay between what a PAC 10 football coach makes and a University of Washington president to be CEO of Energy Northwest.

MR. MORRISON: Maybe a winning coach.

MR. SHELDON: But there's a resurgence. I think there really is an interest, and I think the environmental community, a lot of the environmental community see it as a great asset to have this plant here. One of the things may be someone was thinking too we don't have much of a presence on the west side. While the plant is obviously on the east side, I think there's confusion in some people's mind about the Hanford cleanup, what the plant does, what's its safe operation. I want to make that clear.

But we realize I think as a board that we need to have more of a west side presence. This is where the load is going. I mean this is where the people are, and we're working very hard on that as this new generation and CEO comes on to make that happen.

MR. MORRISON: You'll hear from Jack Baker in a few minutes one of the potentials. Steve Wright of BPA doesn't want another 1,150-megawatt shaft. He says we are so dependent

on that one shaft turning because it's such a dramatic percentage, increasing percentage of what BPA has to distribute its customers. So Jack is going to talk a little bit about new nuclear.

Two basic problems still exist. Probably the biggest one is waste. We don't look at it as waste. When we put those fuel assemblies out in those concrete canisters, and we've plenty of room for them out in the desert and they're very, very safe, you can put your arms around them. That's still 93 percent of the energy in those even though they've been in the reactor for six years. So I'm trusting that our kids and grand kids are going to be smarter than we have been on this. France has an excellent program primarily headed by a company called Riva which is located in Richland. On reprocessing you get rid of the dramatic level of what was exactly perceived to be waste and in essence it's recycling, and that's one of the answers.

Unfortunately during the Carter administration the decision was made to not recycle because very frankly you do end up with the other bugaboo, and that is you could, if you were an unscrupulous scientist, you could separate out weapons grade material. But that seems to be a proliferation that's still a concern. I like the new SALT agreement. You may not know it, but at Columbia Generating Station we've run for years burning Soviet missiles from the first strategic arms limitation talks. So we look forward now to burning a number more because that adds to the supply of uranium that's out there.

Another nice thing is fuel is only ten percent of the cost of running a nuclear reactor. Natural gas which, of course, has the carbon spinoff at 60 to 70 percent of the total cost. So while we're labor intensive the product is clean and green and within the price range. Steve Wright, Steve and I were talking to the Governor about her health, and in making a point Tim was talking about someone with nuclear capability being one of her appointees on the board, and he was being a little negative. And she says, "Well, why don't you just shut down over there?" And Steve then immediately shifted into defensive gear more aggressively than I've every seen him, and said, "Oh, no. We've got to have it. That's such a vital part of the mix, and it fits in from a price point of view. It's reasonable cost so we do think it's very much a part of the future."

CHAIR LUCE: Any other questions?

Thank you very much, gentlemen. We appreciate your coming

to talk to us today and we look forward to continue to construct this relationship.

MR. MORRISON: We look forward to what you've offered and that is a collaborative Energy Northwest-EFSEC effort on education, including what Senator Sheldon has mentioned, an aggressive effort here in Western Washington. We think it is one of the best clean energy sources that we could possibly have a future in the Evergreen state.

CHAIR LUCE: Thank you. We look forward to that as well.

MR. MORRISON: Thank you very much.

SMALL MODULAR REACTORS/STUDY GROUP

CHAIR LUCE: So nice segue way, Jack. You're up.

MR. BAKER: So any questions about nuclear? I'm Jack Baker, Energy Northwest. Been there since 1982, have the best job at Energy Northwest. It's mostly called a business development and new generation resource. We are currently doing a development of another wind project in the state of Washington and about ready to announce a five-megawatt solar project that was only done in Oregon, but we're going to bring it in the state of Washington because it was a similar state and attractive enough to build down there. So we're looking at a lot of diverse kind of resources.

So probably four or five years ago our membership through Energy Northwest is a joint operating agency. We try to aggregate the interest of our members and other folks in public power and people in the region to build bigger resources where it doesn't make sense for them to just build them themselves. So we were looking at that.

Columbia was running pretty good. We were trying to figure out where our future resource is going to come from. We're certainly committed to building renewables. We certainly endorse the concept of energy efficiency and conservation, but we're also convinced that you just need to have everything on the table and kind of do it all, and then eventually let public policy, you know, rules and economics decide what you should be doing in the future.

So fortunately we haven't had a tremendously big-load growth in the region and had some excess power so we've had some time to make some decisions before we ran out of time, and the recession helped so we bought ourselves a few more

years. But many of our members are looking where are their resources going to be at in say 2020. So if you look at a nuclear option, it's not something you think about two or three years from now. Between the licensing and the construction and everything else it's a long-term decision that you do.

So about two or three years ago our executive board asked us to bring in some nuclear experts and talk about what it would be like to think about a nuclear option. I would say four or five years ago we weren't allowed to use the word nuclear in public, but things are changing because of economics; they're changing because of environmental policy and the like. But I'd say about three or four years ago we brought in all of the major big nuclear plant suppliers and had them do presentations to both the board of directors and the executive board and we walked away with a couple things. There is some nice designs out there. They've improved safety, they've improved reliability, but they're fundamentally big nuclear power plants that are typically in the 1,200 to 1,600 megawatt range and you're asking how much do they cost and they never give you straight answer, but it was probably measured in the terms seven, eight, nine billion dollars. It was a significant impact or input. So if you look at the life-cycle cost it's still competitive with other resources because of the fuel costs, but the idea of bringing in say 1,500 megawatts at one time into the State of Washington just was problematic. The state doesn't need that much power at one time, even if we did add a broad group of both public and private utilities together to try to do that. And it didn't sound very good just to bill the people out of state like in California, and to try to put seven billion dollars on your balance sheet at one time was a big risk and everything else. So we got to the point where we're a little bit disillusioned with the new big nuclear power plants. It's going to work just fine in Georgia and the southwest where they have to replace aging or shut down big coal plants where they have to bring on thousands of megawatt loads at one time as just part of their either growth or replacement strategy, but it didn't feel good for the Northwest.

So that's about the time maybe two years ago we started looking at smaller modular reactors, and I started off with a bias because I always thought bigger was better in economy and scale and all the things we learned in engineering school back 20 years ago and maybe 40 years ago to do that. But the more we looked at it and looked at two typical designs, we didn't want to stretch the design concept so we used light-water reactors because we knew the

NRC would be more comfortable licensing something like that as opposed to more exotic next-generation sodium reactor or gas-cooled reactor. So when we looked at that the design was just really simple, and what kind of struck me is that if you just look at how many cubic yards of concrete or how much steel or how many pumps or valves in these simple modular or smaller modular reactors it's maybe like 20 percent of what you have in one of these brand new big power plants, and quite frankly it's a lot less than what you have at Columbia per megawatt. So you ought to have some kind of reasonable economics. If you really believe you can get it permitted and licensed, the economics ought to be you ought to at least evaluate them because you don't have lots of pumps and valves and concrete and everything else. There are obviously some direct correlation between the cubic yards of concrete and how much your bill is.

So we started looking at more and more. We looked at two major vendors that are the light-water reactor vendors. One is NuScale and one is B&W. So that's why we got to this small study group.

(Slide show presented.)

CHAIR LUCE: Council Member questions?

MR. TAYER: What, if any, is your relationship with the Department of Energy? One of the things that I think is always a little murky is the distinction between your waste issues and the cleanup, the two billion dollars a year the taxpayers are paying to cleanup Hanford.

MR. BAKER: We spend a lot of time just saying we're a renter out on the deal we land. We rent about 2,000 acres for our existing facilities at Columbia and IDC at Unit 1 and 4, but that's where it ends. The waste issue is leftover waste from the weapons program, and they have some significant issues over there. I think they're making some good progress. This really has nothing to do with Energy Northwest. If you look at our impact on the environments that we've been operating since 1984, whether or not it's in the river, in the water, in the air, in the land, we don't have those issues that you're hearing about in the newspaper. So a lot of times when they take a picture of your site with a cooling tower plume that Sid was talking about they say Columbia Generating Station at Hanford. We always remind them that we're not Hanford. So we're going to have to continue that debate. Hanford quite frankly needs to get on with cleanup and clean that up so they need to do that for the state. It's their legacy. But we

really are separate. Almost all of those tank farms and all the other reactors and everything else are probably about ten miles north of us. We're running on the south side of their property so we're pretty independent of that.

I don't know if you've heard or not. We're trying to work with the Department of Energy to capture about 20 square miles for a carbonless energy park there to do solar and also probably to do modular and nuclear when the time and if the time is right, but that will all be land on the south end of the reservation.

MS. ADELSMAN: The grid. One of the reasons, of course, why a lot of things are in eastern Washington is because you have the transmission lines, and that's not the same on the west side, and we know right now at least there is going to be some real constraints when it comes to the transmission lines. So when you're looking at some of the modular are you also looking at some of the new ways, new technology or new innovative stuff that's dealing with the transmission than the traditional just big lines? I know there's a lot of literature out there about maybe changes even in the transmission line, the chronology.

MR. BAKER: I think anytime you build any kind of large scale generation resource, whether it be wind or natural gas or nuclear, you've got to figure out who are your customers that are going to buy it and how are you going to get the power there. So all of the transmission lines are pretty much constrained so that's why they're running the lines down the Columbia River, and with all the load growth on the west side quite frankly they need to have more big lines that bring the power into the west side. So it will be an issue that you have to open some transmission.

There are some technology improvements that you could do. You can go to DC. You can go to real high voltage. You've got to figure out if it's economical to do that, but the other thing quite frankly you can do is you can try to build generation resources closer to the load. So we're also looking at possibly permitting, working with a private company to permit a natural gas plant. You're going to hear later about the Satsop site. That's on the other side of the transmission so it's really good. You need to do that. But eventually you have more and more concerns about building generating resources in higher population density so that's why it's nice.

But I think that will be part of that study. It's got to be part of our energy debate in this state. It's not just

the energy technology. It's how do you get the power there. I'm a big fan of I think solar is going to be a great distributed generation resource. A little bit better in the Tri Cities than Olympia. We have a little more sunshine for that, but it doesn't mean that you can't do some of that stuff over here. So it's going to take all of those things. It's hard enough to figure out what's your energy production strategy, general strategy, but you've got to work just as hard on the transmission strategy too.

CHAIR LUCE: Any questions?

Jack, I can't thank you enough for coming over. As you've indicated we have some discussions yet to occur regarding how we proceed with respect to any section of new resources, modular and nuclear being one example. We're going to look forward to the appointment of your new CEO. We understand --

MR. BAKER: So will I.

CHAIR LUCE: You've got inside information. We're going to look forward to working closely with you because we do understand that the operating licensure, the license that you need from NRC is 40 to 50 million dollars, and one of the goals of EFSEC as long as I've been here is to provide as much certainty to would be licensees and to the public at large as to what the requirements are to obtain an energy siting certificate. There's no guarantees, very few in life, but one of which is coming up this Thursday. But beyond that we will work closely with you to get a clear understanding as possible what you intend and see how it works on our end.

MR. BAKER: I look forward to an active relationship. I'll come back and talk to you whenever you hear things. If you hear some rumors you can't believe them or understand them, give me a call. I'll tell you what I think is the right thing. But also as you see the opportunities to educate the public and other stakeholders out there, don't feel bashful about giving me those opportunities. I'll follow up on those too.

CHAIR LUCE: Great.

MR. BAKER: We have a common issue.

CHAIR LUCE: Hedia.

MS. ADELSMAN: I have another quick question. In the

hydropower FERC has the authority for licensing and the state provides input relating to certain elements of that. In this particular case it seems to me like you have dual permitting, and I think I know I haven't gone through a nuclear plant permitting so how would that work? How would it work in the future?

CHAIR LUCE: That's one of the things we're going to be discussing.

MS. ADELSMAN: Okay.

MR. BAKER: So we need a little more certainty. Clearly we're going to have to meet all the federal mandates that's similar to FERC, and there's lots of rules that they have, but we still have a responsibility as how does this impact the citizens of the state of Washington, and is it wise energy policy. So you have some unique responsibilities in addition that you might not have on say a FERC process with the hydro too.

CHAIR LUCE: I'm assuming at some point in time a site certificate from an energy siting would be appropriate as it was in the case of the earlier nuclear facilities. So that's one of the things we need to work through in round-table dialogue, however we want to describe it, and in going forward to start creatively thinking about now that would occur, who the stakeholders are. I don't think it's just EFSEC. I think this is a Northwest issue because it's a little broader than just us. As Jack indicated Oregon is involved, potentially Idaho. So one thing is the forum. What's the appropriate forum to have this dialogue, whether it's just EFSEC or is it a broader forum? I tend to think it's the latter, but we need to have a discussion about how that might occur. So that's what we're going to do.

MR. BAKER: Okay.

CHAIR LUCE: The new legislation that we just passed, the legislature passed and the Governor signed, will help us do that. So thank you very much for coming here.

COLUMBIA GENERATING STATION OPERATIONAL UPDATE

MR. NIELSON: Chair Luce, Council staff, good afternoon. My name is Robert Nielson, and I'm the supervisor of environmental and regulatory programs at Energy Northwest. I appreciate being given the opportunity to provide the status of the Columbia Generating Station this afternoon.

I also want to reintroduce my manager Doug Coleman who is the manager of regulatory programs at Energy Northwest. I say reintroduce. Doug has been my manager previously. He's been on loan I guess from the station from Energy Northwest to the Boiling Water Reactor Owner's Group. He chaired that body for the last year and a half. So he's back in his old position managing the regulatory programs. So appreciate him being here with me today.

Columbia Generating Station is currently operating at a hundred percent power producing 1,160 megawatts gross. As Mr. Morrison indicated previously we've been on line for 151 days. On March 30, we wanted to mention that reactor power was reduced to 40 percent to repair two level-control valves for the feed-water heaters, and this the feed water is preheated prior to being reintroduced to the reactor vessels as it moves there from the condenser. The valves were repaired successfully, and the plant was returned to a hundred percent power on April 2.

The NRC performed a special inspection at the Columbia Generating Station the week of March 22. The inspection was a byproduct of the six unplanned scrams of the plant that occurred between August 2008 and November 2009. These events moved Columbia to what's called the regulatory response column of NRC's reactor oversight process action matrix, and that's what triggers or instigates what's called the 95001 inspection of the NRC conductor the last week in March.

The purpose of the inspection was to ensure that our causes, the causes of these scrams were well understood and acknowledged by us, and that we have corrective actions in place that are sufficient to prevent the currents. The team foundering their 95001 inspection felt that the causes are understood and are being sufficiently addressed. The team felt that improvement programs are in place and that we're on the right path to address those issues. Through fairly rigorous interviews and very frank discussions and conversations it was clear to the NRC that we take the issue and this matter very seriously.

In the months ahead the NRC will continue to monitor Columbia's performance to ensure that our improvements continue to produce results. There were no violations as a result of this inspection.

On April 6, NRC held two public meetings in Richland to discuss the Agency's environmental review of our proposal to extend our license. During those meetings local

residents expressed overwhelming support for license renewal through 2043, and approximately 50 people attended between the two sessions of those public meetings held in Richland. The mayor of Richland described Energy Northwest as a good corporate citizen and neighbor. He also expressed his city's support of Columbia's license renewal effort. The Pasco Chamber of Commerce representative indicated that Columbia was absolutely essential as an energy source for the area and for the Northwest as a provider of safe clean energy. Others attending the meeting called it a well-operated asset and an important environmental asset to the Pacific Northwest. Those who attended the public meeting spoke in favor of license renewal and their support of that effort.

Council may be aware that a Draft Environmental Impact Statement is scheduled for public release in the December 2010 time frame and a final EIS to be done following early 2011. We expect that NRC will conduct another public meeting in that same time early 2011. Of course, additional information can be sought and viewed on NRC's website, and that information will be provided to Tammy.

Then finally regarding the amendment to the site certification agreement for WNP-1/4 we'd just like to say how much we appreciate EFSEC and EFSEC staff for the opportunity to review and comment on that draft before action is proposed to be taken today. We appreciate our participation in that effort being invited to review that in draft and understand per the agenda that Mike Mills will be talking about that on the agenda. That's all I have.

WNP-1/4 PROJECT UPDATE

MR. MILLS: You have two documents in your packets. First is Resolution No. 330 relating to Amendment No. 2 to the WNP-1/4 site certification agreement. The second is a really bright color. This is actual Amendment No. 2 to the WNP-1/4 site certification agreement.

In the interest of trying to stay focused here, I'm going try to read a brief summary of what we did to get to this point today. The action today is to approve an amendment to the WNP-1/4 site certification agreement that will remove conditions related to the construction operation of the partially constructed terminated WNP-1/4 nuclear projects, to set out the conditions necessary to maintain the site for site restoration and reuse/industrial development purposes. Resolution No. 330 describes the

amendment review process carried by the Council in considering Energy Northwest's July 2009 request to amend the 1/4 SCA to more accurately reflect restoration and reuse activities in the future final phase of site restoration.

The Council followed the process set out in WAC 463-66 for amending an SCA and by adopting the resolution will approve Amendment No. 2 to the 1/4 SCA. The resolution provides background information on the history of the 1/4 projects. The initial site certification agreement was issued in 1975. It reviews the public hearing that was held in September of 2009 and notes that a SEPA determination of nonsignificance was issued and summarizes and responds to comments received on the water use provision of the proposed SCA.

WAC 463-66 cites four factors that the Council should consider when considering an SCA amendment: consistency with the intent of the original SCA, applicable laws and rules; public health, safety, and welfare; and site restoration preservation rules. In every instance the proposed amendment was found to be consistent with those factors.

The resolution also responds to comments received regarding water supply and usage at the 1/4 site. In summary, the amended SCA will delete the water authorization for the terminated nuclear projects, continue to authorize the withdrawal of ground water from two on-site wells for restoration activities, and require that Energy Northwest work with the State Department of Ecology to secure a water right or authorization for future industrial development or manufacturing activities at the site.

The resolution also changes the project definition from nuclear energy projects to the partially completed terminated WNP-1/4 nuclear projects or project site. We also included all the provisions from the four-party agreement that was entered into in 2002 and 2003 between the State of Washington, Energy Northwest, Bonneville Power Administration, and the U.S. Department of Energy. That agreement carried or set out the restoration requirements that Energy Northwest would follow and stated that the commitments of the other parties in helping them to restore the site and also to maintain the site in lieu of doing certain other restoration work until the year 2030. That's as far as I got with my notes. Hang on just a minute.

CHAIR LUCE: You talked a little bit how we used the

off-site mitigation. That was at the tail end of this.
MR. MILLS: I did include, well, for just history purposes and also just as a reminder we did include reference to Condition 6 of the four-party agreement was Bonneville would pay the state 3.4 million dollars for environmental mitigation and other projects that would improve the environment.

I listed those projects. The Council was able to allocate that money to six projects, and one of the projects had four different phases. And I think the members that were here at that time certainly would agree that we were able to leverage that $3.5 million into a lot more acreage than the Council was able to buy. I think that we all took credit for that project because I think that was a win-win project for everybody, and we certainly, the State of Washington certainly appreciated the contribution of Bonneville Power in making that project successful.
MR. BAKER: Mike, I'd note the check came from Energy Northwest. We just got reimbursed from Bonneville.

MR. MILLS: Thank you, Jack.

I think that's about it, but just let me read the conclusion. The Council finds that the proposed amendment to the 1/4 SCA is consistent with public health, safety and welfare, applicable law and regulations, and the intent of the original SCA as amended. Council hereby determines that it is appropriate to amend the 1/4 SCA in order to update the terms and conditions within the agreement to more accurately reflect Energy Northwest's plans for future final phase of site restoration and to pursue reuse of the site.
Then we have incorporated the changes and made modifications to the 1/4 SCA. That document was issued in 1975. There was one minor amendment to it in 1982 just before the project construction was halted concerning emergency diesel generators, but this would be only the second amendment to that original document. We removed all the references to the nuclear projects other than where it was appropriate to cite some historical or it was necessary to cite the nuclear projects. It sets out that it incorporates all of the provisions of the approved site restoration plan which was approved through Resolution 302 in 2002, and the provision of the four-party agreement that I've referenced previously.

It revises water withdrawal requirements. If you'll recall, that was a water authorization that was issued to the nuclear project per EFSEC regulation. It was a huge amount necessary to run a nuclear project. That provision has been entirely deleted, and what we've allowed or we're going to authorize or propose to authorize is withdraw water out of the two on-site wells to support restoration activities. It also will support Columbia Generating Station through a cross tie line. There are operating maintenance and training activities that that water will support, and it places a prohibition on industrial or manufacturing uses until Energy Northwest and the Department of Ecology are able to get a water permit or authorization in place. I think that's the major provision that I wanted to cite.

So I guess I'd open it up to questions. Staff does recommend that the Council approve Resolution 330 and that action would also approve Amendment No. 2 to the 1/4 SCA.

MS. ADELSMAN: I do just have a clarification for what Mike was talking about. Amendment 2 and the resolution that both refer to Columbia to be using groundwater for Columbia Generating Station, they don't actually amend the existing certificate for the Columbia Generating Station. So I think what he's really pretty much said is we're okay with the water being used for Columbia Generating Station, but we still are going to need a separate process to make sure that Columbia incorporates the groundwater into the site certification.

So I don't think this should be taken as we automatically amended the site certification for Columbia Generating Station. We're just saying we're okay if they use the water for that purpose. I just want to make sure that's clear.

CHAIR LUCE: Mike, do you have anything to add?

MR. MILLS: No, that's fine. Hedia has explained it well.

CHAIR LUCE: Council Members having any questions? Do we have a motion?

MS. ADELSMAN: I do have a motion. Mr. Chair, I move that Council Resolution 330 be approved thereby approving Amendment No. 2 to WNP-1/4 site certification agreement.

CHAIR LUCE: Thank you. Do we have a second?

MR. FRYHLING: I'll second that.

CHAIR LUCE: We have a motion and second. Does Council have a discussion? Hearing no discussion, the question is called for. All in favor?

Let's have a roll call vote on this, if you would, Tammy.

MS. TALBURT: Department of Commerce?

MR. FRYHLING: Fryhling votes yes.

MS. TALBURT: Ecology?

MS. ADELSMAN: Yes.

MS. TALBURT: Fish and Wildlife?

MR. TAYER: Yes.

MS. TALBURT: Chair?

CHAIR LUCE: Chair votes yes.

MS. TALBURT: It is unanimous.

SATSOP - GRAYS HARBOR PROJECT - OPERATIONAL UPDATE

Mr. Gatewood is not present today so monthly report was submitted.

Safety: Grays Harbor Energy had no reportable accidents or injuries in March.

Environmental in the month of February: The facility had zero discharges in the month of February.

Modifications to the NPDES Permit are in the draft stage: Two samples were taken in July for priority pollutants scans. The results of those samples were sent to EFSEC staff on Monday, October 12, 2009.

Operations & Maintenance: The unit operated for nine days in March and generated 111,219 megawatts. March capacity factor was 24 percent. The Year to Date factor is 8.3 percent.

Noise: There were zero noise complaints in the month of March.

SATSOP SCA AMENDMENT REQUEST UPDATE

MR. LA SPINA: Before Karen gets into that I wanted to inform the Council that the PSD permits and the NPDES permit, the draft permits, are undergoing agency review at this time, and we anticipate that they will be ready to go to public comment about June 1 or so depending on what the schedule that the Council has.
With that segue way, Ms. McGaffey is going to speak to the expedited process memo.

MS. McGAFFEY: Good afternoon. Since the Council's last meeting we had a series of discussions with Counsel for the Environment Bruce Marvin and EFSEC staff, Al, Jim, and Stephen all participated in some or all of those conversations to talk more about the details of how expedited processing might work, and we came up with a joint proposal which is summarized in a memo from me that I think was distributed last week to you all. It looks like it's on kind of yellowish-orange paper in your packet.

I guess the first part of our discussion focused on identifying the topics that would be appropriate to make presentations to the Council on during the process, and we took a look back through the transcripts of the public meeting and the public comments that were submitted as well as thinking back to the comments that various Council Members had made at different meetings. For the most part those focused on the three categories of issues -- noise, air quality, and water, both water use and water quality -- and then concluded there's sort of a catchall category of what's being proposed and questions about either the existing facility's operation or the proposed expansion.
So our proposal is that there be really four panel discussions around those topics. The first panel regarding the proposed expansion is sort of that miscellaneous group of topics.

We're suggesting that the panelists be Brett Oakleaf, the project manager for the expansion; as well as Todd Gatewood, the plant manager. Because of the nature of that topic it didn't really seem to make sense to have kind of a regulatory view on the panel as well; however, on all the other topics there are multiple people on the panel.
For the noise topic we envision it being a panel made up of the certificate holder's noise consultant, as well as Jim Wilder, the consultant that EFSEC has retained to look at noise issues.

On air quality we needed a panel that would include Eric Hansen, the company's consultant; Bob Burmark, the permit writer from the Department of Ecology; and if somebody from EPA wants to participate, they could be on that panel as well.

With respect to water quality, there's kind of a larger group of people because there are both quality and quantity issues, as well as possible fish and wildlife issues. So we've suggested that Kevin Warner who's the Grays Harbor environmental engineer at the existing facility, Cameron Ochiltree who is the company's consultant on water issues, Rob Nielsen who's the company's consultant but focuses on fish issues, and then Brad Caldwell from Ecology, Hal Beecher from Fish and Wildlife, and Jim who's been doing the primary work on drafting that NPDES permit.
So that's kind of a suggestion for what the panels would be. The rest of the memo sets forth kind of a timeline of the major milestones of how the process would work. I don't want to walk through that whole timeline, but I want to highlight a few key milestones in it.
One of the next big deadlines would really be the May 15 deadline which is for Grays Harbor Energy to have its panelist produce a document that's referred here as a technical narrative that summarizes what the panelists plan to talk about. The idea here is to have a summary, not prefiled testimony like you're used to seeing, but a summary that's written in a reader-friendly way kind of consistent with the Governor's plain talk initiative, something that individuals in the public are going to be able to understand and is going to summarize the key facts that will be discussed by those panelists. It will also provide clear indications of where they can find additional information, where it is in the application or other documents that they can find. So that's May 15.

Then on May 30 would be the deadline for other panelists. If they wanted to put together similar documents, those would be submitted. Our idea is that these documents would be posted on EFSEC's website so it would be easy not only for you to see but for all the members of the public who are interested to see, and likewise there would be an easy explanation for how they could e-mail in questions or issues that they want panelists to be able to speak to.
Then the idea is to have the actual panel presentations the week of June 28. Our assumption is if there are going to

be four panels that they would probably be a two panel per night thing and that it would probably take two nights to do.

Then the idea is in mid July there would be a hearing on the PSD and NPDES permits, as well as sort of the general hearing for members of the public to make comments on the project. Our hope then is that the panel discussions can kind of remained focused on the issues being discussed, but that the public whatever they want to comment about there will be an opportunity for them to comment later. So that's as I say the joint proposal we have for how to proceed in this.

MS. ADELSMAN: Can I ask you a question?

MS. McGAFFEY: Yes.

MS. ADELSMAN: Maybe either you or Jim, have you contacted like Brad and Hal Beecher, some of these people have been contacted as being part of this panel?

MR. LA SPINA: They've indicated that they're willing to participate.

MS. ADELSMAN: You need both Brad and Hal Beecher and they would come together?

MR. LA SPINA: Yes.

MS. ADELSMAN: Well, I mean they cover the same.

MR. LA SPINA: Well, because the WDFW rep said he could speak to fish in case there was endangered species.

MS. ADELSMAN: I know Brad Caldwell has already put a report together. Maybe it just needs to be plain talk to make sure.

MR. LA SPINA: Both of them came up with very detailed e-mails on why. So all they would have to do is basically put it in a facts sheet format.

MS. ADELSMAN: So I think because you said other panelists submitted technical so I think it's a good idea for everybody to submit a technical narrative.

CHAIR LUCE: As long as the technical narrative is understandable to the average public and has a beginning, middle, and an end, and I can pick it up and I can

understand what the issue is.
MS. ADELSMAN: Well, we have several plain talkers at Ecology.

CHAIR LUCE: Several is the right word. How many employees do you have there?
MS. ADELSMAN: There are employees that are trained to plain talk documents. That's a mandate.
CHAIR LUCE: Council Members, do we need a decision? This is not set as a decision.

MR. LA SPINA: No, but we are soliciting the Council's comment and input on this process. We also realize that there is no real template for this process. We've never done it before. So the detail might change as we move along and discover new things, but at this point we really solicit your input.
Bruce Marvin Counsel for the Environment said he was comfortable with this proposal and Council agreed they were too.
Council discussed they need to submit dates for when proceedings need to be held.

Ms. McGaffey encouraged Council Members if there were particular questions that they have or information requests that they want panelists to discuss to please communicate those to staff and she'll send those onto the panelists so the people are prepared to be able to answer the questions that the Council is interested in. The sooner those questions are submitted the better.

Mr. Fryhling suggested we need to have somebody from EFSEC staff or AG or somebody to go through the process why we're doing it this way and how we got to this point so people can understand how we got to this process.

WHISTLING RIDGE ENERGY PROJECT UPDATE

MR. POSNER: I was in touch with the BPA project manager late last week, and the latest update we have from BPA is that the Draft EIS will be out in the middle of May. May 14 is the day they're shooting to have the notice published in the Federal Register. If that happens we would be looking at perhaps a 45-day public comment period and then a public meeting in probably the Stevenson area with probably about 30 days after the EIS is issued. So this is

just a kind of heads up to Council Members. You might want to pencil in on your calendars the week of June 21 or the week of June 14 because those are the two weeks that we're discussing right now as far as when we might have a public meeting. We don't have a set date, but it will be one of those two weeks, one evening. It will actually be not just the evening, but there will probably be an afternoon meeting as well as an evening meeting to allow as much participation as possible.

CHAIR LUCE: Go ahead, Hedia.

MS. ADELSMAN: We should treat this the same as the dates before in having Tammy give us some choices of dates. I think we're starting to get to that. I mean June is not that far from now.

MR. LA SPINA: Within the next week or probably the next week we'll have a better picture whether or not this schedule is accurate. If it is as soon as we know we will send out, we will try to narrow down the day for the meeting whether we can try to work out a specific day that works best for all of the Council Members.

MS. ADELSMAN: This is a meeting that will be in the area.

CHAIR LUCE: Yes.

MR. POSNER: It will be in the area of the project.

CHAIR LUCE: I would suggest we do what we did the last time and that is have two meetings. Before we're asked I think we can conclude those people will want to have us in Underwood and Stevenson. We went through this drill last time and people wanted to have one in Underwood as well which is fine with me. I think it makes a lot of sense. And this is a joint EIS with Bonneville.

MR. POSNER: Yes.

CHAIR LUCE: So we need to coordinate with Bonneville whether we would recommend that we both receive comments at the same time, but I'm sure that you can work that out with Bonneville.

MR. POSNER: We will work that out.

CHAIR LUCE: Does that make sense?

MS. ADELSMAN: Yes.

CHAIR LUCE: That's good news it's coming along.

DESERT CLAIM WIND POWER PROJECT UPDATE

MR. LA SPINA: We had an initial meeting with Mr. Steeb and his assistant a couple weeks ago and also enXco has begun having meetings with the county on the county permitting requirements.

WILD HORSE WIND POWER PROJECT UPDATE

Report Submitted:

Wind Production: March generation totaled 52,000 MWh for an average capacity factor of 25.6 percent.

Solar: The Solar Demonstration Project generated 70,442 KWh in March.

Safety: No lost-time accidents or safety incidents to report for March.

Compliance/Environmental: In accordance with Article V11.E. of the SCA, the 1st Quarter 2010 Traffic Monitoring Report was submitted to the Kittitas County Public Works Department and EFSEC. Operations and tourist-related traffic did not exceed WSDOT warrants; therefore, right and/or left hand turn lanes are not required on the Vantage Highway at this time.

The March Stormwater Discharge Monitoring Report for the Expansion Area was submitted to the Department of Ecology. Precipitation in March did not produce stormwater runoff. Stormwater BMPs are in good condition and the site remains in compliance with the NPDES permit.

Biotechnicians from WEST began avian and bat fatality searches on March 15 in accordance with the Avian and Bat Monitoring Plan approved by the Council in December.

Public access to Wild Horse for educational tours, hunting, and other recreational activities opened April 1.

KITTITAS VALLEY WIND PROJECT UPDATE

Report submitted:

Construction Contract Highlights: Both civil and electrical construction contracts have been executed and

contractors have mobilized to the project site. White Construction is our civil contractor responsible for the road work, turbine foundations, as well as the turbine erection and mechanical completion. Henkels & McCoy is our electrical contractor responsible for the electrical collection system as well as the construction of our substation and interconnection with the BPA switchyard.
Status Update:

Safety: Two meetings with Kittitas County Fire Marshall D.J. Evans have occurred. Mr. Evans will attend the project safety meetings to occur every Monday during construction. All personnel who enter the site will be presented with the project safety and environmental training.
Civil Works: Road Completion zero percent. Road Construction to start on April 13. Foundation Completion zero percent. Foundation excavation to begin on April 26, 2010. Turbines erected zero percent. Turbines to start arriving on June 1, 2010. Turbines Commissioned zero percent. Turbine commissioning to start September 10, 2010

Electrical Works: Circuit completion zero percent. Circuit construction to start on April 20. Substation completion zero percent. Substation foundation excavation to begin on April 26, 2010. Substation testing zero percent. Substation testing to start September 1, 2010.

Compliance Issues: Project is in compliance as of April 12, 2010. One NCR was issued to our fall civil works contractor for exceeding the clearing limits as shown on the drawings. Stockpiled material was relocated to within the established clearing limits and area was reseeded. NCR has been closed.
Environmental Issues: Wet soil conditions have prompted us to build a temporary road to the met towers located on String A and a helicopter will be used to help facilitate the erection of the met towers located on String 1 so as to lessen the disturbance of saturated lands. Over 30 additional rock check dams which were not originally shown on the construction plans have been added to slow the drainage of spring runoff. Horizon Environmental Manager aided the local Audubon Society in placing new bluebird houses along Hayward Road. The existing houses were displaced due to fall construction activities.

CHEHALIS GENERATION FACILITY PROJECT UPDATE

Report submitted:

Safety: There were no medical treatments or recordable incidents this reporting period and the plant staff has achieved 2,731 days without a lost-time accident.

Environment: The plant site continues to be maintained in excellent condition. Storm water and waste water discharge monitoring results are in compliance with the permit limits. The plant received results from the relative accuracy test audit (RATA) of the continuous emissions monitoring equipment conducted in February. The results confirmed that the CEM equipment are all operating within the regulated specifications. The auxiliary boiler system site preparation work will begin this June. Planned completion and startup for the system is currently scheduled for October 2010. (Compliance is required by February 28, 2011.)

Carbon Offset Project: In 2008, as a condition of the transfer of ownership and the Site Certification Agreement for the Chehalis Generation Facility from Chehalis Power to PacifiCorp, the Washington State Energy Facility Site Evaluation Council (EFSEC) included within its Order 836 a requirement that PacifiCorp to provide $1.5 million in funding for greenhouse (GHG) mitigation projects plus reimburse state agency staff for their time reviewing and approving proposals.

On April 9, 2009, a request for proposal (RFP) was sent to 25 suppliers for the carbon offset mitigation project. Of 25 suppliers invited, four suppliers submitted bids which closed on May 8, 2009. Of these four bids received, Washington Department of Natural Resources (DNR) unanimously received the highest points from each individual of the evaluation team.

On March 1, 2010, PacifiCorp received a notice from the DNR that they were withdrawing their formal response to the RFP. The DNR stated that they had encountered several challenges when applying the Climate Action Reserve's Forest Protocols (CAR) to commercial forestry practices and restrictions on state trust lands managed by the DNR.

Personnel: Authorized plant staffing level is currently 18 with all 18 positions filled.

Operations and Maintenance Activities: February the plant operated at capacity factor of 67.8 percent. Generation

for the month was 180,589 megawatt-hours. Year to date the plant has generated 224,768 megawatt-hours.

Regulatory/Compliance: There were no NERC Critical Infrastructure Protection Standards (CIPS) violations or issues during this reporting period.

Other: Sound monitoring: No noise complaints received during this operation

MR. LA SPINA: I don't know if Mr. Miller wants to speak or not.

MR. MILLER: Just the only thing I have to add is we have been operating pretty much everyday. The capacity factor is about 60 percent. Mr. La Spina did ask that we summarize this briefly. Maybe with Mr. Wright's new role here we can find out what the next path or steps are with respect to the carbon offset project since you're aware that it was awarded to the Washington Department of Natural Resources and they subsequently withdrew their formal response. So I guess it's a discussion that has to go forward on whether to reissue the RFP or to begin discussions with one of the other evaluated proposals.

CHAIR LUCE: That's a good issue and we will join with you on that issue. We haven't had a chance to really think about it yet.

MR. MILLS: Just an FYI, Kyle Davis who's been discussing this for PacifiCorp with Allen Fiksdal has moved to a the different role in Washington, D.C., and we don't know who his replacement will be.

CHAIR LUCE: Well, we have new all around. We'll work through that.

MS. ADELSMAN: Were there any reasons? Did DNR give any reasons?

MR. MILLS: No, DNR submitted a letter. It is filed with EFSEC.

MR. LA SPINA: What they said was due to the budget cuts they did not have the staff to do the ongoing monitoring.

MR. MILLS: The complexity with of the CAR side of things, the climate action.

MR. POSNER: I might ask the Council if after reading these

summaries if you have any questions or concerns you could direct them to staff and ask we will contact the facility representatives and try to get some answers for you if you have concerns

TRANSMISSION LINES UPDATE

MR. POSNER: Transmissions line update. These are updates for the three BPA transmission lines projects, proposed projects. The Central Ferry Lower Monument Project the preliminary draft EIS which is for agency review only was issued today. State agencies have 30 days to get their comments to BPA, and then the draft will probably be issued in June.

The Big Eddy Project we're expecting the preliminary draft EIS to be issued in June, and then the actual document itself will be issued later in the summer.

The I-5 project the DEIS as far as we know won't be issued until very late this year or early next year. That's all I have update for this date.

CHAIR LUCE: I know there's a public meeting in Clark County I believe on the 24th or the 25th, it's a Sunday, to discuss the I-5 project by those who have concerns, and I'll attend that meeting and anyone else is welcome as well.

EFSEC COST ALLOCATION

CHAIR LUCE: Do we have the EFSEC cost allocation for the fourth quarter.

MR. POSNER: Yes, it's in your packet. It's a pink document and there is a narrative that describes why we do this. We do it at the beginning of every quarter. It's our indirect costs. Percentages are broken out based on the actual billed time by the EFSEC Compliance Manager and the EFSEC Siting Specialist, and so the percentages vary depending on what's happening with the various projects. So what I would like to do is just read the percentages so that people will know. The project folks are here. They can hear what their percentages are for this next quarter which is starting April 1 through June 30.

For the Kittitas Valley Wind Project it's 21 percent. The Desert Claim Project is 12 percent. Whistling Ridge Project is 11 percent. Columbia Generating Station is 9 percent. WNP-1 is 4 percent. The Satsop Combustion

Turbine is 22 percent. Chehalis Generation Project is 5 percent. Wild Horse Wind Power Project is 8 percent. The BP Cogeneration Project is 1 percent, and the Grays Harbor Energy project is 7 percent. That's it.

CHAIR LUCE: Thank you. The breakdown is available. It will be e-mailed to those involved.

LEGISLATION

CHAIR LUCE: I guess the last thing on the agenda is EFSEC-related legislation. As you know Substitute House 2527 was passed. We now have jurisdiction over all commercial nuclear sold into the grid. That's why Jack was here, that's why Sid was here and Tim. We are going to be working with Energy Northwest on how to have a round-table dialogue table with respect to issues that they wish to have addressed. This is one of the forums. There may be other forums as well. We'll go forward and look forward to their new CEO's appointment. In the meantime we'll have conversations at the staff level and I will keep Council fully apprised of this conversation.

OTHER

There was discussion of Mr. Byers' retirement party on Friday the 23rd.

Mr. Fryhling asked Ms. McGaffey if Desert Claim was going to start construction this summer and Ms. McGaffey replied they are planning to start road work in August and September. Mr. Fryhling said he was just wondering what kind of economic impact Desert Claim Wind Power Project along with the Kittitas Valley Wind Project may have on Kittitas County.

* * * * *

(Council meeting adjourned at 3:07 p.m.)

(This not a verbatim report of proceeding. These are minutes only.)