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WASHINGTON STATE
ENERGY FACILITY SITE EVALUATION COUNCIL
Richard Hemstad Building
1300 South Evergreen Park Drive Southwest
Conference Rooms 206 and 133
Olympia, Washington
Tuesday, January 21, 2014

MONTHLY COUNCIL MEETING
Verbatim Transcript of Proceedings

REPORTED BY: ELIZABETH PATTERSON HARVEY, RPR, CCR 2731

A P P E A R A N C E S:

Councilmembers Present:

Bill Lynch, Chair
 Liz Green-Taylor, Department of Commerce
 Cullen Stephenson, Department of Ecology
 Joe Stohr, Department of Fish and Wildlife
 Andrew Hayes, Department of Natural Resources

Local Government and Optional State Agency
 (Via Telephone):

Christina Martinez, Department of Transportation
 Brian Snodgrass, City of Vancouver
 Jeff Swanson, Clark County
 Larry Paulson, Port of Vancouver

Staff in Attendance:

Stephen Posner
 Jim LaSpina
 Tammy Talburt
 Sonia Bumpus
 Kali Wraspier

Guests in Attendance:

Richard Downen, Grays Harbor Energy Project
 Mark Miller, Chehalis Generation Staff

Guests in Attendance Via Telephone:

Jennifer Diaz, Puget Sound Energy
 Eric Melbardis, Horizon Wind Energy
 Shannon Khounnala, Energy Northwest
 Karen McGaffey
 Brent Barfus, Energy Northwest
 Dale Atkinson, Energy Northwest

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OLYMPIA, WASHINGTON January 21, 2014

1:30 p.m.

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P R O C E E D I N G S

CHAIR LYNCH: Good afternoon. Let's all please take a seat.

Today is Tuesday, January 21, 2014. It's 1:30 p.m. and this is the regular monthly meeting for the Energy Facility Site Evaluation Council.

Could we have the clerk please call the roll.



CHAIR LYNCH: Department of Commerce?

MS. GREEN-TAYLOR: Liz Green-Taylor here.



CHAIR LYNCH: Department of Ecology?

MR. STEPHENSON: Cullen Stephenson is here.



CHAIR LYNCH: Fish and Wildlife?

MR. STOHR: Joe Stohr is here.



CHAIR LYNCH: Department of Natural Resources?

MR. HAYES: Andy Hayes is here.

CHAIR LYNCH: Utilities and

1 Transportation Commission is excused.

2 Department of Transportation?

3 MS. MARTINEZ: Christina Martinez on the
4 phone.



5 CHAIR LYNCH: City of Vancouver?

6 MR. SNODGRASS: Brian Snodgrass on the
7 phone.



8 CHAIR LYNCH: Clark County?

9 MR. SWANSON: Jeff Swanson on the phone.



10 CHAIR LYNCH: Port of Vancouver?

11 (No response.)



12 CHAIR LYNCH: Chair, there is a quorum.

13 CHAIR LYNCH: Bill Lynch is here. Thank
14 you.

15 Is there anyone else on the phone that
16 wishes to identify themselves, although you're not
17 required to.

18 MS. MCGAFFEY: Hi, this is Karen
19 McGaffey.

20 MS. DIAZ: Jennifer Diaz, Puget Sound
21 Energy at Wild Horse Wind Facility.

22 MS. KHOUNNALA: Shannon Khounnala with
23 Energy Northwest.

24 MR. BARFUS: Brent Barfus with Energy
25 Northwest.

1 MR. MELBARDIS: Eric Melbardis, EDP
2 Renewables for Kittitas Valley Wind project.

3 CHAIR LYNCH: Thank you.

4 Are there any proposed changes or any
5 other additions to the agenda today?

6 Seeing none, let's go ahead and proceed.
7 And the first item on our agenda is approval of the
8 meeting minutes for December 17, 2013. And when the
9 Councilmembers are ready, I'll entertain a motion for
10 approval of the minutes.

11 MR. STEPHENSON: I'll move for
12 approval.

13 CHAIR LYNCH: Is there a second?

14 MS. GREEN-TAYLOR: I'll second.

15 MR. HAYES: Second.

16 CHAIR LYNCH: We have two seconds.

17 So all those in favor of approving the
18 minutes from December 17, 2013, please say "aye."

19 MULTIPLE SPEAKERS: Aye.

20 CHAIR LYNCH: Opposed?

21 Motion carries.

22 So let's just get straight into our
23 updates from our regulated community here. First of
24 all, the Wild Horse Wind Project. Ms. Diaz?

25 MS. DIAZ: Thank you, Chair Lynch and

1 Councilmembers. For the record, my name is Jennifer
2 Diaz. I'm the environmental manager for Puget Sound
3 Energy Wild Horse wind and solar facility.

4 The only nonroutine update I have is the
5 renewable energy center, also known as our visitor's
6 center, and recreational site access was closed to the
7 general public on December 1 for the winter season. We
8 will reopen again for public access on
9 April 1.

10 That's all I have.

11 CHAIR LYNCH: Thank you. Are there any
12 questions for Ms. Diaz?

13 Then let's move on to the Kittitas Valley
14 Wind Project. Mr. Melbardis?

15 MR. MELBARDIS: Good afternoon, Chair
16 Lynch, Council.

17 There is nothing nonroutine to report
18 other than our weather lately. This winter so far has
19 been relatively dry. We have no snow on the ground, so
20 that will definitely help our stormwater mitigation
21 during our -- (electronic disruption) -- and that's
22 actually frozen fog right now. And that's about all I
23 have for you this month.

24 CHAIR LYNCH: Thank you.

25 Are there any questions for Mr.

1 Melbardis?

2 There are no questions.

3 Let's go ahead and turn to hearing about
4 the update from the Chehalis Generation Facility. Mr.
5 Miller?

6 MR. MILLER: Good afternoon, Chair Lynch
7 and Councilmembers.

8 The report is attached in your minutes, I
9 guess.

10 The only nonroutine item I'd like to make
11 a comment on is we did restore the full plant to
12 generation status in mid-December after the step-up
13 transformer failure.

14 And we continue to work with the
15 Department of Ecology on oil spill mitigation, and we'll
16 have our 90-day report due to them shortly. And that's
17 all.

18 Again, I'm Mark Miller with Chehalis
19 Power PacifiCorp Energy Generating Station.

20 CHAIR LYNCH: And Mr. Miller, does the
21 Council normally get -- once the 90-day report is
22 submitted to Ecology, do we typically get a copy of that
23 or not?

24 MR. MILLER: We have provided a closeout
25 document. Mr. LaSpina had spoken to me at the last

1 meeting about that. We fully intend to provide that to
2 Staff and Council.

3 CHAIR LYNCH: Okay. Very good. Now I
4 remember that. Thank you very much.

5 Any questions for Mr. Miller?

6 Thank you, Mr. Miller.

7 MR. MILLER: Thank you.

8 CHAIR LYNCH: And I believe we were
9 joined on the telephone by some additional people.

10 Would you care to identify yourselves?
11 You don't need to, but you certainly can if you'd like.

12 MR. ATKINSON: Good afternoon. This is
13 Dale Atkinson with Energy Northwest.

14 CHAIR LYNCH: Thank you.

15 Now it's time for the Grays Harbor Energy
16 update. Mr. Downen?

17 MR. DOWNEN: Good afternoon Chair Lynch,
18 Council. My name is Rich Downen. I'm the plant manager
19 at Grays Harbor Energy.

20 The December report which is in your
21 packets is fairly typical.

22 There's only two things that I would
23 point out. The second bullet under "Environmental:
24 Submitted the fourth quarter discharge monitor report,"
25 the DMR, and that sample also validated that the copper

1 levels that we had seen in the previous sample -- we
2 assume is from brake pad wear -- that it was back down
3 to normal. So I just want to point that out, that that
4 number did return to normal as we expected it would.

5 The only other thing of note is that the
6 fourth bullet down under "Environmental," we made a
7 24-hour notification to EFSEC Staff for an upset
8 condition which was due to a malfunction that resulted
9 in an outfall discharge pH that was outside of our
10 permitted limits. That low pH water had been drained to
11 the cooling tower. Our outfall stream goes from the
12 cooling tower eventually to the river, and we monitor
13 for pH. pH dropped low, and the valve didn't fully
14 isolate as it should have been.

15 It was an issue with -- when I wrote the
16 report, we weren't sure if it was an issue with the
17 valve or the control system that failed.

18 Since we've looked into that now in our
19 follow-up report and working with EFSEC Staff, we'll get
20 some documentation that clarifies that it was a control
21 system failure; that the valve just that was supposed to
22 go shut did not go shut, resulted in 4900 gallons of
23 water being discharged at a low pH.

24 So the corrective actions that we have
25 taken -- and again, we'll follow up with reports to that

1 effect -- are the control system being corrected and
2 then operator training. Operators are there to -- one
3 of their functions is to take manual action should a
4 control system fail. And they, in my opinion, were a
5 little bit slower than they should have. So we've
6 trained on that issue.

7 Beyond that, here's nothing out of normal
8 to report.

9 CHAIR LYNCH: Thank you.

10 Does Staff have anything else to add?

11 MR. LASPINA: Chair Lynch, at this time
12 we're reviewing the occurrence of the low pH discharge,
13 waiting for the facility's final report. We should have
14 something for you next meeting.

15 CHAIR LYNCH: Very good.

16 And Mr. Downen, just so you know, there
17 was a question at a previous council meeting regarding
18 there were some concerns from the neighbors or at least
19 a neighbor about noise impact. And the Council listened
20 to that. But we have a lot on our plate at the moment.
21 And I don't see us revisiting that particular issue
22 until like April or May. But I just want to give you a
23 sense that-- so you're just not hanging wondering what
24 we're doing about that complaint.

25 MR. DOWNEN: Okay.

1 CHAIR LYNCH: We have more -- I shouldn't
2 say more pressing concerns, but we have a lot on our
3 plate at the moment. And we'll be talking about that as
4 a Council later on.

5 MR. DOWNEN: Okay. On that note I would
6 say that we ran 26 days during the month of December,
7 which is a pretty high number of days for us. It's
8 pretty much what we've done the second half of 2013.
9 And there were no complaints made regarding noise or
10 odor.

11 CHAIR LYNCH: Very good. Any questions
12 for Mr. Downen?

13 Thank you.

14 MR. DOWNEN: All right. Thank you.

15 CHAIR LYNCH: Now if we could get an
16 update on the Tesoro Savage Vancouver Energy
17 Distribution Terminal. Ms. Bumpus?

18 MS. BUMPUS: Thank you. Good afternoon,
19 Chair Lynch and Councilmembers.

20 Just a very brief update today on the
21 Tesoro Savage oil terminal. The SEPA scoping comment
22 period closed on December 18, 2013, for which EFSEC
23 received 31,320 scoping comments.

24 We're currently processing those comments
25 and working with our consultant to develop the scoping

1 report. And at this time we believe we'll probably have
2 that ready sometime in February.

3 That's about all I have for right now.

4 CHAIR LYNCH: And can you give the
5 Council an idea of about how many of those comments have
6 been processed so far?

7 MS. BUMPUS: As far as being processed,
8 the last time I visited our web site we were at 14,000
9 comments that were actually done with the EFSEC
10 processing and posted to the web site.

11 And I'll give it over to Mr. Posner. He
12 may have some additional.

13 MR. POSNER: Thank you.

14 Actually, I'm looking at Tammy Talburt
15 because Tammy is sort of our lead person on the
16 processing comments. So I'm going to ask Tammy to give
17 the most current number she can.

18 MS. TALBURT: Council, there's 23,000
19 combined comments available on the web site. Basically
20 they're in groups of 100. You can open it up. There's
21 100 comments together up to 23,000. Staff has been
22 working diligently to get through those and get them on
23 the web site for you.

24 CHAIR LYNCH: Thank you very much.

25 And my understanding is that once the

1 Council -- once the scoping report is received, there
2 will be a session scheduled with the Council to present
3 the scoping report, and then we'll go on from there to
4 give further direction about the scope of the EIS; is
5 that correct?

6 MS. BUMPUS: That's right. I believe
7 we're going to give the report to the Council to review,
8 and then have a workshop schedule to discuss and
9 introduce the report.

10 CHAIR LYNCH: Thank you.

11 Any questions for Ms. Bumpus at this
12 time?

13 Let's turn to WNP-1 and 4. Ms.
14 Khounnala?

15 MS. KHOUNNALA: Yes, Chair Lynch and
16 Council, thank you. For the record, this is Shannon
17 Khounnala of Energy Northwest for the Environmental and
18 Regulatory Program Group.

19 In regards to WNP-1 and 4, a brief update
20 on our water rights applications. We have been engaged
21 by the Department of Energy and Department of Ecology in
22 records to our application. They have started that
23 process, and we've provided some routine answers to some
24 questions about the application.

25 As we understand it, the Department of

1 Ecology is preparing a public notice as part of the
2 application process. And that's the update for the
3 water rights on WNP-1 and 4.

4 Are there any questions?

5 CHAIR LYNCH: Any questions for Ms.
6 Khounnala? No questions.

7 Thank you.

8 MS. KHOUNNALA: Thank you.

9 So moving on to Columbia Generating
10 Station, outside of the routine operating information
11 that you have provided in your report, just a couple of
12 additional items in regard to our NPDES permit.

13 Earlier this week, Energy Northwest
14 completed the last of four quarterly whole effluent
15 testing bioassays and submitted that report earlier this
16 week.

17 In addition, we've also completed the
18 review of the NPDES permit and the fact sheet and
19 submitted those comments back to EFSEC Staff.

20 I understand that Jim LaSpina is also
21 going to discuss our new NPDES permit.

22 Prior to that discussion, we do have Mr.
23 Dale Atkinson on the line, and I believe he'd like to
24 address the Council in regards to our new permit.

25 MR. ATKINSON: Yes. Thanks, Shannon.

1 I'm Dale Atkinson, VP with Energy
2 Northwest. Chair Lynch, Council, and members of the
3 EFSEC Staff, I understand the Council will be voting
4 today on whether to initiate public comment on our
5 proposed new NPDES permit. And I'd like to just take
6 the opportunity to express our thanks for your efforts
7 to bring us to this point.

8 As many of you may be aware, Energy
9 Northwest submitted an application for renewal of the
10 permit in November of -- (electronic disruption) --
11 application and a supplemental application in December
12 of 2013.

13 Now we've reviewed the draft permit and
14 fact sheets for factual accuracy, completeness, and
15 provided input to the EFSEC Staff.

16 I'd also like to point out that we are
17 aware of federal agency comment letters concerning
18 Columbia Generating Station's intake structure.
19 However, I'd like to point out we maintain that based on
20 current regulation and NPDES permitting requirements
21 that Columbia Generating Station does meet all of the
22 regulatory requirements under the NPDES process.

23 However, I'd also like to point out that
24 we do look forward to providing responses to those
25 letters during the public comment period.

1 Energy Northwest supports the Council's
2 action to initiate the public notice process for
3 Columbia's permit.

4 And I'd just like to express appreciation
5 for what we consider exceptional support on this issue
6 with EFSEC and Ecology Staff preparing the draft permit,
7 and we look forward to working with the Council to
8 complete issuance of the new permit.

9 And I guess I'd like to leave it at that
10 unless you've got some questions.

11 CHAIR LYNCH: Thank you.

12 Any questions for Mr. Atkinson?

13 No questions for Mr. Atkinson.

14 Are there any questions for Ms.
15 Khounnala?

16 No questions.

17 Mr. LaSpina?

18 MR. LASPINA: Thank you, Chair Lynch.

19 Good afternoon. Councilmembers, prior to
20 your last meeting in December you were sent the draft
21 NPDES permit and fact sheet, so you've had approximately
22 five months to take a look at it.

23 We would like to ask-- what we would like
24 to do is first of all see if you have any questions
25 concerning the permit or fact sheet, and then afterwards

1 ask you for your approval to go to the public comment
2 period, the public comment process.

3 I'd also like to bring your attention to
4 there are a number of Energy Northwest staff people on
5 the phone to answer any questions you may have.

6 We also in the audience have the permit
7 writer, Mr. Vince McGowan; and an assistant attorney
8 general, Steven North, in case you had -- you know, also
9 to ask questions.

10 CHAIR LYNCH: We appreciate all these
11 people being available in case there are questions from
12 any of the Councilmembers.

13 There has been an opportunity for us to
14 review this proposed NPDES permit. And recognize what
15 we're doing today is, when we take action, is not
16 actually approving the NPDES permit. What we're doing
17 is putting it out for public comment so it can get
18 formal comments back from different entities.

19 So are there any questions from any of
20 the Councilmembers?

21 Yes, Mr. Stephenson.

22 MR. STEPHENSON: Thank you, Mr. Chair.

23 Not a question so much as just a comment.
24 Last month we heard from Fish and Wildlife about
25 concerns around the intake screen.

1 And you also heard from me saying that we
2 would look at those, or at least I expected that we
3 would look at those as a Council and listen to those
4 comments. I certainly expect that we will continue to
5 do that.

6 I have looked at the work done by the
7 Ecology -- the permit folks on contract with EFSEC, and
8 it looks to me to be sound, but I look forward to the
9 debate on that and think we should ask a little more
10 about that. It will be interesting how this goes.

11 And I don't think it's a matter that
12 needs to delay getting into the permit process. I think
13 it's something that we should consider during the permit
14 process.

15 CHAIR LYNCH: Thank you. We will
16 certainly consider all the comments that we receive
17 during the comment process, Mr. Stephenson, but
18 appreciate your attention to detail, that we do want to
19 make sure that concerns are addressed if there are
20 concerns. Thank you.

21 Any other questions? Very good.

22 MR. POSNER: Chair Lynch?

23 CHAIR LYNCH: Yes.

24 MR. POSNER: I'm not sure if we were
25 going to go to this next so I probably should have

1 waited to hear what you have to say. But we should have
2 a motion.

3 CHAIR LYNCH: That's what I was going to
4 say.

5 MR. POSNER: I should have waited.
6 Sorry.

7 CHAIR LYNCH: That's all right. Having
8 been a staff person myself, it's always good to have a
9 check on the chair. I appreciate that.

10 MR. POSNER: My apologies.

11 CHAIR LYNCH: So at this point in time
12 I'll entertain a motion for putting this draft NPDES
13 permit out for public notice. Do I have a motion?

14 MR. STEPHENSON: I so move.

15 CHAIR LYNCH: Do we have a second?

16 MS. GREEN-TAYLOR: I'll second that
17 motion.

18 CHAIR LYNCH: It's been moved and
19 seconded that the draft NPDES permit for the Columbia
20 Generating Station be put out for public comment. All
21 those in favor say "aye."

22 MULTIPLE SPEAKERS: Aye.

23 CHAIR LYNCH: Opposed?

24 Motion carries. Thank you.

25 Is there any other business regarding the

1 Columbia Generating Station?

2 Thank you.

3 So let's turn to other business before
4 the Council. Mr. Posner?

5 MR. POSNER: Yes. Good afternoon, Chair
6 Lynch, Councilmembers. In your packets is a copy of the
7 Third Quarter Non Direct Cost Allocation Sheet. We do
8 this at the beginning of every quarter. We recalculate
9 the costs, indirect costs that we charge to our
10 applicants and certificate holders, and based on-- it's
11 based on the current workload and anticipated workload
12 for the various projects.

13 And for the benefit of those
14 representatives who are on the phone, I'll go ahead and
15 read the percentages for the third quarter, which covers
16 January 1, 2014 through March 31, 2014.

17 For the Kittitas Valley Wind Power
18 Project, 6 percent; Wild Horse Wind Project, 6 percent;
19 Columbia Generating Station, 23 percent; WNP-1, 3
20 percent; Satsop Combustion Turbine project, 10 percent;
21 Whistling Ridge Energy Project, 3 percent; Chehalis
22 Generation Project, 9 percent; Desert Claim Wind
23 Project, 2 percent; BP Cogeneration Project, 2 percent;
24 Grays Harbor Energy project, 3 percent; and the Tesoro
25 Savage project, 3 percent.

1 And that concludes my presentation.

2 CHAIR LYNCH: Mr. Posner, you don't need
3 any motion from us or anything regarding this?

4 MR. POSNER: No.

5 CHAIR LYNCH: It was just reporting on
6 how the costs are allocated for that quarter?

7 MR. POSNER: That's correct.

8 CHAIR LYNCH: And before we adjourn this
9 meeting of the Council, I notice we were joined on the
10 phone by some additional people. Do you wish to
11 identify yourself at this time?

12 MR. PAULSON: Larry Paulson.

13 CHAIR LYNCH: Thank you, Mr. Paulson.
14 Is there any further business before the
15 Council today?

16 Hearing none, we are adjourned. Thank
17 you.

18 (Whereupon, the proceedings were
19 concluded at 1:53 p.m.)
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C E R T I F I C A T E

STATE OF WASHINGTON

COUNTY OF KING

I, Elizabeth Patterson Harvey, a Certified Court Reporter in and for the state of Washington, do hereby certify that the foregoing transcript of the proceedings is true and accurate to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have hereunto set my hand this 29th day of January, 2014.

ELIZABETH PATTERSON HARVEY, CCR RPR

My license expires:
DECEMBER 2014

Kittitas Valley Wind Power Project

Monthly Project Update

January 21, 2013

Project Status Update

November Production Summary:

MWh 20,434 MWh
Wind 6 m/s or 13.5 mph
CF 27.2%

Safety:

No incidents

Compliance:

Project is in compliance as of January 14, 2014.

Sound:

No complaints

Shadow Flicker:

No complaints – automatic curtailments on A1 & A2 have resumed.

Environmental:

No stormwater discharge to report.
All stormwater BMPs have been rebuilt and the project is ready for winter.

December, 2013

EFSEC Monthly Operational Report

Safety:

- There were no accidents or injuries in the month of December.

Environmental:

- Submitted the December Discharge Monitor Report for Outfall 001.
- Submitted the 4th quarter Discharge Monitor Report for storm water (Outfall 002B). This sample also served as follow up to the 3rd quarter sample which showed elevated levels of Copper. The 4th quarter results were normal.
- Received comments from EFSEC and Ecology on the draft Engineering Report. Those comments are being evaluated and incorporated.
- We made 24 hour notification to EFSEC for an upset condition due to equipment malfunction resulting in an Outfall 001 discharge exceeding the permitted limits for pH. Low pH water was drained to the cooling tower, and the outfall stream did not automatically isolate as it should have when cooling tower pH dropped below the limit of 6.0. This resulted in 4900 gallons of process water with an average pH of 4.3 discharging for a period of 20 minutes. The valve/control system failure is being investigated and corrected. Additionally we will perform operator training regarding the slow response to take action to isolate the discharge when control failure had occurred.

Operations & Maintenance:

- Grays Harbor operated 26 days during the month of December, producing 326,176 MW.
- The capacity factor (CF) was 70.7% in December, and 28.2% YTD.
- The availability factor (AF) was 100% in December, and 95.9% YTD.

Noise and/or Odor:

- There were no complaints made during the month of December.

Site Visits:

- There were no site visits made during the month of December.

Other:

- None

**Chehalis Generation Facility----Monthly Plant Report to the Washington Energy
Facility Site Evaluation Council – December 2013**

1813 Bishop Road Chehalis, WA 98532
Phone (360) 748-1300, FAX (360) 740-1891

10 January 2014

Safety:

- There were no recordable incidents this reporting period and the plant staff has achieved 4060 days without a Lost Time Accident.

Environment:

- Storm water and waste water monitoring results are in compliance with the permit limits for the month of December 2013.
- Remedial clean up action from the transformer failure and spill continued during the month of December. The Chehalis staff is in the process of preparing a 90-day cleanup report for the unit 3 transformer oil spill which is due to Ecology on February 20, 2014.

Personnel:

- Authorized plant staffing level is currently 19 with 19 positions filled.

Operations and Maintenance Activities:

- The Plant generated 61,617 megawatt-hours at a capacity factor of 16.1% for the month of December and the year-to-date capacity factor is 38.7%.
- The failed generator step-up transformer on unit 3 was successfully replaced with an on-site spare transformer. The generating unit was returned to service on December 14, 2013.

Regulatory/Compliance:

- There were no air emissions deviations, waste-water or stormwater exceedances or spills during the month of December 2013.

Other:

- Sound monitoring: There were no noise complaints to report.

Chehalis Generation Facility----Monthly Plant Report to the Washington Energy Facility Site Evaluation Council – December 2013

Mark A. Miller
Manager, Gas Plant
PacifiCorp-Chehalis Power
1813 Bishop Road
Chehalis, WA 98532
360-827-6462

E-mail: mark_a.miller@pacificorp.com

Below is the monthly operational/compliance update for Wild Horse. Please let me know if you have any questions.

Wind Production: December generation totaled 81,184 MWh for an average capacity factor of 40.03%.

Solar Production: The Solar Demonstration Project generated 34.1 MWh in December.

Safety: No lost-time accidents or safety incidents to report in December.

Compliance/Environmental:

The Renewable Energy Center (visitor center) and recreational site access was closed to the general public on December 1st for the winter season.

**Energy Northwest
EFSEC Council Meeting
January 21, 2014
(Shannon Khounnala)**

I. Columbia Generating Station Operational Status

Columbia is currently operating at 100% power, generating 1112 megawatts, and has been online for 210 days.

In accordance with the current NDPES permit, EN completed the last of four quarterly whole effluent toxicity testing bioassays and submitted a report to EFSEC staff. Additionally, EN completed a pre-public notice review of the draft NPDES permit and fact sheet. Both the effluent toxicity testing report and the review of the NPDES permit were submitted to EFSEC staff the week of January 13, 2014.

There are no other events, safety incidents, or regulatory issues to report.

II. WNP 1/4 Water Rights

Energy Northwest is working with Department of Energy to address any additional questions related to the WNP 1/4 water rights application. We understand the Department of Ecology is working on a Public Notice for the application as part of the routine application process.

Energy Facility Site Evaluation Council

Non Direct Cost Allocation for 3rd Quarter FY 2014 January 1, 2014 – March 31, 2014

The EFSEC Cost Allocation Plan (Plan) was approved by the Energy Facility Site Evaluation Council in September 2004. The Plan directed review of the past quarter's percentage of EFSEC technical staff's average FTE's, charged to EFSEC projects. This information is used as the basis for determining the non direct cost percentage charge, for each EFSEC project. In addition, the Plan allows for adjustment due to anticipated work load and the addition of new projects.

Based on the levels of work during the 2nd quarter of FY 2014, using the procedures for developing cost allocation, and allowance for new projects, the following percentages shall be used to allocate EFSEC's non direct costs for the 3rd quarter of FY 2014:

Kittitas Valley Wind Power Project	6%
Wild Horse Wind Power Project	6%
Columbia Generating Station	23%
WNP-1	3%
Whistling Ridge Energy Project	3%
Satsop CT	10%
Chehalis Generation Project	9%
Desert Claim Wind Power Project	2%
BP Cogeneration Project	2%
Grays Harbor Energy	3%
Tesoro Savage	33%



Stephen Posner, EFSEC Manager

Date: 1/3/14