WASHINGTON STATE

ENERGY FACILITY SITE EVALUATION COUNCIL

Richard Hemstad Building

1300 South Evergreen Park Drive Southwest

Conference Room 206

Olympia, Washington

Tuesday, February 18, 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
Andrew Hayes, Department of Natural Resources
Dennis Moss, Utilities and Transportation Commission

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 Wraspir

Guests in Attendance:

Richard Downen, Grays Harbor Energy Project
Mark Miller, PacifiCorp

Guests in Attendance Via Telephone:

Matt Baca, Earth Justice
Kristen Boyles, Earth Justice
Jennifer Diaz, Puget Sound Energy
Shannon Khounnala, Energy Northwest
Eric Melbardis, Horizon Wind Energy

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OLYMPIA, WASHINGTON FEBRUARY 18, 2014

1:30 p.m.

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P R O C E E D I N G S

CHAIR LYNCH: Good afternoon and welcome. This is the February 18 regular Council meeting of the Energy Facility Site Evaluation Council.

And if we could please have Staff call the roll.

THE CLERK: Department of Commerce?

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

THE CLERK: Department of Ecology?

MR. STEPHENSON: Cullen Stephenson here.

THE CLERK: Department of Fish and Wildlife?

(No response.)

THE CLERK: Department of Natural Resources?

MR. HAYES: Andy Hayes is here.

THE CLERK: Utilities and Transportation Commission?

MR. MOSS: Dennis Moss for the UTC.

THE CLERK: Local governments, Department

of Transportation?

MS. MARTINEZ: This is Christina Martinez on the phone.

THE CLERK: City of Vancouver?

MR. SNODGRASS: Brian Snodgrass on the phone.

THE CLERK: Clark County?

MR. SWANSON: Jeff Swanson on the phone.

THE CLERK: Port of Vancouver?

(No response.)

THE CLERK: Chair, there is a quorum

CHAIR LYNCH: Thank you. Bill Lynch is here as the Chair, and Mr. Stohr from Fish & Wildlife is excused.

And you see the proposed agenda in front of you. Are there any proposed changes to the agenda?

Seeing none, let's move forward. Let's turn to the minutes from the January 21 meeting. And I have a small correction to be made. At the beginning of the minutes, I was actually not the person calling the roll. It was either Ms. Talburt or Ms. -- it was Ms. Talburt. Thank you. So that was the only correction I would make to the minutes.

Are there any other further changes to the minutes?

I'll entertain a motion for adoption of the minutes.

MR. STEPHENSON: I'll move for adoption.

CHAIR LYNCH: Do we have a second?

MR. MOSS: I'll second.

CHAIR LYNCH: It's been moved and seconded that we approve the minutes from the January 21 meeting. All those in favor say "aye."

MULTIPLE SPEAKERS: Aye.

CHAIR LYNCH: Opposed?

(No response.)

CHAIR LYNCH: Motion carries.

And could we please have those people who are with us by telephone today identify themselves if they choose?

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

MR. PAULSON: Larry Paulson from Vancouver.

MR. MELBARDIS: Eric Melbardis, EDP Renewables, Kittitas Valley Wind Power Project.

MS. KHOUNNALA: Shannon Khounnala, Energy Northwest.

CHAIR LYNCH: Thank you.

MS. BOYLE: Kristen Boyles, Earth Justice.

MR. BACA: Matt Baca, Earth Justice.

CHAIR LYNCH: Thank you.

I think we're ready to proceed to the updates on the various projects. And we'll start first with the Wild Horse Wind Power Project and Ms. Diaz.

MS. DIAZ: Thank you, Chair Lynch and Councilmembers.

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

The only non-routine update I have falls under the "Safety" heading. A Vestas turbine service technician was injured when a hatch door on the floor of the nacelle fell on his middle finger. He was able to climb down the turbine ladder on his own and went to the emergency room, where he received stiches. He was back at work the next day on light duty.

And Vestas is now working to identify a more permanent solution for securing the hatch door when it needs to be open.

And that's all I have. Are there any questions?

CHAIR LYNCH: Thank you. Any questions for Ms. Diaz?

No questions. Thank you, Ms. Diaz.

And now we're ready for the update from the Kittitas Valley Wind Project. Mr. Melbardis?

MR. MELBARDIS: Yes, good afternoon, Chair Lynch and EFSEC Council.

CHAIR LYNCH: Mr. Melbardis, could you move a little closer to your telephone, please, or whatever, but we're having a little trouble hearing you.

MR. MELBARDIS: Is that better?

CHAIR LYNCH: Not much better.

MR. MELBARDIS: Okay. It just must be my connection today, because I'm right on my phone now.

There is nothing non-routine or out of the ordinary to report for Kittitas Valley this month.

CHAIR LYNCH: So you're reporting -- I'm just going to repeat what you said, just so people can hear it -- that there's nothing out of the ordinary to report this month; is that correct?

MR. MELBARDIS: Yes, that's correct.

CHAIR LYNCH: Thank you.

Any questions for Mr. Melbardis?

Now we're ready for the Chehalis Generation Facility. Mr. Miller?

MR. MILLER: Thank you.

Good afternoon, Chair Lynch and Councilmembers. My name is Mark Miller. I'm the manager

of the Chehalis Generation Facility.

I have no nonroutine events to report for the previous month.

I'll continue with our no lost time safety record of over 4,000 days.

We've met all environmental permits and conditions of our permits.

And that's it. Any questions?

CHAIR LYNCH: Any questions for Mr. Melbardis?

MR. STEPHENSON: I have one.

CHAIR LYNCH: Excuse me. Mr. Miller. I'm sorry.

MR. MILLER: That's okay. Very close.

CHAIR LYNCH: You've been called many things. My apologies.

Mr. Stephenson?

MR. STEPHENSON: I'm just interested, 4091 seems like an impressive milestone. What is the standard?

MR. MILLER: You know, I don't really know what the standard is. It's a small operating staff that maintains a very conscious work -- safe work environment, peers looking out for peers.

I think the number of man hours for

Chehalis is very low in comparison. You know, we only have 19 permanent staff vs. a larger generation facility. But we still value that.

Sorry I don't have any statistical information. But it is important that everybody goes home every day safely.

MR. STEPHENSON: Thank you.

CHAIR LYNCH: Thank you.

Now if we could have an update on WNP-1/4 from Ms. Khounnala.

MS. KHOUNNALA: Yes, this is Shannon Khounnala from Energy Northwest.

And for our update on WNP-1/4 this month, our application for water rights is proceeding as scheduled. We had an informal conference call with the Department of Energy and Ecology, as well as the Department of Ecology has drafted the public notice, which we expect to be published probably sometime next month.

We're also working with both agencies to set up a site visit for the facility, WNP-1/4, sometime in the spring.

So at this point we are proceeding with the application as planned. Are there any questions about 1 and 4?

CHAIR LYNCH: Any questions for Ms. Khounnala on 1 and 4? No questions.

So Ms. Khounnala, can you please give us an update about the Columbia Generating Station?

MS. KHOUNNALA: Certainly. In regard to the Columbia Generating Station, outside of what was presented in the report that Councilmembers have, we don't have any other outstanding issues to report, nothing out of our routine.

CHAIR LYNCH: Any questions for Ms. Khounnala?

Thank you, Ms. Khounnala.

And could we just get a quick update from Staff when -- on the comment hearing we're going to have regarding the Columbia Generation Station NPDES permit?

MR. LASPINA: Yes, Chair Lynch. Good afternoon Councilmembers.

We started the public notice period for the Columbia Generating Station NPDES permit on February 3.

We have a public hearing scheduled for March 6 at 1:30 here. And that hearing is just to accept public comment. And the public comment period will close at 5:00 p.m. on March 14.

CHAIR LYNCH: Thank you, Mr. LaSpina.

And just for the Councilmembers' benefit, you're certainly welcome to attend this particular comment hearing, but the comments will in fact be provided to the Councilmembers later.

In fact, the EFSEC is required to respond to all comments, and you'll be getting comments of the responses as well. So you're certainly welcome to attend this, but you'll be getting all that information later.

Thank you, Ms. Khounnala.

Mr. Downen, Grays Harbor Energy Project. You're already there at the microphone. You're way ahead of me. Thank you.

MS. DOWNEN: Good afternoon, Chair Lynch, Councilmembers. My name is Rich Downen. I'm the plant manager at Grays Harbor Energy.

The operational report that you have in your packets, the only things that are out of the ordinary to talk about are that we submitted a sound monitoring -- the results of a sound monitoring survey per our site certification agreement. The survey was performed at the plant at full power. And the results that we received show that the facility is in compliance with limits set forth in Washington Administrative Code 173-60-40.

And then the next bulleted item is that In

the month of January we submitted written notification to EFSEC regarding a late December NPDES permit discharge outside of our permit limits due to pH, and that's an agenda item for us to discuss. So I'm ready to answer questions regarding that.

CHAIR LYNCH: Thank you.

Are there any questions for Mr. Downen before we hear from Staff about the proposed Council action? No.

Thank you, Mr. Downen.

Mr. LaSpina?

MR. LASPINA: Good afternoon, Chair Lynch and Councilmembers.

On December 25, 2013, the Grays Harbor Energy Center discharged approximately 4,900 gallons of wastewater to the Chehalis River that violated the minimum pH limit in the facility's NPDES permit.

In your packets there are two documents related to this incident, a draft Notice of Incident, or NOI, and a short cover memo. And these are the -- on white paper on the right side of your packets.

The NOI describes the relevant permit requirements, the circumstances of the violation, and EFSEC Staff's recommendation.

The first note on the permit requirement,

Table 1 in the NOI, was from the 2008 version of the permit and was slightly modified in 2010. The modification altered the format of the pH limits, but not the limits themselves. Discharges below a pH of 6.0 are prohibited by all -- by both permits. So there's no substantial difference between the permits; however, I wanted to point that out to you.

The circumstances of the violation are briefly described at the bottom of page 2.

If you have any questions regarding the incident, how the incident occurred, and the permittee's follow-up actions, Mr. Downen and Mr. Valenski would be available to answer those questions.

Regarding the basis of EFSEC Staff's recommendation to the Council to approve issuance of the Draft NOI, I do have some supplemental information that more fully describes the rationale of Staff's recommendation. Apparently there was not enough -- that wasn't well described.

EFSEC Staff works off of Chapter 463-70 WAC as far as the compliance enforcement options that Staff and the Council have. The Council chooses an approach for enforcement based on four criteria: The seriousness of the apparent violation, the potential danger to humans or the environment, the willingness and

the ability of the violator to make required corrections, and the speed with which corrective action should be taken.

So in other words, this is basically elements of due diligence once an incident actually occurs.

The range of actions allowed by the WAC are emergency action by the Chair, a Notice of Incident and Request for Assurance of Compliance, and a notice -- or a Notice of Violation with a potential to go to a monetary penalty. So those are the three options for enforcement.

I'm just about done here.

A Notice of Incident and Request for Assurance of Compliance is appropriate if the violation is being corrected quickly and effectively by the violator, the violation did not cause any substantial danger to humans or the environment, and a penalty does not appear to be appropriate in light of the seriousness of the violation or as an incentive to secure future compliance.

So EFSEC Staff basically reviewed the various enforcement options, and our recommendation for you to approve issuance of an NOI is based on the fact that the circumstances of this incident appear to fit

those outlined by a Notice of Incident.

So that's what I have. Any questions?

CHAIR LYNCH: Any questions for Mr. LaSpina?

MR. HAYES: Yes, Chair. I have a question.

CHAIR LYNCH: Yes.

MR. HAYES: Jim, could you tell me what would be the conditions under which one of the other recommended actions would come from Staff?

You have two other ones?

MR. LASPINA: Yes. Emergency action by the Chair is generally when a violation is so egregious that human health or the environment is adversely impacted and the violator doesn't appear to be working to address the situation, those sorts of things.

As far as the NOV -- so what we have is a set of gradations here.

The emergency action by the Chair is generally for the most egregious sort of incidents.

And then you have a Notice of Violation, which is somewhat in the middle, to where there might -- this might be a repeat violation, the facility has had general compliance problems over a period of time, they did not react quickly to correct the situation, or they

don't even -- sometimes facilities aren't even inclined to correct a situation. But yet it doesn't rise to the adverse effect to the environment or human health.

Notice of Incident is the lowest level of action. It puts the facility on notice. It's akin to a warning letter. It does acknowledge that quick action was taken and that the facility took measures to help prevent the action from ever happening again in the future. But a Notice of Incident is a way to document such an incident.

And then typically what will happen is if the same thing were to happen again, then you would step up the level of enforcement to perhaps an NOV or emergency action.

MR. HAYES: So I understand from that explanation that this incident did not cause an environmental or human health risk and that there's not any history of this type of incident?

MR. LASPINA: Well, to be frank, when the facility first began operation in 2008, there was a problem with the pH system. The pH system was found to be completely inadequate to the demands put on it. So the facility basically replaced the entire pH system.

And they also installed continuous monitoring. So actually we have very good data.

But since then, there hasn't been problems with the pH that come to mind.

The other thing I'd like to point out, which is also in the draft NOI, is that the facility is nearing the end of finishing an engineering report, which will finalize the effluent limits, the monitoring requirements, and a lot of other requirements that are connected to compliance.

So typically -- typically regulators give a facility the benefit of the doubt when they're in the midst of an engineering report because the compliance requirements are still a little bit vague.

CHAIR LYNCH: Thank you, Mr. Hayes.

I believe there's more questions. Mr. Stephenson?

MR. STEPHENSON: Thank you, Mr. Chair.

Mr. Downen, or your facility engineer, I just would like to hear your story. You know, I see from this report that some low pH material -- that would be acidic material -- got into the Chehalis River, but I can't tell what happened. And as an old facility person, I would like to know what your version of the story is so I can make a determination on what happened.

MR. DOWNEN: So the -- our cooling tower basin is where we pump river water into that basin. And

that's our primary heat sink to remove -- reject heat from the process. And that's where the cooling tower blowdown, it cycles up, so you get -- contamination is built up in that system. So there's a need to blow that down. And that's the primary stream that goes to the -- it's the only stream that goes to the Chehalis River.

Other streams are added to the cooling tower from, you know, a few different places in the plant. So they all go there.

And then that outfall from that place is the only -- that's the stream that leaves site. And that's where we monitor.

So one of the waste streams from the plant that goes there is from our neutralization tank. And so part of that, we bring in river water.

Sorry if I go into too much detail.

We bring in river water to the site. Part of that goes to the cooling tower for makeup because we evaporate a lot of that away.

And then a small percentage of that we send through our demineralized water plant to make high quality demin water makeup for the boiler. Part of that process is a resin exchange process. And when that resin is used up, you have to recharge it with acid and caustic. And then those -- the waste -- and you flush

that. And it goes into the neutralization tank that just gets -- it gets loaded with byproducts of that process of making good demineralized water. So that water is in the neutralization tank. And then we neutralize it, and then it gets dumped to the cooling tower when it's neutral.

So this -- we were in the process of making demineralized water, and we got, you know, some byproduct in that tank. And guys were working on it one day to get it neutralized, I believe on Christmas Eve.

And then they left, and some more steps were done by the night shift crew, and it wasn't -- the turnover didn't happen very well.

So it wound up with the guys who came in on Christmas Day were the guys that worked on it the day before. So they came in and thought that one situation existed, and they started draining that water to the cooling tower, not thinking it was going to adversely impact pH, and it did.

And normally that wouldn't be a problem. We could have just about anything in that cooling tower unless we're outfalling and flowing it to the river. And then that discharge stream is being monitored.

So really what -- so then as pH dropped, the outfall system, which is our -- is the cooling tower below downstream that's going to go to the Chehalis

River, has pH monitoring and temperature monitoring and a bunch of continuous monitoring that Mr. LaSpina talked about.

And the logic for that control valve is such that if you -- say pH is at 7, which is good, that's neutral. And as pH drops, as it hits 6.5, that valve by design is going to pinch back to about 10 percent flow. And it gives you an alarm and says, hey, this is getting low. You should check what's going on.

So that's -- the guys started to do that, and they went out to look to see if -- and you know, they weren't expecting this response, so they went out to see if maybe the pH probe is reading incorrectly or something. pH continued to drop.

And at 6.0, that valve is supposed to shut off completely. Same thing happens at 8 and a half or 9 if we're going in a caustic direction.

And so at 6 percent or at 6.0 pH units, the valve didn't go shut. It went -- so let me back up just a minute.

When you reach 6.5, or 8.5 if we're going in the other direction, the valve pinches back alarms. And it starts a timer and says if you don't fix this in ten minutes, the valve goes fully shut.

Or if it reaches 6.0 it goes fully shut

immediately.

The controls for that valve, we investigated and found they were not set up correctly from back in 2007, 2008, during commissioning.

So the timer was set for a much longer time period than ten hours -- or ten minutes than it was supposed to be. So it was set for ten hours. And although the logic was set up for the valve to go fully shut, the valve didn't go fully shut at 6.0.

So by the time -- you know, it took a period of time for these guys to figure out the system was not responding as required, and they took action and shut the valve.

And since then we've figured out that the logic to the valve was corrupt. And we had a contractor come in, and they've rebuilt the logic for that valve, and we've tested it and it works exactly as designed now. So that's the chain of events.

Any questions about any of those details?

CHAIR LYNCH: Please feel free to follow up.

MR. STEPHENSON: Thanks, Mr. Chair.

Just to be clear, it sound like there was both a mechanical or equipment failure, and a -- I don't

want to call it a human failure because I don't think it was, but people trying to fix the problem and trying to get to it, but it was exacerbated by lots of things, and especially this control valve that was kind of set up the wrong way. Is there a way we can find out if that's been done?

I don't know, Staff, Jim or Stephen, can you confirm that you know that it's been redone to the correct specifications now?

MR. LASPINA: We do not have the resources to confirm that at this time. I mean we don't have an on-staff engineer. So.

MR. POSNER: So if I could add one thing to that, one thing that we would, as part of the NOI, we would require Grays Harbor Energy to certify, provide an Assurance of Compliance, which would be -- that would be one thing that we would ask them to assure, that that has been resolved.

We currently are in the process of developing a task order with the Department of Ecology to provide us technical support in those areas. But at this time, that task order hasn't been finalized.

But we would ask for an Assurance of Compliance from them, and that would be certified. So just to follow up on what Jim said.

MR. STEPHENSON: Great. As you know, Stephen, I'm not really allowed to talk to my Ecology counterparts, being an EFSEC Councilmember, so I can't ask them these same questions sometimes. So it's helpful to know what you're finding out.

So Rich, you're assuring us that you've got this thing under control and we can watch and see the pH will be --

MR. DOWNEN: That's correct.

MR. STEPHENSON: -- done correctly from here on out?

MR. DOWNEN: To tell you what our retest was, we can simulate any parameter. So we gave it a signal that said, you know, the valve, without flow being established, said okay, so pH is dropping, the alarm comes in, the timer starts, pH reaches 6.0, and the valve goes shut.

So we have performed all of the retests that assures us that the valve will function in both directions.

MR. STEPHENSON: And it's operating, then, correctly with no issues?

MR. DOWNEN: Yes.

MR. STEPHENSON: Great.

CHAIR LYNCH: And just one quick follow-up

before Mr. Moss. That retest that you mentioned, that will be part of the documentation that you send us as part of the notice of correction?

MR. DOWNEN: Yes.

CHAIR LYNCH: Thank you.

Mr. Moss?

MR. MOSS: Not to try to turn this into an investigation from the bench during our meeting here, but Mr. Downen, there were a couple of things you said that concern me. I thought I understood you to say that there were three crews involved: There was a crew on December 24 that was then replaced by a night crew, and then the previous crew came back on on the 25th.

And I thought I understood you to say that when the December 24 day crew came on again on December 25, they thought the night crew had done something that the night crew had not done?

MR. DOWNEN: No. They thought that they hadn't done anything and that they left -- because they had left -- when the crew on the 24th left, they said, We're working on this, leave it for us, we'll take care of it in the morning.

And then the guys on nights did do a little bit. And it was lost in turnover.

So those guys thought, okay, we're

starting back where we were, when in actuality they weren't.

And it feeds into the stream of things that, you know, leads to ultimately there's water that we shouldn't be discharging that we are.

But ultimately, it shouldn't matter what's in the cooling tower basin as long as we take the right steps before we start flowing to the Chehalis River, and as long as the system works properly once we do. And that's where the -- ultimately the problem --

MR. MOSS: But it does seem that there was some miscommunication or lack of communication between the two crews, as they say. You say the handoff went poorly or something?

MR. DOWNEN: That's correct.

MR. MOSS: And the concern I have is, is there any sort of an effort underway to try to remediate that kind of miscommunication?

I was thinking there might be logs kept by the respective crews of what they did and did not do, and that the first thing a new crew coming on should do is check those logs and see where they stand.

MR. DOWNEN: There is a log. And that is one of the things that's covered in turnover. And it's covered in our turnover discussions.

But there are times when things don't get turned over. And that's the downside of having, you know, people on rotating shifts that have to turn over things. So we do have procedures that cover that, required log entries. And that was one of the corrective actions, was to talk about turnover and documenting everything that's done.

MR. MOSS: Well, I think that's some reason for concern.

The other matter I wanted to bring up to you is as I understood what you said, those controls were not set up correctly when they were installed, I believe you said years ago.

MR. DOWNEN: I believe that it was done at the commissioning of the plant.

MR. MOSS: Right. My question is, if this thing is as easily tested as you described it to be, why hasn't there been any test of this important system in years to determine this problem was in place before something bad happened?

And similarly related to that, are there other systems that may similarly have gone untested for years and you don't know whether they're properly programmed or not?

Since this one wasn't, there might be

others. And my question is, are these things not routinely tested to make sure they're set up right and functioning correctly?

MR. DOWNEN: So I'm trying to think how -- this is a multiquestion.

MR. MOSS: Well, it's not that straightforward, perhaps, but I can simplify it if you like.

MR. DOWNEN: No. So there are -- I don't know, we have 3500 inputs that come into the control system, and I don't know how many, 1,000 control loops in the plant. And, you know, it's just all logic written into a computer. So we -- I'd say the ongoing testing is seeing that these things work.

During commissioning, there were -- there's documentation that it was set up correctly, and this is obviously a loop that did fall through the cracks.

I will say that we had this discussion ourselves as Staff.

And when we brought in this consultant, who is similar to a person -- they've got the same skill set as the person who would write the logic and commission the control system at the commissioning of the plant. And he's been going through loop by loop,

validating that the controls are set up correctly. So we are tackling it as an entire control system check.

MR. MOSS: So it sounds like you are doing now what I would think would need to be done, which is checking the entire control system and make sure there's not some other system in there that was similarly misprogrammed, if that's the right way to put it.

MR. DOWNEN: That was our concern, was that this most likely is not the only mistake that's in this extremely elaborate control system.

MR. MOSS: That was my concern as well.

And then finally I'm going to note a technical correction for the record. The memo, cover memo from Mr. LaSpina dated February 18, has an incorrect date. In the second paragraph I believe that should say December 25, 2013.

And thank you, Mr. Downen, for that explanation.

MR. DOWNEN: You're welcome.

CHAIR LYNCH: Thank you, Mr. Moss.

And Ms. Green Taylor has a question.

MS. GREEN-TAYLOR: Yes, thank you, Chair.

I assume that the reason there was no danger to the environment is because of some combination of low volume and short duration. So I can put it into

context in my mind, what -- at what point in the volume of the discharge or the time, the length of the discharge, would it have become a danger?

MR. LASPINA: Well, typically what we would look for in a situation like this would be impacts to humans or fish. So for instance, if we had found dead fish carcasses or something downstream, that would be a clear indication.

MS. GREEN TAYLOR: Okay. So there's not a set standard that you would -- beyond which you would assume that there was in fact danger; that you would actually have measured some loss in order to confirm that there was in fact a danger?

MR. LASPINA: Danger to the environment or human health, yes.

I mean, I can't -- we look forward to having some technical support from Ecology to help us determine, for instance, if -- with that technical report we could have modeled the discharge and the pH going down the river. We could have figured out how far it would be out of compliance. And we could quantify the violation better. But at this time we don't have those resources.

However, we did not receive complaints, or there were no reports of fish kills or anything. So at this time, that's what we have.

MS. GREEN-TAYLOR: Okay. Thank you.

CHAIR LYNCH: Any more questions?

And I think a lot of it depends on what's being discharged. pH is different than if you're -- higher pH water as opposed to some, oh, like copper going into the water, which affects fish, and other sorts of things that can be discharged in the water. So the potential harm is, I guess, based partly on what's being discharged.

But you all bring up a good point. I had a conversation with Staff about having that agreement put together with Ecology sometime in the near future. And that is one of our priorities because we need to be able to identify -- we need help in identifying the extent of what some of these concerns might be so we can take proper enforcement action.

Any further questions?

Thank you.

And I think what I would like to do at this point in time is to take, if there's no further discussion, to take Council action on the proposed Notice of Incident and Request for Assurance of Compliance.

I've talked to Staff a great deal about this prior to this hearing today, and Councilmembers have asked all very good questions of the witness.

And it's my recommendation that we do authorize the Staff to issue the Notice of Incident and Request for Assurance of Compliance.

MR. MOSS: And I have a question in that regard. The Assurance of Compliance -- Mr. LaSpina, perhaps the question is to you, perhaps someone else; I'm not sure.

But what I would be looking for in this connection would be some follow-up to what Mr. Downen described, perhaps a report from this consultant or whoever is checking all these systems out that says, Well, we checked out these out and they're all fine and there was just this one this aberration, or we found ten more and they've been fixed, or whatever the case may be; just some sort of follow-up so we know the results of this effort that's ongoing.

And then second, I would want to know if there's been any effort beyond simply saying, "Gosh, you shouldn't have done that" in terms of educating or refreshing the Staff as to its responsibilities in the shift changes to be sure that they understand what the shift before has or has not done so that they don't exacerbate or cause some problem as a result of operating on an assumption that turns out not to be valid. So I would like to see those sorts of things.

And with that, I could support the Chair's inclination in that regard if we have those assurances here today. Mr. LaSpina?

MR. LASPINA: We can require those elements that you just mentioned in the Assurance of Compliance, yes.

MR. MOSS: Thank you.

CHAIR LYNCH: Any other discussion?

All those in favor signify by saying "aye."

MULTIPLE SPEAKERS: Aye.

CHAIR LYNCH: Opposed?

(No response.)

CHAIR LYNCH: Motion carries. Thank you.

Let's go ahead and turn to the update on the Tesoro/Savage Vancouver Energy Distribution Terminal. Ms. Bumpus?

MS. BUMPUS: Good afternoon, Chair Lynch and Councilmembers. Just a few items to update you on for the Tesoro/Savage oil terminal project.

On the matter of the SEPA scoping report, EFSEC Staff has been working with our consultant to complete the scoping report, and we plan to have an electronic copy of that report by the end of this week available to you.

On the matter of the application for the site certification, EFSEC received an amended -- or an amendment to the application for site certification on January 27, and after doing a general review both by EFSEC Staff and EFSEC's consultant, the amended information appears to be in such detail as to enable further review of the application.

We do plan to do a more detailed review, a more technical review of the amended information, and we'll be continually updating Council on that, on that process.

That is the conclusion for my updates. And I'd be happy to answer any questions or hear any concerns from Council.

CHAIR LYNCH: Would you please remind the Council about our upcoming meeting in Vancouver?

MS. BUMPUS: On March 11, there is a work session scheduled in Vancouver, Washington. I don't know the time. But we can get that information to you.

MR. POSNER: I can add that the time is 1:00. We're scheduled from 1:00 and -- I believe 1:00 to 4:00 or 5:00.

CHAIR LYNCH: And I assume this supplemental information that was provided to Councilmembers also was provided to Council for the

Environment?

MS. BUMPUS: It is available on our website, but I don't believe we've actually sent anything to the Council for the Environment. But it is available on the website.

MR. POSNER: Let me just add something to that. What we wanted to do is -- and I sent an e-mail to all Councilmembers a week or two ago just asking if you have any concerns about the information. We've provided the information to Councilmembers. It is on our website. We've made it basically a general review of the information. We believe it's sufficient to continue our review.

And then after today's meeting, assuming there are no Councilmember's concerns, we were going to provide a wider distribution, which would be Council for the Environment.

We wanted to just make sure that because our WAC specifically talks about as determined by the Council, you know, as the EFSEC manager, I've made that determination. And I'm requesting any feedback from Councilmembers if you have any -- any concerns you might have with the information.

Otherwise, our recommendation is to continue moving forward with our review of the

application.

CHAIR LYNCH: And if Councilmembers discover something later, they can certainly flag it for you.

MR. POSNER: Exactly. As I explained and as you all should know about our process, it's sort of an evolving process. New information becomes available to the Council as we go through our process, updates get made, and this applies to our SEPA review as well as our application review.

And it's not until final recommendation is made to the governor that the Council essentially has to provide some assurances that the application is 100 percent complete.

CHAIR LYNCH: Any questions?

MR. HAYES: Yes, Chair?

CHAIR LYNCH: Mr. Hayes?

MR. HAYES: So just to be clear, all of the most up-to-date information on the application for site certification is contained on the CD, the most recent CD we have?

MS. BUMPUS: Yes.

MR. HAYES: Okay. Thank you.

CHAIR LYNCH: Any other questions?

Anything that Staff needs to bring to our

attention?

Hearing none, we are adjourned. Thank you.

(Whereupon, the proceedings were concluded at 2:17 p.m.)

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 26th day of February, 2014.

_____

ELIZABETH PATTERSON HARVEY, CCR RPR

My license expires:

DECEMBER 2014

Kittitas Valley Wind Power Project
Monthly Project Update

February 18, 2013

Project Status Update

January Production Summary:
MWh 11,782 MWh
Wind 4.7 m/s or 10.5 mph
CF 15.7%

Safety:
No incidents

Compliance:
Project is in compliance as of February 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.

January, 2014

EFSEC Monthly Operational Report

Safety:

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

Environmental:

- Submitted the December Discharge Monitor Report for Outfall 001.
- Submitted fourth quarter Emissions Discharge Report.
- Submitted sound monitoring results per our Site Certification Agreement. The survey was performed with the plant at full power. Results showed the facility to be in compliance with the limits set forth in Washington Administrative Code (WAC) 173-60-040.
- Submitted written notification to EFSEC regarding a late December NPDES permit discharge outside of our permit limits due to pH.

Operations & Maintenance:

- Grays Harbor operated 11 days during the month of January, producing 91,326 MW.
- The capacity factor (CF) was 19.8% in January, and 19.8% YTD.
- The availability factor (AF) was 100% in January, and 100% YTD.

Noise and/or Odor:

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

Site Visits:

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

Other:

- None

PACIFICORP ENERGY
A DIVISION OF PACIFICORP

Chehalis Power Plant
1813 Bishop Road
Chehalis, Washington 98532

Chehalis Generation Facility----Monthly Plant Report to the Washington Energy Facility Site Evaluation Council – January 2014

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

10 February 2014

Safety:

- There were no recordable incidents this reporting period and the plant staff has achieved 4091 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 January 2014.

Personnel:

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

Operations and Maintenance Activities:

- The Plant generated 235,160 megawatt-hours at a capacity factor of 62.15% for the month of January and the year-to-date capacity factor is 62.15%.

Regulatory/Compliance:

- There were no air emissions deviations, waste-water or stormwater exceedances or spills during the month of January 2014.

Other:

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

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: January generation totaled 30,993 MWh for an average capacity factor of 15.3%.

Solar Production: The Solar Demonstration Project generated 31.2 MWh.

Safety: A wind turbine technician was injured when the hatch door on the floor of the nacelle fell on his finger.

Compliance/Environmental:
Nothing to report.

Energy Northwest
EFSEC Council Meeting
February 18, 2014
(Shannon Khounnala)

I. Columbia Generating Station Operational Status

Columbia is currently operating at 100% power, generating 1127 megawatts, and has been online for 233 days.

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

II. WNP 1/4 Water Rights

The water rights application for the WNP 1/4 site is proceeding as planned. The Department of Energy and Energy Northwest held a brief conference call with the Department of Ecology earlier this month. A public notice regarding the water rights application will be posted within the next few weeks. Energy Northwest will be working with both agencies this spring to arrange for a site visit as part of the application and approval process.

STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL
PO Box 43172 • Olympia, Washington 98504-3172

TO: Energy Facility Site Evaluation Council

FROM: Jim LaSpina, EFSEC Staff

DATE: February 18, 2014

SUBJECT: Grays Harbor Energy Center – NPDES Permit Violation and Recommendation for Issuance of Notice of Incident

EFSEC is the federally-delegated NPDES permitting authority for the Grays Harbor Energy Center. The NPDES Permit authorizes Grays Harbor Energy Center (Permitee) to discharge process wastewater to the Chehalis River and stormwater discharges to ground and to the Chehalis River.

On December 25, 2014, the Permittee discharged process wastewater to the Chehalis River in violation of an effluent limitation contained in the NPDES permit. Attached to this memo is the draft Notice of Incident (NOI) that describes the permit requirement, the circumstances of the violation, and staff's recommendation to the Council to approve issuance of the NOI.

STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL

NOTICE OF INCIDENT AND REQUEST FOR ASSURANCE OF COMPLIANCE

Issued To: Grays Harbor Energy, LLC
PO Box 26
Satsop, Washington 98583

Date: February 18, 2014

For Project: **Grays Harbor Energy Center**

Background

On May 13, 2008, the Energy Facility Site Evaluation Council (EFSEC or Council) issued National Pollutant Discharge Elimination System (NPDES) Waste Discharge Permit No. WA-002496-1 to Grays Harbor Energy's (GHE's) Satsop Combustion Turbine Project. NPDES Permit coverage is required by Article IV.B of the Site Certification Agreement (SCA). The permit is incorporated into the SCA by reference as Attachment II. The Project was renamed the Grays Harbor Energy Center (GHEC) as a result of an SCA amendment executed by the governor in 2011.

On November 12, 2012 EFSEC received the application for permit renewal and administratively extended the permit to allow for completion of a wastewater engineering report. EFSEC Staff anticipates approval of the final engineering report by June 30, 2014 and reissuance of the permit soon after.

Permit Condition S1.A of the permit requires that all GHE's wastewater discharges and activities be consistent with the terms and conditions of the permit.

Effluent Limitations

Condition S1.B requires GHE to comply with the interim effluent limits applicable to the process wastewater discharges at Outfall 001. The interim effluent limits are contained in Tables 1 and 2 of the permit.

Table 1: Interim Effluent Limitations – Circulating Cooling Water Blowdown Discharge

Parameter	Daily Maximum[1]	Monthly Average[2]
Temperature	16°C	Not applicable
Ammonia (as N)	321 mg/L	160 mg/L
Free Available Chlorine[3]	0.5 mg/L	0.2 mg/L
Chloride	18 mg/L	9 mg/L
pH[4]	Between 6.5 and 8.5[5]	Not applicable
Total Suspended Solids	100.0 mg/L	30.0 mg/L
Chromium, total	200 µg/L	200 µg/L
Priority Pollutants and PCBs	See Footnote 6	

1 The maximum daily effluent limitation is defined as the highest allowable daily discharge. The daily discharge means the discharge of a pollutant measured during a calendar day. The daily discharge is the average measurement of the pollutant over the day.
2 The average monthly effluent limitation is defined as the highest allowable average of daily discharges over a calendar month, calculated as the sum of all daily discharges measured during a calendar month divided by the number of daily discharges measured during that month. If only one sample is taken during the calendar month, the maximum daily effluent limitation applies to that sample.
3 Free available chlorine may not be discharged for more than two hours in any one day unless the utility can demonstrate to EFSEC that the units cannot operate at or below this level of chlorination.
4 Permittee must include alarm systems for pH control to provide indication of any variance from established limits. If the continuous pH instrumentation malfunctions, grab samples taken every 4 hours must be substituted.
5 The total time during which pH values are outside this range must not exceed 7 hours and 26 minutes in any calendar month, and no individual excursion must exceed 60 minutes. An excursion is an unintentional and temporary incident of pH exceedance. No excursions greater than 9.0 or lower than 6.0 are allowed.
6 There must be no discharge of polychlorinated biphenyl compounds (PCBs). There must be no detectable amount of priority pollutants (listed in 40 CFR Part 423, Appendix A) and PCBs in the effluent from chemicals added for cooling system maintenance.

Table 2: Effluent Limitations – Oil/Water Separator

Parameter	Daily Maximum[1]	Monthly Average[2]
Flow [3]		
Oil and grease	20.0 mg/L	15.0 mg/L
Iron, total	1.0 mg/L	1.0 mg/L

1 The maximum daily effluent limitation is defined as the highest allowable daily discharge. The daily discharge means the discharge of a pollutant measured during a calendar day. The daily discharge is the average measurement of the pollutant over the day.
2 The average monthly effluent limitation is defined as the highest allowable average of daily discharges over a calendar month, calculated as the sum of all daily discharges measured during a calendar month divided by the number of daily discharges measured during that month. If only one sample is taken during the calendar month, the maximum daily effluent limitation applies to that sample.
3 Permittee must mix effluent from this source with cooling tower blowdown when the cooling tower is operational. When the cooling tower is not operational, the discharge must be retained or a minimum dilution flow of 200 gpm from recirculated cooling waste inventory water.

Final effluent limits will be proposed in the engineering report and incorporated into the reissued permit by EFSEC as soon as possible, in accordance with Condition S1.D.

Exceedance of Effluent Limitations

On January 9, 2014, EFSEC received GHE's December 2013 Discharge Monitoring Report (DMR). The DMR reported an exceedance of the minimum pH effluent limit of 6.0 that occurred on December 25, 2013. In a followup letter received by EFSEC on January 7, 2014, GHE reported the pH of the discharge to the Chehalis River was below 6.0 for 20 minutes. GHE reported the lowest recorded pH as 3.26. Table 1, footnote 5 prohibits discharge of any duration with a pH below 6.0.

GHE submitted incident-related notifications and reports in a timely manner.

EFSEC staff conducted a compliance inspection of GHE on November 7, 2013. No violations were noted during this inspection.

Notice of Incident

This Notice of Incident is being issued to GHE under the authority of Title 463-70-070 of the Washington Administrative Code (WAC), which reads in part: "Whenever the Council has

probable cause to believe that any term or condition of a certificate agreement or permit has been violated, the Council may serve a notice of incident and request for assurance of compliance upon the certificate holder."

Request for Assurance of Compliance
Within thirty days of the date of this notice GHE shall provide the Council an Assurance of Compliance including appropriate measures to preclude a recurrence of the violated conditions described in this notice. At a minimum, the Assurance of Compliance must explain the reasons for the exceedance of effluent limitations, and the corrective actions taken to prevent such occurrences in the future.

The Council shall review the Assurance of Compliance and may close out the matter, issue a Notice of Violation or take further action as necessary as authorized under WAC 463-70-070.

DATED this 18th day of February 2014, at Olympia, Washington.

_____

Stephen Posner
Interim EFSEC Manager