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WASHINGTON STATE  
ENERGY FACILITY SITE EVALUATION COUNCIL  
Richard Hemstad Building  
1300 South Evergreen Park Drive Southwest, Conference Room 206  
Olympia, Washington  
Tuesday, May 20, 2014  
1:33 P.M.  
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MONTHLY COUNCIL MEETING  
Verbatim Transcript of Proceeding

REPORTED BY: SHELBY KAY K. FUKUSHIMA, CCR #2028  
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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  
Dennis Moss, Utilities and Transportation Commission

Staff in Attendance:

Stephen Posner, EFSEC Manager  
Jim LaSpina, Siting Specialist  
Tammy Talburt, Commerce Specialist 1  
Sonia Bumpus, Siting Specialist  
Kali Wraspir, Administrative Assistant

Assistant Attorney General:

Brian Faller, Assistant Attorney General

Guests in Attendance:

Irina Makarow, BergerABAM  
Adam Torem, Utilities and Transportation Commission  
Richard Downen, Grays Harbor Energy Project  
Mark Miller, PacifiCorp Energy

Guests in Attendance Via Phone:

Matt Anderson, Kittitas Valley Wind Project, EDPR Renewables

1 OLYMPIA, WASHINGTON, MAY 20, 2014

2 1:33 P.M.

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4  
5 P R O C E E D I N G S

6  
7 CHAIR LYNCH: Good afternoon, and welcome. This is  
8 May 20th, and it's the regular Council meeting of the Energy  
9 Facility Site Evaluation Council.

10 Could we please have the Staff call the roll?

11 MS. TALBURT: Department of Commerce?

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

13 MS. TALBURT: Department of Ecology?

14 MR. STEPHENSON: Cullen Stephenson here.

15 MS. TALBURT: Department of Fish and Wildlife?

16 MR. STOHR: Joe Stohr is here.

17 MS. TALBURT: Natural Resources?

18 MR. HAYES: Andy Hayes is here.

19 MS. TALBURT: Utilities and Transportation  
20 Commission?

21 MR. MOSS: Dennis Moss is present.

22 MS. TALBURT: Local Governments and Optional State  
23 Agencies: Department of Transportation?

24 City of Vancouver?

25 Clark County?

1 Port of Vancouver?

2 Chair, there is a quorum.

3 CHAIR LYNCH: Thank you. You can see that you have a  
4 proposed agenda in front of you.

5 Are there any proposed changes to the agenda?

6 Hearing none, let's proceed to approval of the  
7 minutes. We have two sets of meeting minutes to approve. The  
8 first is the April 2nd special meeting that we held in Vancouver  
9 regarding the SEPA scoping, and the second set of minutes is the  
10 April 15th regular Council hearing.

11 And I'll give Councilmembers a few moments to review  
12 those in case you haven't had an opportunity to do so, and then  
13 I'll entertain a motion for approval. I think we can have both  
14 set of minutes approved in the same motion.

15 MR. HAYES: Chair, I'll so move that we adopt the  
16 minutes from the April 2nd and April 15th EFSEC meetings.

17 CHAIR LYNCH: Do we have a second?

18 MR. MOSS: I'll second that.

19 CHAIR LYNCH: It's been moved and seconded that the  
20 meeting minutes from both the April 2, 2014, and April 15, 2014,  
21 meetings be approved.

22 All those in favor say "aye."

23 MULTIPLE SPEAKERS: Aye.

24 CHAIR LYNCH: Opposed?

25 Motion carries.

1                   At this point in time, I would like to have those  
2 people who are on the telephone who wish to identify themselves  
3 to please do so.

4                   Do we have the phone --

5                   MR. POSNER: Chair Lynch?

6                   CHAIR LYNCH: -- turned on?

7                   MR. POSNER: Chair Lynch, I have asked Kali to check.  
8 We might want to wait a minute. I think there may be an issue  
9 with the phone.

10                  CHAIR LYNCH: Okay.

11                  MR. POSNER: So she's checking with some of the  
12 support people here at the UTC to see if there is a problem,  
13 because I believe we were supposed to have a couple of the  
14 out-of-town Councilmembers call in. And the fact that nobody  
15 responded to your request, I think we might be having a problem  
16 with the call-in number, so...

17                  CHAIR LYNCH: Okay. Very good. Well, this will give  
18 me an opportunity to inform Councilmembers. I was going to do  
19 this at the very end of the meeting, but the Attorney General's  
20 Office, I believe -- well, anyway, there's an open government  
21 training on public meetings and records that is scheduled for  
22 Wednesday, June 4th at 6:30 p.m. at the Washington Center for  
23 the Performing Arts. And this is free training to elected and  
24 appointed officials on open public meetings and records  
25 requirements, and it is conducted by the State Attorney

1 General's Office.

2           There is some legislation that passed this past  
3 session which strongly suggests that EFSEC Councilmembers would  
4 need to undergo such training. But you don't need to attend  
5 training like this. It's my understanding that the Attorney  
6 General's Office actually provides training online for  
7 Councilmembers, and if you were to go to their website on open  
8 meetings, they're under frequently asked questions. There's a  
9 provision about taking the training that's available online and  
10 satisfying the requirement for having met the legislative  
11 requirement.

12           So I would encourage those members who have not  
13 signed up for this particular training to look at the  
14 Governor's -- excuse me -- look at the Attorney General's  
15 website and see if additional trainings are scheduled or if you  
16 would prefer to take the online training.

17           MS. GREEN-TAYLOR: Chair?

18           CHAIR LYNCH: Yes?

19           MS. GREEN-TAYLOR: Is there a deadline by which we  
20 need to have taken the training?

21           CHAIR LYNCH: Well, the legislation, I would say, is  
22 a little bit oddly worded --

23           MS. GREEN-TAYLOR: Oh, okay.

24           CHAIR LYNCH: -- because it says 90 days of when you  
25 take your appointment. So I would assume that it would mean 90

1 days after the effective date of the Act for sitting  
2 Councilmembers.

3 MS. GREEN-TAYLOR: Okay.

4 CHAIR LYNCH: And effective date of the Act, I  
5 believe, is early July, so 90 days -- I can get back to you with  
6 an e-mail to all the Councilmembers to let you know when that  
7 date should be, but it would be, I believe, 90 days after July  
8 1st.

9 MS. GREEN-TAYLOR: Okay. Thank you.

10 CHAIR LYNCH: Sure.

11 MR. POSNER: Chair Lynch, I have an update for you.  
12 We have found out that the phone service to the building is out.  
13 And so I believe that they're working on trying to fix the  
14 problem, but there's a good chance that it will be a while  
15 before that is figured out.

16 CHAIR LYNCH: And we're taking that a number of the  
17 people who would be presenting us with updates today is by  
18 telephone, so...

19 MR. POSNER: For the project updates, yes.

20 CHAIR LYNCH: Right.

21 MR. POSNER: Yes. But I believe a summary sheet of  
22 all the projects are in your packets.

23 CHAIR LYNCH: So we know Mr. Miller is here, so  
24 Mr. Miller, would you please give us an update for the Chehalis  
25 Generating Facility.

1                   MR. MILLER:   Certainly.

2                   CHAIR LYNCH:   And I believe you just handed Staff a  
3   handout, which he's distributing to us.

4                   MR. MILLER:   That's correct.   So it's partly in  
5   response to last month's questions from the Chair.

6                   So good afternoon, Chair Lynch and Councilmembers.  
7   My name is Mark Miller.   I'm the plant manager at the PacifiCorp  
8   Energy Chehalis Generating Facility.   I have one nonroutine  
9   comment regarding a stormwater benchmark exceedance, and I also  
10   would like to present an update on the path forward for  
11   committing the balance to the carbon offset mitigation funds.

12                  With respect to the water benchmark, it was  
13   stormwater on April 25th during our review of the first quarter  
14   data, it was found that stormwater sample results for turbidity  
15   were higher than the listed benchmark values contained in our  
16   Industrial Stormwater General Permit.   That measure by the lab  
17   was 38.3 NTUs, and the benchmark is 25 NTUs, so what that did is  
18   it implemented a series of reviews per the condition of the  
19   permit and particularly S8, whereby we investigated and  
20   concluded three possible causes either by a maintenance  
21   activity, faulty lab or sample analysis, and possibly  
22   algae-induced turbidity.

23                  We continue to look to a third-party lab to quote --  
24   a couple third-party labs to actually do our sampling for us and  
25   also provide them with some blanks and actual samples to see how



1     their lab testing results.  So it's just, you know, kind of a  
2     quality assurance control checkpoint.

3             And, secondly, with respect to the Chair's request --

4             CHAIR LYNCH:  Excuse me --

5             MR. MILLER:  Yes, sir?

6             CHAIR LYNCH:  -- Mr. Miller?  Before we leave this  
7     last item, I just wanted to -- if you could remind me, once  
8     there has been an exceedance and BMPs are employed to remedy the  
9     causes of exceedance, is -- additional testing, is that just at  
10    the regular next interval, or is there a requirement for testing  
11    soon afterwards?

12            MR. MILLER:  Well, testing soon afterwards,  
13    certainly, and then also continued implementation of the revised  
14    BMPs or the new -- you know, some of those fall off after we met  
15    benchmarks for so many quarters.

16            CHAIR LYNCH:  Right.

17            MR. MILLER:  I can't speak specifically to the number  
18    of quarters involved, but I will.  And working with Staff, I'll  
19    make sure that we are compliant with that.

20            CHAIR LYNCH:  Okay.  So I guess one of the things I'm  
21    wondering, April 25th.  Was there --

22            MR. MILLER:  So it was...

23            CHAIR LYNCH:  -- an opportunity to retest?

24            MR. MILLER:  It was a complete oversight that this  
25    was not noticed when we received the sample results from the

1 lab, and it was during my quarterly review prior to submission  
2 of the quarterly DMRs.

3 CHAIR LYNCH: Okay. Very good. Thank you.

4 MR. MILLER: Yeah.

5 CHAIR LYNCH: Please continue.

6 MR. MILLER: Okay. So with respect to the strategy  
7 for contracting the balance of the offset mitigation dollars in  
8 the approximate value of five-hundred ninety, 600,000,  
9 PacifiCorp believes that the carbon mitigation landscape has  
10 changed since the first request for proposal was solicited in  
11 2009. Specifically, last month I believe it was, the Washington  
12 State Governor's office initiated a climate change task force,  
13 and PacifiCorp government affairs staff believed it would be  
14 prudent that we make contact with Governor Inslee's office and  
15 seek input.

16 Additionally, we will also consult as Chair -- or  
17 Member Hayes noted a month or so ago with the Department of  
18 Ecology, Fish and Wildlife, Natural Resources, and Commerce. We  
19 looked at an opportunity to achieve some low-hanging fruit  
20 with -- to solicit ozone-depleting substances destruction.  
21 However, in consulting with our internal folks and external  
22 folks that there aren't any current projects identified in the  
23 State of Washington where -- essentially where you collect  
24 refrigerants and refrigerators and destroy them in incinerators  
25 in certain parts of the country, and I think Arkansas is the one

1     that deals with some of the CFCs that we are familiar with.

2             So there was no low-hanging fruit there, so what we  
3     would propose to do is, per what I have provided the Council, is  
4     a rather aggressive procurement. But we also in the time period  
5     between now and the end of June would make contact again, and I  
6     think James Campbell had a call to your office, Mr. Hayes, and  
7     would seek also primarily, you know, to touch bases with the  
8     task force that the Governor's implemented on climate change and  
9     also the individual agencies. And if after that discussion the  
10    outcome is still that we would go for an RFP, this would be the  
11    schedule we would follow. Our interests would be, as is yours,  
12    is to close the deal and move on.

13            You also had one other question with respect and --  
14    where the funds are with respect to their -- are they in the  
15    rate base.

16            Now, Member Moss might be able to answer this more  
17    directly than I can, and understanding that I'm not a technical  
18    accountant, I understand that these dollars are held as a  
19    liability on the corporate balance sheet and they are -- there's  
20    a corresponding intangible asset. So basically this is being --  
21    this value has been entered into the rate base and is  
22    appreciated on the 30-year basis, much like the steel and the  
23    power plant.

24            And if you look at how it's allocated over  
25    PacifiCorp's system, non-Washington states pick up 92 percent of

1 the costs where Washington picks up approximately 8 percent of  
2 the costs.

3 And that's the layman's understanding of how the  
4 rates are applied, and, again, I would ask Chair -- or Member  
5 Moss to try and...

6 MR. MOSS: It's consistent with the way we describe  
7 it, too.

8 MR. MILLER: Okay. Thank you.

9 And are there any questions?

10 CHAIR LYNCH: Mr. Miller, my understanding is that --  
11 and you mentioned about the -- that you looked into getting rid  
12 of old refrigerants so that there's actually a number of  
13 different options in addition to just planting trees.

14 MR. MILLER: Correct.

15 CHAIR LYNCH: And at this point in time, are you  
16 looking at -- when you're putting out an RFP, is it for trees,  
17 or what is it for?

18 MR. MILLER: Well, it would be, you know, an outcome  
19 of the discussions and consultation with the task force and the  
20 other agencies.

21 Currently, you know, we scheduled about eight hundred  
22 to 900,000 with a methane digester for manure from dairy cattle.  
23 Originally we looked at trees with DNR, so -- it's not an ozone  
24 depleting substance, so it's a gamut there under the things that  
25 are recognized by, I think it's the Air Resources Board in

1 California that -- you know, I don't think we have an active  
2 program in the State of Washington. But that's kind of the  
3 approach so that we still maintain some value, recapturable  
4 value for the ratepayer, and, ultimately, they would see that  
5 benefit.

6 CHAIR LYNCH: And I would just like to comment that I  
7 appreciate you coming forward with a schedule that we requested  
8 and providing the information to the Council. And I know the  
9 Council has been a little, I think, lax in terms of oversight of  
10 making sure this particular mitigation got wrapped up. But I  
11 just wanted to let you know that I'm not inclined to go beyond  
12 the date that you have set forth in this schedule for  
13 consummating the contract and certainly no way would I be  
14 interested in going beyond this year.

15 MR. MILLER: No, I understand that, and that's why I  
16 noted that it's maybe a bit aggressive for our procurement  
17 folks. But that's okay. We can push them. That's why we  
18 looked for also the low-hanging fruit, and there may be other  
19 opportunities that come out of these discussions with the  
20 agencies and task force.

21 You know, Mr. LaSpina shared with me the Washington  
22 Administrative Code that specified, you know, implementation  
23 after a year's time and whatnot. And as an engineer, not an  
24 attorney, you know, it was a bit different for me, but I  
25 understand the interest. And I clearly understand the Chair's

1 interest in closing this item, and we will.

2 CHAIR LYNCH: Very good. I'm glad to hear you say  
3 that.

4 And just for anyone else with any of the other  
5 facilities, I want to make sure that when EFSEC oversees a  
6 facility, it would do so in the same manner as Ecology would or  
7 any other regulatory entity and that sometimes we don't --  
8 haven't always had the Staff to do that. But as someone with  
9 the Pollution Control Hearings Board, who has certainly overseen  
10 a number of these types of penalties and facilities and  
11 mitigation plans, I certainly think it's just a question of  
12 fairness that everybody, all the entities that are regulated, be  
13 regulated in the same manner.

14 And I think I've got support -- well, I know I've got  
15 support from my Councilmembers along the same vein, so I just  
16 wanted to communicate that message, and I appreciate your  
17 acknowledgment.

18 MR. MILLER: Yeah, I understand that. And  
19 acknowledging that as well as the second part of that is -- is  
20 that, you know, this was kind of a new item. There weren't --  
21 you know, when the proposals came in after the DNR, there was  
22 only one submitted, and it only had a certain number of, you  
23 know, tons of carbon that it was offering.

24 So it's a bit of a new -- new animal and I appreciate  
25 the Council's patience and we will close this as committed.

1 CHAIR LYNCH: Thank you, Mr. Miller.

2 Are there any questions from members of the Council?

3 MS. GREEN-TAYLOR: I have one.

4 CHAIR LYNCH: Yes.

5 MS. GREEN-TAYLOR: Mr. Miller, this is just a point  
6 of clarification.

7 Is this RFP proposal instead of working with the  
8 tribe, or is it going to be in addition to --

9 MR. MILLER: No. This...

10 MS. GREEN-TAYLOR: -- continuing to work with the  
11 tribe?

12 MR. MILLER: This is instead. The tribe has made it  
13 pretty clear that they're not willing to invest their trust  
14 lands in trees at this time.

15 MS. GREEN-TAYLOR: Okay. Thanks.

16 CHAIR LYNCH: Thank you, Ms. Green-Taylor. I have to  
17 admit that I always freeze for a moment trying to think if it's  
18 Ms. Taylor-Green or Ms. Green-Taylor, so that's why I...

19 MS. GREEN-TAYLOR: I answer to either.

20 CHAIR LYNCH: Thank you. I've been called many  
21 things myself.

22 Any other questions by Councilmembers?

23 MR. HAYES: Yes, Chair.

24 CHAIR LYNCH: Yes, Mr. Hayes?

25 MR. HAYES: Mr. Miller, thanks for bringing this

1 information back. It's helpful and responsive to our questions  
2 from before. I just want to make sure I understood one point.

3 So did you mention that the protocol you'll be  
4 following is the California protocol?

5 MR. MILLER: Yes, that's what's established.

6 MR. HAYES: Okay. Okay. Great. Good. I can say on  
7 behalf of my agency, we'll look forward to interacting with you  
8 on this.

9 MR. MILLER: Okay.

10 CHAIR LYNCH: Thank you.

11 MR. MILLER: All right. Thank you.

12 CHAIR LYNCH: If we could hear from Mr. Downen, Grays  
13 Harbor Energy.

14 MR. DOWNEN: Good afternoon, Chair Lynch and Council.  
15 I am Rich Downen, the plant manager for Grays Harbor Energy.  
16 The monthly report that you find in your packet is two pages  
17 long. There's nothing. Only one item on there on the report, I  
18 believe, is out of the ordinary, and that was a neighbor  
19 complaint that we received on April 29th from Janyce Taylor, one  
20 of the neighbors there on actually West Keys Road. She left a  
21 phone message on our machine, oh, at -- oh, I think at about  
22 three o'clock in the morning on that day and just said that the  
23 plant was being noisy that night and it was disturbing her.

24 And, anyway, later that morning I called -- or she  
25 called and I spoke with her. And that night we had cycled the



1 plant off, shut it down the night of the 28th, and were going to  
2 restart it on the morning of the 29th. And there was a valve  
3 leaking by and a safety valve lifted and that was the cause of  
4 the noise.

5 So I explained that to her and talked to her and  
6 apologized and gave her the direct number to call the control  
7 room that she didn't have. She just had the main number to the  
8 office, which isn't -- doesn't get ahold of anybody in the  
9 middle of the night, and so she appreciated that.

10 We talked for a few minutes. She seemed satisfied  
11 with the discussion. And in accordance with the procedure that  
12 we have for neighbor complaints, I made an entry into the  
13 control room log, and I attached that. So that's the second  
14 page of the report.

15 Beyond that, there's nothing abnormal to report.

16 CHAIR LYNCH: And, Mr. Downen, how far away would you  
17 say Ms. Taylor lives from the facility?

18 MR. DOWNEN: I'm not very good with distances. I  
19 would say a mile? Is that about how far it is to...

20 MR. LaSPINA: I don't know.

21 MR. DOWNEN: So from where the plant is, kind of --  
22 West Keys Road runs parallel to Keys Road, I would say, maybe  
23 half -- half a mile to three-quarters of a mile. And then she's  
24 out at the far end of that road, so as much as a mile.

25 CHAIR LYNCH: And I know that before I came on the

1 Council, there were some neighbor complaints about noise.

2 Is that the same general direction?

3 MR. DOWNEN: The same road. Just...

4 CHAIR LYNCH: The same road and...

5 MR. DOWNEN: The family that we typically get a  
6 complaint from is kind of directly across from us on that road,  
7 so they're pretty close to each other.

8 CHAIR LYNCH: Okay. Are there any questions for  
9 Mr. Downen?

10 Thank you, Mr. Downen.

11 MR. DOWNEN: Thank you.

12 CHAIR LYNCH: I think we're ready to go ahead, then.  
13 I don't see anyone else who is -- oh, I wanted to first note  
14 that our regular Assistant Attorney General, Ann Essko, is not  
15 here today, but she is being well filled in for by Assistant  
16 Attorney General Brian Faller, who I have worked with in the  
17 past.

18 And it's good to see you again, sir.

19 MR. FALLER: It's good seeing you, Chairman.

20 CHAIR LYNCH: I think at this point, we can have the  
21 updates regarding Tesoro.

22 Ms. Bumpus?

23 MS. BUMPUS: Good afternoon, Chair Lynch and  
24 Councilmembers. Just a few things to update you on for the  
25 Tesoro/Savage project proposal.

1 EFSEC Staff continues to coordinate with the  
2 applicant and EFSEC's consultant for the development of the  
3 Phase II technical scoping document. Staff will continue that  
4 effort and will review the level of detail and content of the  
5 document to ensure it's satisfactory, and then we'll provide  
6 that to Councilmembers for their review.

7 At this time I anticipate that it will be available  
8 to the Council approximately two weeks before the June Council  
9 meeting, and at that time we will provide it to you for -- so  
10 that you can begin your review before the June monthly Council  
11 meeting.

12 And that is all I have. Mr. Posner is going to give  
13 the update on the land use hearing, unless you have any  
14 questions on my update.

15 CHAIR LYNCH: Before we turn to Mr. Posner, I was  
16 just going to reemphasize to Councilmembers that this second  
17 scoping hearing that we will be having is going to be a little  
18 bit different than the first scoping hearing that we had. The  
19 first scoping hearing, we actually had a vote by the entire  
20 Council about moving forward, and I think this second Council  
21 meeting vote is not actually the appropriate way to go because  
22 we will be getting -- since we already voted on a general  
23 direction, which was what we were seeking from the Council, that  
24 what we will be getting -- the second scoping meeting is a lot  
25 more detailed information.

1                   So what I expect to have happen is Councilmembers  
2   will be flagging any questions or concerns to the Staff who can  
3   hopefully respond at that Council hearing to those questions or  
4   concerns, rather than if -- for example, if Mr. Hayes says --  
5   raises a question with Staff about whether a particular  
6   methodology or a particular sort of item should be flushed out  
7   differently or more, rather than have the whole Council vote on  
8   that, it doesn't seem to me to make sense to operate in that  
9   manner. The Staff, after talking with our consultant, will get  
10   back to that particular Councilmember and hopefully work out any  
11   question or concern.

12                  But rather than have the entire Council vote on that  
13   sort of a process doesn't seem to make sense to me, because we  
14   already have the go-ahead for a general direction so that the  
15   second scoping meeting would give the public an opportunity to  
16   see the additional questions or items raised that Councilmembers  
17   would like to see.

18                  Are there any questions before we turn to Mr. Posner  
19   to talk about the land use hearing?

20                  Mr. Posner?

21                  MR. POSNER: Thank you, Chair Lynch and  
22   Councilmembers. So just to recap, we do have the land use  
23   hearing scheduled in Vancouver for May 28th at six p.m., and  
24   this will be a limited purpose hearing to take testimony on land  
25   use consistency.

1           And just to kind of do a quick update of how we got  
2 to this point, we received the application for site  
3 certification in August last year. Since that time, the City  
4 and the public have had an opportunity to review the  
5 application, including information related to land use  
6 consistency, and we have sent out notices to everybody who's on  
7 the project mailing list, as well as everybody who's on our  
8 minutes and agendas list.

9           And we've also had published a display ad and legal  
10 ad and issued a press advisory, so there has been notice given  
11 to the public, and the City is aware that this hearing is taking  
12 place. I called them personally, the manager for the planning  
13 department. I spoke to him personally at the beginning of May  
14 and told him we would be having the hearing at the end of May.

15           We have received a couple of letters from  
16 organizations requesting that the hearing be postponed basically  
17 on the premise that the City has not had enough time to review  
18 the information. So I'm just sharing that with the Council so  
19 you're aware of some of the concerns -- or that we have received  
20 letters from some organizations who are requesting that the  
21 hearing be canceled at this time and scheduled at a later date.

22           So I just think it's important for the Council to  
23 know that the application has been -- essentially been under  
24 review since August of last year. Typically, in the past, EFSEC  
25 has scheduled land use hearings subsequent to the public

1 informational meeting, which our statute requires. And in those  
2 projects, that has been either the same evening of the public  
3 information hearing or the next day.

4 So in the case of Tesoro/Savage, the public  
5 informational hearing was in October, October 28th. We elected  
6 to not hold the land use hearing at that time because we knew  
7 the City was reviewing the information, and we wanted to make  
8 sure that they had adequate time to assess the project relative  
9 to land use consistency.

10 So relative to the letters we received requesting  
11 cancelation, my recommendation is that we go ahead with the land  
12 use hearing. And, again, it is a hearing which is designed  
13 specifically just to deal with one specific aspect of this  
14 project, which is land use consistency. There will be other  
15 opportunities for the public to provide comment on the project  
16 in general in the future, so I'd be happy to answer any  
17 questions Councilmembers have.

18 CHAIR LYNCH: Thank you. And Mr. Posner and I had a  
19 few conversations about this, and we agreed that we should go  
20 ahead with the hearing that was scheduled later this month  
21 because it is a -- it is very limited in scope. The point is,  
22 is just to see if the project is consistent with local land use,  
23 and then from there, the Council would make a separate  
24 determination as to whether preemption would or would not be  
25 necessary. And then if that was -- if the Council decided that

1 preemption was necessary, then that becomes part of the  
2 adjudicatory hearing that's later held. And so you can see this  
3 is a very narrow issue, and we'll be enforcing the narrowness of  
4 that issue before the Council when we're down in Vancouver.

5 And I appreciate, Mr. Posner, you mentioning that  
6 there'll be numerous other opportunities for public input on the  
7 general nature of the project.

8 MR. POSNER: Right. And just one other thing just to  
9 be clear. Our WAC specifically states that the Council is  
10 required to limit public testimony to consistency at the land  
11 use hearing, so it is very specific about what the purpose of  
12 the meeting is.

13 CHAIR LYNCH: And it also refers to testimony as  
14 opposed to general comments; is that correct?

15 MR. POSNER: That is correct.

16 CHAIR LYNCH: Any questions for Mr. Posner?

17 Mr. Stohr?

18 MR. STOHR: Mr. Chair or Mr. Posner, will we be  
19 receiving any sort of instruction or background on preemption  
20 decisions around land use hearing or -- I mean, what's the  
21 history of those kinds of decisions? What are the legal bounds?  
22 How does that all work?

23 MR. POSNER: Well, what I would say is that I think  
24 there certainly would be some further discussion. At this point  
25 we have not received anything from the City concerning what

1     their position is on consistency, and I think -- I'm hopeful  
2     that they will testify at the hearing, and they will provide  
3     something that will help inform the Council. And then depending  
4     on that, I think there will be further discussions among the  
5     Council as far as how you proceed. That's what happened, you  
6     know, for past projects.

7             MR. STOHR: Great.

8             MR. POSNER: I think it's a little premature not  
9     knowing exactly where this is going to go as far as consistency.

10            CHAIR LYNCH: And we also will not be making a  
11     decision that evening. This will require some review by both  
12     Staff and Councilmembers.

13            Any other questions?

14            Mr. Hayes?

15            MR. HAYES: Yes, Chair. So I think -- if I  
16     understood you correctly -- so it seems to me that there would  
17     be some benefit to some presentation on the decision in front of  
18     the Council, and I don't know when that -- if that really needs  
19     to be before testimony or not, but something that frames I think  
20     both for the Council and for those who are participating, what  
21     the decision is the Council is making. What are the bounds  
22     within which the Council is working?

23            CHAIR LYNCH: I don't know if this answers your  
24     question, Mr. Hayes, but at the start of the hearing, our  
25     administrative law judge, Judge Torem, will be outlining to the



1 public and for the Councilmembers the limited nature of the  
2 hearing. And then after he does that, the applicant will be  
3 making a presentation to us as to what the project -- an  
4 overview of the project and how that is consistent. And I would  
5 imagine they'll be saying it is consistent with local land use  
6 and why, and then we open it up to other people to comment.

7 I assume that like Riverkeeper, or some other entity  
8 like that, would want to make a formal presentation to the  
9 Council as well. But in terms of the enormity of the crux, it  
10 would be more of an overview about the project, is what I would  
11 see, and how that would fit within land use.

12 MR. HAYES: Okay. That makes sense.

13 So I think my major interest is ultimately this. And  
14 I have been only on the back-end of this process, so after the  
15 language consistency hearing happened for previous projects.

16 So I guess the major -- what I'm keying on here is  
17 sort of to what extent the Council has discretion to determine  
18 one way or the other if it's consistent or inconsistent; whether  
19 the decision after that is compulsory about sort of establishing  
20 consistency or not or preemption, et cetera, so just kind of  
21 understanding that process; making sure that the Council is  
22 clear on that process so that as we move through that, we're  
23 clear on what the steps are and how that decision is made.

24 CHAIR LYNCH: My preference would be is after we have  
25 that particular hearing, at some point -- I don't know if we do

1 it as part of a regular Council meeting or if we have a meeting  
2 tagged to a Council meeting, but we discuss whether -- the  
3 consistency or inconsistency of the proposal and then -- but I  
4 would prefer to have that determination made before we go into  
5 the adjudication.

6 I understand that at least on one occasion, the  
7 Council has left that question open, and I think there's -- I'll  
8 just say I don't think that's the best way to go. I think that  
9 we should make a determination if it's consistent or  
10 inconsistent. If it's inconsistent, then we don't necessarily  
11 need to decide right at that moment whether to preempt because  
12 part of what is -- I think is being kicked around is can --  
13 because as part of the adjudication, you go into those  
14 particular items of what is not consistent and you develop  
15 recommendations how to mitigate for these inconsistencies, and  
16 then the Council can decide as part of the overall  
17 recommendation to the Governor, yes to -- if it's inconsistent  
18 to preempt on, and these would be conditions that would mitigate  
19 those ordinances -- provisions.

20 So it's all part of, I think, the general overall  
21 recommendation to the Governor at the end. I kind of -- a  
22 starry stream of consciousness, but I hope that answers your  
23 question.

24 MR. HAYES: I think so. Thank you.

25 CHAIR LYNCH: Thank you.

1 Any other questions?

2 Do we have any other updates from Staff at this point  
3 in time?

4 Mr. LaSpina, I'll just call on you because you're  
5 sitting there, and that's -- my understanding is that the EPA  
6 recently came out with its new rule regarding requirements for  
7 intake at nuclear power facilities; is that correct?

8 MR. LaSPINA: Yes, sir. As the Councilmembers are  
9 probably aware, the major aspect of the NPDES removal -- renewal  
10 for the Columbia Generating Station is the cooling water intake  
11 system. We've been waiting very patiently for 13 years for EPA  
12 to come out with a final rule, which they finally have. The  
13 Federal Register notice is 500-plus pages. And it just came out  
14 the other day, so I haven't memorized it all yet.

15 So this will facilitate -- the issuance of that rule  
16 will facilitate the Council's decision to reissue the permit,  
17 because we have more solid guidance from EPA on how to deal with  
18 the issue as opposed to trying to guess what's going to satisfy  
19 them in the permit.

20 So this, I understand, will -- this issuance process  
21 will unfold over the next couple of months.

22 CHAIR LYNCH: Thank you, Mr. --

23 MR. LaSPINA: All the other parts of the permit are  
24 more or less settled. We received about ten comment letters,  
25 formal comment letters to the permit. Most of those issues are

1 well along to being resolved, and this was the last one we were  
2 really waiting for. Thank you.

3 CHAIR LYNCH: Thank you.

4 MR. LaSPINA: I could answer any questions anybody  
5 has.

6 CHAIR LYNCH: Thank you, Mr. LaSpina. And you were  
7 nice enough to forward that EPA rule to me, which almost caused  
8 my computer to crash, I think. It is quite lengthy, and I  
9 appreciate you forwarding it along.

10 But as you and other Staff people from the various  
11 agencies have a chance to wade through it, you'll be informing  
12 the Council as to what you think it -- what it says and how we  
13 can proceed with the permit for Columbia?

14 MR. LaSPINA: Yes, sir.

15 CHAIR LYNCH: Any questions for Mr. LaSpina?

16 MR. STEPHENSON: Just a comment.

17 CHAIR LYNCH: Yes, Mr. Stephenson?

18 MR. STEPHENSON: Thank you, Mr. Chair, and thank you  
19 for forwarding those comments on to me. So there's two  
20 computers that aren't working very well. It might be why the  
21 phone system is down.

22 So I did talk to Ecology's contracted permit writer  
23 this morning. They're aware of the new information and they are  
24 digesting it probably as fast as we are, so we'll -- they're  
25 aware of it and will help to make sure that we're on line for

1     what needs to be done for this permit.

2                 CHAIR LYNCH:   Thank you.   Any other questions for  
3     Mr. LaSpina?

4                 Any other business before the Council today?

5                 I think what we'll do is for those entities that were  
6     not able to -- well, let me first ask.

7                 Anybody on the phone waiting to --

8                                 (PHONE BEEPS.)

9                 CHAIR LYNCH:   Is there somebody on the phone who  
10     would like to identify themselves?

11                MR. ANDERSON:   This is Matt at Kittitas Valley.

12                CHAIR LYNCH:   Thank you.   Just a moment.

13                And we're just near the -- for the gentleman who just  
14     joined us from Kittitas Valley Wind Power Project, we were just  
15     seeing if anybody was there on the phone.   Our phones have been  
16     out and you answered my call, so can you please give us an  
17     update on Kittitas Valley Wind Power Project?

18                MR. ANDERSON:   Yeah, sure.   Good afternoon, Chair  
19     Lynch and EFSEC Council.   This is Matt Anderson with the EDPR  
20     Renewables --

21                CHAIR LYNCH:   I'm sorry.   Can you speak a little bit  
22     louder or either pull your phone a little closer?

23                MR. ANDERSON:   Okay.   Is that better?

24                CHAIR LYNCH:   Yes.

25                MR. ANDERSON:   Okay.   Good afternoon, Chair Lynch and

1 EFSEC Council. This is Matt Anderson with the EDPR Renewables  
2 for Kittitas Valley Wind Power Project taking the call for Eric  
3 Melbardis this week.

4 We have nothing nonroutine to report. The project  
5 has been running smoothly.

6 CHAIR LYNCH: Thank you, Mr. Anderson. So nothing  
7 really new to report.

8 Does anyone have any questions for Mr. Anderson?

9 Thank you. Is there anybody else on the line who  
10 would like to identify themselves?

11 Okay. As I was just starting to say, those  
12 facilities who were not able to call in today because of  
13 problems with the phone system, we will take their updates that  
14 they would have given for this month along with updates that  
15 they would give for next month at our next regular Council  
16 meeting.

17 And seeing no further business, we are adjourned.  
18 Thank you.

19 (Whereupon, the meeting was adjourned at 2:15 p.m.)

20 -o0o-

C E R T I F I C A T E

[illegible]

I, SHELBY KAY K. FUKUSHIMA, a Certified Shorthand Reporter and Notary Public in and for the State of Washington, do hereby certify that the foregoing transcript is true and accurate to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have hereunto set my hand and seal  
this 27th day of May, 2014.

SHELBY KAY K. FUKUSHIMA, CCR

My commission expires:  
June 29, 2017

# Kittitas Valley Wind Power Project

## Monthly Project Update

May 20, 2013

### Project Status Update

#### **April Production Summary:**

MWh 22,801 MWh  
Wind 7.3 m/s or 16.3 mph  
CF 31.4%

#### **Safety:**

No incidents

#### **Compliance:**

Project is in compliance as of May 13, 2014.

#### **Sound:**

No complaints

#### **Shadow Flicker:**

No complaints

#### **Environmental:**

None



April, 2014

EFSEC Monthly Operational Report

1. Safety:
  - 1.1. There were no accidents or injuries in the month of April.
2. Environmental:
  - 2.1. Submitted the April Discharge Monitor Report (DMR) for Outfall 001 to the Energy Facilities Site Evaluation Council (EFSEC).
  - 2.2. Submitted the 2014 second quarter Emissions Data Report (EDR) to EFSEC.
  - 2.3. Submitted a revised Environmental Commitment Book to EFSEC per the Site Certification Agreement.
3. Operations & Maintenance:
  - 3.1. Grays Harbor operated 3 days during the month of April.
  - 3.2. The capacity factor (CF) was 4.4% in April, and 13.0% YTD.
  - 3.3. The availability factor (AF) was 98.8% in April, and 99.5% YTD.
4. Noise and/or Odor:
  - 4.1. There was one neighbor complaint about noise on April 29. Janyce Taylor, a resident on Keys Road, left a message about plant noise early in the morning, and wanted to know what was happening at the plant. She called again early that morning and spoke with the Plant Manager. He shared with her that the noise was due to the plant being in a hot shutdown condition, and steam leaking by a bypass valve, which pressurized a header and lifted a safety valve. She was given the phone number for the control room, so if there is any concern in the future she can call and talk to someone immediately. Mrs. Taylor seemed satisfied with our discussion. The control room log entry for that call is attached.
5. Site Visits:
  - 5.1. There were no site visits during the month of April.
6. Notice of Incident Closure
  - 6.1. The Notice of Incident issued on February 24, 2014 was closed by EFSEC following the EFSEC meeting that took place on April 15<sup>th</sup>.
7. Other:
  - 7.1. None



## Log Detail Report



<b>Log Entry ID#:</b>	12920	<b>Ref. Entry ID#:</b>	
<b>Log:</b>	Neighbor Relations	<b>Created Date:</b>	5/12/2014 6:40:05 AM
<b>Crew:</b>	Management	<b>Created by:</b>	Richard Downen
<b>Shift:</b>	Day Shift	<b>Mod Date:</b>	5/12/2014 6:41:31 AM
<b>Log Date:</b>	4/29/2014 9:00:00 AM	<b>Mod By:</b>	Richard Downen
<b>Location:</b>	Grays Harbor		
<b>Comments:</b>	Rich spoke with Janyce Taylor regarding her concerns about noise level @ ~3:20 this morning. She wanted to know what was happening at the plant at that time. I explained to her that we had a valve leak by that led to lifting a safety valve for a short period of time. I apologized to her for the disturbance, and gave her the phone number for the control room so she could speak with someone directly in the future if the need arose.		



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

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

**19 May 2014**

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### **Safety:**

- There were no recordable incidents this reporting period and the plant staff has achieved 4180 days without a Lost Time Accident.

### **Environment:**

- Waste water monitoring results are in compliance with the permit limits for the month of April 2014.
- On April 25, 2014, during the Chehalis staff review of the 1<sup>st</sup> quarter data, it was found that storm water sample results for turbidity were higher than the listed benchmark values contained in the Industrial Storm Water General Permit. Records show that the sample collected on March 4, 2014 had testing results for turbidity at a value of 38.3 NTU. This exceeded the benchmark value of 25 NTU. As a result of the benchmark exceedance CGF took actions specified in Condition S8 of the permit.

### **Personnel:**

- Authorized plant staffing level is currently 19 with 18 positions filled. The Operations Manager position is open.

### **Operations and Maintenance Activities:**

- The Plant generated 170,266 megawatt-hours at a capacity factor of 47.4% for the month of April and the year-to-date capacity factor is 48.8%.

### **Regulatory/Compliance:**

- There were no air emissions deviations, waste-water or stormwater deviations or spills during the month of April 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



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

**Wind Production:** April generation totaled 78,729 MWh for an average capacity factor of 40.11%.

**Solar Production:** The Solar Demonstration Project generated 89 MWh in April.

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

**Compliance/Environmental:**

In accordance with the Operations Stormwater Pollution Prevention Plan (SWPPP) a site inspection was completed following a significant rain-on-snow event. No stormwater was observed leaving the site. Road and stormwater BMP maintenance was completed following the inspection.

In accordance with the Wildlife Incident Reporting and Handling System, site staff completed annual training on the proper procedures for reporting all avian and wildlife incidents found within the project boundary.



**Energy Northwest  
EFSEC Council Meeting  
May 20, 2014  
(Shannon Khounnala)**

**I. Columbia Generating Station Operational Status**

Columbia is currently operating at 100% power, generating 1117 megawatts, and has been online for 329 days.

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

**II. WNP 1/4 Water Rights**

There are no changes from the April 2014 status report. The water rights application for the WNP 1/4 site is proceeding. Energy Northwest continues to work with the Department of Energy and will support any Department of Ecology requests, as needed. Energy Northwest will be working with both agencies to arrange for a site visit as part of the application and approval process.



**Chehalis Generation Facility----Carbon Offset Mitigation update to the  
Washington Energy Facility Site Evaluation Council**

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

**20 May 2014**

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Consultation by PacifiCorp Government Affairs staff with the following agencies will take place during the month of June 2014.

- Climate Change Task Force: TBD
- Department of Ecology: TBD
- Department of Fish and Wildlife: TBD
- Department of Natural Resources: TBD
- Department of Commerce: TBD

If the outcome of the discussion leading to a request for proposal to purchase additional offsets then the proposed schedule would be a shown:

**PROCUREMENT STRATEGY:**

The procurement strategy involved competitively bidding the contract to select a supplier that will provide greenhouse gas (GHG) emission reductions (i.e., carbon offsets) from systems or activities, which reduce or sequester GHG emissions.

**KEY DATES**

RFP RELEASE DATE	JULY 17, 2014
BIDDER'S PRE-BID MEETING	JULY 24, 2014
PROPOSAL ACKNOWLEDGEMENT LETTERS DUE	JULY 30, 2014
LATEST DATE FOR QUESTIONS DUE	AUGUST 8, 2014
COMPANY RESPONSES TO QUESTIONS DUE	AUGUST 15, 2014
PROPOSALS DUE	SEPTEMBER 18, 2014
SUPPLIER SELECTION IN COORDINATION WITH EFSEC STAFF	OCTOBER 7, 2014
FINAL NEGOTIATIONS	OCTOBER 20, 2014
CONSUMATE CONTRACT	NOVEMBER 20, 2014