



Washington State Energy Facility Site Evaluation Council AGENDA

MONTHLY MEETING
Tuesday, January 20, 2015
1:30 PM

1300 S Evergreen Park Drive SW
Olympia, WA 98504
Hearing Room 206

- 1. Call to OrderBill Lynch, EFSEC Chair
- 2. Roll CallTammy Mastro, EFSEC Staff
- 3. Proposed AgendaBill Lynch, EFSEC Chair
- 4. Minutes **Meeting Minutes**..... Bill Lynch, EFSEC Chair
 - December 16, 2014
 - January 7, 2015
- 5. Projects
 - a. Kittitas Valley Wind Project**
 - Operational Update.....Eric Melbardis, EDP Renewables
 - b. Wild Horse Wind Power Project**
 - Operational Update.....Jennifer Diaz, Puget Sound Energy
 - c. Grays Harbor Energy Center**
 - Operational Update.....Rich Downen, Grays Harbor Energy
 - d. Chehalis Generation Facility**
 - Operational Update.....Mark Miller, Chehalis Generation Staff
 - Greenhouse Gas Mitigation Efficiency Measures.....Jim LaSpina, EFSEC Staff

*Staff will give a presentation and the Council may take **Final Action** on proposed GHG mitigation measures at the facility.*
 - e. Columbia Generating Station**
 - Operational Update.....Shannon Khounnala, Energy Northwest
 - Draft Order 874 Minor Radiological Emissions License.....Jim La Spina, EFSEC Staff

*Staff will give a presentation and the Council may take **Final Action** on issuing Order 874, to address the potential for minor radiological air emissions from the evaporation pond wastewater treatment system.*
 - f. WNP- 1/4**
 - Operational Update.....Shannon Khounnala, Energy Northwest
 - g. Tesoro/Savage Vancouver Energy Distribution Terminal**
 - Project Update.....Sonia Bumpus, EFSEC Staff
 - Commencement of Adjudication.....Cassandra Noble, EFSEC Staff

*Staff will give a presentation on the adjudicative process and the Council may take **Final Action** on commencing adjudication.*
- 6. Other
 - a. EFSEC Council**
 - 3rd Quarter Cost Allocation.....Stephen Posner, EFSEC Staff
- 7. AdjournBill Lynch, EFSEC Chair

Note: "FINAL ACTION" means a collective positive or negative decision, or an actual vote by a majority of the members of a governing body when sitting as a body or entity, upon a motion, proposal, resolution, order, or ordinance. RCW 42.30.02

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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, January 20, 2015

1:30 P.M.

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, via telephone

Cullen Stephenson, Department of Ecology

Joe Stohr, Department of Fish and Wildlife

Dan Siemann, Department of Natural Resources

Dennis Moss, Utilities and Transportation Commission

Local Government and Optional State Agency:

Christina Martinez, Department of Transportation

Bryan Snodgrass, City of Vancouver, via telephone

Larry Paulson, Port of Vancouver

Assistant Attorney General:

Ann Essko, Assistant Attorney General

Staff in Attendance:

Stephen Posner

Jim LaSpina

Tammy Mastro

Sonia Bumpus

Kali Wraspir

Joan Aitken

Cassandra Noble

Guests in Attendance:

Mark A. Miller, PacifiCorp Energy

Matt Kernutt, CFE

Mark Anderson, Commerce

Jay Derr, Van Ness Feldman

Pete Valinske, Chehalis Generation Facility

Greg Poremba, Parametrix

Jared, Vancouver Energy

Marion Ward

Pat Freiberg

Diana Gordon

(Continued...)

1 Guests in Attendance Via Phone:
2 James Campbell, PacifiCorp
3 Susan Drummond, City of Vancouver
4 Natalie Currie, EDP Renewables
5 Shannon Khounnala, Energy Northwest
6 Jennifer Diaz, Puget Sound Energy
7 Haley Edwards, Puget Sound Energy
8 Karen McGaffey, Perkins Coie
9 Timothy L. McMahan, Stoel Rives
10 Randy Utley, Department of Health
11 Bryan Telegin, Bricklin Newman, et al.
12 Julie Carter, Columbia River Inter-Tribal Fish Commission
13 Linda Larson, Marten Law
14 Kristen Boyles, Earthjustice

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1 OLYMPIA, WASHINGTON, JANUARY 20, 2015

2 1:30 P.M.

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

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7 CHAIR LYNCH: Good afternoon. Today is January 20,
8 2015, and this is the regular January meeting of the Energy
9 Facility Site Evaluation Council.

10 And could we please have Staff call the roll.

11 MS. MASTRO: Department of Commerce?

12 CHAIR LYNCH: She'll be calling in by telephone. I
13 don't know if she's on the phone yet.

14 MS. MASTRO: Department of Commerce?

15 Department of Ecology?

16 MR. STEPHENSON: Cullen Stephenson here.

17 MS. MASTRO: Fish and Wildlife?

18 MR. STOHR: Joe Stohr is here.

19 MS. MASTRO: Natural Resources?

20 MR. SIEMANN: Dan Siemann here, if I can get this to
21 work.

22 Dan Siemann here.

23 MS. MASTRO: Utilities and Transportation Commission?

24 MR. MOSS: Dennis Moss is here.

25 MS. MASTRO: Local Governments and Optional State

1 Agencies.

2 Department of Transportation?

3 MS. MARTINEZ: Christina Martinez here.

4 MS. MASTRO: City of Vancouver?

5 MR. SNODGRASS: Bryan Snodgrass on the phone.

6 MS. MASTRO: Clark County?

7 CHAIR LYNCH: Excused.

8 MS. MASTRO: And Port of Vancouver?

9 MR. PAULSON: Larry Paulson here.

10 MS. MASTRO: Chair, there is a quorum.

11 CHAIR LYNCH: Thank you.

12 Are there any suggested changes or corrections to the
13 minutes -- excuse me -- to the agenda?

14 Hearing none, let's proceed.

15 And what I would like to hear from: Are there any
16 people on the phone who would like to identify themselves at
17 this time for the record, though you're not required to?

18 MR. CAMPBELL: James Campbell with PacifiCorp.

19 MS. DRUMMOND: Susan Drummond with the City of
20 Vancouver.

21 MS. CURRIE: Natalie Currie with EDP Renewables.

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

24 MS. DIAZ: Jennifer Diaz with Puget Sound Energy.

25 MS. EDWARDS: Haley Edwards with Puget Sound Energy.

1 MS. McGAFFEY: Karen McGaffey, Perkins Coie.

2 MR. McMAHAN: Tim McMahan, Stoel Rives.
Utley

3 MR. ~~HUNDLEY~~: Randy Utley, Washington State
4 Department of Health.

5 MR. TELEGIN: Bryan Telegin with Bricklin Newman,
6 with Friends of Columbia Gorge, Columbia Riverkeeper, Climate
7 Solutions, ForestEthics, Sierra Club, and Washington
8 Environmental Council.

9 MS. CARTER: Julie Carter with Columbia River
10 Inter-Tribal Fish Commission.

11 MS. LARSON: Linda Larson with Marten Law.

12 MS. BOYLES: Kristen Boyles with Earthjustice.

13 CHAIR LYNCH: Anybody else? Thank you.

14 And we have two sets of minutes for review and
15 approval.

16 First of all, let's take a look at the December 16,
17 2014 minutes.

18 Are there any suggested changes?

19 Hearing none, I'd entertain a motion for their
20 approval.

21 MR. MOSS: Chair Lynch, I would move the approval of
22 the minutes of the December 16, 2014 monthly meeting of the
23 Council.

24 CHAIR LYNCH: Is there a second?

25 MR. STEPHENSON: I'll second.

1 CHAIR LYNCH: It's been moved and seconded that the
2 minutes for the December 16, 2014 Council hearing be approved.

3 All those in favor say "aye."

4 MULTIPLE SPEAKERS: Aye.

5 CHAIR LYNCH: Opposed? Motion carries.

6 Now, if we could turn to the minutes for the special
7 Council meeting for January 7, 2015.

8 MR. MOSS: I do have one suggested change, Chair
9 Lynch.

10 CHAIR LYNCH: Yes. Please, Mr. Moss.

11 MR. MOSS: At page 6, line 23, the word
12 "distribution" appears. I believe the word should be
13 "discretion."

14 CHAIR LYNCH: I agree with that, and I agree with
15 that change.

16 Any other suggested changes?

17 MS. MARTINEZ: On page 57, where it says
18 "MS. MARTINEZ." The word "legislation," it should be changed to
19 "legislative."

20 CHAIR LYNCH: Excuse me. Are you back on the
21 December 16th minutes?

22 MS. MARTINEZ: Oh, yes. I'm sorry.

23 CHAIR LYNCH: That's okay. We can go back.

24 Oh, I see. So page 57, line 20.

25 MS. MARTINEZ: Correct.

1 CHAIR LYNCH: Strike the word "legislation" and
2 insert "legislative."

3 MS. MARTINEZ: Thank you.

4 CHAIR LYNCH: Certainly.

5 Let's go back to the proposed minutes for the January
6 special Council meeting.

7 Any other suggested changes?

8 At this point, I'd entertain a motion for their
9 approval as amended.

10 MR. MOSS: Chair Lynch, I would move the approval of
11 the December 16, 2014 minutes as amended and the January 7, 2015
12 minutes as amended.

13 CHAIR LYNCH: Do we have a second?

14 MR. STEPHENSON: I will second.

15 CHAIR LYNCH: All those in favor of approving the
16 December 16, 2014 minutes and the January 7, 2015 minutes as
17 amended say "aye."

18 MULTIPLE SPEAKERS: Aye.

19 CHAIR LYNCH: Opposed? Motion carries. Thank you.

20 Now, let's go ahead and turn to the updates from our
21 various facilities. We'll start first with the Kittitas Valley
22 Wind Project.

23 Mr. Melbardis?

24 MS. CURRIE: This is Natalie Currie. Eric's out of
25 town.

1 CHAIR LYNCH: Sorry for calling you Mr. Melbardis.

2 MS. CURRIE: That's okay.

3 Good afternoon, Chair Lynch and EFSEC Council. This
4 is Natalie Currie with EDP Renewables for Kittitas Valley Wind
5 Power Project. We have nothing nonroutine to report for this
6 month.

7 CHAIR LYNCH: It was hard to hear you, but I think
8 you said that there was nothing new to report at this time; is
9 that correct?

10 MS. CURRIE: That's correct.

11 CHAIR LYNCH: Okay. Any questions?

12 Thank you very much.

13 MS. CURRIE: Thank you.

14 CHAIR LYNCH: Now, let's go ahead and turn to the
15 Wild Horse Wind Power Project.

16 Ms. Diaz?

17 MS. DIAZ: Yes, sir. I'm here.

18 Good afternoon, Chair Lynch and Councilmembers. The
19 only nonroutine update I have is regarding the Eagle
20 Conservation Plan and the process for applying for an eagle take
21 permit.

22 Last month PSE filed a preliminary draft Eagle
23 Conservation Plan with the U.S. Fish and Wildlife Service for
24 consideration of issuance of an eagle take permit. Submittal of
25 the preliminary draft Eagle Conservation Plan initiates the

1 consultation and review process with the Service. The draft
2 Eagle Conservation Plan is considered predecisional by the
3 Service and is not publicly available at this time. Once the
4 Service has had an opportunity to review and comment on the
5 preliminary draft Eagle Conservation Plan, PSE will consult with
6 the Service to complete a final ECP. Then, once the final Eagle
7 Conservation Plan is complete, PSE will provide a copy of the
8 Eagle Conservation Plan to the TAC and to EFSEC. The possible
9 issuance of an eagle take permit is subject to the National
10 Environmental Policy Act. And during the NEPA process, the
11 Service will provide an official notice in the Federal Register
12 seeking public comment, and the Service will release a draft
13 environmental assessment for Wild Horse at that time.

14 In support of the Eagle Conservation Plan and
15 possible issuance of a take permit and in an effort to gather
16 additional data about eagle use of the project area, PSE plans
17 to conduct one year of eagle use surveys and eagle fatality
18 monitoring at Wild Horse which is scheduled to begin in March of
19 2015. PSE will provide the protocols for surveys and monitoring
20 to the TAC for review prior to implementation, and we expect to
21 provide them those protocols before the end of this month.

22 And that's all I have.

23 CHAIR LYNCH: Thank you. Very good.

24 Any questions for Ms. Diaz?

25 Yes. Mr. Stephenson?

1 MR. STEPHENSON: No.

2 CHAIR LYNCH: Oh, I'm sorry. You were just waving
3 "hi."

4 MR. STEPHENSON: Hi, Ms. Diaz.

5 CHAIR LYNCH: I don't think she can see you.

6 Thank you, Ms. Diaz.

7 And let's go ahead and have our update from the Grays
8 Harbor Energy Center.

9 Welcome.

10 MR. VALINSKE: Chair Lynch and Council, my name is
11 Pete Valinske from Grays Harbor Energy covering for Rich Downen.

12 You should have our monthly report input in your
13 packets, and we have nothing further to add for the month of
14 December.

15 CHAIR LYNCH: Thank you very much.

16 Any questions for Mr. Valinske?

17 Thank you.

18 What I would like to do is direct those people who
19 are listening in by the telephone to please mute your phone.
20 And the people who are talking right now, you're coming over our
21 system, so please mute your phone.

22 Thank you. So thank you for muting your phone.

23 Mr. Miller, Chehalis Generation Facility.

24 First, just please give your operational update, and
25 then we'll see if there's --

1 MR. MILLER: Okay.

2 CHAIR LYNCH: -- questions and then we'll move on
3 from there.

4 MR. MILLER: Good afternoon, Chair Lynch and
5 Councilmembers. My name is Mark Miller. I am the plant manager
6 at the PacifiCorp Energy Chehalis Generating Facility. I have
7 no nonroutine comments this month.

8 CHAIR LYNCH: Any questions for Mr. Miller about the
9 general operations?

10 Very good. Then we'll just go ahead and turn -- I
11 don't know if we should just open with Mr. LaSpina or have
12 Mr. Miller have some opening comments.

13 MR. LaSPINA: I prepared a real short presentation.

14 CHAIR LYNCH: Okay. Why don't we have Mr. LaSpina
15 just hit the highlights of that, and Mr. Miller is here to
16 answer any questions.

17 MR. MILLER: Okay.

18 MR. LaSPINA: Thank you, Chair Lynch and
19 Councilmembers. This matter involves the In-Plant Energy
20 Efficiency -- oh. I'm sorry. The microphone's not on. Thank
21 you.

22 This matter involves the In-Plant Energy Efficiency
23 proposal put forward by PacifiCorp Chehalis. The background
24 is -- you have a memo to the Council on a white piece of paper
25 in your packets, which you've probably read, but I'll just give

1 a very short summary.

2 Since 2008, PacifiCorp Chehalis Facility has
3 implemented a multiphase greenhouse gas mitigation program. The
4 initial phase of the program was to install an auxiliary boiler
5 that resulted in a reduction of pollution emissions to the
6 atmosphere during startup and shutdown. That part of the
7 program has been implemented for a number of years and is
8 working successfully.

9 About three years ago, the company established or
10 basically arranged to purchase verifiable emission reductions at
11 a project called "Farm Power Lynden," and that program has also
12 been working very successfully.

13 We are here today to consider the company's proposal
14 to implement In-Plant Energy Efficiency Measures that would
15 result in significant reductions in emissions.

16 Mark, I'm not sure.

17 Did you want to go into -- describe those measures,
18 or I can do it.

19 MR. MILLER: Sure. What we proposed -- there are a
20 number of energy measurements made a couple of years ago in
21 early recognition of Initiative 937, which is the Energy
22 Efficiency Implementation Project, created by that initiative.
23 We did not implement any of those at the time because -- I don't
24 recall what the company's position was, but as we tried to find
25 other projects, such as the Farm Power Lynden projects, there

1 really -- the market hasn't really developed.

2 And so one of the alternatives after PacifiCorp met
3 with Chehalis -- or met with the EFSEC Staff was to revisit the
4 2001 greenhouse gas mitigation plan that was created by the
5 original owners, and one of those components was energy
6 efficiency.

7 So in discussions with Staff, then we selected some
8 key projects that were within the value range of the remaining
9 monies to be committed per the order, 836, which PacifiCorp
10 committed 1.5 million to, and then we also provided information
11 on those projects to Staff. And I believe they were reviewed by
12 Alan --

13 MR. LaSPINA: Newman.

14 MR. MILLER: -- Alan Newman of Ecology, and so he had
15 a few questions and answers. And I provided some feedback here
16 this last month, and I think that's where we're at today. Those
17 three projects include variable frequency drives on closed
18 cooling water system fans. Those cooling water cools the
19 lubricating oils on the various machines. We also would install
20 or replace current lighting with high-efficiency lighting, and,
21 thirdly, we would put variable frequency drives on our reverse
22 osmosis pumps which is part of our water treatment facility.
23 And those totaled approximately 230 tons per year, but over a
24 30-year life, that adds up to be quite significant, over 6500
25 tons.

1 And that's where we are today, looking for discussion
2 and the Council's consideration of approving those --
3 implementing those projects.

4 CHAIR LYNCH: Thank you, Mr. Miller.

5 Mr. LaSpina, anything else to add?

6 MR. LaSPINA: Yes, Chair Lynch. I just wanted to
7 point out that Department of Ecology Air Quality Program has
8 reviewed the proposal. A summary of their comment letter is
9 that installation of variable frequency drives and installation
10 of LED lighting are very common practices to reduce energy
11 consumption within the plant, and on that basis, EFSEC Staff
12 recommends that the Council approve the proposal.

13 CHAIR LYNCH: And I'm correct in that this, if
14 approved, will fulfill the remaining obligation for greenhouse
15 mitigation that the Chehalis facility has?

16 MR. LaSPINA: Yes, sir.

17 CHAIR LYNCH: And we are still, however, going to go
18 likely -- is it next month? -- to open up the -- our list of
19 proposed facilities that can serve as mitigation sponsors.

20 And if a facility wants to go through credits through
21 them in the future, they can do that?

22 MR. LaSPINA: Yes, sir.

23 CHAIR LYNCH: Okay. Thank you.

24 Is there any discussion on this before we call this
25 for a vote? Any questions for Mr. Miller or Staff? Any

1 discussion?

2 Okay. At this point in time, I would entertain a
3 motion for the Council to approve the final mitigation measures
4 proposed by the Chehalis Generation Facility.

5 Do I have a second -- or do I have a motion?

6 MR. MOSS: So move.

7 CHAIR LYNCH: Do I have a second?

8 MR. STEPHENSON: I will second it.

9 CHAIR LYNCH: It's been moved and seconded that the
10 Council will approve the proposed final greenhouse gas
11 mitigation measures offered by the Chehalis Generation Facility.

12 All those in favor say "aye."

13 MULTIPLE SPEAKERS: Aye.

14 CHAIR LYNCH: Opposed? Motion carries.

15 Thank you, Mr. Miller.

16 MR. MILLER: Thank you, sir.

17 CHAIR LYNCH: I'm pleased to -- it's been --
18 what? -- seven years. I'm pleased to conclude this.

19 MR. MILLER: We'll get started on these projects
20 right away.

21 CHAIR LYNCH: Thank you very much.

22 Let's go ahead and take up WNP 1 and 4.

23 Ms. Khounnala, Energy Northwest?

24 MS. KHOUNNALA: Yes. Okay. We'll start with WNP 1
25 and 4.

1 As of right now, the Department of Energy is
2 formalizing an internal review process with the lease extension
3 for WNP 1 and 4. The lease extension will actually act as the
4 implementation process for the water rights that were obtained
5 from the Department of Ecology.

6 So the actions are with Department of Energy right
7 now. We do expect to hear from the -- signing a new lease
8 within the next 30 to 60 days.

9 And that completes the update for WNP 1 and 4.

10 CHAIR LYNCH: Any questions regarding WNP 1 and 4?

11 Okay. Now, Ms. Khounnala, do you want to continue on
12 with the Columbia Generating Station update?

13 MS. KHOUNNALA: Sure. So there's really only one
14 item I would like to mention during our Council meeting today
15 that's nonroutine, and that's an update of a project and an
16 effort that has been long in the development in having a
17 formalized public presentation and educational outreach
18 opportunity at the new Reach museum that has opened in the
19 Tri-Cities area. That museum opened in Kennewick in July of
20 2014. And this fall and winter, Energy Northwest worked with
21 the Reach staff to come up with a display presentation for
22 installation at the museum.

23 Over the various years, both Energy Northwest, as
24 well as EFSEC Council, have been a supporter of the Reach. And
25 on my tour of the Reach museum in December, both Energy

1 Northwest and EFSEC are prominently displayed at the entrance as
2 supporters of that facility.

3 So this Reach museum really was -- we worked with the
4 Council in the past back in 2002, I believe, when Energy
5 Northwest needed to close our public information center out at
6 CGS. We worked with the Council on a resolution that the Reach
7 could be used as a way to network out to the public and inform
8 them of Columbia operations. So we're very happy that the
9 museum has been built and opened and our installation has been
10 formalized.

11 And I would encourage if there's any members of the
12 Council or Council Staff that are coming through the area or
13 visiting this part of the state to stop in at the museum. It's
14 a very beautiful facility.

15 And I have no other events or safety incidents to
16 report.

17 CHAIR LYNCH: Thank you, Ms. Khounnala.

18 Are there any questions for Ms. Khounnala?

19 And once again I would encourage people strongly who
20 are on the phone to mute your phones. Mute your phones.

21 Thank you. So -- and I'm still hearing a lot of
22 shuffling of papers around, so please mute your phones. Thank
23 you.

24 And, Mr. LaSpina, we still have some business
25 regarding the Columbia Generating Station.

1 Do you want to update the Council?

2 MR. LaSPINA: Thank you, Chair Lynch and
3 Councilmembers. This next matter, this proposed final action,
4 involves the issuance of a fugitive radionuclides emissions
5 license. The background to this issue is early in 2013, during
6 the development of the NPDES program, which was recently issued,
7 Energy Northwest proposed construction of a wastewater treatment
8 system which resulted in the removal of a discharge to ground
9 water. And I wanted to point out that Energy Northwest
10 volunteered this, so it was not required by the permit, so the
11 facility was completed in 2014. Last year it came to EFSEC's
12 notice that the facility, the evaporation ponds, would need a
13 fugitive radionuclides emissions license. The license has been
14 drafted by the Department of Health, whose bailiwick that that
15 license is a part of, and at this time, we would like to propose
16 that the Council approve issuance of the license. I would also
17 like to point out that Mr. Randy Utley, of the Department of
18 Health in Richland, who drafted the license, is on the phone if
19 you have any technical questions.

20 CHAIR LYNCH: Thank you, Mr. LaSpina.

21 And just for the Council's reminder, we have already
22 approved the engineering design for this facility. We have
23 already approved, I believe, an operation and maintenance manual
24 for this facility. We've actually done all the heavy lifting
25 here, but we were thinking that it was the Department of Health

1 that issued the license, but we're the ones that actually issue
2 the license.

3 So this is the last remaining piece of paper
4 regarding this particular operation, and it's in front of you as
5 Council Order No. 874: "Order to Manage and Regulate Fugitive
6 Radionuclide Emissions from the Evaporation Pond Wastewater
7 Treatment System."

8 Is there any questions of Department of Health staff
9 or Mr. LaSpina?

10 MR. UTLEY: No questions from the Department of
11 Health.

12 CHAIR LYNCH: In that case, is there any discussion
13 among Councilmembers?

14 At this point in time, I would entertain a motion for
15 approval of Council Order No. 874.

16 MR. STEPHENSON: Chair Lynch, I'll move that the
17 Council approve this, Council Order No. 874.

18 CHAIR LYNCH: Do we have a second?

19 MR. MOSS: I second that motion.

20 CHAIR LYNCH: It's been moved and seconded that the
21 Council issue Order No. 874.

22 All those in favor say "aye."

23 MULTIPLE SPEAKERS: Aye.

24 CHAIR LYNCH: Opposed? Motion carries. Very good.

25 And at this point in time, let's go ahead and turn to

1 the Staff update regarding the Tesoro/Savage Vancouver Energy
2 Distribution Terminal. I would like to hear the project update
3 from Ms. Bumpus first, and we can ask her questions regarding
4 how the proposal is being processed at this time. And then
5 we'll take up with question of the commencement of adjudication,
6 and we'll hear from our ALJ, Cassandra Noble then.

7 So, Ms. Bumpus, the floor is yours.

8 MS. BUMPUS: Thank you. Good afternoon, Chair Lynch
9 and Councilmembers.

10 To start off, I wanted to talk a little bit about the
11 Application for Site Certification. To my knowledge in the
12 past, EFSEC has not had a proposal that requires certain
13 facility plans that are required for this proposal. Those plans
14 are under WAC 173-182 and WAC 173-180. And they're relative to
15 oil spill handling facilities, and so I wanted to just talk
16 about those briefly.

17 Recently, EFSEC completed a review of the preliminary
18 draft oil spill contingency plan, and we provided a checklist
19 with review comments to the applicant last week. So we're going
20 to be working with them to complete that plan and have continued
21 review of it with the Department of Ecology's Spills Program,
22 but there are other plans that are also required specific to
23 this facility that we anticipate doing reviews for. One would
24 be the oil facility handlings operations manual. There is also
25 an oil spill prevention plan, which we have a preliminary draft

1 for, so we're going to be doing a review of that and providing
2 feedback to the applicant.

3 One of the reasons I wanted to point these out is
4 because they are a new type of plan for EFSEC to review. We
5 haven't had a facility that required them in the past, which I
6 have pointed out already, and the other thing about this is that
7 we do anticipate that we will have all of these reviewed and
8 finalized before we have a recommendation to the Governor.

9 And I bring that up because to my knowledge in the
10 past, there's certain plans that have been reviewed and
11 finalized after the SCA is complete. And so in this case, we do
12 expect that the applicant is going to give us all the
13 information we need so that we can review all of these plans and
14 finalize them before we go to the step of having a
15 recommendation sent to the Governor. So that's sort of the
16 thing that's unique about them.

17 And before I move on to anything else, I want to know
18 if there are any questions about these plans.

19 MR. MOSS: Yes, I have a question.

20 CHAIR LYNCH: Yes, please, Mr. Moss.

21 MR. MOSS: These oil spill plans, for what sort of
22 incident or incidents do they cover? Are we talking about
23 spills at the port facility itself, spills at a train accident
24 and so forth?

25 MS. BUMPUS: So these plans are only plans that are

1 related for the facility itself, so they wouldn't be dealing
2 with, you know, offsite spills. But there is a contingency plan
3 which deals with what they would do in the event of a spill
4 during operations at the facility, and then there is the
5 prevention plan that deals with how they go about preventing an
6 incident to begin with.

7 There are also, as I mentioned, several other plans
8 associated with these, and they are pretty detailed. An
9 operations manual, for instance, is one that we expect we'll
10 review and finalize before we have a recommendation to the
11 Governor.

12 MR. MOSS: Okay. Thank you.

13 CHAIR LYNCH: Ms. Bumpus, to follow up with
14 Councilmember Moss's question, just to make it perfectly clear,
15 the draft EIS will be looking at spills not only offsite but
16 onsite as well?

17 MS. BUMPUS: Correct.

18 CHAIR LYNCH: Okay.

19 MR. SNODGRASS: Mr. Chair, Bryan Snodgrass here on
20 the phone. I have a question.

21 CHAIR LYNCH: Yes. Please go ahead.

22 MR. SNODGRASS: In following on your comment,
23 Mr. Chair, I just wonder if there could be just a little bit
24 more discussion from Staff on the role of these plans in the EIS
25 and adjudicative processes.

1 CHAIR LYNCH: Go ahead, Ms. Bumpus, as much as you're
2 are able to.

3 MS. BUMPUS: So I can speak to that just a little
4 bit.

5 We are still very early in beginning the preparation
6 of the DEIS. How much additional information will come from
7 these plans and inform the DEIS is a bit of an unknown at this
8 point.

9 As I mentioned, we are not done with our review of
10 the preliminary spill prevention plan. We've only just finished
11 the review of the contingency plan, so it may be that we ask the
12 applicant for additional details to complete the DEIS. But we
13 will be looking at prevention measures relative to spills on the
14 site, and we'll be looking at response as well and what they
15 would do in the event of a spill at the facility.

16 MR. SNODGRASS: Thank you.

17 CHAIR LYNCH: Any other questions?

18 MS. MARTINEZ: I have a question.

19 CHAIR LYNCH: Yes, Ms. Martinez?

20 MS. MARTINEZ: Ms. Bumpus, so is it safe to say that
21 the spill plans would become -- implementation of the plans, I
22 should say, would become requirements of the site certification
23 eventually?

24 MS. BUMPUS: Yes.

25 MS. MARTINEZ: And so perhaps we don't need to

1 approve those plans now or as a part of the draft EIS, but we
2 would know that those plans would have to be in place or would
3 become -- implementation of them would become requirements of
4 the certification?

5 MS. BUMPUS: Yes, that's my understanding.

6 MS. MARTINEZ: Okay. And then are we talking about
7 spill plans associated with the construction of the facility, as
8 well as operation of the facility, just to clarify?

9 MS. BUMPUS: So I have only mentioned just a few.
10 I'm just barely scratching the surface with respect to the
11 number of plans that this facility would require for
12 construction and operation, so there are a number of other
13 construction-related plans that are going to be required for
14 this facility as well.

15 And I'll be sharing more information with you as I,
16 you know, get more information about when we'll see these
17 preliminary drafts of these other plans. I'll be keeping you
18 informed and updated about these other plans.

19 CHAIR LYNCH: Right. And if I can just interject for
20 a moment.

21 Ms. Martinez, the facility, if there was approval for
22 this proposed facility, they'd have to have a construction
23 stormwater permit, and so they'd have to follow that.

24 So I think the spill plans are more aimed at a
25 completed facility with a product --

1 MS. MARTINEZ: Okay.

2 CHAIR LYNCH: -- moving back and forth, but they
3 would have to follow any construction stormwater permit
4 constraints.

5 Ms. Bumpus, go ahead and continue.

6 MS. BUMPUS: So I think that will pretty much cover
7 it for most of the application review. The only other thing to
8 update on our review of the application is that the air permit
9 contractor at Ecology that's working on the NOC is doing a
10 review of the application and --

11 CHAIR LYNCH: Excuse me. A lot of people don't know
12 what these various acronyms are, so if you could --

13 MS. BUMPUS: Sure.

14 CHAIR LYNCH: -- just say what "NOC" means.

15 MS. BUMPUS: Sorry about that.

16 CHAIR LYNCH: Thank you.

17 MS. BUMPUS: So notice of construction for the air
18 permit, that review for that permit application is being done by
19 Ecology's Air Quality Program on behalf of EFSEC, and that same
20 contractor's also reviewing the Application for Site
21 Certification, Air Emissions sections, to provide comments and
22 request additional information if it's needed to supplement the
23 application.

24 So that was completed last week, and I think that
25 we'll have some feedback for the applicant this week from our

1 contractor there at Ecology.

2 And that's pretty much all I have on the application
3 review piece. And I -- well, that covers permits, for the air
4 permit, at least.

5 For the HPA, the hydraulic project approval
6 application, we are planning on providing the HPA advisory
7 permit conditions that we have. These are draft conditions.
8 We'd provide those to the applicant within the next week.
9 Another review is going to be needed by DFW after SEPA's
10 completed, so these are strictly just advisory conditions that
11 have been set based on information that we have now for that
12 permit application.

13 Are there any questions about the HPA?

14 CHAIR LYNCH: Any questions for Staff?

15 Please go ahead. Do you have more, Ms. Bumpus?

16 MS. BUMPUS: On the NPDES permits, I have heard from
17 the applicant that they plan to respond to our August 1, 2014
18 letter, requesting more information about their stormwater NPDES
19 permit applications. This is both for construction and
20 industrial permits. And they're going to respond to that
21 request for additional information in February, so there will be
22 more to update on those permits and the development of those
23 permits once we get their information and we review it with the
24 contractors at Ecology. So more to follow on that. So that
25 concludes the permits.

1 Now, I'm going to talk a little bit about the DEIS.
2 I just wanted to let you know that at this point, it looks like
3 we still are within the timeline that we showed you at the last
4 meeting. We haven't found anything that we think is going to
5 cause any delay at this point, so we're still on track for that.
6 We are coordinating meetings with Cardno and the regulators at
7 the agencies, our contractors, to talk about impacts, prevention
8 measures, mitigation measures for the impact analysis and the
9 DEIS.

10 And one more thing just to add to that. We had a
11 data request that we mentioned at our last month's Council
12 meeting where we wanted to go back to the applicant and ask for
13 additional information from them on their approaches and methods
14 in the preliminary draft EIS, and we did receive the applicant's
15 response last week. So we're currently reviewing that
16 information, and we may need to request more information from
17 them as we continue.

18 CHAIR LYNCH: Thank you.

19 Any questions for Ms. Bumpus?

20 Yes, Mr. Stephenson?

21 MR. STEPHENSON: Thank you, Chair.

22 Sonia, so we're still on the books for a DEIS to us
23 for review in March? I think that's what we put last time
24 according to the...

25 MS. BUMPUS: Right, right. About end of March, early

1 April.

2 MR. STEPHENSON: Great.

3 MS. BUMPUS: Yes.

4 MR. STEPHENSON: I'm trying to schedule our time.

5 CHAIR LYNCH: Right. And at least at this point, we
6 can give approximate ranges. And, you know, there's still a
7 number of things outside of our control, so we're doing our best
8 to give as accurate and as narrow a time range as we can. But
9 at least in this point of time, that's the best we can do.

10 MR. STEPHENSON: Got it.

11 CHAIR LYNCH: And if something changes one big way or
12 another, we'll certainly let you know.

13 MS. BUMPUS: Yes.

14 MR. SNODGRASS: Mr. Chair? Bryan Snodgrass with a
15 question.

16 CHAIR LYNCH: Yes. Mr. Snodgrass?

17 MR. SNODGRASS: A question for Ms. Bumpus.

18 A little further on your description of the materials
19 in response to Data Request 1, and it's actually where we are in
20 terms of the availability of the information. In reading that,
21 at least from my mind, it seems if we're further -- there are
22 various pieces of information, at least, described in your
23 e-mail, that it's not a matter of refining them, but they're not
24 there yet.

25 So I just wanted to, if you will, just a couple of

1 questions on that just to find out if that's the case.

2 One of the things that it mentions is that some of
3 the -- in the PDEIS (phonetic) as it now stands, some chapters
4 are missing information required under SEPA.

5 Can you describe that? Is that substantial?

6 MS. BUMPUS: Well, I think overall there's -- there
7 are many areas of the document that need some supplemental
8 information, so an example that I mentioned in the e-mail with
9 respect to things that are required under SEPA, the regulatory
10 framework chapter. That needs to be updated.

11 There's additional information that we need to add
12 that better describes and outlines EFSEC's role and our process
13 and we what intend to do in the DEIS. There are lots of areas
14 within the first couple of chapters of the document that are
15 missing small pieces of information, but, collectively, it's
16 quite a bit of additional information that needs to be added to
17 get those up to par.

18 MR. SNODGRASS: I guess my reading of the e-mail was
19 that there's information that's not just being refined, it's new
20 information having to be generated; is that a fair assessment
21 or...

22 MS. BUMPUS: Do you mean with respect to additional
23 analyses?

24 MR. SNODGRASS: Well, it looks like from the e-mail
25 there's information about the analytical approaches that isn't

1 there, and there's also -- in one case that reveals some
2 information about your example of the one-tank-car-spill volume
3 issue.

4 MS. BUMPUS: Right. So I gave that example because I
5 wanted to just give one idea of a lot of the small pieces of
6 information that we are working to refine. And, you know, we
7 have an understanding of what the applicant's approach is, but
8 there are several small details about some of their approaches
9 that we want to change; that we want to look at doing a little
10 bit differently. So there is just a lot of areas where we could
11 supplement it where we could change some of the assumptions in
12 the models that were done.

13 So there's just a pretty wide range of, you know,
14 information that we need to look at closely and determine if we
15 want to refine it or adjust it or do something a little
16 differently to capture the most current data that we have
17 available.

18 CHAIR LYNCH: Just as a quick follow-up, Ms. Bumpus.

19 You mentioned the one-car-spill scenario, and I
20 believe that's in reference to that the previous consultant did
21 a spill analysis, but they used one tanker spilling its
22 contents. And for purposes of this Council it was felt that
23 that was insufficient; that the Council would most likely want
24 information of more than one car.

25 So what would happen if more than -- if the contents

1 of more than one tanker car spilled, and so that's one of the
2 things you are working with with our consultant; is that
3 correct?

4 MS. BUMPUS: That's correct.

5 And as I said, there are several areas in the
6 document that are similar. We have a similar issue where we
7 agree generally with the methodology that was used. It's not
8 necessarily the analysis itself, but it's details within the
9 analysis, technical parameters that are set within the analysis
10 itself that we want to adjust or refine or at least look at very
11 carefully and determine if we want to do something differently
12 and if there is data that's more current to justify doing that.

13 So that was one of the best examples I could think
14 of, but there are several others that I could go into more
15 discussion and detail about.

16 MR. SNODGRASS: Thank you.

17 CHAIR LYNCH: Mr. Stohr.

18 MR. STOHR: Sonia, I'm interested in the sequencing
19 of the gap analysis that we discussed at the last couple of
20 meetings.

21 How does that fit into the review scenario?

22 MS. BUMPUS: Into your review of the DEIS?

23 MR. STOHR: Yes.

24 MS. BUMPUS: Can you explain a little bit more?

25 MR. STOHR: Sure. When we talked about this in the

1 last couple of meetings, Staff was undergoing the gap analysis
2 to work with the contractor and with the applicant to make sure
3 that we had a complete document and at some point -- I think
4 pretty soon -- you were going to come to the Council with that
5 gap analysis and make us aware of those areas that you saw
6 needed, you know, more work and I think ask us if we saw
7 anything else; if we agree if there were, indeed, other subject
8 areas that we thought ought to be included in the draft EIS.

9 MS. BUMPUS: My recollection is that one of the
10 things that we deferred for discussion later was the
11 alternatives analysis. And I think that we wanted to revisit
12 that, but it was going to most likely be Ms. Essko that was
13 going to provide some legal analysis on that before Staff
14 presented that information.

15 CHAIR LYNCH: Actually, I think I'm going to
16 interrupt you a little bit, Ms. Bumpus. I think I know what
17 Mr. Stohr is getting at, and, yes, you're correct, that there
18 has to be more done in terms of the alternatives analysis.

19 But the Council early on was -- we talked about the
20 ability to weigh in and review the -- prior to the draft EIS,
21 we'd have a chance to review the document. And I think where we
22 are right now is at the last Council meeting, some of the
23 highlights that were in the gaps analysis were presented to the
24 Council but that there are many numerous changes that need to
25 occur like -- and as Ms. Bumpus said, a lot of it is just

1 rewriting the narrative in a different fashion.

2 But at the last Council meeting our consultant
3 indicated that instead of getting that matrix that we had talked
4 about at one time and looking at documents along with the
5 matrix, it was going to be a much more polished product that you
6 were going to be looking at. They would actually have the
7 methodologies that were being used as part of that, so you're
8 still going to have the opportunity to look at what's being
9 presented, look at how the different ways different tasks are to
10 be accomplished, and you'll have the ability to weigh in on
11 that.

12 But it was felt that in order -- that there were so
13 much in the gaps analysis that needed refining that it was
14 better to just give the Council the highlights of where the
15 major differences were, and then we'll come back at a later time
16 with a more polished product that you will still be able to
17 weigh in on and make suggestions where things are missing or not
18 adequate. I hope that answers your question.

19 MR. STOHR: Yeah. I mean, that's an answer to the
20 question. That's a different scenario, though, than what I had
21 been anticipating or operating under and -- and a little bit of
22 a surprise I'd have to say.

23 CHAIR LYNCH: Well, I'm sorry if that's a surprise,
24 but I believe that's what we said at the last Council meeting
25 that we were going to -- because it is correct. It's a little

1 bit different, but at the last Council meeting I asked Staff
2 some questions to make sure that we were fully intending the
3 Council to weigh in just as much as they would otherwise; that
4 we were not preempting any sort of Council review, but we
5 were -- rather than have the Council review things and comment
6 on inadequacies that were going to be fixed anyway and had been
7 identified as necessary to be fixed that that was not the best
8 use of the Council's time; that it was better that a lot of
9 those things be, in fact, fixed, and so you'd have a more
10 refined product. You'd also have a description of the
11 methodologies that were used so that you'd be able to -- it
12 would be a lot cleaner product so you wouldn't have to go back
13 and forth between documents later.

14 So it was more seen as an opportunity -- as a chance
15 for the Councilmembers to still have full review but it would be
16 a more efficient use of your time.

17 MR. POSNER: Chair Lynch, can I just piggyback off of
18 that comment?

19 CHAIR LYNCH: Yes.

20 MR. POSNER: Just to reassure you, Mr. Stohr, that
21 basically -- you know, we have an independent consultant. We
22 have multiple state agencies, your agency as well, helping us
23 review what we received from the applicant, and there is a fair
24 amount of work that still needs to be done. So what we at the
25 Staff level want to do -- and I believe we have shared this with

1 the Council. The approach is to clean this document up
2 significantly so that -- to save everybody a lot of time, give
3 it to the Council, allow you ample time to review it and comment
4 on it before it reaches a draft public -- you know, where it
5 goes out to the public so you'll have ample time to comment on
6 it and provide suggestions before it goes public.

7 But at this point, there's quite a bit of work that's
8 being done by various entities, state agencies, local agencies,
9 and our independent consultant, as well as EFSEC Staff, that we
10 at the Staff level just -- I personally do not feel it would be
11 a good use of Councilmember time to enter in the review process
12 at this time. I think it would slow us down significantly.

13 And I also think because we've had this experience
14 where we have duplication of comments where we've had -- we
15 provided comments and we realize that our consultant is already
16 on it, they've made the comment, they're making the change, so
17 we're just trying to make it as efficient as possible, get it to
18 a certain point, and then provide it to the Council and let you
19 take a look at it and give us your input.

20 MR. STOHR: Yeah. I mean, don't mistake me. I know
21 that the Staff's doing a lot of quality work. I know the
22 contractor's working hard on it. I know the applicant is
23 working hard. I just was under the impression that we were
24 going to sometime, fairly soon here, be given an analysis that
25 talked about strengths and weaknesses in that document and have

1 some time to digest that and understand that.

2 So if that's indeed still the case, then it's just
3 different terms we're using. But I wasn't hearing anybody talk
4 about gap analysis like I had been, and so I wanted to
5 understand how that was flowing and how that was going to work.

6 MR. POSNER: I would just say that, you know, the gap
7 analysis, it's an iterative process. I mean, we're still
8 performing in the gap analysis and cleaning up the document as
9 we identify gaps. The gaps are being documented so that we have
10 a record of it, so that -- I mean, that information, if need be,
11 can be shared with the Council, at least, to show you how --
12 where we started and all the steps that got us to the point to
13 where we actually make the document or, you know, bring it to
14 you and say, We think it's in good shape now, and we would like
15 to get your input.

16 MR. STOHR: Thanks.

17 CHAIR LYNCH: Any further questions?

18 Ms. Bumpus, did you have anything else?

19 MS. BUMPUS: Well, I just wanted to make another
20 comment with respect to Councilmember Stohr's concerns.

21 One of the things I talked about several Council
22 meetings ago -- I don't know how many -- we worked on a Phase II
23 scoping matrix quite a while back, and the intention had been to
24 share that with Councilmembers so that you could see what the
25 approaches were going to be, what the methods were going to be

1 to address the impact analysis and to perform it.

2 And what we found was that it was really, really
3 difficult to get very much out of that information without
4 seeing the actual discussions of the impact analysis and seeing
5 it laid out and seeing it applied. It just didn't make sense to
6 provide it in that way, and I think that the method section is
7 going to do a good job of putting -- you know, laying it out
8 before you get into the section of the DEIS that's actually the
9 narrative. It's going to outline all the methods that are used
10 within that particular section to talk about that resource area.

11 And so that was -- I think that that was just one of
12 those changes that we made along the way because we realized it
13 was much more valuable if we could provide you with the document
14 and the methods as well to go with it.

15 CHAIR LYNCH: Ms. Martinez?

16 MS. MARTINEZ: I think I was the one that originally
17 requested the methodology before seeing that written up in the
18 draft EIS because the concern would be if we don't weigh in on
19 the methodology early, we could at a later point in time request
20 for different methods or a different -- you know, a different
21 approach. And so that's just the risk, I think, of waiting
22 until we see it all in the draft EIS. There might be people on
23 the Council that want to weigh in on the methodology.

24 So to that, with regards to kind of that comment, I'm
25 wondering what is the Council's influence on the draft EIS

1 because is this -- I mean, is the draft EIS really an EFSEC or a
2 UTC document? I mean, the Council isn't the SEPA lead, I don't
3 think, or are they?

4 So can you kind of weigh in on that, Bill, or
5 somebody?

6 MR. POSNER: Well, EFSEC is the SEPA lead agency.
7 EFSEC is the lead agency. We're not technically a state agency,
8 but we are the SEPA lead agency for purposes of issuing the
9 draft EIS and the final EIS. And I, as the EFSEC manager, am
10 the SEPA responsible official. And in my role -- and I have a
11 fair amount of discretion in terms of overseeing the work that's
12 being done on developing the draft EIS.

13 Typically, as far as the Council's role in SEPA and
14 draft EIS's has been -- I would say that my experience with
15 EFSEC, this Council is playing a much larger role in the
16 development of this draft EIS. Typically, past councils have
17 had very minimal input at this stage in the process. Obviously,
18 they were kept informed of what was happening.

19 But as far as playing a role of reviewing
20 methodologies, reviewing technical information, the Council
21 typically has deferred to the Staff. The Staff has the
22 expertise. The Staff hires -- the Council hires an independent
23 consultant where we feel that expertise lies, as well as with
24 our state agency contractors who work under contract to assist
25 us in those areas.

1 So I would say that, obviously, we want the Council's
2 input, but I guess there's a fine line between where it becomes
3 beneficial and are we duplicating. Are we sort of overloaded
4 with expertise and how much expertise do we need. We certainly
5 want your input, but I guess the question is at what point is it
6 best to receive that.

7 MS. MARTINEZ: Thank you, Mr. Posner. I recall that
8 you made those comments at the last Council meeting, and it just
9 helps to reiterate and clarify, I think, because as a
10 Councilmember, I'm, you know, always asking myself what level of
11 review do I need to provide to something and, you know, really,
12 what's my role, so I'm trying to figure that out as we go along.

13 I do have another question not related to the draft
14 EIS, but did anybody else have a question related to the draft
15 EIS before I -- okay.

16 CHAIR LYNCH: Mr. Stephenson.

17 MR. STEPHENSON: Thank you, Chair. I just want to
18 add in the tension that we're feeling here is potentially a good
19 tension. I mean, what you've heard is your Council actually
20 wants to get this document and start picking through it and
21 looking at it.

22 And so what we hear is, Well, we'll make it perfect
23 for you so we can give it to you, and we're saying, Give it to
24 us.

25 So I think that's a good tension, and so I think we

1 should think of that as positive. It's not saying Staff is not
2 doing a good job. It's not saying, as you've heard, that we
3 don't trust Staff and think that Staff is good, but we want to
4 get at it, too. It's, you know, we're the darn Council, so let
5 us at it when you can.

6 CHAIR LYNCH: We're all used to being the people who
7 dive in there and make the recommendations to our bosses. So
8 we're used to diving in at an early stage, so that's probably
9 part of the reason why we're a little impatient.

10 Any further questions?

11 Ms. Martinez, you had another one, I believe.

12 MS. MARTINEZ: I have one that's more related to
13 schedule than the document itself in that we had a question come
14 up at the last Council meeting about an overall schedule for the
15 effort, and I think we have seen another letter come in from the
16 applicant since then.

17 And are we responding to the applicant's request for
18 a schedule, or is that something we're going to be talking about
19 next in the -- as we start to talk about adjudication?

20 MR. POSNER: Ms. Martinez, we do have the letter. We
21 received it from the applicant. It's dated December 17. We do
22 intend to respond to that letter.

23 MS. MARTINEZ: Okay.

24 MR. POSNER: And I have talked to the applicant's
25 representative about some of the concerns we have about the

1 schedule, and we do plan to respond.

2 Currently, the application review period, it was
3 extended several months ago until I believe the beginning of
4 March, so we would expect to receive an extension request letter
5 from the applicant for the Council's consideration so that they
6 could consider it probably at the February Council meeting.

7 MS. MARTINEZ: Okay. Thanks for that update.

8 CHAIR LYNCH: Councilmember Siemann, do you have a
9 question?

10 MR. SIEMANN: Just a comment to weigh in on the
11 earlier conversation. Being new and talking about the
12 methodology specifically, I'm just wondering if there is an
13 opportunity for me to have some input into that methodology if
14 we're going to be answering or trying to understand and analyze
15 the situation; asking the questions we want to -- we want to be
16 sure we're asking the questions that we want to have answers to,
17 and I'm sure that others have already had that opportunity to
18 weigh in. I have not, so I'm just wondering if there is going
19 to be that opportunity to see that methodology.

20 CHAIR LYNCH: Well, I'll just mention a couple of
21 things. I don't know if you've had a chance to see yet,
22 Councilmember Siemann, but the scoping comments for the -- that
23 were made on this proposed project, those are on our website.
24 And there's a number of -- besides all the individuals who
25 commented -- there were thousands, but the different state

1 agencies made comments, which are good to look at. Various
2 tribes did, so there's a lot of -- plus a number of nonprofit
3 organizations did. And that's a good thing to take a look at
4 and see where some of the concerns that they have just at the
5 very front end of the project are and some of the questions that
6 they would like to have answered.

7 So that's a good place to do a little bit of initial
8 research, but certainly feel free to contact me or the Staff if
9 you have some thoughts of this project.

10 MR. SIEMANN: (Nods head.)

11 CHAIR LYNCH: Thank you for you interest.

12 Any other questions for Mr. Posner or Ms. Bumpus?

13 MS. BUMPUS: I just wanted to mention for
14 Councilmember Siemann that I believe the presentation we did on
15 the gap analysis which -- it was just -- major components that
16 resulted from the gap analysis is on the EFSEC website.

17 CHAIR LYNCH: I think at this point we're ready to
18 hear a presentation by Ms. Noble, who is our administrative law
19 judge for this project, and she's going to talk to us about the
20 commencement of the adjudication.

21 Please proceed.

22 MS. NOBLE: Thank you, Chair Lynch and
23 Councilmembers. As Mr. Lynch said, I am the administrative law
24 judge who will be handling the adjudication for the
25 Tesoro/Savage Vancouver Energy Distribution Terminal, EFSEC

1 Application No. 2013-01.

2 As you all know, one of EFSEC's primary duties is to
3 ensure that its decisions are made timely and without
4 unnecessary delay, and that obligation comes from
5 RCW 80.50.010(5).

6 Now, EFSEC's parallel processes, as required by
7 RCW 80.50.090, are either accomplished already or are well
8 underway except for the adjudication proceeding. The initial
9 informal public hearing is done. The land use consistency
10 hearing and decision are done. The SEPA review is, as you have
11 heard, ongoing, and our draft EIS is expected in the spring.
12 The permit and plan development is ongoing, and the draft Site
13 Certification Agreement must be done last and then only if the
14 Council recommends approval.

15 The adjudicative proceeding is the only process
16 that's required of you that hasn't even been started yet. The
17 Council is required to conduct an adjudicative proceeding under
18 Chapter 34.05 RCW, the Administrative Procedure Act, which means
19 that it will be similar to a trial. That means also that
20 there's going to be much to be done in preparation for the
21 taking of evidence before the sitting Councilmembers hear
22 evidence and listen to the arguments and the witnesses and
23 consider exhibits.

24 This adjudication is expected to be more complex than
25 prior adjudications, and it'll also be different in some ways.

1 I thought about all of the tasks that need to be done before you
2 sit and listen to the evidence, and I counted up about 26
3 different things, big tasks that have to be done by myself and
4 the parties before we are ready to actually have you sit and
5 listen to the evidence.

6 In the past, for instance, there have been many
7 prehearing orders that have been issued about various subjects
8 that came before the Council prior to even sitting, and the
9 administrative law judge had to issue 17 prehearing orders. And
10 that is just in the previous hearing that was far less complex
11 than this one promises to be.

12 And in this case, it will be somewhat different. For
13 example, this time it's going to be an electronic process on the
14 whole. The parties will have to prepare for that and figure out
15 how they're going to be submitting their exhibits and their
16 prefiled testimony electronically, and we will have to be
17 presenting to the Council some training, essentially, in how to
18 manage that and how that's going to work. But it is different.
19 So in addition to being more complex, this hearing is going to
20 be different in several ways.

21 The parties themselves need to know who the other
22 major parties are going to be, and that has to be established in
23 the intervention process, which takes some time. Most of the
24 intervention process will follow the commencement of the
25 adjudication, and after that, the parties will need time to line

1 up witnesses, conduct discovery, decide on issues, and begin
2 assembling the evidence that they want to put before the
3 Council. And they will also need time to reach any potential
4 agreements that there might be, agreements to conduct informal
5 discovery or agreements as the authenticity of documents, or
6 other such things that will help to make the process more
7 efficient and go along smoothly.

8 I want to emphasize that the opening of the
9 adjudication does not mean that intervention by some party or
10 parties is not possible later in the process. I also want to
11 emphasize that opening the adjudication at this point and
12 getting started with the work associated with it does not mean
13 that issues arising out of the SEPA process but not maybe
14 previously realized cannot be brought into the adjudication at a
15 later time as the issues evolve and become finalized.

16 And with regard to SEPA, EFSEC's own rule,
17 WAC 463-47-060, states that the Council may initiate the
18 adjudicative process -- the adjudicative proceeding, rather,
19 required by RCW 80.50.090 prior to the completion of the draft
20 EIS. Although issues may develop as the case progresses, most
21 of the framework of the case for the parties is sufficiently
22 known at this time so that work can be done in preparing the
23 cases.

24 And even under the most speedy preparation of the
25 parties' cases and the preliminary work is completed, the

1 adjudication's evidentiary hearings before a sitting council
2 could not practically be scheduled until after the draft EIS is
3 issued and the associated public comment is taken, so I would
4 just state that it would be actually inefficient to wait to even
5 start the process, the only one that hasn't been started, and,
6 therefore, it's appropriate and efficient to open the
7 adjudication now so that the parties can have adequate time to
8 prepare their cases and EFSEC can effectively manage all the
9 concurrent tasks that constitute its facility site application
10 review process.

11 Are there any questions?

12 CHAIR LYNCH: Any questions for Ms. Noble?

13 I would like to add a little bit of my own commentary
14 here. Ms. Noble and I have had ongoing conversations about this
15 adjudicative process along with our other Staff, of our AG, to
16 make sure that we operate in an efficient manner, and by no
17 means are we rushing this process at all. It just is just
18 queuing up things for the -- so that when we do start taking
19 evidence, start hearing from witnesses, that we would have
20 gotten a lot of these preliminary matters out of the way in the
21 first place. For example, issues come up like should there be
22 early identification of expert witnesses. When should that --
23 should there be a deadline associated with that.

24 And, of course, when you're having electronic
25 testimony, there's a lot of nuances that go along with that.

1 And having been a presiding officer myself over scores and
2 scores of hearings -- some of them -- many get quite
3 complicated -- that I know that there's a lot that goes into the
4 preparation of a hearing before you even gavel that hearing to
5 its opening on the first day.

6 And so what we're doing is just trying to be more
7 efficient instead of waiting for the draft EIS to be done, and
8 then we start all these preliminary things that need to be done
9 before you can open the adjudication. We're just trying to
10 queue up the hearing for after the draft EIS is prepared.

11 So, Ms. Noble, did you want to add something else?

12 MS. NOBLE: I did want to add something. Your
13 comments made me remember that I was going to mention to the
14 Council that we have received three letters: two that were
15 objecting to opening the adjudication at this time by the
16 opponents of -- or I'm assuming they're opponents of the
17 project -- and one by the applicant.

18 And I just wanted to emphasize that in no way is this
19 rushing the process or starting it earlier or anything of this
20 sort. It is just giving everyone an opportunity to get started
21 with the preliminary work, as you've said, that needs to be
22 done.

23 MR. MOSS: Did I understand you to say that the
24 applicant has protested the idea of initiating the hearing
25 process?

1 MS. NOBLE: Not at all.

2 MR. MOSS: Okay.

3 MS. NOBLE: The applicant wrote a letter in support
4 of...

5 MR. MOSS: I misunderstood what you said, then.

6 MS. NOBLE: I'm sorry.

7 MR. MOSS: That's all right.

8 MS. NOBLE: Yes. It was the applicant who wrote a
9 letter in support --

10 MR. MOSS: Okay.

11 MS. NOBLE: -- basically raising some of the same
12 things that I just mentioned.

13 And then this has not also been a suggestion that is
14 made at the behest of the applicant in any way. It just makes
15 sense. I also have conducted many hearings, and I am well aware
16 of all that has to be done to get it ready.

17 MR. MOSS: Do you have in mind the date on which you
18 would propose to have a notice of a prehearing conference or
19 other stage of the proceeding?

20 MS. NOBLE: It would be an order commencing the
21 adjudication, and it could easily go out before the end of the
22 month. After that, the parties have to have opportunity to file
23 petitions for intervention.

24 MR. MOSS: Yes.

25 MS. NOBLE: And that would be the first part of the

1 process that takes place, and then opponents to the various
2 applications for intervention petitions would have to have time
3 to respond to the petitions, and then those who are petitioning
4 would have to have time to reply.

5 MR. MOSS: Also having some familiarity with the
6 complex hearing process myself, after having done this for many
7 years, I feel that I'm in a position to support the idea of
8 commencing the process and would propose -- I would make a
9 motion to that effect that we authorize Judge Noble to issue a
10 notice of prehearing conference or other stage of proceeding so
11 as to commence the adjudicative process in an appropriate
12 fashion that will, I'm sure, be a long and drawn out process in
13 terms of developing a procedural schedule as well as
14 interventions and so on and so forth. So I would make a motion
15 to that effect.

16 CHAIR LYNCH: It's been moved that we direct Staff to
17 initiate the adjudication process.

18 Do we have a second?

19 And I can take further discussion after I have a
20 second.

21 MR. PAULSON: I'll second it.

22 CHAIR LYNCH: It's been moved and seconded that we
23 direct Staff to commence the adjudicative process.

24 And so just Councilmembers know, it's not a hundred
25 percent clear. It just says the Council shall commence the

1 adjudication, and so for a belt-and-suspenders approach, I'm
2 going to call for a vote on this. I'm not a hundred percent
3 sure it's necessary, but I think just to be safe, that's what I
4 would like to do.

5 Yes. Councilmember Siemann?

6 MR. SIEMANN: I'm sorry, but being new, I'm just a
7 little cautious on all of this. I would like to see the letters
8 both pro and con to understand the arguments here. I'm not just
9 familiar enough with this to feel comfortable.

10 CHAIR LYNCH: We can furnish those letters to you.
11 Essentially, the argument made against commencing the
12 adjudication was that they thought it was inefficient that they
13 would have to come back and do some -- that if people intervened
14 later, then you're going to have to talk to them about the
15 process as well, and you're going to have to introduce new
16 issues, and why not do all that later on at one time as opposed
17 to potentially opening it up again. That's, in a nutshell, what
18 the -- their concern is are we rushed. And, again, the point I
19 made about are we rushing to anything, and they're, I guess, not
20 sure what we meant when we said we were commencing an
21 adjudication. And we are not starting the trial-like portion.
22 All we're doing is queueing the case up for potential hearing.

23 So all we're doing is, again, setting up a structure
24 for how the case will flow from there, such as, you know, like I
25 said, identification of witnesses, how you're going to take

1 testimony, when is the site visit going to be held, who's going
2 to be on the site visit, just all those sorts of questions that
3 you need to have answered.

4 So I think the letters reflected just some
5 uncertainty about what it was that we're going to do, and then
6 the -- they were questioning whether it would be efficient. And
7 I guess the response by the project applicant said that -- you
8 know, they noted that we can start our adjudication process
9 anytime under the law. In fact, it has been initiated much
10 earlier in previous petitions and previous applications in front
11 of the Council.

12 And they recognized the fact that we don't have to
13 start taking testimony as well in order to begin the
14 adjudication, so I still would like to -- I guess if I can give
15 you that assurance that that's what was in the letters -- and I
16 can provide you copies of those later -- I would still like to
17 continue with the motion today.

18 MR. STEPHENSON: I have a question.

19 MS. NOBLE: Chair Lynch?

20 CHAIR LYNCH: Excuse me.

21 MS. NOBLE: Could I just add one thing --

22 CHAIR LYNCH: Yes.

23 MS. NOBLE: -- to that?

24 My sense of the opposition letters was that there
25 wasn't a certainty about how the adjudication would proceed,

1 vis-à-vis, the SEPA process. And I think a concern was that you
2 would be sitting hearing the evidence before the draft EIS was
3 out and the public comment was taken and your comment was taken.
4 That's not going to happen, so I just want those who are
5 listening and yourselves to know that that is not the plan.

6 CHAIR LYNCH: Mr. Stephenson?

7 MR. SNODGRASS: Chair --

8 CHAIR LYNCH: Excuse me. Mr. Snodgrass?

9 MR. SNODGRASS: I have a question. Bryan Snodgrass.

10 CHAIR LYNCH: Yes.

11 MR. SNODGRASS: Well, first of all, I had several --
12 or some discussion with Ms. Noble earlier, which was very
13 helpful in clearing up some of what's been discussed today, and
14 as a principle of -- to expedite matters beginning the
15 adjudicative process, I think, made sense.

16 Now, that said, is there any benefit to -- in looking
17 at particularly the discussion today and Ms. Bumpus's e-mail
18 from Friday that there's quite a bit more uncertainty, and in
19 some cases, information is just not there yet that -- that I had
20 thought at least, and so I would just lay it open for a question
21 and hear whoever wishes to respond.

22 Is there any benefit in commencing the adjudicative
23 process either in March, when our schedule calls for us to have
24 the PDEIS in front of us as a Council and we'd have a better
25 sense of when a hearing could take place, or even is there any

1 benefit to doing it at our February meeting?

2 CHAIR LYNCH: Well, we've actually had some
3 discussion about this earlier, and we thought that it made --
4 amongst the Staff that it made the most sense to actually start
5 it now.

6 But, Ms. Noble, do you have anything that you would
7 like to add?

8 MS. NOBLE: The first thing that will happen is that
9 the call for intervention petitions will be made in the order
10 opening the adjudication -- and that will give the parties time
11 to bring their petitions -- and so by March it will be known who
12 the parties are going to be. That's the only thing that will
13 happen between now and March.

14 CHAIR LYNCH: Yeah. Whatever we do takes the parties
15 time to respond, so just, you know, recognize that if we start
16 something in February or March, then you start getting the
17 responses from the parties much later than that.

18 So we just thought in terms of being efficient, we
19 can just take some early identification of parties off the
20 table. There can be early issue formation, and sometimes -- in
21 fact, I remember on a case I was on that had to do with the
22 issuance of the municipal stormwater permits -- and you can
23 imagine how many attorneys and lawyers there were on that, and
24 they all had their sets of issues. And I gave it back to the
25 parties to see if they could stipulate to the issues, they would

1 not, and so it came -- so it landed back on my desk and so you
2 had scores and scores and scores of issues of trying to sort
3 through them to see what was repetitive, what was in common from
4 all the different parties, and it took a long, long time just to
5 identify what the issues were in that case in a manner that then
6 the parties were then able to affirm.

7 So knowing that this case is every bit as big as some
8 of the ones I've sat on, I really recommend that the Council
9 take action today to initiate the process.

10 MS. NOBLE: And, if I may, the parties need time to
11 talk to each other about various kinds of agreements that they
12 can make, and we need to establish things that are somewhat
13 prosaic: service methodology, to start thinking about the
14 electronic record, exhibit organization, and all of that.
15 Parties need to be talking to each other. They need to know who
16 the other parties are so those kinds of things can get started
17 so that once the draft EIS is issued and the comment is taken,
18 we'll be able to proceed on with the process and hopefully get
19 the hearing accomplished, as quickly as it's possible to get it
20 accomplished, given all that the parties have to do.

21 CHAIR LYNCH: And just my last follow-up is: I don't
22 see any disadvantage to anybody for us taking action today.

23 Mr. Stephenson?

24 MR. STEPHENSON: Thank you, Chair Lynch.

25 I believe that it's hard to finish a process unless

1 you start the process, so I'm a fan of what you're trying to
2 propose.

3 I just want to clarify: By starting the process,
4 we're not proscribing a schedule, so the schedule could still be
5 long, it could be short, it's going to be what it needs to be;
6 is that right?

7 MS. NOBLE: It will be, and a lot of it will be in
8 the control of the parties and intervenors. I don't know what
9 sort of skirmishes are going to take place, how long it's going
10 to take them to do their motions and their briefing, so a good
11 deal of it will be in the control of all those participants. We
12 are not establishing a schedule. We're just, as you say,
13 getting started.

14 MR. STEPHENSON: Thank you.

15 CHAIR LYNCH: Any other discussion?

16 Mr. Moss, I believe you were about to make a motion.

17 MR. MOSS: Actually, I believe I already did make a
18 motion.

19 CHAIR LYNCH: Okay. Mr. Moss, I appreciate that
20 because that was well-worded, and it's been seconded.

21 MR. MOSS: I can restate it, if you wish.

22 CHAIR LYNCH: No. I think that that's adequate,
23 thank you, and Mr. Stephenson has seconded it.

24 MR. STEPHENSON: Someone did second it.

25 CHAIR LYNCH: Or someone did. Oh, sorry.

1 MALE SPEAKER: Mr. Paulson.

2 CHAIR LYNCH: Mr. Paulson did.

3 All those in favor say "aye."

4 MULTIPLE SPEAKERS: Aye.

5 CHAIR LYNCH: Opposed? Motion carries.

6 So we are directing the Staff to initiate the
7 adjudication, which, again, I want to emphasize does not mean
8 that we will be opening the trial before the draft EIS is done.
9 Thank you.

10 And with that, I think we're done with our Tesoro
11 update, and we just have a couple things left.

12 First of all, I wanted to let the Councilmembers know
13 that our draft bill has been introduced in the Senate. That's
14 Senate Bill 5310, and that would update the enforcement actions
15 that EFSEC can take at its facilities. It's legislation well
16 overdue, and so that's just one of the cleanups to the statutes
17 that we hope to make in the next few years.

18 And, Mr. Posner, I believe you're going to give us a
19 report on the third quarter cost allocation.

20 MR. POSNER: Yes. Thank you, Chair Lynch.

21 As we do at the beginning of every fiscal year
22 quarter, we update our nondirect cost allocation percentages.
23 And there is a white sheet of paper in your packets that list
24 the percentages. These are the percentages that we have
25 calculated for indirect charges to our applicants and

1 certificate holders, and I'll just go ahead and read those
2 percentages off for those folks who are still on the
3 speakerphone.

4 For the Kittitas Valley Project, it's 6 percent; Wild
5 Horse is 7 percent; Columbia Generating Station, 18 percent; WNP
6 1, 3 percent; Whistling Ridge, 3 percent; Grays Harbor 1 and 2,
7 8 percent; Chehalis Generation, 9 percent; Desert Claim, 2
8 percent; BP Cogeneration, 2 percent; Grays Harbor 3 and 4, 3
9 percent; and Vancouver Energy, 39 percent.

10 That's all I have.

11 CHAIR LYNCH: Any questions for Mr. Posner?

12 Any further business before the Council this
13 afternoon?

14 Thank you all for your participation.

15 MS. GREEN-TAYLOR: Mr. Chair?

16 CHAIR LYNCH: Yes?

17 MS. GREEN-TAYLOR: Hi. This is Liz Green-Taylor.

18 CHAIR LYNCH: Oh, yes.

19 MS. GREEN-TAYLOR: I just wanted to let you know for
20 the record that I have actually been on the call since
21 Ms. Khounnala's presentation on WNP 1 and 4, so I was able to
22 hear the discussion.

23 CHAIR LYNCH: Thank you, Ms. Green-Taylor. I thought
24 I recognized your breathing. Thank you.

25 MS. GREEN-TAYLOR: Thank you, Chair.

1 CHAIR LYNCH: And with that -- well, maybe I should
2 rephrase that.

3 And with that, we're adjourned.

4 (Whereupon, the meeting was adjourned at 2:56 p.m.)

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Kittitas Valley Wind Power Project

Monthly Project Update

January 20, 2015

Project Status Update

November Production Summary:

MWh 11,058 MWh
Wind 4.5 m/s or 10 mph
CF 14.7%

Safety:

No incidents

Compliance:

Project is in compliance as of January 13, 2015.

Sound:

No complaints

Shadow Flicker:

No complaints

Environmental:

Winter has been wet with little snow – monitoring for stormwater discharge and mud.

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

Wind Production: December generation totaled 51,137 MWh for an average capacity factor of 25.21%.

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

Compliance/Environmental: Nothing to report.

Eagle Update: PSE filed a preliminary draft Eagle Conservation Plan (ECP) with the USFWS (Service) for consideration of issuance of an eagle take permit. Submittal of the preliminary draft ECP initiates the consultation and review process with the Service. The preliminary draft ECP is considered pre-decisional by the Service, and is not publicly available at this time. Once the Service has had an opportunity to review and comment on the preliminary draft ECP, PSE will consult with the Service to complete a final ECP. Once the final ECP is complete, PSE will provide a copy of the ECP to the TAC and EFSEC. The possible issuance of an eagle take permit is subject to the National Environmental Policy Act (NEPA). During the NEPA process, the Service will provide an official notice in the Federal Register seeking public comment, and the Service will release a draft Environmental Assessment for Wild Horse at that time. In support of the ECP and possible issuance of a take permit, and in an effort to gather additional data about eagle use of the project area, PSE plans to conduct one year of eagle use surveys and eagle fatality monitoring at Wild Horse, scheduled to begin in March 2015. PSE will provide the protocols for surveys and monitoring to the TAC for review prior to implementation.

December, 2014

EFSEC Monthly Operational Report

1. Safety and Training

- 1.1. Conducted scheduled and required monthly training.
- 1.2. Conducted the scheduled safety committee meeting.
- 1.3. Completed the Third Party annual inspection of the Auxiliary Boiler.

2. Environmental

- 2.1. Submitted the November 2014 Discharge Monitor Report (DMR) for Outfall 001.
- 2.2. Met with Ecology, EFSEC and URS to discuss Ecology and EFSEC comments on the Engineering Report Draft #3 and to determine the path forward and schedule for the final Engineering Report. The following resulted from this meeting:
 - 2.2.1. The Engineering Report will be revised to use sample data gathered after implementing pollution prevention measures and best management practices rather than preparing a separate Waste Characterization Study.
 - 2.2.2. The Engineering Report will be submitted to EFSEC and Ecology by March 31, 2015 with major changes to Sections 3 and 6.
 - 2.2.3. The AKART discussion will be rewritten to focus on the new data and include a nutrient discussion.
 - 2.2.4. An interim document showing preliminary numbers with and without mixing zones may be generated to clarify where we stand compared to discharge limits and requirements.
 - 2.2.5. EFSEC and Ecology committed to a review of the Engineering Report to be complete within 60 days of receipt.
 - 2.2.6. If required, an updated economic analysis will be performed to demonstrate that certain technologies are not economically feasible.
- 2.3. Attempted to meet with EPA, EFSEC and ORCAA regarding Amendment 4 to the PSD. That meeting was postponed by EPA until January 2015.

3. Operations & Maintenance

- 3.1. Grays Harbor Energy operated 9 days and generated 100,136 MWh during the month of December.
- 3.2. The capacity factor (CF) was 21.7% in December, and 31.8% YTD.
- 3.3. The availability factor (AF) was 96.4% in December, and 94.7% YTD.

4. Noise and/or Odor

- 4.1. There were no complaints received during the month of December.

5. Site Visits

- 5.1. There were no site visitors during the month of December.

6. Other

- 6.1. Grays Harbor is fully staffed with 22 employees.

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

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

20 January 2015

Safety:

- There were no recordable incidents this reporting period and the plant staff has achieved 4426 days without a Lost Time Accident.

Environment:

- Waste water monitoring results are in compliance with the permit limits for the month of December 2014.

Personnel:

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

Operations and Maintenance Activities:

- The Plant generated 246,679 megawatt-hours at a capacity factor of 65.4% for the month of December and the year-end capacity factor is 58.8%.

Regulatory/Compliance:

- There were no air emissions deviations, waste-water or stormwater deviations or spills during the month of December 2014.
 - Sound monitoring: There were no noise complaints to report.
-

Carbon Offset:

- Supported clarification of energy efficiency project proposal to EFSEC staff.

Respectfully,

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



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

MEMO

TO: EFSEC Council

FROM: EFSEC Staff

DATE: January 20, 2015

SUBJECT: Status of PacifiCorp-Chehalis Greenhouse Gas Mitigation Program and Recommendation for Approval of Proposed In-Plant Energy Efficiency Measures

Background

On July 8, 2008 the Energy Facility Site Evaluation Council (EFSEC) issued Order 836 (order) approving the transfer of the Chehalis Generating Facility from TNA Merchant Projects, Inc. to PacifiCorp. The order established requirements mitigating greenhouse gas (GHG) emissions from the facility.

The order required PacifiCorp to:

1. Comply with the terms of the *Greenhouse Gas Offset Strategy and Plan*, which was approved by the Council in September 2002.
2. Install and operate a natural gas-fired auxiliary boiler to reduce power generating startup times and, consequently, air emissions.
3. Provide \$1.5 million in funding for GHG mitigation projects.

PacifiCorp has been in compliance with *Greenhouse Gas Offset Strategy and Plan* since 2002. PacifiCorp completed installation of the auxiliary boiler in 2010 and the unit has been in operation since then. The remainder of this memo will describe the current status of the GHG mitigation projects.

GHG Mitigation Projects

Farm Power-Lynden Project

In 2011 PacifiCorp contracted with The National Climate Trust to purchase 70,000 verifiable emission reductions over a ten year period from the Farm Power-Lynden Project. The Lynden-Farm Power methane reduction project consists of an anaerobic digester that will capture and combust methane to produce electricity from dairy manure. Approximately \$875,000 of the \$1.5 million mitigation funds are committed to this project. More information about this project can be found on the first page of the December 16th PacifiCorp proposal document.

Proposed In-Plant Energy Efficiency Project

On December 16, 2014 EFSEC received a proposal from PacifiCorp to commit the remaining \$625,000 of mitigation funds to implement energy efficiency improvements at its Chehalis facility. Briefly, the proposal consists of:

1. Replacing existing fixed frequency fan drives with variable frequency fan drives in two important production systems.
2. Replacing the existing high pressure sodium (HPS) and fluorescent light fixtures throughout much of the facility with light emitting diode (LED) lights. The current lighting systems generally run continuously; the new lighting systems will be controlled by occupancy sensors.

PacifiCorp's proposal states these upgrades to plant equipment would save 1,098 megawatt-hours per year in energy consumption. The corresponding carbon dioxide emissions reduction would be approximately 217.5 tons per year or 6,525 tons over the next 30 years.

A Department of Ecology Air Quality Engineer under contract to EFSEC has reviewed PacifiCorp's proposal and recommended approval. His review letter notes that the installation of the proposed lighting systems will reduce electrical demand. He also noted that installation of variable frequency drives is a common method to reduce electrical load, reduce wear on motors, pumps and fans, and better match operating requirements in industrial and commercial operations.

Based on PacifiCorp's proposal and additional documentation and review by EFSEC's compliance contractor, EFSEC Staff recommends the Council approve PacifiCorp's proposal to implement the above in-plant energy efficiency measures.

Additional Update to Amend the Independent Qualified Organizations List

Revised Code of Washington (RCW) 80.70.050(1) requires EFSEC to 'maintain a list of independent qualified organizations (IQOs) with proven experience in emissions mitigation activities and a demonstrated ability to carry out their activities in an efficient, reliable, and cost-effective manner'. EFSEC established the initial IQO list in 2008, the list has not been updated since that time. Washington Administrative Code (WAC) 463-80-090 describes the public solicitation process to amend the list. A request for qualifications seeking proposals from qualified organizations is currently being finalized and will be issued later this month.



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47600 • Olympia, WA 98504-7600 • 360-407-6000
711 for Washington Relay Service • Persons with a speech disability can call 877-833-6341

January 13, 2015

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JAN 13 2015

ENERGY FACILITY SITE
EVALUATION COUNCIL

Jim LaSpina
Energy Facility Siting Specialist
Energy Facility Site Evaluation Council
Utilities and Transportation Commission
PO Box 43172
Olympia, WA 98504

RE: Chehalis Generating Facility, Request to Review GHG Strategy and In-plant Efficiency upgrade proposal from PacifiCorp, dated Dec. 16, 2014

Mr. LaSpina:

As requested, I have reviewed the December 16, 2014 materials you provided me. I also contacted Mr. Mark Miller to clear up the aspects proposal related to the Closed Cooling Water system. On January 12, 2015, Mr. Miller provided additional materials by e-mail to both of us to support the proposal.

PacifiCorp proposes to reduce electrical load at the Chehalis facility through:

- The replacement of high pressure sodium lighting in the turbine building with LED lighting,
- Addition of variable frequency drives for the reverse osmosis pumps, and
- Addition of variable frequency drives for the Closed Cooling Water system cooler fans.

The proposed projects are intended to meet requirements of the SCA and lower parasitic loads on the plant output. The effect of these projects will result in a lower plant heat rate and a small reduction in the CO₂ emission intensity (lb CO₂/MWh) for the plant.

The replacement of the always on high pressure sodium lighting in the turbine building with LED lighting will reduce electrical demand.



Mr. LaSpina
January 13, 2015
Page 2

The replacement of fixed speed motor drives with variable frequency (speed) drives is a common method to reduce electrical load, reduce wear on motors, pumps and fans, and better match operating requirements in industrial and commercial operations.

I did not receive, nor did I request, the necessary information to check the company's estimates of load reduction from these changes. Even without checking the calculations, I can agree that these projects will reduce plant demand for electricity, resulting in a reduction of greenhouse gas emissions necessary to operate the plant.

If you have any questions about my review, do not hesitate to contact me at (306) 407-6810 or by e-mail at anew461@ecy.wa.gov.

Sincerely,



Alan Newman
Senior Air Quality Engineer
Air Quality Program
Department of Ecology

cc: Chehalis Generating Facility file



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JAN 12 2014/5

Chehalis Power Plant
1813 Bishop Road
Chehalis, Washington 98532

ENERGY FACILITY SITE
EVALUATION COUNCIL

December 16, 2014

Chehalis Generation Facility--Greenhouse Gas Offset Strategy and Project Proposal:

Background:

In 2008, as a condition of the transfer of ownership and the Site Certification Agreement for the Chehalis Generation Facility from Chehalis Power to PacifiCorp, the Washington State Energy Facility Site Evaluation Council ("EFSEC") included within its Order No. 836 a requirement that PacifiCorp to provide \$1.5 million in funding for greenhouse ("GHG") mitigation projects plus reimburse state agency staff for their time reviewing and approving proposals. The condition was as follow:

PacifiCorp will provide \$1.5 million in funding for greenhouse gas (GHG) mitigation projects. Energy Facility Site Evaluation Council (EFSEC) staff and PacifiCorp representatives will work together to identify potential mitigation projects and consult with Washington agencies including the Department of Ecology, the Department of Fish and Wildlife, the Department of Natural Resources and the Department of Community Trade and Economic Development. EFSEC staff and PacifiCorp representatives will evaluate potential projects, considering among other things, the extent to which the projects would offset CO2 emissions. Based on the recommendations of EFSEC staff and PacifiCorp, the Council will make final decisions selecting projects and the supplier(s) to be funded out of the \$1.5 million of funding provided by PacifiCorp.

PacifiCorp was successful in awarding to The National Climate Trust (TNCT) the commitment to purchase over a Ten Year period, 70,000 verifiable emission reductions from the Farm Power-Lynden digester project. The Lynden-Farm Power methane reduction project consists of an anaerobic digester that will capture and combust methane to produce electricity from dairy manure. The farm currently flushes manure to anaerobic lagoons which release methane. When the project is implemented, manure will be flushed instead to a covered digester tank that will capture and combust this methane. The capture and destruction of methane associated with this project is not required by law or under an existing contract. Under a business as usual scenario, the manure would be flushed into a lagoon which would generate methane emissions.

PacifiCorp received the first tons transferred to PacifiCorp was on April 22, 2014 in the amount of 10,426 tons at a contract price of \$12.50 totaling \$130,325.00 of the contracted \$875,000 with TNCT.

On May 16, 2014, the Chehalis GHG Team held a conference call to discuss a strategy for committing the balance of funds as requested by the EFSEC Chair Lynch. (See Meeting Minutes of the EFSEC monthly council meetings)

It was decided to move this commitment forward that PacifiCorp meet with EFSEC staff to discuss re-evaluating our progress and consider alternative approaches to meet the expectations of the Chair and Council as a whole.

Therefore, PacifiCorp environmental policy staff and plant management met with EFSEC staff on June 24, 2014 to discuss Greenhouse Gas offset options to finalize the financial commitment of the balance of dollars as required by Order 836.

The chosen approach has evaluated potential energy efficiency projects at Chehalis that will reduce GHG emissions. Consistent with the Chehalis's GHG mitigation plan and Washington State policy, specifically Initiative 937, PacifiCorp has researched possible application of increased energy efficiency of certain plant auxiliary equipment energy consumption. These operating systems were identified during an engineering analysis evaluation of plant-wide energy conservation measures. The report was finalized in May 2013 and specifically identified three systems that would save 1,098 megawatt-hours per year in energy consumption. There is also a corresponding carbon dioxide emissions reduction of 217.5 tons per year as an additional benefit. Assuming a 30 year life of plant the total emissions reductions are 6,525 tons over 30 years.

PacifiCorp submitted to EFSEC staff in July 2014 the specifics of the I-937 projects for consideration including a proposed implementation schedule.

Proposed Projects

The proposed projects are derived from the Cascade Energy Report for energy analysis and determination of energy savings. These savings would be cost effective energy efficiency measures at the Chehalis Generation Facility (CGF).

Multiple individual energy conservation improvements have been considered for the CGF. These improvements are packaged into measures, each of which is an incremental improvement to the system. In addition, the energy conservation measures will have a corresponding carbon emission reduction.

Multiple individual energy conservation improvements have been considered for the site. These improvements are packaged into measures, each of which is an incremental improvement to the system. Below is a brief description of each measure.

Closed Cooling Water (CCW) Fan VFDs and Temperature Reset

Baseline: The CCW fans currently cycle on and off to maintain the desired leaving water temperature. The target temperature floats based on the outdoor ambient temperature, with a minimum set point of 73°F and a maximum of 98°F.

Proposed: By installing VFDs to the fans, the temperature would be controlled using fan speed modulation rather than cycling.

The recommendation is to reduce the set-point of the leaving water temperature based on percent load as follows:

- a) 90 °F for cooling loads less than 40%
- b) 80 °F for loads between 40% and 60 %
- c) Max cooling for all other loads.

This set-point recommendation will result in controlling fans to a lower leaving cooling water temperature than the current operation. Currently, the last stage of cooling fans is not enabled until the leaving cooling tower water temperature reaches 98°F.

Energy savings for this ECM were estimated based on the set-point recommendations provided by the PacifiCorp personnel. The set-point of the leaving cooling water temperature was modeled as follows:

- a) 90 °F for no turbine operation
- b) 80 °F for one turbine operation
- c) 73 °F for two turbine operation

This measure would add the following equipment:

- Fourteen 40 HP VFDs on each of the CCW fans along with appropriate controls to control fan speed to leaving water temperature.

High Efficiency Lighting System

Baseline: High pressure sodium (HPS) fixtures illuminate the turbine building, maintenance shop, air compressor room and the building's exterior. The interior HPS lighting fixtures are manually controlled and operate continuously and the exterior lighting fixtures are controlled with a photo-eye and turn-off during the daytime. The other areas of the facility such as office, mechanical, and electrical areas are illuminated with T8 lighting with the exception of the maintenance office, which is illuminated with T12 lighting. With the exception of lighting in individual offices, it was observed that all interior lighting operated continuously. **Proposed:** Perform a complete lighting retrofit, replacing all interior HPS and fluorescent T12 fixtures with more efficient LED Lamp, 150W, 120-277V, Bulb: Utility Light, Base: Mogul Screw (E39), Lumens: 13,725, CRI: 72, Color Temperature: 5700K, Beam Angle: 360°, Rated Average Life: 50,000 Hrs. Replaces up to 400W MH fixtures would be retrofit with additional occupancy sensors.

Reverse Osmosis Pump VFDs

Baseline: The facility uses demineralized water for makeup water. Raw water is pretreated before being fed through two reverse osmosis (RO) filter passes and an electrolysis E-Cell. The demineralizer beds require stable feed conditions, and flow rate is carefully controlled. The first RO filter pass is fed by one of two 100 HP torpedo pumps. The second RO filter pass is fed by one of two 75 HP torpedo pumps. Both sets of pumps are manually throttled at the discharge to reduce the pressure from over 500 psig to around 300 psig to protect the RO filters and maintain flow rate.

Proposed: Install a VFD on each 100 HP RO pump and each 75 HP RO pump. Operating the pumps at a reduced speed will allow the pumps to operate at lower discharge pressures while maintaining the required flow to the reverse osmosis system.

This measure would add the following equipment:

- Two 100 HP VFD

- Two 75 HP VFD
- VFD controls

Project	Description	Avoid Cost Resource	Measure Life (yrs)	Annual	Initial Capital Investment		
				Energy Savings (MWh/yr)	Total EPIS	Installed Costs	Engineering Fees
1	CCW Fan FVDs and Temp. Reset	Chehalis Model	30	455	\$203,500	\$185,000	\$18,500
2	High Efficiency Lighting	Chehalis Model	30	246	\$181,500	\$165,000	\$16,500
3	(2) Reverse Osmosis Pump VFDs	Chehalis Model	30	178	\$121,000	\$110,000	\$11,000
Total				1,098	\$506,000	\$460,000	\$46,000

**Energy Northwest
EFSEC Council Meeting
January 20, 2015
(Shannon Khounnala)**

I. Columbia Generating Station Operational Status

Columbia is operating at 100% power, generating 1127 megawatts. The plant has 574 days of continuous online operation.

In the months of December 2014 and January 2015, Energy Northwest has formalized the installation of an information exhibit at the new Reach Museum, located in Kennewick, Washington. Both Energy Northwest and EFSEC organizations are prominently displayed at the entrance as supporters of the development of the Reach Museum, which opened in July 2014. Energy Northwest has completed a display at the Reach as an opportunity to educate the public about the history and operation of Columbia. This opportunity was approved via EFSEC council as an educational outreach venue when Columbia's public information center was forced to close in 2001.

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

II. WNP 1/4 Water Rights

The Department of Energy is formalizing their internal review process to approve a new land lease for WNP 1/4. The lease will serve as the implementation matrix for use of water provided in the new water right issued by Washington State Department of Ecology. The Department of Energy expects to finalize the lease process within the next two months.



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

MEMO

TO: EFSEC Council

FROM: EFSEC Staff

DATE: January 20, 2015

SUBJECT: Proposed Issuance of Fugitive Radionuclides Emissions License for the Columbia Generating Station Evaporation Ponds Wastewater Treatment System

In 2013, during development of the recently issued National Pollutant Discharge Elimination System Permit, Energy Northwest proposed construction of a wastewater treatment system. This treatment system is designed to evaporate low-strength wastewater and eliminates a discharge to ground water.

On August 20, 2014, the Energy Facility Site Evaluation Council (EFSEC) approved the engineering report and operations and maintenance manual for the newly-constructed treatment system. The treatment system became operational on November 12, 2014.

The treatment system has the potential to emit fugitive radionuclide emissions. A radioactive air emissions license is required in accordance with Chapter 246-247 Washington Administrative Code (WAC) and WAC 463-78-070. The Department of Health typically issues these licenses and it was anticipated they would do so for this matter. Further review of relevant statutes and regulations indicates EFSEC is required to issue the license.

SEPA requirements have been met with the submittal and review of a SEPA checklist, issuance of a DNS and an addendum to the DNS to address the fugitive radionuclides emissions license.

EFSEC Staff recommends the Council approve issuance of the fugitive radionuclides emissions license detailed in Order 874.

STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL
P. O. BOX 43172
OLYMPIA, WASHINGTON 98504-3172

In the Matter of:

COLUMBIA GENERATING STATION

COUNCIL ORDER No. 874

Order to Manage and Regulate Fugitive Radionuclide Emissions from the Evaporation Pond Wastewater Treatment System.

Regulatory Authority:

Pursuant to the Revised Code of Washington (RCW) 70.94.331, 70.94.422, Chapter 80.50 RCW, Washington Administrative Code (WAC) 463-78-070, and Chapter 246-247 WAC, the Energy Facility Site Evaluation Council (EFSEC) now finds the following:

Findings:

1. Energy Northwest (EN) is the operator of the Columbia Generating Station (CGS), an electric generating plant located on the Hanford Site in Benton County, Washington.
2. CGS has an evaporation pond wastewater treatment system.
3. The evaporation pond wastewater treatment system has the potential to emit fugitive radionuclide emissions, and therefore, is required to obtain a Radioactive Air Emissions License in accordance with Chapter 246-247 WAC Radiation Protection-Air Emissions Regulation.
4. The evaporation pond wastewater treatment system's potential to emit fugitive radionuclides has been determined to be at levels agreed to by EN and EFSEC.

Order:

THEREFORE, IT IS ORDERED by EFSEC in relation to the above that EN's CGS evaporation pond wastewater treatment system be operated subject to the conditions described below.

*Council Order No. 874, Columbia Generating Station,
Order to Regulate Fugitive Radionuclide Emissions from the
Evaporation Pond Wastewater Treatment
System.*

1.0 GENERAL APPROVAL CONDITIONS

1.1 Effective date

The effective date of this authorization shall be that as signed in Section 3.0. All references to procedures or test methods shall be those in effect as of the effective date of this ORDER.

2.0 OPERATIONAL LIMITATIONS AND ADDITIONAL REQUIREMENTS

2.1 Emission Unit Description

Emission Unit ID: 1415

Notice of Construction (NOC) ID: 928

This emission unit consists of five evaporation ponds that will be used to collect and evaporate stormwater and process wastewater (industrial wastewater).

This is a MINOR, FUGITIVE, non-point source emission unit.

2.2 Abatement Technology

Best available radionuclide control technology (BARCT)
WAC 246-247-040(3), -040(4)

State-only Enforceable: WAC 246-247-010(4), -040(5), -060(5)

Abatement Technology: None

2.3 Monitoring Requirements

2.3.1 State Enforceable: WAC 246-247-040(5), -060(5)

Federal and State Regulatory	Monitoring and Testing Requirements	Radionuclides Requiring Measurement	Sampling Frequency
WAC 246-247-075(5)	WAC 246-247-075(5)	H-3, Gamma Isotopic Analysis	Monthly Water Sample, Annual Sediment Sample

2.3.2 Monthly composite water samples and annual sediment samples will be taken for the evaporation ponds 3 and 4. Annual water samples will be taken for evaporation ponds 1A, 1B, and 2.

- 2.3.3 Sampling will be conducted through monthly composite water samples for evaporation ponds 3 and 4 taken from sampling station ST-101 (or equivalent sampling station). Annual water samples will be taken from evaporation ponds 1A, 1B, and 2. Water samples will be analyzed for tritium and gamma isotopic analysis. WAC 246-247-075 (3) & (5)(a).
- 2.3.4 Sediment sampling will be taken annually for evaporation ponds 3 and 4 and analyzed for gamma emitters. WAC 246-247-075 (3) & (5)(a).
- 2.4 Conditions (state only enforceable): WAC 246-247-040(5), 060(5) if not specified
- 2.4.1 The total abated emission limit for this Notice of Construction is limited to 9.51E-02 mrem/year to the Maximally Exposed Individual (WAC 246-247-040(5)). The total limit on the Potential-To-Emit for this Notice of Construction is limited to 9.51E-02 mrem/year to the Maximally Exposed Individual (WAC 246-247-030(21)).
- 2.4.2 The Columbia Generating Station Stormwater and Industrial Wastewater Facility will consist of five evaporation ponds that will be used to collect and evaporate stormwater and process wastewater (industrial wastewater). The stormwater and process wastewater that will be directed to the evaporation ponds include potable water filtered plant backwash, reverse osmosis filtrate, and fire test water, which will be directed to three of the ponds (ponds 1A, 2B, and 2). The second two ponds (ponds 3 and 4) will collect and evaporate the stormwater from CGS roof drains, floor drains, building air wash, equipment dewatering, leakage, cleaning, and flushing.
- 2.4.4 The Annual Possession Quantity is limited to the following radionuclides (Curies/year):

Parameter	Limit (Curies/year)
Co-58	3.20E-02
Co-60	9.90E-01
Cr-51	6.70E-02
Cs-137	1.00E-02
H-3	5.63E+00
Mn-54	1.80E-02
Sr-89	6.30E-01
Sr-90	3.80E-02
Zn-65	3.44E+00

2.4.5 ANNUAL REPORTING: Radionuclide emissions will be determined in accordance with the Offsite Dose Calculation Manual and report in the annual radioactive air emissions report due June 30th for the previous year. WAC 246-247-075 (5)(a).

3.0 APPROVAL ORDER AND RESTRICTIONS

Any application form, report, or compliance certification submitted pursuant to this Order shall contain certification by a responsible official of truth, accuracy, and completeness.

Nothing in this Order alters the facility's obligation to comply with other laws, including air laws and regulations. Any violation of such rules and regulations or of the terms of this approval, including but not limited to exceedances of emissions limits demonstrated by source testing or emissions calculations, shall be subject to the sanctions provided in Chapter 80.50 RCW.

The provisions of this authorization are severable and, if any provision of this authorization, or application of any provisions of this authorization to any circumstance, is held invalid, the application of such provision to other circumstances, and the remainder of this authorization, shall not be affected thereby.

This Order is subject to judicial review pursuant to the Administrative Procedure Act, Chapter 34.05 RCW. The Administrative Procedure Act can be found on-line at: <http://apps.leg.wa.gov/rcw/default.aspx?cite=34.05>.

DATED at Olympia, Washington this ____ day of _____, ____.

FOR THE WASHINGTON STATE ENERGY FACILITY SITE EVALUATION COUNCIL.

William Lynch
EFSEC Chairman

ATTEST:

Stephen Posner
EFSEC Manager

John Martell
WDOH

*Council Order No. 874, Columbia Generating Station,
Order to Regulate Fugitive Radionuclide Emissions from the
Evaporation Pond Wastewater Treatment
System.*

Energy Facility Site Evaluation Council

Non Direct Cost Allocation for 3rd Quarter FY 2015 January 1, 2015 – March 31, 2015

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

Based on the levels of work during the 2nd quarter of FY 2015, using the procedures for developing cost allocation, and allowance for new projects, the following percentages shall be used to allocate EFSEC's non direct costs for the 3rd quarter of FY 2015:

Kittitas Valley Wind Power Project	6%
Wild Horse Wind Power Project	7%
Columbia Generating Station	18%
WNP-1	3%
Whistling Ridge Energy Project	3%
Grays Harbor 1&2	8%
Chehalis Generation Project	9%
Desert Claim Wind Power Project	2%
BP Cogeneration Project	2%
Grays Harbor Energy 3&4	3%
Tesoro Savage	39%



Stephen Posner, EFSEC Manager

Date: 1/12/15