

WASHINGTON STATE

ENERGY FACILITY SITE EVALUATION COUNCIL

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Conference Room 206

Olympia, Washington

Tuesday, April 21, 2015

1:32 p.m.

MONTHLY COUNCIL MEETING

Verbatim Transcript of Proceeding

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## A P P E A R A N C E S

## Council Members Present:

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

## Attorney General's Office:

Ann Essko, Assistant Attorney General

## Local Government and Optional state Agency:

Ken Stone, Department of Transportation  
Bryan Snodgrass, City of Vancouver (by phone)  
Greg Shafer, Clark County  
Larry Paulson, Port of Vancouver

## Council Staff:

Stephen Posner  
Kali Wraspier  
Jim LaSpina  
Joan Aitken  
Tammy Mastro  
Sonia Bumpus  
Cassandra Noble, Administrative Law Judge

## Guests in Attendance:

Rich Downen/GHE  
Mark Miller, Chehalis

## Guests in Attendance Via Phone:

Haley Edwards, PSE/Wild Horse  
Karen McGaffey, Perkins Coie  
Eric Melbardis, Kittitas Valley/EDP Renewables  
Jennifer Diaz, Wild Horse/PSE  
Shannon Khounnala, Columbia/ENW

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OLYMPIA, WASHINGTON; APRIL 21, 2015

1:32 p.m.

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P R O C E E D I N G S

CHAIR LYNCH: Good afternoon. This is Tuesday, April 21st, little bit after 1:30 p.m. This is the regular monthly meeting of the Washington State Energy Facility Site Evaluation Council. And can we please have the staff call roll.

MS. MASTRO: Department of Commerce.

MS. GREEN TAYLOR: Liz Green-Taylor here.

MS. MASTRO: Department of Ecology.

MR. STEPHENSON: Cullen Stephenson here.

MS. MASTRO: Fish and Wildlife.

MR. STOHR: Joe Stohr here.

MS. MASTRO: Department of Natural Resources.

MR. SIEMANN: Dan Siemann here.

MS. MASTRO: Utilities and Transportation Commission.

CHAIR LYNCH: Mr. Moss is excused.

MS. MASTRO: Local governments and optional state agencies, Department of Transportation.

MR. STONE: Ken Stone is here.

MS. MASTRO: City of Vancouver.

MR. SNODGRASS: Bryan Snodgrass on the phone.

1 MS. MASTRO: Clark County.

2 MR. SHAFER: Greg Shafer here.

3 MS. MASTRO: Port of Vancouver.

4 MR. PAULSON: Larry Paulson here.

5 MS. MASTRO: Sir, there is a quorum.

6 CHAIR LYNCH: Very good. Thank you. And could we  
7 please have the councilmembers look over the proposed agenda  
8 and see if you have any proposed additions or changes.

9 MR. STEPHENSON: Chair Lynch, I propose that we  
10 approved the minutes from the last meeting.

11 CHAIR LYNCH: I hadn't quite gotten to the minutes,  
12 but that is --

13 MR. STEPHENSON: Oh, sorry.

14 CHAIR LYNCH: No, that's fine. So it looks like  
15 there's no proposed agenda changes, so let's move on to the  
16 minutes. And Councilmember Stephenson has moved that we  
17 approve the minutes from the March 17th, 2015, council hearing.

18 Do we have a second?

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

20 CHAIR LYNCH: It's been moved and seconded that we  
21 approve the meetings -- the minutes from the March 17th  
22 meeting. All those in favor say aye.

23 MULTIPLE SPEAKERS: Aye.

24 CHAIR LYNCH: Opposed? Motion carries. And at this  
25 time, I'd like to have anybody on the -- the -- the phone,

1 other than those people who regularly report to us as part of  
2 their operational updates, if you choose to identify  
3 yourself -- you're not required to, but we'd appreciate it.  
4 You can do so at this time.

5 MS. EDWARDS: This is Haley Edwards with PSE.

6 CHAIR LYNCH: Anybody else?

7 MS. MCGAFFEY: Karen McGaffey of Perkins Coie.

8 CHAIR LYNCH: Okay. At this time we're going to move  
9 on and get our updates regarding our projects. Mr. Melbardis,  
10 Kittitas Valley Wind Project.

11 MR. MELBARDIS: Good afternoon, Chair Lynch.

12 CHAIR LYNCH: Excuse me, Mr. Melbardis, I know last  
13 time you used your -- I think you were using a different phone  
14 that we were able to hear you much better on.

15 Are you using that same phone today?

16 MR. MELBARDIS: Yes, I am. Can you hear me any better  
17 now?

18 CHAIR LYNCH: I'll ask the court reporter. Can you  
19 hear him now? Barely, so --

20 MR. MELBARDIS: Okay. I will just speak up. Good  
21 afternoon, Chair Lynch, outside council. This is Eric  
22 Melbardis with EDP Renewables for the Kittitas Valley Wind  
23 Power Project. For -- we have nothing nonroutine to report,  
24 other than we had a fire and life safety inspection performed  
25 by the Kittitas Fire Marshal's Office, and there were no

1 significant findings.

2 CHAIR LYNCH: Very good. Any questions of  
3 councilmembers for Mr. Melbardis? Thank you, Mr. Melbardis.  
4 And at this time we'll hear from the Wild Horse Wind Power  
5 Project, Ms. Diaz.

6 MS. DIAZ: Yes. Thank you, Chair Lynch. For the  
7 record, this is Jennifer Diaz, environmental manager for Puget  
8 Sound Energy at the Wild Horse Wind Facility. The only  
9 nonroutine item I have for Wild Horse is an update from Haley  
10 Edwards on the eagle monitoring that began last month. And  
11 Haley Edwards is on the phone to provide that update. Haley.

12 MS. EDWARDS: Thank you. Good afternoon, Chair Lynch,  
13 council. So I have an update. During the formal eagle  
14 fatality monitoring surveys on April 8th, the remains of an  
15 immature golden eagle were identified near turbine 02, which  
16 was promptly reported to Jennifer Diaz.

17 She contacted me to let me know that they found the  
18 eagle. And Jennifer was not on site at the time, and I wasn't  
19 able to get there, so she instructed the field biologist to  
20 collect the remains, record the appropriate data and take some  
21 photos.

22 On April 10th Mel Walters and I conducted a site visit  
23 and met with Fish and Wildlife Service enforcement agents. We  
24 transferred the eagle to Fish and Wildlife Service and provided  
25 them with the information about the incident, and also

1 inspected the location where the eagle was found.

2 The location was approximately 65 meters west of  
3 turbine 02, which is in the northern portion of the original  
4 project area. And let's see. And then we also provided  
5 notification similar to the previous incident we reported to  
6 the Department of Fish and Wildlife, tax representative. We  
7 provided a notification to Jim ~~Messina~~ La Spina, and we also submitted  
8 the data to Regional Migratory Bird Permit Office with Fish and  
9 Wildlife Service as required by our special purpose utility  
10 permits.

11 And we also noted -- notified our Fish and Wildlife  
12 Service PAC representative, Stephen Lewis, who we are also  
13 consulting with on the development of the eagle conservation  
14 plan.

15 So for the next steps, we will continue to consult  
16 with Fish and Wildlife and develop our eagle conservation plan.  
17 We will seek to resolve this case as well as the previous two  
18 mortalities prior to obtaining an eagle permit.

19 And we still have no indication yet from Fish and  
20 Wildlife on how to resolve those incidents, but we'll just  
21 continue to work with them. And the eagle fatality monitoring  
22 and eagle use surveys will continue through March of next year.

23 CHAIR LYNCH: I'm sorry, Haley. I'll call you  
24 "Haley," because I didn't write down your last name and I've  
25 already forgotten what it was. Could you say that again what

1 your last name is.

2 MS. EDWARDS: Edwards.

3 CHAIR LYNCH: Edwards. Ms. Edwards, this most recent  
4 eagle death, is that close to the area where the original two  
5 eagles were killed?

6 MS. EDWARDS: It's about a mile west of the  
7 previous -- where the previous occurred. Is that correct,  
8 Jennifer, a mile and a half, a mile or so?

9 MS. DIAZ: Yes. Yes, that's correct, approximately  
10 one mile to the west.

11 CHAIR LYNCH: And do we have any sort of a time frame  
12 when of -- an estimate when the -- an eagle permit will issue  
13 from the US Fish and Wildlife?

14 MS. EDWARDS: Not yet. We are in the consultation  
15 process, so we are -- we have received comments on our draft  
16 and will continue to, you know, make some revisions to that  
17 document, but it will likely be, you know, several months.

18 We're not certain that we'll get one this year. But,  
19 you know, we're in the process. We haven't heard anything  
20 about a time frame from Fish and Wildlife Service at this  
21 point.

22 CHAIR LYNCH: Do any councilmembers have any questions  
23 for either Ms. Edwards or Ms. Diaz? Apparently not. Ms. Diaz,  
24 did you have anything else that you wanted to cover today?

25 MS. DIAZ: No, Chair Lynch, nothing further.



1 CHAIR LYNCH: Okay. Thank you. Very good. And we'll  
2 look forward to our staff getting a report on this most recent  
3 incident and -- and we'll review it after that. Thank you.

4 MS. DIAZ: Thank you.

5 CHAIR LYNCH: And I see Mr. Downen's all cued up here,  
6 so can we please hear your report from Grays Harbor Energy  
7 Center.

8 MR. DOWNEN: Afternoon, Chair Lynch, council staff.  
9 My name's Rich Downen. I'm the plant manager at Grays Harbor  
10 Energy. The only thing out of ordinary to report is just a  
11 status of the noise monitoring equipment that we've budgeted  
12 for this year.

13 We've specced out the equipment, and our controls  
14 engineer is validating how to tie that into our control system  
15 before we purchase it. We want to make sure that that  
16 instrument will communicate to our control system and then our  
17 intent is to then purchase that.

18 We've been building up to our maintenance outage,  
19 which starts this Saturday. So after the outage, then we  
20 intend to purchase that and get it installed this summer. So  
21 that's the -- where we're at with noise monitoring.

22 CHAIR LYNCH: Good. Very good. That's good to hear  
23 that you're moving forward on this --

24 MR. DOWNEN: Yes.

25 CHAIR LYNCH: -- on your own initiative, and we

1 appreciate that. Any questions for Mr. Downen? Good. Thank  
2 you, Mr. Downen.

3 MR. DOWNEN: Thank you.

4 CHAIR LYNCH: Mr. Miller, Chehalis Generation  
5 Facility.

6 MR. MILLER: Good afternoon, Chair Lynch and council  
7 members. My name is Mark Miller. I'm the plant manager at the  
8 PacifiCorp Chehalis Generation Facility. I have a couple  
9 nonroutine comments to make.

10 Last month we had the annual compliance evaluation and  
11 Title 5 inspection conducted by EFSEC staff and a member from  
12 the Southwest Clean Air Agency staff as well. We conducted  
13 relative accuracy test audits on our continuous emission  
14 monitors, and they both passed nicely, as well as a individual  
15 test on the ~~ox~~ NOx boiler emissions to ensure that we were within  
16 our permit limits.

17 We also met with the Department of Ecology Toxics  
18 cleanup Program and discussed our plan for additional  
19 groundwater monitoring wells as it relates to our most recent  
20 generator failure, generator step-up transformer failure where  
21 we spilled mineral oil from that.

22 And John Rapp (phonetic) of Ecology confirmed that our  
23 plan was appropriate, and we have already installed the wells  
24 and made the first sample. So the results from those will be  
25 forthcoming. And that's all I have.

1 CHAIR LYNCH: Very good. Any questions for  
2 Mr. Miller? Thank you, Mr. Miller.

3 MR. MILLER: Thank you.

4 CHAIR LYNCH: The Columbia Generating Station and WNP  
5 1 and 4. Ms. Khounnala, Energy Northwest.

6 MS. KHOUNNALA: Yes. Thank you, Chair Lynch and  
7 council and staff. For Columbia Generating Station, we have no  
8 events or seeping incidences or out-of-the-ordinary regulatory  
9 issues to report.

10 I will mention to the -- to the council that Columbia  
11 is in our final planning stations for our refueling outage,  
12 which will begin on May 9th and conclude on June 15th, as well  
13 as another update as this week we are -- we do have our fire  
14 and life safety inspection being performed through the end  
15 of -- the end of Wednesday of this week, so we'll look forward  
16 to seeing the results of that inspection. And no other items  
17 to report on Columbia.

18 CHAIR LYNCH: Very good. Go ahead and proceed to WNP  
19 1 and 4.

20 MS. KHOUNNALA: Sure. Regarding WNP 1 and 4, as we'd  
21 mentioned the past couple of months, the Department of Energy  
22 did receive the formal water right permit from the Department  
23 of Ecology.

24 And currently we are working with the Department of  
25 Energy on the scoping and the preparation of a NEPA

1 environmental assessment which will cover the surface water  
2 transmission system as well as the leasing operations.

3 For the next number of months we'll be statusing  
4 the -- we will be assisting the Department of Energy on their  
5 preparation of that report. We expect that to continue at  
6 least through the end of the summer, and then the review of  
7 that NEPA EIS being conducted by the Department of Energy this  
8 fall. So no other outstanding items to report on WNP 1 and 4.

9 CHAIR LYNCH: Very good. Any questions from  
10 councilmembers for Ms. Khounnala from -- either regarding  
11 Columbia Generating Station or WNP 1 and 4? Mr. LaSpina has  
12 something he'd like to add. Thank you.

13 MR. LASPINA: Yes, sir. Good afternoon, Chair Lynch  
14 and councilmembers. This afternoon I'd like to inform you of a  
15 proposal by the energy -- by Energy Northwest concerning  
16 acceleration of the site restoration process for the WNP 1 and  
17 4 projects.

18 These are two projects, uncompleted nuclear power  
19 plant projects, located adjacent to the Columbia Generating  
20 Station. So I'm going to be talking about two projects which  
21 you rarely hear about, and also an EFSEC requirement that's  
22 attached to all the site certificates that we issue that  
23 addresses decommissioning and site restoration of projects. So  
24 you'll hear a little bit of new information here.

25 All site certification agreements issued by the

1 council require the certificate holder to make provisions for  
2 the decommissioning and site restoration of their facilities at  
3 the end of their life cycles. Restoration of Energy  
4 Northwest's WNP 1 and 4 sites is addressed in two resolutions  
5 that are attachments to the SCA. The SCA is basically the  
6 license that the EFSEC issues for the facilities.

7 The first resolution was issued in December of 2003.  
8 This resolution detailed specific restoration tasks that Energy  
9 Northwest would carry out for decommissioning of the facilities  
10 and their site restoration.

11 Now, the facilities were partially completed nuclear  
12 power plants that were terminated before they were ever  
13 completed, so the decommissioning part's not all that relevant,  
14 but the site restoration is.

15 The resolution also described the funding mechanism to  
16 implement the restoration activities, so it's tasks and  
17 funding. Another resolution was -- the second resolution was  
18 issued in April of 2010, and it was basically a clarification  
19 of the earlier resolution.

20 On November 6th, 2014, EFSEC issued notification or  
21 received notification from Energy Northwest that it planned to  
22 accelerate the site restoration of its WNP 1 and 4 facilities.  
23 Energy Northwest plans to accelerate its restoration activities  
24 in order to realize cost-saving opportunities and allow Energy  
25 Northwest to pursue other site reuse options.

1 Energy Northwest's notification letter states that all  
2 of the restoration efforts in the accelerated schedule are  
3 within the scope of the resolutions and the SCA that were  
4 approved by the council in past years. It's important to note  
5 that the SCA and the resolutions specify completion dates for  
6 the restoration tasks, but it's -- it's up to Energy Northwest  
7 when they want to begin -- when they want to begin them, so  
8 they have that flexibility.

9 Based on EFSEC's review, EFSEC staff's review of  
10 Energy Northwest's November 6th proposal and the SCA and the  
11 two resolutions, EFSEC has prepared a letter acknowledging  
12 Energy Northwest's plans to accelerate the restoration of the  
13 WNP 1 and 4 sites.

14 EFSEC's acknowledgment letter requires Energy  
15 Northwest to notify us of any restoration activities beyond the  
16 scope of the approved plan. Now, because the council has  
17 already approved the site restoration plan, this matter doesn't  
18 really require any action by the council and is provided for  
19 your information.

20 So in other words, we're -- we're providing this  
21 information for you that the EFSEC staff will issue an  
22 acknowledgment letter in the next few days. If councilmembers  
23 have any questions or concerns about this issue, either myself  
24 or Shannon Khounnala can address your questions. Be happy to  
25 entertain them.

1 CHAIR LYNCH: Any questions for Mr. LaSpina? As he  
2 indicated, we're -- the staff is just providing us notice that  
3 this acknowledgment letter is going to go out, and that there's  
4 no council action needed. But he is available for questions,  
5 if anyone has any questions. Yes, Ms. Green-Taylor.

6 MS. GREEN-TAYLOR: Thank you, Chair. I just wanted to  
7 confirm that the two that are being -- that are being  
8 decommissioned and the site being restored are not the 1 and 4  
9 that are in operation. I was a little confused about that.

10 MR. LASPINA: The plant that is currently in operation  
11 is the Columbia Generating Station, also known as WNP 2. WNP 1  
12 and 4 are two plants adjacent to the Columbia Generating  
13 Station that -- that were in different -- different levels of  
14 completion when the entire -- when the projects were  
15 discontinued by the state.

16 I think one of them was about 80 percent done. The  
17 other one was maybe 40 or 50 percent done. So they never  
18 operated, although there are -- many of the buildings were  
19 built.

20 MS. GREEN-TAYLOR: Okay. That helps clarify. Because  
21 all along I thought we were getting reports on an operating --

22 MR. LASPINA: No, no.

23 MS. GREEN-TAYLOR: -- thing. Okay. Got it. Thank  
24 you.

25 MR. LASPINA: In fact, the operating station just got

1 its license renewed a year or two ago for another 20 years,  
2 so --

3 MS. GREEN-TAYLOR: Okay.

4 MR. POSNER: So just for the record, I think that's a  
5 good point. Because if you look at our agendas, we do list it  
6 as "operational update." And more correctly, it should say  
7 something along the lines of "site restoration update" perhaps.

8 I mean, maybe that's -- is that what you were going  
9 off of, thinking -- looking at that operational update?

10 MS. GREEN-TAYLOR: That's exactly right. Yes. Thank  
11 you.

12 MR. POSNER: So that's something we can correct in  
13 future agendas anyway, just so there's no confusion.

14 CHAIR LYNCH: Or we can call it "nonoperational  
15 update." So any questions for -- any other questions for  
16 Mr. LaSpina? Yes, Mr. Siemann.

17 MR. SIEMANN: Thank you, Chair. Are there standards  
18 for restoration that are established in these agreements?

19 MR. LASPINA: I think I'm going to let Shannon answer  
20 that one. She would be able to answer it better than I.

21 CHAIR LYNCH: Go ahead, Ms. Khounnala, if you know.

22 MS. KHOUNNALA: Sure. So there are a variety of  
23 parties involved in coming to an agreement on what  
24 restoration -- the agreement for restoration. Those parties  
25 included BPA, the Department of Energy who -- who we lease land



1 from, EFSEC as well as Energy Northwest. And there was a long  
2 process of negotiations with all of those agencies (Lost Connection)

3 MS. MASTRO: Uh-oh.

4 CHAIR LYNCH: Censorship is a terrible thing. We'll  
5 try to have Ms. Khounnala reconnected here. Mr. LaSpina, you  
6 were about to --

7 MR. LASPINA: Perhaps I can -- perhaps I can provide  
8 some information. I don't have the depth of knowledge Shannon  
9 does. But when she mentioned BPA, that's the Bonneville Power  
10 Authority, not the Environmental Protection Agency.

11 Basically, it's -- it's -- it was a negotiation  
12 between the various parties that she mentioned. However, the  
13 Nuclear Regulatory Commission has specific criteria. There are  
14 several ways to decommission a nuclear power plant and like  
15 three or four different options. And so the proper options  
16 were -- well, the options were agreed upon.

17 BPA is involved, because they kind of own all the  
18 output of the Columbia Generating Station. The NRC has the  
19 standards, the actual standards for decommissioning the  
20 station. And of course, Energy Northwest owns the plant. So  
21 there are standards, yes.

22 CHAIR LYNCH: I'd like to add to that answer that all  
23 the facilities are required to have on deposit a -- some sort  
24 of security to allow -- because when a facility is cited by  
25 EFSEC, we oversee that facility through the decommissioning

1 process.

2 So all facilities have some security on deposit that  
3 we keep with the state treasurer. So that's in order to make  
4 sure that they -- when they undergo decommissioning, that there  
5 is in fact money there for it to occur.

6 And then one extra addition to that, we recently --  
7 Mr. Posner, do you want to mention about the contract we either  
8 have signed or about to sign regarding decommissioning and  
9 securities?

10 MR. POSNER: Right. We -- we recently -- well, I  
11 should say we're -- we're just about finalized a contract with  
12 a consultant to assist us with decommissioning, plan, cost  
13 assessment, just to make sure that the -- the amount of money  
14 that facilities put aside is adequate and that their -- the  
15 plans that they provide are adequate in terms of what level of  
16 site restoration they propose to do.

17 So this is something that we have not had in the past  
18 for -- for review on past EFSEC projects, so we do -- we will  
19 have that in place probably within the next month or so. We'll  
20 actually have a consultant who will be assisting us with  
21 reviewing these plans to make sure that they're adequate.

22 So -- and one thing I'd like to just add concerning  
23 these two facilities. And we talk about decommissioning and  
24 site restoration, we're talking about two projects that never  
25 operated as nuclear power plants. They were never completely

1 constructed and operational.

2 So -- and the -- the information that Mr. LaSpina was  
3 referring to is referred to as "the four-party agreement." The  
4 various parties came together. BPA essentially is responsible  
5 for these facilities. They're the ones that are financing all  
6 the site restoration activities.

7 And then, like Jim was saying, there was these  
8 agreements that they -- they all came -- came to agree on as  
9 far as how the site should be restored. And for the most part,  
10 it's restoring like a -- like a construction site that  
11 buildings are being torn down.

12 They're -- to the best of my knowledge, there are no  
13 issues with nuclear waste or hazardous waste that need to be  
14 mitigated for. It's basically reusing or tearing down or  
15 rehabbing existing structures on the site, for the most part.

16 MR. LASPINA: And -- and I can tell you that one of  
17 the sites is largely already deconstructed and is mostly just  
18 the concrete slabs that the building sat on. However, there is  
19 a fair amount of infrastructure there, such as railroad tracks  
20 and electrical transmission lines, all that sort of thing.

21 And the idea is that potentially Energy Northwest  
22 could use that infrastructure for a new project or something  
23 like that. So that's kind of what's driving this, this  
24 acceleration.

25 Also, there would be some cost savings to do the

1 site -- some of the site restoration now rather than waiting  
2 until later. The deadline for the final site restoration of  
3 those projects is like 2026. So the economists studied this  
4 and figured out they could save a bunch of money if they do the  
5 work now.

6 CHAIR LYNCH: And my understanding is, is that Energy  
7 Northwest as well as a number of other facilities have extended  
8 an open invitation to the council to tour their facilities when  
9 we have time. I know we've just had a lot of things going at  
10 the moment. But those of you who are interested in touring  
11 these different facilities that we oversee, I'm sure we can  
12 mutually arrange that at some time. Yes, Mr. Siemann.

13 MS. KHOUNNALA: And, Chair Lynch, sorry. This is  
14 Shannon Khounnala again with some serious phone difficulties  
15 here. But I -- I'll echo that. If any members of the council  
16 as well as EFSEC staff, as usual, are welcome to come and see,  
17 and if they'd like to have a tour of WNP 1 and 4 and the  
18 restoration process, you're all very welcome.

19 CHAIR LYNCH: Thank you. Mr. Siemann, you had a  
20 question?

21 MR. SIEMANN: Yes. Thank you. So I guess my question  
22 was really -- thank you for all of that information, but my  
23 question was really about is there a -- is there a standard for  
24 what the outcome of the restoration should be? Is it sort of  
25 to a preconstruction setting or is it something less than that?

1 And I'm just trying to understand what restoration means and  
2 how do you know you've achieved it.

3 MR. LASPINA: Well, I can -- I can speak generically  
4 that it really depends. For instance, in the case of a wind  
5 farm, which is often constructed in -- in a fairly natural  
6 area, you would -- you would go back in and mostly remove all  
7 the structures and -- and replant native species and turn it  
8 back to the condition it was previously.

9 However, we have -- we have other facilities, such as  
10 the Columbia Generating Station, that are built in highly  
11 industrialized areas. In that case -- well, again, you would  
12 return it back to a condition similar to the way it was, but it  
13 won't necessarily be -- it won't be all natural, you know what  
14 I mean, vegetation and all that sort of thing, because it's an  
15 industrial site. So it really depends.

16 MR. POSNER: I think one of the main criteria of the  
17 four-party agreement was to maximize or restore the site to  
18 maximize reuse. And so that's one of the major goals of the  
19 four-party agreement.

20 MR. SIEMANN: Thank you.

21 CHAIR LYNCH: Any further council questions either of  
22 staff or Ms. Khounnala? Okay. Very good. Let's move on to  
23 the Tesoro/Savage Vancouver Energy Distribution Terminal  
24 update. Ms. Bumpus.

25 MS. BUMPUS: Thank you. Good afternoon, Chair Lynch

1 and councilmembers. I have just a few updates relative to  
2 permits. EFSEC received the advisory conditions for the  
3 hydraulic project approval permit from our WDFW contractor last  
4 week. We're currently reviewing that information and will be  
5 packaging that to submit to the applicant.

6 For the NPDES storm water permits, the applicant  
7 recently submitted a package at the end of February that our  
8 permit contractors at Ecology are reviewing. And we're going  
9 to continue to coordinate with them during their review, and we  
10 should have some feedback from them within the next few weeks  
11 as to whether we need to request additional information or  
12 whether they feel they have enough information to begin  
13 preparing draft permits.

14 I just have the air permit to talk about. Are there  
15 any questions about the wastewater permits or the HPA permit?

16 CHAIR LYNCH: Just to follow up a little with a little  
17 more detail, Ms. Bumpus, on the HPA. The issue before was  
18 different agencies had -- were prescribing different fish  
19 windows for the work, and it seems like they -- is it your  
20 understanding they have come to an agreement on what those  
21 that -- fish window should be or is it that they're getting  
22 closer?

23 MS. BUMPUS: They're getting closer. WDFW has been in  
24 consultation with federal agencies that are involved in  
25 adjusting their work windows for fish. And they wanted to take

1 that information into account in their advisory conditions for  
2 our project, for the HPA for this project. And so there has  
3 been an adjustment to the work window, the in-water work window  
4 based on consultation with NMFS and other federal agencies.

5 CHAIR LYNCH: Okay. Why don't you go ahead and  
6 continue, Ms. Bumpus, and we'll save councilmember questions  
7 for at the conclusion of your presentation.

8 MS. BUMPUS: For the air permit, as I updated last  
9 month, the notice of construction permit application was  
10 reviewed and was considered to be complete, so we were working  
11 with our air permit contractor at Ecology to begin drafting  
12 that permit. So we'll have more updates for you as we move  
13 into that phase of actually writing the permit.

14 The next update is relative to the DEIS preparation.  
15 Thank you for providing comments on chapter 1. And as you now  
16 know, there is chapter 2 available for your review and comment.  
17 Everything has -- has been going according to schedule. And I  
18 anticipate we'll have sections of chapter 3 available for  
19 review.

20 At this time cultural resources is a section that's  
21 being reviewed by DAHP, and I think that that one may be  
22 available, may be one of the first to be available for your  
23 review and comment, but that could change. Some of these other  
24 sections may catch up to it and -- but we'll keep you informed  
25 about sections as they become available for your review.

1 CHAIR LYNCH: And would you mind just for people who  
2 don't know what section 2 is and who might be listening, can  
3 you just say what section 2 applies to.

4 MS. BUMPUS: So chapter 2?

5 CHAIR LYNCH: Excuse me. Chapter 2.

6 MS. BUMPUS: Chapter 2 is the project description, and  
7 it also includes the alternatives analysis. And that's what  
8 we've just recently posted for councilmembers to review and  
9 comment on.

10 Chapter 3, the sections that will follow that I was  
11 just speaking of, those sections will cover the impact analysis  
12 relative to on-site direct impacts.

13 Are there any questions on any of the updates? That's  
14 everything I have.

15 CHAIR LYNCH: Any questions for Ms. Bumpus on Tesoro  
16 update? Mr. Snodgrass, I believe you were -- I don't want to  
17 put words in your mouth, but there was some question about  
18 inviting public comment that I believe you were interested in.

19 Were you wanting to ask a question with regard to  
20 that?

21 MR. SNODGRASS: No, I did want to ask, I guess, a  
22 clarifying question. I did have the opportunity to speak with  
23 staff last week regarding the comment period for the EIS. And  
24 my understanding, when it was discussed at the prior meeting of  
25 a 30-day comment period, but that was the minimum legal



1 requirement.

2 But in fact the -- what's comment -- what gets  
3 established at the comment period would be a decision before  
4 council that presumably EFSEC could make, council could make  
5 once the full EIS is -- once we reviewed all of that. Because  
6 I know there obviously within the recent letters to public  
7 record, there was some concern about that.

8 CHAIR LYNCH: Right. And I guess I'll just follow up  
9 a little bit, Mr. Snodgrass. We have gotten some  
10 correspondence regarding the comment period for the draft EIS,  
11 and I -- and we are not making a decision today on what that  
12 time period -- what that time period would be for -- for  
13 comments.

14 First of all, I want to make sure I have the  
15 opportunity to talk to our very able and learned assistant  
16 attorney general and administrative law judge before we make  
17 any decision.

18 But I would just point out a few things that I -- I  
19 have done a little bit of looking myself. First of all,  
20 starting with WAC 197-11-502, which pertains to inviting  
21 comment. Sub 5 of that section pertains to the draft EIS, and  
22 sub B says, "The commenting period shall be 30 days, unless  
23 extended by the lead agency under WAC 197-11-4 55."

24 197-11-455 is issuance of the draft EIS. And sub 6 of  
25 that says, "Any person or agency shall have 30 days from the

1 date of issue in which to review and comment upon the draft  
2 EIS."

3 The next subsection, subsection 7, says, "Upon  
4 request, the lead agency may grant an extension of up to 15  
5 days to the comment period. Agencies in the public must  
6 request any extension before the end of the comment period."

7 And finally, I'd want to note that WAC 197-11-055 sub  
8 7 provides that, "For their own public proposals, lead agencies  
9 may extend the time limits prescribed in these rules."

10 So those are the -- the various subsections that we  
11 would be looking at. But I would also note that anybody who's  
12 worked in the SEPA area knows that any -- virtually every word  
13 and punctuation mark has been litigated at some time or another  
14 and with regards to that chapter, so that's why I would like to  
15 take more time to have councilmembers have a chance to look at  
16 the -- the subsections that we're looking at under the law,  
17 have a chance to look to see if there's any case law regarding  
18 this.

19 But I will say this: That because we have had  
20 requests to extend the comment period, if the council believes  
21 that the comment period should be extended, I -- I would  
22 recommend that we would just, at least for the initial 45 days,  
23 assuming that there was -- there's an interest in extending the  
24 comment period, we don't need any further requests from the  
25 public to extend the comment period from 30 days to 45 days.

1           The council would just -- when we said, "Here's the  
2   comment period," we would just, if we chose to do so, have a  
3   comment period of 45 days. No further action would be required  
4   by anybody.

5           But at this point in time, we'd like to take a look at  
6   further review of what the law allows and to also, as  
7   Mr. Snodgrass indicated, take a look and see what in fact  
8   the -- the -- is coming in, in terms of the draft EIS, in terms  
9   of how complicated it is. And so we're reserving a final  
10   decision today.

11          Anybody like to -- any other councilmember like to  
12   jump in at this time to add any thoughts? And -- and it's most  
13   likely that we will be having hearings in both Vancouver and  
14   Spokane.

15          Okay. Ms. Bumpus, did you have anything else?

16          MS. BUMPUS: That's all.

17          CHAIR LYNCH: Okay. I think that, unless someone has  
18   a question regarding the proposed Vancouver Energy Distribution  
19   Terminal, let's go ahead and move on to other business in front  
20   of the council. I'll jump in on the legislation update.

21          Our request legislation, Senate Bill 5310, failed to  
22   pass the house at the -- in time for the cutoff to consider  
23   request -- to consider legislation from the senate. But I've  
24   been around long enough to know that there are rules and there  
25   are rules when it comes to legislation.

1           So the session's not over yet. I still remain hopeful  
2           that we can get our bill through. I'm in conversations with  
3           some people over there and so I'm -- I still remain optimistic  
4           that we can get our request legislation through the process  
5           before the legislation -- legislature adjourns.

6           And, Mr. LaSpina, you have a -- something that you'd  
7           like -- you'd like to update us a bit on our proposed air  
8           rules.

9           MR. LASPINA: Thank you, Chair Lynch. Yes. Over the  
10          past year, EFSEC staff has been working with the Department of  
11          Ecology and the Environmental Protection Agency to revise our  
12          air rule, Chapter 463-78 WAC.

13          The rule -- the revisions have been blessed by Ecology  
14          and EPA, and at this time our public notice documents are being  
15          reviewed by Ecology for completeness. As soon as we -- the --  
16          the public notice documents are approved, EFSEC staff intends  
17          to go to public notice with the rule revisions.

18          CHAIR LYNCH: And this will be an expedited rule  
19          adoption process, because all we are doing is adopting -- we're  
20          piggybacking on rules Ecology already has in place.

21          MR. LASPINA: Yes, sir. So -- and that would be --  
22          the public notice would be a 45-day public notice period.  
23          Notice would appear in the state register and be sent out by --  
24          or sent out to the EFSEC interested parties list.

25          CHAIR LYNCH: And this will help jump start our SIP

1 approval process later this year. Hopefully -- well, it will  
2 accelerate our ability to get a SIP approval, which we hope  
3 will occur later this year.

4 MR. LASPINA: Yes, sir.

5 CHAIR LYNCH: Any questions for Mr. LaSpina regarding  
6 where we are in the rules update? I'll tell you, Ecology -- I  
7 just have to say this again. Ecology has just been a wonderful  
8 partner in this rules adoption process.

9 They have helped us immensely, not only with just the  
10 technical aspect, but helped advising us how to work with EPA  
11 to get this approval, and we can't thank them enough for their  
12 able assistance on this.

13 And if there's no other questions regarding their air  
14 permits, let's go ahead and, Mr. Posner, you can update us on  
15 the fourth quarter cost allocation.

16 MR. POSNER: Thank you, Chair Lynch, councilmembers.  
17 As we do at the beginning of each quarter, we recalculate our  
18 non-direct cost allocation percentages for our projects. There  
19 is a sheet in your packet that lists the percentages. I'll go  
20 ahead and read those off for the benefit of those folks who are  
21 on the speaker phone.

22 And let's start with the Kittitas Valley Wind Power  
23 Project is six percent. Wild Horse is seven percent. Columbia  
24 Generating Station is 17 percent. WNP 1 and 4 is three  
25 percent. Whistling Ridge Energy Project is three percent.

1 Grays Harbor 1 and 2 is nine percent.

2 Chehalis Generation Project is nine percent. Desert  
3 Claim Wind Power Project is two percent. BP Cogeneration  
4 Project is two percent. Grays Harbor Energy 3 and 4 is three  
5 percent, and Tesoro/Savage is 39 percent. And I'll be happy to  
6 answer any questions councilmembers have.

7 CHAIR LYNCH: Any questions for Mr. Posner on the cost  
8 allocations? Very good. And I just would note, for the good  
9 of the order, that starting at next month's monthly meeting,  
10 you will be getting updates from Judge Noble on where we are on  
11 the adjudication process.

12 MS. NOBLE: That's correct.

13 CHAIR LYNCH: And does anyone have anything else that  
14 they'd like to bring up before the council at this time?  
15 Hearing none, we are adjourned. Thank you.

16 (Proceedings concluded at 2:18 p.m.)

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## C E R T I F I C A T E

STATE OF WASHINGTON

COUNTY OF KING

I, Kathleen Hamilton, a Certified Shorthand Reporter and Notary Public in and for the State of Washington, do hereby certify that the foregoing transcript of the proceedings on APRIL 21, 2015, is true and accurate to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 8TH day of MAY, 2015.

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KATHLEEN HAMILTON, RPR, CRR, CCR

# Kittitas Valley Wind Power Project

## Monthly Project Update

April 21, 2015

### Project Status Update

#### **March Production Summary:**

MWh 12,794 MWh  
Wind 5.2 m/s or 11.6 mph  
CF 17.1%

#### **Safety:**

No incidents

Fire and Life Safety inspection performed by the Kittitas Fire Marshal's office. No significant findings.

#### **Compliance:**

Project is in compliance as of April 16th, 2015.

#### **Sound:**

No complaints

#### **Shadow Flicker:**

No complaints

#### **Environmental:**

Achieved ISO 14001 and OSHAS 18001 certification



## Wild Horse

**Wind Production:** March generation totaled 55,165 MWh for an average capacity factor of 27.20%.

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

**Compliance/Environmental:** Nothing to report.



March, 2015

EFSEC Monthly Operational Report

1. Safety and Training

- 1.1. Conducted scheduled and required monthly training.
- 1.2. Conducted the scheduled safety committee meeting.

2. Environmental

- 2.1. Submitted the February Discharge Monitor Report (DMR) for outfall to EFSEC.
- 2.2. Submitted annual Greenhouse Gas Reports to the Environmental Protection Agency (EPA) and the WA Department of Ecology.
- 2.3. Three site personnel completed opacity recertification.
- 2.4. Continued dialogue with EPA on PSD amendment 4.

3. Operations & Maintenance

- 3.1. Grays Harbor Energy operated 3 days and generated 36,060 MWh during the month of March.
- 3.2. The capacity factor (CF) was 7.8% in March, and 5.2% YTD.
- 3.3. The availability factor (AF) was 99.7% in March, and 99.9% YTD.

4. Noise and/or Odor

- 4.1. There were no complaints made to the site during the month of March.

5. Site Visits

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

6. Other

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



**Chehalis Generation Facility----Monthly Plant Report - March 2015****Washington Energy Facility Site Evaluation Council**

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

16 April 2015

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**Safety:**

- There were no recordable incidents this reporting period and the plant staff has achieved 4516 days without a Lost Time Accident.

**Environment:**

- Waste water monitoring results are in compliance with the permit limits for the month of March 2015.
- A third party testing company was contracted by PacifiCorp to conduct Relative Accuracy Test Audits (RATAs) to verify that our continuous emission monitors are accurately measuring emissions. Testing was performed to determine concentrations and emission rates of oxygen (O<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), carbon monoxide (CO) and ammonia (NH<sub>3</sub>) from the exhaust stacks of two natural gas-fired combined-cycle combustion turbines (CT1 and CT2) and one auxiliary boiler. The RATAs were performed in accordance with 40 CFR Parts 60 and 75. The Relative Accuracy (RA) test results confirmed the monitors and emissions of the units are in compliance.
- PacifiCorp met with the Department of Ecology to propose a plan for additional groundwater monitoring wells related to the failed generator step-up transformer and oil spill that occurred in late 2013. John Rapp of ECY confirmed that our groundwater monitoring well installation and groundwater monitoring plan looks appropriate. The intent is to proceed with new well installation in April and begin the monitoring process quarterly. These actions are a part of the plants involvement in Ecology's Voluntary Cleanup Program.

**Personnel:**

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

**Operations and Maintenance Activities:**

- The Plant operated specifically to conduct a RATA on the continuous emission monitors during the month of March. The year-to-date capacity factor is 7.90%.

**Regulatory/Compliance:**

- There were no air emissions deviations, waste-water or stormwater deviations or spills during the month of March 2015.
- An annual compliance evaluation and Title V inspection was conducted by staff members from EFSEC and the Southwest Clean Air Agency on March 18, 2015.
- Sound monitoring: There were no noise complaints to report.





Chehalis Power Plant  
1813 Bishop Road  
Chehalis, Washington 98532

**Carbon Offset Mitigation**

- Nothing to report this period

Respectfully,

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



**Energy Northwest  
EFSEC Council Meeting  
April 21, 2015  
(Shannon Khounnala)**

**I. Columbia Generating Station Operational Status**

Columbia is operating at 100% power, generating 1085 megawatts. The plant has 664 days of continuous online operation.

Columbia is in the final planning stages for our refueling outage which will begin on May 9 and will concluded on June 15, 2015.

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

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

Energy Northwest and The Department of Energy received the formal water right permit from the Department of Ecology in January 2015. The Department of Energy and Energy Northwest are starting the process to complete a NEPA review of the land lease and associated use of the water right. The preparation of the NEPA Environmental Assessment is expected to last through the summer of 2015 with formal reviews to follow.

# Energy Facility Site Evaluation Council

## Non Direct Cost Allocation for 4th Quarter FY 2015 April 1, 2015 – June 30, 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 3rd 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 4th quarter of FY 2015:

Kittitas Valley Wind Power Project	6%
Wild Horse Wind Power Project	7%
Columbia Generating Station	17%
WNP-1	3%
Whistling Ridge Energy Project	3%
Grays Harbor 1&2	9%
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: 4/1/15