



Washington State Energy Facility Site Evaluation Council REVISED AGENDA

MONTHLY MEETING
Tuesday, June 16, 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
 - May 19, 2015
5. Other **a. EFSEC Council**
 - Executive Session.....Bill Lynch, EFSEC Chair

Executive Session, not open to the public to discuss agency litigation as allowed under RCW 42.30.110 (1) (i)
6. 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

e. Columbia Generating Station

 - Operational Update.....Shannon Khounnala, Energy Northwest

f. WNP - 1/4

 - Non-Operational Update.....Shannon Khounnala, Energy Northwest

g. Tesoro/Savage Vancouver Energy Distribution Terminal

 - Project Update.....Sonia Bumpus, EFSEC Staff

Cardno, EFSEC's independent consultant will make a presentation on development of the draft environmental impact statement.
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, May 19, 2015
1:33 P.M.

MONTHLY COUNCIL MEETING
Verbatim Transcript of Proceeding

REPORTED BY: SHELBY KAY K. FUKUSHIMA, CCR #2028

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APPEARANCES

Councilmembers Present:

Bill Lynch, Chair
Liz Green-Taylor, Department of Commerce
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:

Ken Stone, Department of Transportation
Bryan Snodgrass, City of Vancouver, via telephone
Greg Shafer, Clark County
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 Vraspir
Joan Aitken
Cassandra Noble

Guests in Attendance:

Mark A. Miller, PacifiCorp Energy
Richard Downen, Grays Harbor Energy Project

Guests in Attendance Via Phone:

Steve McNutt, Energy Northwest
Jennifer Diaz, Puget Sound Energy
Eric Melbardi, Kittitas Valley Wind Project, EDP Renewables
Judith Hillis, Golder Associates
Karen McGaffey, Perkins Cole
Kristen Boyles, EarthJustice

OLYMPIA, WASHINGTON, MAY 19, 2015

1:33 P.M.

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PROCEEDINGS

CHAIR LYNCH: Good afternoon. Today is Tuesday, May 19, 2015, and this is our regularly scheduled meeting of the Energy Facility Site Evaluation Council.

Could we please have the clerk call the roll.

THE CLERK: Department of Commerce?

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

THE CLERK: Ecology?

MR. STEPHENSON: Cullen Stephenson here.

THE CLERK: Fish and Wildlife?

MR. STOHR: Joe Stohr here.

THE CLERK: Department of Natural Resources.

MR. SIEMANN: Dan Siemann here.

THE CLERK: Utilities and Transportation Commission?

MR. MOSS: Dennis Moss is here.

THE CLERK: Local Governments and Optional State Agencies.

Department of Transportation?

MR. STONE: Ken Stone is here.

THE CLERK: City of Vancouver?

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MR. SNODGRASS: Bryan Snodgrass on the phone.

THE CLERK: Clark County?

MR. SHAFER: Greg Shafer is here.

THE CLERK: And the Port of Vancouver?

MR. PAULSON: Larry Paulson is here.

THE CLERK: Chair, there is a quorum.

MR. McNUTT: Energy Northwest, Steve McNutt.

CHAIR LYNCH: Thank you. It seems like we do have a quorum.

And would those people who are on the line who choose to identify themselves please do so, though if you're one of our regular people reporting giving us an update, you don't need to identify yourself at this time.

But anybody else who chooses to, you're welcome to.

MS. McGAFFEY: Karen McGaffey, Perkins Cole.

MS. BOYLES: Kristen Boyles, EarthJustice.

MS. HILLIS: (Inaudible.)

CHAIR LYNCH: I'm sorry. Could that last person repeat?

MS. HILLIS: Judith Hillis, with Golder Associates.

CHAIR LYNCH: Did you get that?

THE REPORTER: One more time?

CHAIR LYNCH: One more time.

MR. LaSPINA: Judith Hillis.

MR. POSNER: H-i-i-i-s.

1 THE REPORTER: Thanks.
 2 CHAIR LYNCH: Okay. We did get that, then, thank
 3 you, with Golder Associates.
 4 Anybody else?
 5 And before we get to the minutes, I'll just have the
 6 Council quickly review the agenda to see if they have any
 7 proposed changes. Note that there are no action items today and
 8 that we'll be taking a short executive session after the close
 9 of the regular public portion of the meeting before we come back
 10 on the record and adjourn.
 11 Any proposed changes to the agenda?
 12 Let's go ahead and move to the minutes. Let's do
 13 April 14th first where we had a special meeting of the Council.
 14 Any proposed changes? If not, I will entertain a
 15 motion for their approval.
 16 MR. MOSS: So move.
 17 CHAIR LYNCH: It's been moved that we approve the
 18 minutes of the April 14 special meeting.
 19 Do we have a second?
 20 MR. STEPHENSON: I'll second.
 21 CHAIR LYNCH: It's been moved and seconded that we
 22 approve the *minutes* of the special Council meeting on April 14th.
 23 All of those in favor "aye."
 24 MULTIPLE SPEAKERS: Aye.
 25 CHAIR LYNCH: Opposed? Motion carries.

1 And looking at the minutes from the April 21st
 2 meeting, I actually found a few small changes I would like to
 3 make.
 4 On page 7, line 7, there is a reference to "Jim
 5 Messina," and it's supposed to be Jim LaSpina, our staff person.
 6 So that's actually L-a, capital "S," p-i-n-a.
 7 And the second change I have is on page 10, and that
 8 would be line 15. There's a reference to a test on boiler
 9 emissions. This is part of Mr. Miller's update. And instead of
 10 "ox," it should be NOx, which is capital "N," capital "O," small
 11 letter "x," and that's a reference to nitrogen oxides.
 12 And the last change -- well, this is an addition I
 13 would like to make. On page 17, line 2, you can see when
 14 Ms. Khounnala is giving her update that we lost the connection
 15 with her. And so after her last word "agencies," and there's a
 16 dot, dot, if we could just put in parentheses,
 17 (Lost Connection). I think that would be easier for people who
 18 are reading the minutes to understand what happened.
 19 Does anybody have any other suggested changes?
 20 If not, I'll entertain a motion for approval of the
 21 April 21st meeting minutes as amended.
 22 MR. MOSS: Chair Lynch, I would move the approval of
 23 the April 21st transcript as corrected by you just now.
 24 CHAIR LYNCH: Do I have a second?
 25 MS. GREEN-TAYLOR: I'll second it.

1 CHAIR LYNCH: It's moved and seconded that the
 2 meeting minutes as corrected from the April 21st meeting be
 3 adopted.
 4 All those in favor say "aye."
 5 MULTIPLE SPEAKERS: Aye.
 6 CHAIR LYNCH: Opposed? Motion carries.
 7 So now I think we can just go ahead and turn to our
 8 regular updates.
 9 Mr. Melbardis, Kittitas Valley Wind Project?
 10 MR. MELBARDIS: Good afternoon, Chair Lynch and EFSEC
 11 Council. This is Eric Melbardis with EDP Renewables with a --
 12 OVERHEAD PAGING SYSTEM: "Attention in the plant.
 13 Attention in the plant. There will be a..."
 14 CHAIR LYNCH: Excuse me, Mr. Melbardis. I'm going to
 15 stop you just for a second.
 16 Just a reminder for those of you who are listening
 17 in, if you could put your speakers on mute because we're
 18 starting to get some interference over on our side. So please
 19 mute your end so that we can properly hear those people who are
 20 giving us updates.
 21 Sorry, Mr. Melbardis. Please continue.
 22 MR. MELBARDIS: Yes. Can you hear me all right?
 23 CHAIR LYNCH: If you could be a little louder, that
 24 would certainly help.
 25 MR. MELBARDIS: Okay. The project has nothing

1 nonroutine to report other than we have completed our 2015
 2 spring noxious weed surveys and are in the process of treatment
 3 and applications now. We should be finished by the end of the
 4 month.
 5 CHAIR LYNCH: So, basically, no incidences to report.
 6 Any questions for Mr. Melbardis?
 7 Thank you.
 8 Ms. Diaz, Wild Horse Wind Power Project?
 9 MS. DIAZ: Yes. Thank you, Chair Lynch and
 10 Councilmembers.
 11 Can you hear me okay?
 12 CHAIR LYNCH: Yes.
 13 MS. DIAZ: Okay. I have several updates for you
 14 today. April was quite a busy month.
 15 First, in accordance with the Post-Construction --
 16 (Bridge line beeps.)
 17 MS. DIAZ: I'll start over.
 18 In accordance with the Post-Construction Rangeland
 19 Management and Grazing Plan, cows were let out to graze at Wild
 20 Horse on April 1st. Minutes from the TAC meeting held on
 21 February 12 were reviewed by TAC members and finalized on April
 22 6th. And in accordance with the Alternative Sage-Grouse
 23 Conservation Measures, as recommended by the TAC, about 3 miles
 24 of old barbed wire fence was removed to reduce the potential for
 25 collision hazards for sage-grouse and other wildlife.

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1 And in accordance with the Sage-Grouse Nesting and
2 Brood-Rearing Habitat Restoration and Management Plan, the
3 spring sage-grouse nesting habitat survey was completed in The
4 Pines restoration area. The upland and riparian brood-rearing
5 habit survey will be completed this summer. Results of
6 monitoring activities will be shared with the TAC once all of
7 the data has been compiled and evaluated.

8 Ray Latham from the Department of Ecology's Water
9 Quality Program and Jim LaSpina, EFSEC Staff, conducted a
10 stormwater inspection on April 16th. Following the inspection,
11 Mr. Latham commented that revegetation of the site is
12 progressing well and there are no significant stormwater
13 maintenance issues. A final inspection report will be issued by
14 Ecology following their review and comments on the Wild Horse
15 Operation Stormwater Pollution and Prevention Plan.

16 And, finally, site staff received stormwater training
17 and were recertified as Erosion and Sediment Control Leads.

18 And that's all I have for you.

19 CHAIR LYNCH: Any questions for Ms. Diaz?

20 Thank you for your report.

21 Mr. Downen, Grays Harbor Energy Center?

22 MR. DOWNEN: Good afternoon, Chair and Council. My
23 name is Rich Downen. I'm the plant manager at Grays Harbor
24 Energy.

25 For the monthly operational report for the month of

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1 April at Grays Harbor, the only nonroutine things to report are
2 the performance of our annual CPR and first-aid training. We do
3 that with all site personnel, and we do that through the local
4 fire district. One of the ways that we interact with them.

5 Also towards the end of the month, we began our 2015
6 annual maintenance outage. It's an outage that's scheduled for
7 14 days. It's actually over now, but it was -- it straddled
8 April and May, so all that work is complete, and the plant's
9 back on operational. That's all the updates that I have.

10 CHAIR LYNCH: Any questions for Mr. Downen?

11 Very good. Thank you.

12 MR. DOWNEN: All right.

13 CHAIR LYNCH: And, Mr. Miller, Chehalis Generation
14 Facility?

15 MR. MILLER: Good afternoon, Chair Lynch and
16 Councilmembers. My name is Mark Miller. I'm the plant manager
17 at PacifiCorp's Chehalis Generating Facility. I have a couple
18 nonroutine comments, or at least one extended comment.

19 With respect to the installation of three new
20 monitoring wells -- and this was -- that's part of -- and also
21 redevelopment of existing wells, which are part of the --
22 conducted under the Washington State Department of Ecology's
23 Voluntary Cleanup Program, and this will continue due to the
24 failure of two generator step-up transformers and the subsequent
25 spill of mineral oil from those devices.

1 The lab analysis have gone well so far, and nothing
2 we are looking at exceeds the MTCA cleanup levels -- "MTCA"
3 being the Model Toxics Control Act -- and we're looking to
4 sample the wells again in July before the groundwater levels
5 drop too far.

6 Are there any questions?

7 CHAIR LYNCH: How long is that sampling required to
8 continue?

9 MR. MILLER: Until the -- the terms of the voluntary
10 compliance program is dependent upon Ecology's review of data
11 over -- right now we're expecting three years of quarterly
12 samples and a determination of no further action, so it's been
13 open-ended at this point.

14 CHAIR LYNCH: I see. And then after that time, if
15 there's no hits in the shallow wells, then there's an assumption
16 that there's --

17 MR. MILLER: And we haven't had, Chair, even with the
18 failure of the No. 1 transformer in 2012, I guess it was, and
19 the subsequent failure of GSU No. 3. We did significant soil
20 and rock clean up at the time of the spill and just removing
21 materials and now it's just a matter of, you know, continuing to
22 sample the near-surface perched water table and if any oil is --
23 we haven't had any analysis again that meet the level of
24 detection of MTCA.

25 CHAIR LYNCH: I see. Thank you.

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1 MR. MILLER: Okay.

2 CHAIR LYNCH: Does anyone else have any questions for
3 Mr. Miller?

4 No questions.

5 MR. MILLER: All right.

6 CHAIR LYNCH: Thank you, Mr. Miller.

7 MR. MILLER: Thank you.

8 Ms. Khounnala, can you give us an update first on the
9 Columbia Generating Station, then WNP 1 and 4?

10 MR. McNUTT: Ms. Khounnala is not able to be here.
11 She's working in the outage right now for Columbia Generating
12 Station. My name is Steve McNutt, and I'll be providing the
13 update on her behalf.

14 Good afternoon, Chair Lynch and Council. Columbia
15 Generating Station's operational status. Currently, Columbia is
16 offline for the R22 refueling outage. The plant operated for
17 683 continuous days leading up to the start of this outage. The
18 refueling outage will continue through June 15, 2015.

19 Last month, the State Fire Marshal completed the life
20 safety inspection of Columbia, and as well as the WNP 1/4
21 complex. Energy Northwest is currently waiting on the results
22 of this inspection. There are no other events, safety
23 incidences, or regulatory issues to report.

24 For WNP 1/4 water rights. The Department of Energy
25 participated in a site visit to the WNP 1/4 facility on May 6,

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1 2015, to assist with the scoping process for the NEPA
2 Environmental Assessment. The NEPA Environmental Assessment
3 will allow a new lease to be signed between Energy Northwest and
4 the Department of Energy and thereby allow for use of water
5 rights obtained in January of this year. The preparation of the
6 NEPA Environmental Assessment is expected to last through the
7 summer of 2015 with formal reviews to follow. That is all.

8 CHAIR LYNCH: Thank you. Any questions for
9 Mr. McNutt on either of the Columbia Generating Station or WNP 1
10 and 4?

11 This is an easy group today. Thank you, Mr. McNutt.

12 MR. McNUTT: You're welcome.

13 Ms. Bumpus, do you want to give us an update on the
14 Vancouver Energy Distribution Terminal?

15 MS. BUMPUS: Good afternoon, Chair Lynch and
16 Councilmembers. Thank you. I have a very brief update today.
17 It's really just relative to the DEIS development. There are no
18 changes to report relative to the DEIS schedule. We are
19 performing technical review of the document internally between
20 Staff, and we're doing that on a rolling basis with our
21 consultant. We're coordinating a review with our agency
22 contractors and evaluating those comments. We're also reviewing
23 the Councilmember comments that we received on Chapter 2, and
24 we're making progress and we're moving steadily along and I'll
25 keep you posted as that work progresses.

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1 CHAIR LYNCH: Thank you. So we're still on track for
2 a July issuance of the draft EIS?

3 MS. BUMPUS: Correct.

4 CHAIR LYNCH: Okay. Any questions for Ms. Bumpus?

5 Very good. So under the other category in terms of
6 the legislation update, our request bill did not make it through
7 the regular session, but it's on the Governor's list of bills
8 that he has recommended the legislature to take up during the
9 special session. And I made a number of contacts in both the
10 Senate and House side, so as the ~~internal~~ ^{General} optimist, I still feel
11 like there's a good chance that our bill will make it all the
12 way through. And I even wrote a letter to each legislator so
13 they can't say they haven't been told about the importance of
14 our bill.

15 Rules update. Mr. LaSpina?

16 MR. LaSPINA: Good afternoon, Chair Lynch and
17 Councilmembers. At last month's Council meetings, Staff
18 informed you of proposed revisions to EFSEC's air quality rule.
19 I would like to provide an update to you on this revision
20 process.

21 In recent years, Ecology has implemented five
22 revisions of its two primary air quality rules. This EFSEC
23 revision adopts by reference these recent Ecology rule
24 revisions. These rule revisions are required to assure
25 compliance with federal regulations and consistency with current

1 Ecology air quality rules.

2 Public notice for the rule revision will begin
3 tomorrow, May 20th, and end at five p.m. on July 7th. Staff
4 plans to present the final proposed rule and any public comments
5 received to the Council for its review and approval at its July
6 19th meeting.

7 I would be happy to address any questions or concerns
8 you may have on this.

9 CHAIR LYNCH: Any questions about the proposed air
10 rules that we finally have into the code reviser's office?

11 Well, thank you, not only Mr. LaSpina, but
12 Ms. Wraspir worked a lot together to get that done. And, of
13 course, we don't do anything without talking to our very
14 talented Assistant Attorney General Ann Essko who reviewed these
15 proposed rules as well. So I feel very confident that they will
16 do what we need to do in terms of updating our rules. So this
17 is a very, very big step towards getting a State implementation
18 plan approved by EPA potentially later this year.

19 Okay. And at this point in time, unless somebody has
20 anything they'd like to bring up right now, I would like us to
21 go into executive session pursuant to RCW 42.30.110(1)(i), to
22 discuss with legal counsel potential litigation to which the
23 agency may become a party.

24 And so it is now ten before two. I'm anticipating
25 this will take about half an hour, so we'll be back at 2:20.

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1 And with that, we're in recess for purposes of
2 executive session.

3 (Recess taken.)

4 CHAIR LYNCH: This is Bill Lynch, the EFSEC chair.
5 It is 2:25. We're running a little bit longer than we
6 anticipated. And I anticipate we'll take another 15 minutes,
7 and so we'll be back at twenty to three. Thank you.

8 (Recess taken.)

9 CHAIR LYNCH: This is Bill Lynch going back on the
10 record. It is 17 minutes before three o'clock. And we are
11 going to need another 17 minutes before we're done, so we will
12 come back in at three. Thank you.

13 (Recess taken.)

14 CHAIR LYNCH: This is Bill Lynch. It is eight
15 minutes after three o'clock, and we have concluded our executive
16 session. And seeing no further business before the Council, we
17 are adjourned. Thank you.

18 (Whereupon, the executive session adjourned at 3:08 p.m.)

19 -o0o-

1 CERTIFICATE

2
3 STATE OF WASHINGTON)4) ss
COUNTY OF KING)5
6 I, SHELBY KAY K. FUKUSHIMA, a Certified Shorthand Reporter
7 and Notary Public in and for the State of Washington, do hereby
8 certify that the foregoing transcript is true and accurate to
9 the best of my knowledge, skill and ability.10 IN WITNESS WHEREOF, I have hereunto set my hand and seal
11 this 27th day of May, 2015.
12
1314 ~~SHELBY KAY K. FUKUSHIMA, CCR~~
1516 My commission expires:
June 29, 2017
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Kittitas Valley Wind Power Project

Monthly Project Update

June 16, 2015

Project Status Update

May Production Summary:

MWh 29,176 MWh
Wind 7.7 m/s or 17.2 mph
CF 38.9%

Safety:

No incidents

Compliance:

Project is in compliance as of June 12th, 2015.

Sound:

No complaints

Shadow Flicker:

No complaints

Environmental:

Nothing non-routine

Wild Horse

Wind Production: May generation totaled 32,247 MWh for an average capacity factor of 15.90%.

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

Compliance/Environmental: Nothing to report.

EFSEC Monthly Operational Report

May, 2015

1. Safety and Training

- 1.1. There were no accidents or injuries during the month of May.
- 1.2. Conducted scheduled and required monthly training.
- 1.3. Conducted the scheduled safety committee meeting.

2. Environmental

- 2.1. Submitted the April Discharge Monitor Report (DMR) for outfall to EFSEC.
- 2.2. Notified EFSEC of RATA and stack test scheduled for the week of 24 August.
- 2.3. Continued dialogue with EPA on PSD amendment 4.

3. Operations & Maintenance

- 3.1. Grays Harbor Energy operated 19 days and generated 221,748 MWh during the month of May.
- 3.2. The capacity factor (CF) was 48.1% in May, and 13.0% YTD.
- 3.3. The availability factor (AF) was 77.3% in May, and 91.4% YTD.
- 3.4. GHE performed the 2015 Spring Maintenance Outage from Apr 25 through May 8.

4. Noise and/or Odor

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

5. Site Visits

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

6. Other

- 6.1. Grays Harbor is currently staffed with 20 personnel. We are in the process of reviewing applications to fill two open operations positions.
- 6.2. Installation of noise monitoring equipment is budgeted and planned for the 2nd half of 2015.

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

12 April 2015

Safety:

- There were no recordable incidents this reporting period and the plant staff has achieved 4578 days without a Lost Time Accident.

Environment:

- Waste water monitoring results are in compliance with the permit limits for the month of May 2015.

Personnel:

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

Operations and Maintenance Activities:

- The Plant began a 45 day major maintenance overhaul of the entire plant on May 2nd. The planned end date is Monday June 15, 2015.

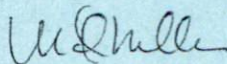
Regulatory/Compliance:

- There were no air emissions deviations, waste-water or stormwater deviations or spills during the month of May 2015.
- Sound monitoring: There were no noise complaints to report.

Carbon Offset Mitigation

Nothing to report this period

Respectfully,



Mark A. Miller
Manager, Gas Plant

**Energy Northwest
EFSEC Council Meeting
June 19, 2015
(Shannon Khounnala)**

I. Columbia Generating Station Operational Status

Columbia is currently offline for the R22 refueling outage. The plant operated for 683 continuous days leading up to the start of this outage.

The R22 refueling outage is coming to a close mid-June and it is expected that Columbia will resume online operations the week of June 22, 2015. To date, there have been no recordable or lost time injuries.

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

II. WNP 1/4 Water Rights

The Department of Energy continues to work on the NEPA Environmental Assessment (EA) for WNP 1/4. Currently, DOE is awaiting the bid from their contractor for preparation of the EA. The NEPA Environmental Assessment will allow a new lease to be signed between EN and the Department of Energy, and thereby allow for use of the water rights obtained in January of this year. The preparation of the NEPA Environmental Assessment is expected to last through the summer and fall of 2015 with formal reviews to follow.

Reference: NWS-2013-962; Tesoro Savage Vancouver Energy Distribution Terminal, LLC

MEMORANDUM FOR RECORD

SUBJECT: Revised Permit Application Evaluation Procedure

1. On 12 February 2014, the U.S. Army Corps of Engineers, Seattle District (Corps) received an application from Tesoro Savage Vancouver Energy Distribution Terminal, LLC for Department of the Army (DA) authorization under Section 404 of the Clean Water Act (CWA) and Section 10 of the Rivers and Harbors Act (RHA) to construct an export terminal along the Columbia River at the Port of Vancouver, in Clark County, Washington. The proposed terminal would transfer up to 360,000 barrels of crude oil per day from train to ship for transport primarily to West Coast refineries. Proposed activities in the Columbia River requiring DA authorization from the Corps include seismic and safety upgrades, installing concrete anchors in existing steel piles, minor configuration modifications to existing mooring facilities, and installing a transfer pipeline on one of the mooring facility piers. The transportation of crude oil to the terminal by rail is not within the Corps' control and responsibility and, therefore, not part of the permit review.
2. Based on its review of the application, the Corps initially determined the proposed upgrades and other modifications, which include replacing decking, mooring hardware and fender systems, installing concrete anchors in existing steel piles, and also removing portions of some overwater structures, could be evaluated for potential authorization by Nationwide Permit (NWP) 3 (Maintenance). The Corps also determined the proposed transfer pipeline, which would include piping, a jib crane, manifolds and related facilities, could be evaluated for potential authorization under NWP 12 (Utility Line Activities). These determinations were based on the Corps' understanding that the DA authorization for the original construction of Berths 13 and 14 (Permit No. 93-25, issued to the Port of Vancouver by Portland District on 12 September 1993) contemplated future use of the berths for cargo handling.
3. As part of the application evaluation process, the Corps conducted further research on the use of the Berth 13 and 14 piers. During conversations with the Port of Vancouver (POV), the Corps learned the piers have been used for lay berthing and, on a few occasions, the provisioning of vessels, but not for cargo loading or unloading. In April 2015, the Corps examined the original 1993 permit decision documents and preliminarily concluded cargo handling was not a use contemplated by the Corps in that original permit decision. The permit documentation contemplates "short and long term" lay berthing, not cargo handling. The short term berthing refers to Ready Reserve Vessels, while long term berthing refers to cargo handling vessels. Because the currently proposed work would facilitate a use for the structure "differing from those uses specified or contemplated for it in the original permit", the proposed work does not meet the terms and conditions of NWP 3.

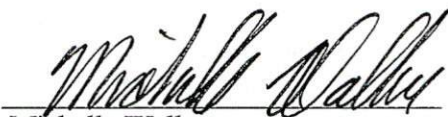
CENWS-OD-RG

SUBJECT: NWS-2013-962; Tesoro Savage Petroleum Terminal LLC

4. On 6 May 2015, Corps staff met with the applicant and POV to further discuss historic and ongoing use of the Berth 13 and 14 piers. The applicant subsequently submitted additional documentation, including provisioning receipts and a copy of Port of Vancouver Resolution 10-92, which discussed anticipated site improvements at Terminal 4. The Corps reviewed the submitted information and determined it does not sufficiently support the applicant's assertion that use of the Berth 13 and 14 piers for cargo handling was contemplated at the time the original permit was issued. Rather, a plain reading of the original permit application and permit form is that the intended use of the Berth 13 and 14 piers was for lay berthing and not cargo handling. After considering all the available information and completing internal coordination, I have determined the proposed work cannot be authorized by NWP and requires evaluation under the Corps' standard individual permit procedures.

5. Proposed activities requiring Section 10 RHA (only) authorization by the Corps are often evaluated under the Corps' Letter of Permission (LOP) procedures. However, use of the LOP procedures is limited to situations when "the proposed work would be minor, would not have significant individual or cumulative impacts on environmental values, and should encounter no appreciable opposition" (33 CFR 325.2(e)(1)(i)). As with the review under the NWP process, the Corps regulates the proposed in- and over-water work but does not have sufficient control and responsibility over the associated rail transportation to warrant its review under the National Environmental Policy Act. There is appreciable public opposition to this project. The Corps has already received over 17,000 unsolicited email comments, multiple congressional inquiries, and a number of letters of opposition from local governments and Indian tribes. Given this level of opposition, I have determined the proposed project does not qualify for evaluation under LOP procedures.

6. In light of the above, I have directed my staff to continue evaluating this permit application under our standard individual permit procedures, and will notify the applicant accordingly.



Michelle Walker

Chief, Regulatory Branch

U.S. Army Corps of Engineers, Seattle District

5/28/15
Date