www.buellrealtime.com

25

1	APPEARANCES
2	
3	Councilmembers Present:
4	Bill Lynch, Chair Joe Stohr, Department of Fish and Wildlife Dan Siemann, Department of Natural Resources
	Dennis Moss, Utilities and Transportation Commission
6	Local Government and Optional State Agency:
7 8	Bryan Snodgrass, City of Vancouver (via phone) Ken Stone, Department of Transportation Greg Shafer, Clark County Larry Paulson, Port of Vancouver
9	Attorney General's Office:
10	
11	Ann Essko, Assistant Attorney General
12	Staff in Attendance:
13 14 15	Stephen Posner Jim LaSpina Tammy Mastro Sonia Bumpus Cassandra Noble Kali Wraspir
16	Joan Aitken
17	Guests in Attendance:
18	Jay Derr, Van Ness Feldman Kelly Flint, Grays Harbor Richard Downen, Grays Harbor Energy
19	Guests in Attendance Via Phone:
20	Eric Melbardis, EDP Renewables, Kittitas Valley
21	Shannon Khounnala, Energy Northwest Grant Bailey, Golder Associates Karen McGaffey, Perkins Coie
23	
24	-000-
25	

1	OLYMPIA, WASHINGTON, JULY 21, 2015
2	1:31 P.M.
3	-000-
4	
5	CHAIR LYNCH: Good afternoon. Today is
6	July 21st, 2015, the regular July Council meeting of
7	the Energy Facility Site Evaluation Council.
8	Could we please have the Clerk call the role?
9	MS. MASTRO: Department of Commerce.
10	CHAIR LYNCH: Excused.
11	MS. MASTRO: Department of Ecology?
12	CHAIR LYNCH: Excused.
13	MS. MASTRO: Fish & Wildlife?
14	MR. STOHR: Joe Stohr is here.
15	MS. MASTRO: Department of Natural
16	Resources?
17	MR. SIEMANN: Dan Siemann here.
18	MS. MASTRO: Utilities and
19	Transportation Commission?
20	MR. MOSS: Dennis Moss is here.
21	MS. MASTRO: Local governments and
22	optional state agencies. Department of
23	Transportation?
24	MR. STONE: Ken Stone is here.
25	MS. MASTRO: The City of Vancouver?

1 MR. SNODGRASS: Bryan Snodgrass on the 2 phone. 3 MS. MASTRO: Clark County? 4 MR. SHAFER: Greg Shafer present. 5 MS. MASTRO: Port of Vancouver? 6 MR. PAULSON: Larry Paulson here. 7 MS. MASTRO: Chair, there is a quorum. 8 Thank you, Ms. Mastro. CHAIR LYNCH: 9 If I could have the councilmembers just take a 10 brief look at the proposed agenda today to see if they 11 have any proposed additions. 12 Hearing none, let's go ahead and -- before we 13 move to approval of the minutes, I would like to give 14 those people who are on the line the opportunity to 15 identify themselves if they choose to. 16 MS. KHOUNNALA: Shannon Khounnala, 17 Energy Northwest. 18 MR. BAILEY: Grant Bailey with --19 CHAIR LYNCH: I'm sorry, that last 20 person, do you mind saying that a little more clearly, 21 please? 22 MR. BAILEY: Yeah, Grant Bailey with 23 Golder Associates. 24 CHAIR LYNCH: Excuse me, is it Grant 25 Bailey?

1 MR. BAILEY: Yes. 2 CHAIR LYNCH: And I'm sorry, who did you 3 say you are with? 4 MR. BAILEY: Golder. 5 CHAIR LYNCH: Oh, Golder, yes. Thank 6 you. 7 MS. McGAFFEY: Karen McGaffey, Perkins 8 Coie. 9 CHAIR LYNCH: Okay. Let's move on. 10 Would the Council please take a look at the 11 June meeting minutes. If there are no suggested 12 corrections, I will entertain a motion for their 13 adoption. 14 MR. STOHR: Mr. Chair, I move we approve 15 the June 16th meeting minutes. 16 CHAIR LYNCH: Do we have a second? 17 MR. MOSS: I will second that. 18 CHAIR LYNCH: It's been moved and 19 seconded that the Council approve the meeting minutes from June 16th meeting. All those in favor say "Aye." 20 21 MULTIPLE SPEAKERS: 22 CHAIR LYNCH: Opposed? 23 Motion carries. 24 Let's go ahead and move into the updates from our regulated facilities. First of all, Kittitas 25

- 1 Valley Wind Power Project.
- 2 MR. MELBARDIS: Good afternoon, EFSEC
- Council, Chair Lynch. This is Eric Melbardis with EDP 3
- 4 Renewables for the Kittitas Valley Wind Power Project.
- 5 We have nothing nonroutine to report.
- 6 CHAIR LYNCH: Thank you, Mr. Melbardis.
- 7 Any questions from councilmembers regarding
- 8 the Kittitas Valley Wind Project?
- 9 Thank you. Those are the reports that we like 10 to hear.
- 11 And can we have an update now from Wild Horse 12 Wind Power Project?
- 13 Ms. Diaz or someone else from Wild Horse 14 on the line?
- 15 Mr. LaSpina, you have looked at their 16 submission. It looks like they have nothing to 17 report.
- 18 MR. LASPINA: It's the pink sheet in your pockets. They apparently have no nonroutine 19 20 events to report.
- 21 CHAIR LYNCH: Okay. Thank you.
- 22 I see Mr. Downen is here for Grays Harbor
- 23 Energy Center. Welcome.
- 24 MR. DOWNEN: Thanks, Chair Lynch.
- Welcome yourself. Council and Staff, it's good to see 25

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 everybody. Sunny weather, it cheers us all up. 2 not used to it here.

For Grays Harbor Energy, the month of June, the only things that are not routinely reported, there's a few of them. The reference to the annual outfall inspection and functional testing that we performed, we perform that every summer, the notification of EFSEC of the issue that we had with our pH instrument. I talked about that last -- at the last meeting and we are discussing that with EFSEC Staff. We report here that we made the notifications to them.

And then the ongoing communications that we've got with all the affected regulatory parties with regards to our PSD revision, that is still ongoing. And also, the affected parties for the engineering report, and that's still ongoing, although I believe both of them are making some progress. That's good news, I think.

And the only other thing of note is -- all the way at the bottom, is regarding the installation of noise monitoring equipment. That project is ongoing. The noise monitor has been purchased, is on site, and we are in the process of doing all of the intangibles, like run power to it and get the communications set up

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 so that it will communicate directly and be recorded in the DCS that controls the plant, so that's moving 2 3 along.

CHAIR LYNCH: Excellent. We are very happy to hear about the -- how the noise monitoring equipment being installed is moving along.

And as Mr. Downen noted, one incident he reported on last month is still under investigation, so we're not going to ask him guestions about that Is there any other questions for Mr. Downen? Thank you.

MR. DOWNEN: All right. Thank you.

CHAIR LYNCH: Columbia Generating

Station. Ms. Khounnala?

MS. KHOUNNALA: Yes, this is Shannon Khounnala with Energy Northwest for the Columbia Generating Station operational status update. We are back online at 64 percent and we are producing 683 megawatts. We returned from our outage back to online operations on June 28th, at the end of last month.

As you will see in your report that is provided to the councilmembers there, during our process to return to full power following our outage, Columbia did encounter some difficulties with one of our reactor feed water valves. We did perform some

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

troubleshooting on that valve and determined that there was an internal component that is stuck within the valve. So while we only have one of the pumps operating as designed, we are limited to online operations of approximately 65 percent.

So following this discovery, we thoroughly vetted a repair option and plan, brought a specialty contractor to the site, and began working with them after the July 4th holiday. Repairs were put into place last week and continue into this week, so that effort is ongoing. Our plan is to remain at just less than 65 percent power as we complete that repair plan.

While that reactor feed water valve issue did pose a -- posed a temporary hurdle to bringing us back to 100 percent power, we do consider our refueling outage to be very successful. We completed over 2,000 maintenance orders during the outage.

A couple of the big activities of note during this outage is, we did some long-anticipated maintenance on our main generator, and we also replaced three of our four main transformers with new Those were big efforts that were long units. anticipated.

And while we bring on an additional 1200 to 1500 people to support the outage here, we were able

1	to complete that outage without any reportable or lost
2	time injuries.
3	Outside of those details, we don't have any
4	other events or safety incidents or regulatory issues
5	to report.
6	CHAIR LYNCH: Ms. Khounnala, before we
7	take Board questions, Council questions, just go ahead
8	and continue with your update for WNP 1 and 4.
9	MS. KHOUNNALA: Sure. The update for
LO	WNP 1 and 4 has not changed from the update provided
L1	in June. That summary is actually identical, that we
L2	continue to just focus our efforts with the Department
L3	of Energy on the work needed to complete the NEPA
L4	environmental assessment. We will be in this process
L5	for a number of months. So no additional details.
L6	CHAIR LYNCH: Thank you.
L7	Any questions for Ms. Khounnala, either the
L8	Columbia Generating Station or WNP 1 and 4?
L9	Mr. Stohr?
20	MR. STOHR: Good afternoon,
21	Ms. Khounnala, Mr. Stohr with Fish & Wildlife.
22	MS. KHOUNNALA: Good afternoon.
23	MR. STOHR: Do you have any sense of why

discharge valve?

24

25

or how did the internal component get stuck within the

That's question one.

And then the

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

- 1 other is when do you anticipate the repair being 2 completed?
- 3 MS. KHOUNNALA: Sure. As far as the 4 actual why of -- why or how the internal component was 5 stuck, I -- you know, I don't have an answer to that. 6 I could research that and vet that back through staff 7 to get that to you for an official technical reason 8 for why.

In terms of the repair, coming back online, we are receiving at this time daily updates. contractors are actually performing the work. I know they are busy working on that today. We took significant time after -- once the contractor was on site, to run through mock trials, as well as the planning component of that repair, so that took significant time.

And now, as of the start of this past week -weekend, excuse me, and into this week, we are performing the physical work. So the anticipated date, day or time is unknown, but that work is being performed as we speak.

CHAIR LYNCH: Thank you, Ms. Khounnala. We are going to have some other questions, but if you could get back to the Council next time with some information on why that particular component got stuck

```
1
    in the first place, in order to close the loop.
2
                   MS. KHOUNNALA: Yes, will do.
3
    Thank you.
4
                   CHAIR LYNCH: Mr. Moss?
5
                   MR. MOSS: (Shakes head.)
6
                   CHAIR LYNCH: No?
                                      Okay.
7
            Thank you.
8
            There's no more questions for Ms. Khounnala.
9
            I believe I skipped over the Chehalis
10
    Generating Facility. Mr. Miller. Mr. Miller's report
11
    is the light blue report right here. There were no
12
    incidents to report.
13
            I will confirm that with Mr. LaSpina of Staff.
14
    Is that correct?
15
                   MR. LASPINA: Yes, sir, that's true.
16
                   CHAIR LYNCH: Okay. And now we will
17
    move forward with our Tesoro/Savage Vancouver Energy
18
    Distribution Terminal update.
19
            Ms. Bumpus.
20
                   MS. BUMPUS: Thank you.
21
            Good afternoon, Chair Lynch and
22
    councilmembers. I am going to start with a couple of
23
    project updates relative to the permits, and then I
24
    will be covering some updates on DEIS following all
25
    the permits.
```

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 For the stormwater NPDES construction permit, on June 23, 2015, EFSEC staff provided review comments 2 3 to the applicant, requesting additional information. 4 Further review is pending, receipt of the information 5 EFSEC has requested for that permit. 6 For the NPDES industrial permit, EFSEC Staff

continued to coordinate with EFSEC's contractors at Ecology. We are reviewing comments and we are preparing to send information to the applicant on that review.

For the NOC air permit, there aren't any new updates to provide at this time. We are continuing to work with the Ecology contractor on developing that draft permit, and I will continue to keep you apprised of new information as we move forward with that process.

Are there any questions on those three permits?

CHAIR LYNCH: Any questions for Ms. Bumpus regarding the permits?

Please continue.

MS. BUMPUS: Okay. So this is just the last thing I wanted to mention before leaving the permits, the 401 water quality certification. month, councilmembers recall during the June meeting

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

there was a copy of the U.S. Army Corp of Engineers letter regarding their revised permit application evaluation procedures. The Corps' decision to undertake an individual permit evaluation triggers individual 401 review, which includes conducting a public comment period. On July 2nd, EFSEC and the Corp issued a joint public notice, and that notice is provided in a hard copy in your packets. It's also available on the EFSEC website. That comment period began July 2nd and ends on August 1st.

And that's all I have to update on the 401.

CHAIR LYNCH: Regarding the -- excuse me, Ms. Bumpus, but regarding this joint public notice, my understanding is if somebody wants to comment on the Corp 404 permit, they contact the Corp at their site and if they want to comment on the 401 certification they comment to us; is that correct?

MS. BUMPUS: Correct.

CHAIR LYNCH: Thank you.

MS. BUMPUS: All right. So moving on to the DEIS update. In your packets there is a hard copy of the DEIS schedule that was revised shortly after last month's Council meeting. Cardno is on track to meet this schedule, and they are continuing to work on the document.

1 There are a couple of things I wanted to point 2 out about the schedule, as we are looking at it. Just 3 to note that on November 24th, 2015, that's the new 4 target date for publishing of the DEIS. The other 5 thing I wanted to point out is the time frame for Staff's first review of the DEIS. The first review, 6 7 that includes looking at the document in a 8 comprehensive form from August 12th to September 1st. 9 It's about 11 lines up from the bottom. This is when 10 Staff is proposing to provide the document in draft 11 form for Council's early preliminary review. 12 CHAIR LYNCH: So my understanding is 13 that instead of the Council getting individual 14 chapters to review, they will be getting a fairly 15 completed draft EIS. And what date will they be 16 receiving this, then? 17 MS. BUMPUS: They would receive it on 18 August 12th, 2015. 19 CHAIR LYNCH: Okay. So the Council gets that on August 12th, 2015, and they would have their 20 21 comments in by October 14th; is that correct? Or when 22 is it those would have to be in? 23 MS. BUMPUS: For the review period, from 24 August 12th to September 1, that first preliminary review, we wouldn't expect councilmembers to provide 25

```
1
    comments during that time, but they would during their
    next review cycle, which would be October 14th to
2
3
    November 10th.
4
                   CHAIR LYNCH: So the Council would have
5
    until November 10th to get comments to Staff?
6
                  MS. BUMPUS:
                               Right, between October 14th
7
    and November 10th would be that second review cycle.
8
                   CHAIR LYNCH: Oh, I see. So what you
9
    are saying is, is that the councilmembers will have
10
    the document to review, but you would only be really
11
    getting their comments between October 14th and
12
    November 10th.
13
                  MS. BUMPUS: Correct.
14
                   CHAIR LYNCH: Okay.
15
                  MS. BUMPUS: The August 12th to
16
    September 1st time frame is the same time that Staff
17
    would be reviewing it. It would just be that
18
    opportunity, an early opportunity, for you to look at
19
    the document, familiarize with that document before
20
    you do your review starting in October.
21
                   CHAIR LYNCH: Now I understand.
22
    Thank you.
23
            Do you have anything else?
24
                  MS. BUMPUS: If councilmembers don't
25
    have any questions, that's everything.
```

```
1
                   CHAIR LYNCH: Mr. Stohr?
2
                  MR. STOHR: Thanks.
3
            Looking at the term "legal review comments,"
4
    could you describe that for me? Does that have any --
5
                  MS. BUMPUS: Sure.
6
                  MR. STOHR: -- the AG's office take a
7
    look or --
8
                  MS. BUMPUS: Correct.
9
                  MR. STOHR: Okay.
10
                   CHAIR LYNCH: Any other questions for
11
    Ms. Bumpus?
12
            Thank you.
13
                  MS. BUMPUS: Thanks.
14
                   CHAIR LYNCH: And, Mr. Posner, do you
15
    want to update us on BP Cherry Point?
16
                  MR. POSNER: Yes.
17
            Good afternoon, Chair Lynch, councilmembers.
18
    In your packets is a copy of a letter from BP Cherry
19
    Point. I'm trying to locate it now. I can't -- I
20
    don't know what color it is, but it is in there. It's
21
    white.
22
            It's a short letter and it describes --
23
    basically, the letter -- we sent a letter to the
24
    facility inquiring about the status of the project,
25
    because the SCA, Site Certification Agreement, and our
```

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

rules state that if a certificate holder does not start construction within ten years of the effective date of the SCA, the SCA shall expire. So it has been It was -- December 21st, 2014, was when ten years. the -- the effective date of the SCA. We just wanted to make sure that the -- the certificate holder had an opportunity to communicate with us about their intentions and they did by sending this letter.

This is for informational purposes, to councilmembers, to let you know that BP Cherry Point cogeneration project is officially cancelled and they will be taken off our books, if you will, in terms of any charges that they might get. They have been, for the last several years, getting -- there has been some minor work, but -- some of our indirect costs have been charged to them, very minor. Starting July 1st this year, you won't see them anymore on the updates, as far as the indirect rates.

That's all I have.

CHAIR LYNCH: Any questions for Mr. Posner about the BP Cherry Point termination? Okay. Very good. And now here's an item I am particularly excited about, not just because it involves Mr. LaSpina, but it is the air rules adoption. Mr. LaSpina.

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 MR. LASPINA: Thank you, Chair Lynch.

Good afternoon, Chair Lynch and councilmembers. In each of your packets is a briefing memo on white paper. It is pretty comprehensive. Hopefully, you have had a chance to look at it. I am going to read off some of the highlights of that memo. And this involves the updating of EFSEC's main air quality rule, Chapter 463-78 WAC.

So the rulemaking process implements a statutory update for consistency between EFSEC and Ecology rules and compliance with the federal regulations. This rulemaking, adopted by reference, existing Ecology rules and existing federal performance standards that may apply to potential EFSEC projects in the future. This rulemaking utilized the expedited rulemaking process.

The proposed revision was published in the state register on May 20th, 2015, and was the beginning -- that date was the beginning of a 45-day public comment period, which is required by the expedited rulemaking process. Also, this process included SEPA review, and public notice was published in the Olympia newspaper. Notices were sent to 436 people on two EFSEC interested parties lists. Also, the Environmental Protection Agency and the Tribes

at this time.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 received notices. No public comments were received.

So in summary, EFSEC Staff recommends the Council approve the proposed rule for adoption today. I would be happy to answer any questions or concerns

CHAIR LYNCH: And before taking questions, just to add on to what Mr. LaSpina said, the rules were sent previously to the councilmembers as part of an e-mail package. We have been working closely with the Department of Ecology, and because these are just adopting their existing provisions by reference, we are using the expedited process.

This is a really important step in us submitting an eventual SIP, State Implementation Plan, to EPA. If we get EPA's approval of that document, we will be in the position to issue our own air permits, as opposed to having joint issuance of permits between us and EPA. It will save a lot of money and a lot of time.

Any questions for Mr. LaSpina?

So at this point in time I would entertain a motion to adopt the proposed air rules.

MR. MOSS: Chair Lynch, I would move that the Council approved the proposed revisions to EFSEC's air quality rule as presented today by Staff.

1	CHAIR LYNCH: Do we have a second?
2	MR. STOHR: I will second.
3	CHAIR LYNCH: It's been moved and
4	seconded that we adopt the proposed air rules as
5	described by Staff. Is there any further discussion?
6	MR. MOSS: I would just like to say,
7	Chair Lynch, I think this is an important move forward
8	for the Council, and that it will promote efficiency
9	and be in the public interest that we have these
10	revisions in place. My compliments to the Staff for
11	their hard work.
12	CHAIR LYNCH: Thank you, Mr. Moss. And
13	my compliments to our Staff and Ecology Staff both.
14	It was a good joint effort to pull this together. And
15	if we do get that SIP approval from EPA, we are going
16	to have ice cream cake right here in our council
17	chambers. I think Mr. LaSpina agreed to provide the
18	ice cream cake.
19	And now I will call for the question. All
20	those in favor say "Aye."
21	MULTIPLE SPEAKERS: Aye.
22	CHAIR LYNCH: Opposed?
23	Motion adopted.
24	Thank you very much.
25	Now we are going to move on to the revised

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

penalty guidance. We will not be taking action on this today, but I wanted to discuss it briefly with the councilmembers. This is a document basically a year and a half in the making. I was working on it from time to time, but then events would happen and then I would get pulled away from it.

The reason for this -- you have actually three documents in front of you. The first is the overall quidance document, then you have a gravity criteria scoring worksheet, and gravity criteria notes. reason for this is that when -- it's good to have some objective way of assessing a penalty when a violation occurs. That's what this -- these documents would be doing.

When I was on the Pollution Control Hearings Board, this is what we regularly got when there was a violation of an Ecology permit or a permit from a local air authority. You could see not only what their proposed penalty was, but how they arrived at that particular penalty. I was a little surprised, when I came here, that there wasn't something like this in place, so -- but this is -- this effort is to make sure that we have something like this in place.

And what I -- and it's -- if you were to actually do some comparisons, you would actually see,

5

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 this is very similar to the matrix that is used by the Department of Ecology air program. In fact, it is 3 virtually identical to that program. I looked at the 4 UTC process, I looked at Ecology's water quality program, Ecology's air quality program, I think it was 6 a Board of Industrial Insurance Appeals, I looked at 7 something else. Because these are in fact environmental violations that would be occurring, it seemed that there was a lot more in common with Ecology's proposed enforcement guidance, and so that's why I am recommending that.

One of the things I particularly liked about their quidance is that you would -- it really is very objective, that you go -- if you were to look at the gravity criteria score sheet, for example, you would see that what there is, is there -- you go through -if there is in fact a violation, you go through the checklist and for each question you assign points. Number one, "Did the violator know, or reasonably should have known, about the requirement?" Yes, five points; no, zero points.

What you do is you walk through all of these questions. And at the end you go a total score, and then you look at how that total score translates into a proposed penalty on the penalty matrix.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

For example, if you had four to six points, that would equal a penalty of \$1,000. That would be the recommended penalty.

And I should point out that how this matrix would work is that is a per penalty per day proposed violation, and that would be the maximum violation. But then -- so you could not, for example, have a proposed penalty of \$3,000, and then the Council say, well, we just don't like those guys and then propose a penalty of \$5,000. The \$3,000 penalty would be the maximum that the Council could impose per day, per violation.

And as the larger document, the enforcement quidance, makes clear, is that those are just a -that's just a recommended penalty. It's important to remember what is the -- the real reason behind a penalty statute, and that is to encourage compliance with the law and to have a level playing field. And so if, for example, you would have a small violation, and it was just the first time for a particular facility, instead of imposing the maximum violation that you could impose, you might decide to reduce the amount of the penalty because you think that the purposes of enforcement are being achieved with a lesser penalty. I like the idea of you are using your

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

discretion at the end of the scoring process, as opposed to exercising discretion within every element of every question.

And then the gravity criteria notes that accompany the scoring sheet, you will see that if you are having -- would like a little more guidance to how a question should be answered, you would be -- you would look at that particular document and that would help you answer that question.

And then that's only for the -- as most of you know, a penalty is composed of two different components. There's the gravity component, as in you did something wrong, and depending how serious that violation was, we're going to impose a penalty on you.

And the second is the economic benefit component. And that is, you want to make sure that you always recover the economic benefit component. I don't know of any regulatory authority that does not recover the economic benefit component.

Let's say, for example, a facility was not doing monitoring because they thought, well, we can save a few bucks by not doing this monitoring. Well, you want to make sure that you recover the cost of what that monitoring would have been. You don't want entities that are in fact obeying the law being put at

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

a disadvantage by their competitors who don't obey the law. So that's just how all of that comes together.

You are welcome to take a look at this and -oh, and one very important point about the penalty matrix is, this was put together in anticipation of our legislation passing this session, which I will get to later, which increased -- increased EFSEC's penalty authority from \$5,000 per violation per day up to \$10,000 per violation per day, which makes us consistent with Ecology. Ecology has had that same level of penalty since 1985. We are just catching up to them now.

Any violations that occurred before the effective date of our legislation, which is October 9th of this year, would -- again, like I said, we just -- penalty authority just increased from \$5,000 per day per violation to \$10,000 per day per violation. If you were trying to score how much a penalty should be assessed based on any penalty before this -- before our law took effect, you would essentially run it through the penalty matrix. If it was a penalty that would -- looks like it would be at a level of \$4,000, you would have to cut it in half, because we aren't authorized to impose penalties up to \$10,000 per day. We are essentially halving the

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 penalty amount for those particular violations.

And I know you are just probably wanting to think about this more at the moment than anything. But if you have any questions, I am happy to take those now.

Mr. Stohr?

MR. STOHR: Yes, Mr. Chair, I have used something like this a number of times in my career. This is very helpful, I think, to both feel like you are thorough and fair and you have a strong explanation as to why you made the choices that you made.

One point I don't see on here, and it probably isn't in the criteria itself, but I know at times it comes up is some -- some sense of discretion, when you have a chronic, fairly minor release versus a catastrophic major release or incident. Perhaps that doesn't even need to be stated, but I know at times it was -- it was always good to go back and look at the -- not only the history of the facility in terms of violations, but also to look at the history of the agency or other agencies as they dealt with various scenarios and settings, and to allow yourself some discretion to gauge the penalty you land on, depending on those factors.

Just an observation.

CHAIR LYNCH: Part of what you said is in here, Mr. Stohr. In fact, if you were to turn to Page 4 of the enforcement guidance, that is "Council Discretion on Gravity Component of Penalty."

After you are looking -- after you have put together a proposed penalty by using the matrix, the -- typically, what a regulating entity will do is look at three main factors, and that's the seriousness of the violation, the prior behavior of the violator, and subsequent actions taken to rectify the problem. Then as part of the questions that you go through, there is a -- when you are scoring you do look at, does the violator have a history of violations, and then you have questions related to the seriousness of the violation.

Again, if it's a paperwork violation it's still a permit violation, but that's much different than if you had a fish kill, for example, from a facility, which is much more serious, if you have harm to public health, safety or the environment.

So your thoughts are well taken about comparing other penalties from other places, so that's something to think about as well.

Any other questions or comments from

1 councilmembers?

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

I'm sure when you are with this document a little bit more, you will have some more questions or thoughts about it.

Now I would like to move on. So we're not taking final action on that today. What I would like to turn to now is just our legislative update. Our request bill, Senate Bill 5310, did pass the legislature, and it passed it in one evening. Talk about lots of excitement in one evening. We thought we were -- in fact, I had just about given it up. I did one last Hail Mary call to a senator. I was about ready to shut down my office, it was about 5:30 at night, and I saw on the senate floor our bill was the next bill up. And so then -- in fact, I picked up the phone and I dropped it. I said, I needed to quick call some House people.

And so we got the bill through the Senate and we got the bill through the House all in one evening. We are very pleased about that. The governor signed it. It takes effect October 9th.

It's good to have our penalties consistent with Ecology's penalties. It updated a number of our other statutes regarding enforcement.

One of the key things, and what I was really

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

pushing on legislators at the end, was that in order to get delegation from EPA to -- and particularly for what we were looking to do for our air permit, issuance of air permits -- federal law requires that you have the same enforcement authority as the EPA administrator. Ecology had that authority but we did not. So we ran the danger of doing all of this work to update our SIP and then basically we couldn't even submit it if we didn't even meet that basic criteria.

So by having that bill, Senate Bill 5310 pass the legislature this session, and having these rules adopted today, we are pretty far home, on the way to getting that SIP being submitted to Ecology.

What is left? There is a handful of rules that we still need to tweak a little bit, talk to EPA There is a rule adoption that Ecology, I believe, is going through in January regarding some new EPA requirement, and we will piggyback onto that. Then I believe we are just about ready to submit the SIP. This will be just a major, major action on our part.

And one other thing that passed during the 2015 session that pertains to EFSEC, is there was a budget proviso that said EFSEC shall either study or hire a contractor to study the siting of small,

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

modular nuclear reactors in this state. We have been doing some work trying to get that up and going. We have to have a few more conversations first, but you can tell there is a lot of interest in that particular proposal.

And also, unfortunately, we have already gotten a memo from the governor's office to start working on your 2016 legislation, and the ink isn't even dry on the bill that was just signed. anticipate us submitting two different bills to the governor's office for the 2016 session. One is a bill that's just a more technical bill regarding our deposits and assessments. That was actually -- we had a bill doing that in 2014. It passed the House, if not unanimously, near unanimously. It died in the Senate.

I was going to resubmit it in 2015, but I realized that there was a small tweak we needed to do, and I didn't realize it until the end of December. I didn't want to surprise all of our stakeholders with, oh, and there's a little change here, don't you worry your pretty little heads about. So I thought that was jamming them a little bit too much, so I thought it would be better to hold off until the 2016 session. But it is a fairly small tweak. Everyone has pretty

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 much seen it before, so I am hoping that will go 2 through.

But the second one is a much bigger project, and that is some changes to our siting process itself. What I'm looking at doing -- well, as many of you know, there are some bumps in our process which don't necessarily need to be there in order to have an efficient process. One of the things that you may recall is the Ouinault Tribe asked for declaratory order this fall regarding whether we had jurisdiction over the Grays Harbor proposed facilities. They asked for a declaratory order. It turns out we didn't have authority to issue a declaratory order because objections were filed to that.

The reason our jurisdictional statute is problematic is because it contains in the definition the words "capacity to receive." Capacity to receive. Is the threshold 50,000 barrels per day? Yeah. So the -- that's one of our jurisdictional thresholds.

So capacity to receive is not an industry term, it's not defined in our statutes, we don't have any WACs defining it, so what does that mean? So what happens is a facility isn't sure whether they come under our jurisdiction or not. They contact our Staff. We ask for engineering information. There's

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

back and forth. There's decisions that have to be made about, well, gosh, how quickly can you unload these tankers? What's -- you know, lots of all of these questions. And then you make your best decision. Why do we have to be that hard?

The State of New York, for example, just looks at storage capacity. If we had a storage capacity limit, you just say, what's the storage capacity, end of story. It's pretty easy. That's one of the things, I would like to take out the stakeholders and see what their thoughts are about that. That would be a lot easier.

Another thing I would like to see is us to adopt a preapplication process. Preapplication process is used by virtually every unit of local government. It really helps parties understand what is expected of them if you don't have your clock started for approval until an application is deemed complete. And I think it would go a long way for people to understand what information they need to provide.

Again, using New York as an example. I just happened to look at their site and they recently put in a preapplication process, and it's getting some pretty good kudos. New York has a very detailed

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

- 1 environmental set of requirements that need to be met.
- 2 And part of the reason they went to this
- 3 preapplication process was to help with that,
- 4 recognizing they had a detailed environmental process
- 5 that needed to be met, and they thought this
- 6 preapplication would assist in that.

I can only see good things coming from such a thing like that, but there's a number of other little fixes we need to do. I haven't even begun to talk to stakeholders yet. That's what -- I quess that's what I'm doing today. All of you stakeholders out there listening, I am hoping to get your thoughts later about whether you think something like this would work.

So that's the legislation.

Other Rules Updates. Besides the rules that you adopted today, we have some early discussions with the Department of Ecology regarding general permit coverage. I think we have got the authority now to issue coverage under Ecology general permits. Where that would most likely come up, for example, is a construction stormwater permit. Basically, a construction stormwater permit is keep your dirt out of the water, keep it on your property. I mean if you are doing that you are most likely in compliance with

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 your construction stormwater general permit.

But how it is now, there are some things in our WACs which raise questions about whether we do have authority to issue coverage under general permits that Ecology have.

So we have just started some preliminary discussions with them. We haven't run that by our very talented AG yet, so I want to make sure we do that. We want to make sure that we can -- because I believe we have this authority, just make it clear that we can issue coverage.

What happens is a facility will say, gosh, I'm not sure you've got authority to issue coverage under a general stormwater permit. We will have -- rather than take that chance, have our permit thrown out, we'll just require an individual permit.

Well, what happens then is this whole individual permit is cut and pasted, except where it says "Ecology," it says "EFSEC." I mean there's a few other changes, but that's what happens.

To me that is like requiring a delivery truck coming up to EFSEC's back door, unloading into another truck, and then that truck gets unloaded through our -- through our back door. Why not just let the first truck pull right up and unload? It just seems

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

silly to me. It's a waste of time, it's a waste of money. In fact, you can have problems because in trans -- picking up all of this information from one permit and putting it in another, there's a chance you might mix -- miss something. It's just an accident waiting to happen.

I think that's something that we could do without a whole lot of trouble. I am hoping in the next couple of months or so that we will -- that the Council will see that and we can authorize another rulemaking adoption for that.

Some other things we've got in the works. I'm also working -- because our bill just passed, I am working on updating our enforcement WAC to implement that. We have, like I mentioned, a few remaining air rules that we want to tweak. We are also talking with Ecology about a bigger cleanup up of our water quality That's -- that's more -- a little bit on the rules. back burner because we want to make sure that we don't have too many things going at one time. We want to complete these other things, particularly the air I just want to make sure that that's done. rules. So that's our update on rules.

Any questions about any of that process? You'll be seeing lots more paper.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

I think historically -- and why we are doing this big push to get all of these rules updated, historically, when EFSEC doesn't have a project in the door, they cut way back on staff. I think they have cut too much back on staff. It's like, okay, we've got somebody, you can, you know, make sure that the facilities are operating. But you also have to maintain your regulatory regime, which is make sure your statutes and your regs are up-to-date. We just haven't had the resources to do that.

I am kind of a legislative reg nerd, I think most people would say, and how can I refute that? I just feel a need to get a lot of these things updated and put into place. We are, I think, well on our way, with Staff's help and help from Ecology and others, to making that happen.

So with that, Mr. Posner, first quarter cost allocation.

MR. POSNER: So in your packets you have a copy of the first quarter allocation sheet. We do this at the beginning of every quarter, where we recalculate, look at our -- the work that was done in the past quarter, and then also in anticipation of the work that we see happening for the quarter we are in, we come up with these numbers.

1 So I will go ahead and just read them off. 2 For the Kittitas Valley Wind Project, it's 8 percent; Wild Horse Wind Project, 8 percent; Columbia 3 4 Generating Station, 16 percent; the WNP 1 and 4 site 5 is 3 percent; Whistling Ridge Energy Project, 3 percent; Grays Harbor 1 and 2, 9 percent; Chehalis 6 7 Generation, 9 percent; Desert Claim, 2 percent; Grays 8 Harbor Energy 3 and 4, 3 percent; and Vancouver 9 Energy, 39 percent. 10 And that's all I have on that matter. 11 Any questions? 12 CHAIR LYNCH: Any questions for 13 Mr. Posner? 14 MR. POSNER: Chair Lynch, I do have one 15 other thing before we adjourn. I just wanted to let 16 the councilmembers and the public know that starting 17 this month on our website, we are making available the 18 information that is in your packets on our website. 19 Generally, it will be there no later than the morning 20 of the day of the Council meeting. We have received 21 questions from the public about that information, so 22 just so that the public has an opportunity to see what 23 is in the packets. It is all publicly available 24 information, we are making that available. I just wanted to let the councilmembers know that. 25

Τ	CHAIR LYNCH: Very good. And it is all
2	stamped "draft" at that point; is that correct?
3	MR. POSNER: Well, the one document that
4	is a draft is the minutes, which are not approved, so
5	we want to make sure.
6	And then in the case of like the enforcement
7	documents that you discussed, those are draft
8	documents. Typically, the reports we get from the
9	projects, once we get those, those are public
10	documents, so we don't consider those draft documents.
11	CHAIR LYNCH: Okay.
12	Any questions for Mr. Posner?
13	Any further business before the Council?
14	Thank you for all your participation today.
15	We are adjourned.
16	(Meeting adjourned at 2:28 p.m.)
17	
18	
19	
20	
21	
22	
23	
24	
25	

1	CERTIFICATE
2	
3	STATE OF WASHINGTON
4	COUNTY OF KING
5	
6	I, Sherrilyn Smith, a Certified
7	Shorthand Reporter in and for the State of Washington,
8	do hereby certify that the foregoing transcript is
9	true and accurate to the best of my knowledge, skill
10	and ability.
11	
12	
13	
14	
15	
16	
17	SHERRILYN SMITH
18	
19	
20	
21	
22	
23	
24	
25	



Chehalis Generation Facility 1813 Bishop Road Chehalis, Washington 98532 Phone: 360-748-1300

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

15 July 2015

Safety:

• There were no recordable incidents this reporting period and the plant staff has achieved 4608 days without a Lost Time Accident.

Environment:

• Waste water monitoring results are in compliance with the permit limits for the month of June 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 overhaul was complete on Monday June 15, 2015.
- The Plant generated 113,269 MW-hrs in June and a capacity factor YTD of 9.5%.

Regulatory/Compliance:

- There were no air emissions deviations, waste-water or stormwater deviations or spills during the month of June 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 July 21, 2015 (Shannon Khounnala)

I. Columbia Generating Station Operational Status

Columbia is online at 64% power and producing 683 MWs. The plant returned to online operations on June 28th, 2015.

During the process to return to full power, Columbia encountered some difficulties with a reactor feed water valve. Troubleshooting revealed that the discharge valve contained an internal component that is stuck. With only one of the pumps operating as designed, Columbia is limited to approximately 65 percent power. Following this discovery, Energy Northwest thoroughly vetted the repair options and has chosen to complete the repair while continuing to operate at reduced power. The repair requires use of an external specialty vendor and began after the July 4th holiday. The repair will continue this week.

While the reactor feed water value issue poses a temporary hurdle to returning the plant to 100% power, the refueling outage has been a success in completing over 2000 maintenance work orders. A couple notable maintenance activities included work on our main generator and the replacement of 3 of our 4 main transformers with new units.

The outage was completed without any recordable or lost time injuries.

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

II. WNP 1/4 Water Rights

No change from the June report:

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.

Wild Horse

<u>Wind Production:</u> June generation totaled 50,038 MWh for an average capacity factor of 25.49%.

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

<u>Compliance/Environmental:</u> Nothing to report.

Kittitas Valley Wind Power Project Monthly Project Update

July 21, 2015

Project Status Update

June Production Summary:

Power generated: 39,730 MWh
Wind speed: 9.5 m/s or 21.3 mph
Capacity Factor: 54.7%

Safety:

No incidents

Completed medical emergency, hazardous material spill and severe weather drills during an all hands 'Safety Day'.

Compliance:

Project is in compliance as of July 17, 2015.

Sound:

No complaints

Shadow Flicker:

No complaints

Environmental:

Nothing non-routine

EFSEC Monthly Operational Report

June, 2015

1. Safety and Training

- 1.1. There were no accidents or injuries during the month of June.
- 1.2. Conducted scheduled and required monthly training.
- 1.3. Conducted the scheduled safety committee meeting.
- 1.4. Conducted first aid and fire extinguisher training for stragglers and dependents.

2. Environmental

- 2.1. Completed the Annual Outfall inspection.
- 2.2. Completed the annual Outfall Instrumentation Functional Testing.
- 2.3. Submitted the May DMR
- 2.4. Notified EFSEC of NPDES non-compliance due to failure to obtain 4 hour grab samples with pH instrument OOS.
- 2.5. Submitted 5-day letter to EFSEC on outfall pH non-compliance.
- 2.6. Met with EFSEC, EPA, Ecology, Environ, and ORCAA on PSD-4 draft from EPA.
- 2.7. Met with EFSEC, Ecology, and AECom on Engineering Report. The current report will be submitted then remaining pollution prevention activities will occur. Plant discharge will be re-evaluated and the results will be captured in an addendum to the Engineering Report.

3. Operations & Maintenance

- 3.1. Grays Harbor Energy (GHE) operated 29 days and generated 393,243 MWh during the month of June.
- 3.2. The capacity factor (CF) was 88.1% in June, and 25.4% YTD.
- 3.3. The availability factor (AF) was 100% in June, and 91.1% YTD.

4. Noise and/or Odor

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

5. Site Visits

5.1. There were no site visitors during the month of June.

6. Other

- 6.1. Grays Harbor is currently staffed with 20 personnel. We have made offers to candidates to fill two open operations positions.
- 6.2. Installation of noise monitoring equipment is planned for the 2nd half of 2015. The noise monitor has been purchased, and the installation engineering and planning is currently taking place.

Energy Facility Site Evaluation Council

Non Direct Cost Allocation for 1st Quarter FY 2016 July 1, 2015 – September 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 4th 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 1st quarter of FY 2016:

Kittitas Valley Wind Power Project	8%
Wild Horse Wind Power Project	8%
Columbia Generating Station	16%
WNP-1	3%
Whistling Ridge Energy Project	3%
Grays Harbor 1&2	9%
Chehalis Generation Project	9%
Desert Claim Wind Power Project	2%
Grays Harbor Energy 3&4	3%
Tesoro Savage	39%

Stephen Posner, EFSEC Manager

Date:

7/21/15



STATE OF WASHINGTON

ENERGY FACILITY SITE EVALUATION COUNCIL

PO Box 43172 • Olympia, Washington 98504-3172

BRIEFING MEMO

TO: Energy Facility Site Evaluation Council

FROM: Staff

DATE: July 21, 2015

SUBJECT: Recommendation for Adoption of Revisions to Chapter 463-78 WAC -

General and Operating Permit Regulations for Air Pollution Sources

Background

EFSEC is authorized by the U. S. Environmental Protection Agency (EPA) to implement a prevention of significant deterioration (PSD) permit program through a delegation agreement executed in January, 1993. EFSEC is partially delegated, which means its PSD permits must be signed by both the EFSEC Chair and a senior EPA official at Region 10 in Seattle. In the past, EFSEC PSD permits were written by either an Ecology Air Quality Program permit writer or an EPA permit writer, depending on the circumstances.

At this time EFSEC is in the early stages of preparing an update to its state implementation plan (SIP). A SIP describes how the state plans to implement, maintain, and enforce National Ambient Air Quality Standards (NAAQS). As part of its effort to update its SIP, EFSEC has nearly completed an adoption by reference of existing Ecology air quality rules. Washington statute requires that Ecology and EFSEC rules be consistent to provide maximum coordination and avoid duplication between the two agencies. At least one additional EFSEC rule amendment in support of its SIP update will occur in the next 18 months.

Current Rule Adoption

EFSEC's current adoption by reference of existing Ecology rules encompasses five rule amendments implemented by Ecology between December 2010 and November 2012,

Attachment A

From 2010 through 2012 Department of Ecology conducted five rulemaking processes to revise air quality rules contained in Chapter 173-400 WAC and Chapter 173-401 WAC. The purpose of these rule revisions was to assure consistency and compliance with recent US Environmental Protection Agency (EPA) rule revisions.

In this rulemaking, EFSEC proposes to adopt by reference recent Ecology rule revisions that apply to facilities under EFSEC jurisdiction. State statute requires that EFSEC rules be consistent with the Washington Clean Air Act and Ecology rules, so those Ecology rule revisions that do not apply to EFSEC facilities have been deleted.

A summary of Ecology and Federal rule revisions encompassed by this rulemaking that EFSEC proposes to adopt by reference is presented below and organized by the effective date of Ecology rule adoption.

General Regulations for Air Pollution Sources, Chapter 173-400 WAC, effective 4/1/11.

- Bring the rule into compliance with EPA's regulations including standards for excess emissions and major stationary sources located in a nonattainment area, and update the date of federal regulations adopted by reference.
- Set a new exemption level for greenhouse gas emissions and particulate matter, PM2.5, below which permitting is not required.
- Keep the rule consistent with recent updates to related WACs.
- Update definitions to match current state and federal regulations.
- Establish a permitting procedure for emergency engines.
- Update the rule to resolve State Implementation Plan deficiencies.
- Additional housekeeping corrections and changes.

General Regulations for Air Pollution Sources, Chapter 173-400 WAC, and Operating Permit Regulation, Chapter 173-401 WAC, effective 9/10/11.

 This rule making does not change the greenhouse gas reporting requirements in Chapter 173-441 WAC.

General Regulations for Air Pollution Sources, Chapter 173-400 WAC, effective 12/29/12.

- Make the rule consistent with requirements in the Federal Clean Air Act.
- Support EFSEC's request for EPA's approval of State Implementation Plan (SIP) revisions.
- Amend the rule sections related to permits for industrial sources of air pollution including minor new source review and major new source review (Prevention of Significant Deterioration).
- Help emitters comply with the rule through better access to references, improved readability, and better understanding of regulations and permitting requirements.

Operating Permit Regulation, Chapter 173-401 WAC, effective 1/1/11.

- Make the rule consistent with EPA and Ecology requirements for reporting emissions of greenhouse gases.
- Beginning January 1, 2011, sources with an Air Operating Permit must report their greenhouse gas emissions when revising or renewing this permit.
- Beginning July 1, 2011, sources that have the potential to emit 100,000 tons per year or more of greenhouse gases become subject to the Air Operating Permit Program,



BP Cherry Point Refinery 4519 Grandview Road Blaine, Washington 98230 Telephone 360 371-1500

May 4, 2015

Stephen Posner, Project Manager State of Washington EFSEC P.O. Box 43172 Olympia, WA 98504-3172

RE:

BP Cherry Point Cogeneration - Project Status

Dear Mr. Posner:

On behalf of BP West Coast Products, LLC (BP), I am writing to confirm that BP does not intend to move forward with construction of the Cherry Point Cogeneration Project authorized by the Site Certification Agreement between EFSEC and BP executed on December 21, 2004, and subsequently amended. We understand that the Site Certification Agreement has expired by its terms.

Please contact me at (360) 319-4599 or via e-mail at jeff.chalfant@bp.com if you have any questions or need additional information regarding this matter. Thank you.

Sincerel

Jeff Chalfant

BP Cherry Point Refinery

cc:

Kara Millhollin, BP Cherry Point Refinery Karen McGaffey, Perkins Coie LLP





STATE OF WASHINGTON

ENERGY FACILITY SITE EVALUATION COUNCIL

June 22, 2015

Schedule For Development - Draft Environmental Impact Statement (DEIS)

Tesoro Savage Vancouver Energy Distribution Terminal

Cardno, independent consultant for the Energy Facility Site Evaluation Council (EFSEC), in consultation with EFSEC staff has prepared the following schedule for completion of the DEIS.

Task Name	Start	Finish
Prepare Draft EIS	Wed 6/17/15	Tue 11/10/15
Prepare DEIS for EFSEC staff review	Wed 6/17/15	Mon 6/29/15
Finish Chapter 4 Risk of Accidents, Emergency Response, and Potential Impacts	Wed 6/17/15	Fri 6/26/15
Submit for EFSEC staff review	Mon 6/29/15	Mon 6/29/15
EFSEC staff remaining actions	Thu 6/18/15	Fri 6/19/15
Chapter 3 section review complete	Thu 6/18/15	Thu 6/18/15
Direction on AG comments	Fri 6/19/15	Fri 6/19/15
Prepare Complete DEIS for EFSEC Staff, Legal and Contractor Preliminary Review	Mon 6/22/15	Fri 8/14/15
Executive Summary	Fri 7/10/15	Thu 7/16/15
Front Matter and Glossary	Wed 7/1/15	Tue 7/7/15
Chapter 1 Purpose and Need	Mon 6/22/15	Wed 6/24/15
Chapter 2 Project Description and Alternatives	Wed 6/24/15	Wed 7/1/15
Incorporate updated PD and vessel info	Wed 6/24/15	Fri 6/26/15
Address EFSEC staff and AG comments	Mon 6/29/15	Wed 7/1/15
Chapter 3 Affected Environment and Potential Impacts from Proposed Action and Related Actions	Mon 6/22/15	Thu 7/9/15
Chapter 3 comment review, PD changes, define path forward	Mon 6/22/15	Thu 6/25/15
Authors revise resource sections	Fri 6/26/15	Thu 7/9/15
Chapter 4 Risk of Accidents, Emergency Response, and Potential Impacts	Fri 6/26/15	Fri 6/26/15
Chapter 5 Cumulative Impacts	Wed 6/17/15	Thu 6/18/15
Chapter 6 References	Mon 6/29/15	Mon 6/29/15
Chapter 7 List of Preparers	Mon 6/22/15	Tue 6/23/15
Finalize Appendices	Wed 6/17/15	Tue 7/7/15
Combine all sections (tech edit, formatting)	Wed 7/8/15	Tue 7/14/15
Final content and consistency review of entire DEIS	Wed 7/15/15	Tue 8/11/15
Submit entire DEIS for EFSEC staff, contractor, legal review	Tue 8/11/15	Tue 8/11/15
EFSEC Staff, Legal and Contractor review of Complete DEIS	Wed 8/12/15	Tue 9/1/15
EFSEC staff to review legal review comments	Wed 9/2/15	Tue 9/8/15
Cardno address comments	Wed 9/9/15	Tue 9/29/15
EFSEC Staff Review of Complete DEIS	Wed 9/30/15	Tue 10/6/15
Cardno revise DEIS for Council review	Wed 10/7/15	Tue 10/13/1
Submit DEIS for Council review	Wed 10/14/15	Wed 10/14/
EFSEC Council Members Review of Complete DEIS	Wed 10/14/15	Tue 11/10/1
Council review period	Wed 10/14/15	Tue 10/27/1
EFSEC staff address Council comments	Wed 10/28/15	Tue 11/10/1
Cardno revise and create camera ready DEIS for publication	Wed 11/11/15	Tue 11/17/1
DEIS production (30 hard copies)	Wed 11/18/15	Tue 11/24/1
Publish DEIS	Tue 11/24/15	Tue 11/24/1

EFSEC Gravity Criteria Scoring Worksheet

The Gravity Criteria Scoring Worksheet is used to help determine the appropriate penalty amount for violations of any permit or site certification requirement by an entity regulated by EFSEC. When a continuing violation occurs, each day that the violation occurs may be calculated as a separate violation. The penalty amount generated through this worksheet constitutes the maximum gravity component of a penalty, which may be adjusted by EFSEC's discretion to achieve the purposes of applicable statutes and regulations. EFSEC will add any economic benefit gained from noncompliance to the penalty amount assessed.

1. Did the violator know, or reasonably should have known, about the requirement? Yes – 5

No - 0

2. Is the violator a large business, small business, or an individual?

Large business – 5

Small Business - 3

Individual - 1

3. Does the violator have a history of violations?

Yes, same law or regulation – 5

Yes, laws or regulations other than the current violation that deal with the environment or natural resources or have a direct bearing on the violation being addressed – 3

No - 0

4. Did the violation result in a risk to the health, safety, welfare, the environment, property, a business and/or enjoyment of personal property?

Yes - 5

No - 0

5. Did the risk in Question #4 result in an impact or is it reasonably expected that an impact did occur?

Yes - 5

No - 0

- 6. What were the impacts in Question #5? (to determine the score, mark all impacts and add the scores together for the total points for this question)
 - A) Impacts to an individual's health, safety, or welfare 5
 - B) Damage to the environment 3
 - C) Impacts to an individual's enjoyment of personal property 2
 - D) Damage to property or a business 2
- 7. Did the violator take actions to correct the violation?

 No, the violation could be corrected, but no actions were taken 5

Energy Facility Site Evaluation Council

Enforcement Guidance

Purpose:

To provide guidance to Energy Facility Site Evaluation Council (EFSEC or Council) staff and Council members on the enforcement process, and to provide for the consistent levying of penalties.

General

This document expresses the Council's current view of its enforcement policies. As a policy statement adopted under the Administrative Procedures Act, chapter 34.05 RCW, it is not intended to be binding as a formally adopted rule. The Council retains discretion to apply and adapt its enforcement efforts in individual cases to implement its overall duty to assure compliance with all site certification agreements and permits issued by the Council. Adoption of this policy advances the effective and equitable enforcement of the laws under the Council's responsibility.

Enforcement is a tool for protecting the public health and the environment. As directed by RCW 80.50.040(9), other agencies perform any on-site inspections required by the Council pursuant to interagency agreement. EFSEC, however, retains authority for determining compliance relative to monitoring. The inspecting agency may recommend a penalty for a violation to EFSEC based upon the penalty criteria adopted by the Council.

A violation does not necessarily result in the issuance of a penalty. A notice of incident and request for assurance of compliance may be issued when a violation is being corrected quickly and effectively by the violator, no substantial danger to humans or the environment resulted from the violation, and a penalty does not appear to be appropriate in light of the seriousness of the violation or as an incentive to secure future compliance.

The purpose of a civil penalty is to influence behavior, encourage compliance, and deter future violations. Penalty amounts will include a gravity component and an economic benefit component. The gravity component will carefully match the significance of the violation to the impact of the enforcement action. The Council will recover any economic benefit in order to promote a level playing field for those businesses that expend money to comply with environmental laws and regulatory requirements.

4) A <u>penalty</u> may be issued pursuant to RCW 80.50.150, or RCW 74.90.431 if the violation is of the Washington Clean Air Act. See also RCW 70.94.422 and 90.48.262; WAC 463-70-070(4)(b), 463-74-040, 463-76-065(6), 463-78-230, 463-80-080, 463-85-240.

II. Imposition of Penalties

RCW 80.50.150(5) provides that every person who violates the provisions of certificates and permits issued or administered by the Council is subject to a penalty of up to \$5000 per day for every violation. This section remains in effect for any violations occurring before October 9, 2015. Any violation occurring on or after October 9, 2015 is subject to a penalty of \$10,000 per day per violation (SB 5310, section 5).

Each violation is considered a separate and distinct offense. In the case of a continuing violation, every day's continuance is deemed a separate and distinct violation.

The total penalty will consist of a gravity component and an economic benefit component.

Consistent Penalties - Gravity Component of Penalty

After EFSEC has decided to issue a penalty, the gravity component amount is calculated by using the Gravity Criteria Scoring Worksheet, which contains a penalty matrix. The worksheet asks several questions, and for each question, assigns points based on the response to the particular question. The number of points for all of the questions are then totaled to produce a score for that violation. In the case of a continuing violation, each day's continuance is deemed a separate and distinct violation. The score for the violation is then translated into a specific penalty amount by referring to the range of penalties contained in the penalty matrix. The greater the number of points, the greater the potential penalty. The penalty amounts determined for each violation are added together to produce the statutory maximum amount of the gravity component of the potential penalty.

For example, a regulated entity committed two separate permit violations. One violation is scored at 5 points and the second violation is scored at 16 points. Turning to the penalty matrix, the first violation produces a potential \$1000 penalty, and the second violation produces a potential \$3000 penalty. These two penalties are added together to produce the potential maximum penalty of \$4000 under the gravity component. In another example, a violation generates a potential penalty of \$1000, but the violation was continuing and occurred for eight days. The potential maximum penalty under the gravity component for this continuing violation is \$8000 (\$1000 per day violation x 8 days = \$8000).

NOTE: The penalty matrix for determining the gravity component of a penalty is based upon a statutory daily maximum of \$10,000 per day, per violation. This maximum penalty amount is authorized pursuant to SB 5310, which was enacted during the 2015 third special session. The effective date of this bill is

equipment, obtain necessary permits, or conduct necessary tests. In recognition that the economic benefit component can be difficult to calculate, EFSEC may rely upon an economic analysis used by the inspecting agency for determining the economic benefit of noncompliance. It is general Council policy not to adjust or mitigate the economic benefit component. If the Council decides to adjust the economic benefit component, the reasons must be set forth in the final Council decision.

III. Issuance of Penalty

A penalty must be imposed in writing, either by certified mail with return receipt requested, or by personal service. The penalty notice must describe the violation with reasonable particularity and include the right to appeal of the Council's decision.

IV. Remission/Mitigation of Penalties

For violations occurring before October 9, 2015, a certificate holder may seek remission or mitigation of a penalty from the Council. The request for remission or mitigation must be filed with the Council within 15 days after *receipt* of the notice of violation. RCW 80.50.150(5). Note that the Council's regulation provides that this request must be filed within 15 days after *service* of the notice of violation. See WAC 463-70-070(4)(c)(i). The Council will rely upon the date of receipt for calculating the 15-day time period for requesting remission or mitigation. A decision by the Council to remit or mitigate a penalty is an administrative decision which the Council makes within its discretion. Remission or mitigation is only generally allowed to raise items not considered as part of the imposition of the original penalty.

The ability to request remission or mitigation of a penalty was repealed as part of SB 5310, which was enacted during the 2015 third special session.

V. Appeal Rights

Any person may appeal a penalty imposed by the Council to the Council within 30 days after the date of receipt of the notice imposing the penalty. For violations occurring before October 9, 2015, if an application for remission or mitigation is filed, the appeal of the penalty must be filed within 30 days of receipt of notice from the Council setting forth the disposition of the application. Timely appeal to the Council is required before an appeal of the penalty may be made to superior court.

EFSEC Gravity Criteria Notes

When scoring the eight questions, use the point values listed on the Gravity Criteria Scoring Worksheet as listed. Do not use other point values other than those specifically listed.

1. Did the violator know, or reasonably should have known, about the requirement?

Knowledge may be obtained from a variety of sources, including previous technical assistance. Do not look only at direct contact between the agency and the violator addressing the laws and regulations violated. Knowledge may also be obtained by focused outreach efforts (such as to an industry group or to residents in a specific area) and general outreach efforts by federal, state, or local agencies, or activist/interest groups.

Claims of a lack of knowledge due to "not reading," "not listening," or "not seeing," etc. educational efforts by entities that have been reasonably presented to the violator should be considered a knowing violation.

2. Is the violator a large business or a small business?

Penalties should act as deterrents to future violations. The deterrent value of a penalty is relative to the ability of the violator to pay the penalty. A penalty that would have little impact to a large corporation may have a devastating impact to a small business.

Small and large businesses may be differentiated by using the definition of a "small business" under the Regulatory Fairness Act, Chapter 19.85 RCW. RCW 19.85.020(1) defines a "small business", in part, as a business entity with fifty or fewer employees.

3. Does the violator have a history of violations?

This question addresses the past behavior of the violator towards environmental laws, and other laws as they apply to the violator's operation in general. Violations considered for this question should be either state, federal, or local environmental/natural resources laws and regulations, or should have a direct bearing on the violation being addressed.

Violations that are for the same or very similar violation should be scored higher than for other violations (example: a violator of a water quality law who has violated water quality laws and regulations before would score higher than a violator who has violated air quality laws before but not water quality laws).

4. Did the violation result in a risk to the health, safety, welfare, the environment, property, a business and/or enjoyment of personal property?

To determine the score for Question #6, mark all impacts and add the score for each impact together for a total score.

7. Did the violator take actions to correct the violation?

Review any action considered for this question by asking: "Does the action focus on correcting and/or mitigating impacts to the environment and/or human health?"

The Council may be more lenient if the violator promptly corrects a violation, and any underlying system problems, when these are pointed out by staff. Specific actions include purchasing new technology, making system changes, or training company personnel. The Council may be more lenient if the violator has an active and adequate compliance program in place.

The Council may also be more lenient if the violator self-reported the violation, and if the violator is cooperative and responsive during the investigation of the violation.

8. Was there an economic benefit to the violator from this violation, or did the violator expect an economic benefit was being derived from the violation?

The quantitative measurement of economic benefit is reserved for a separate calculation to be added to the penalty amount. This question is aimed at reflecting a greater severity of a violation if one of the reasons for the violation is a perceived economic benefit even when the benefit is not actually obtained. In order to support an evaluation of the perception of an economic benefit for the violation, look for statements such as "I can't afford to wait for a permit, or install such equipment."



Joint Public Notice

Application for a Department of the Army Permit and an Energy Facility Site Evaluation Council Water Quality Certification

US Army Corps of Engineers

Regulatory Branch Post Office Box 3755 Seattle, WA 98124-3755 Telephone: (206) 316-3047 ATTN: Steve Manlow,

Project Manager

Energy Facility Site Evaluation Council

Post Office Box 43172 Olympia, WA 98504-3172

Telephone: (360) 664-1363 ATTN: Sonia Bumpus,

> Energy Facility Siting Specialist

Public Notice Date: July 2, 2015 Expiration Date: August 1, 2015

Reference No.: NWS-2013-962 Name: Tesoro Savage Petroleum

Terminal, LLC

Interested parties are hereby notified that the U.S. Army Corps of Engineers (Corps) and the Energy Facility Site Evaluation Council (EFSEC) have received an application to perform work in waters of the U.S. as described below and shown on the enclosed drawings dated January 2014.

The Corps will review the work in accordance with Section 404 of the Clean Water Act (CWA) and Section 10 of the Rivers and Harbors Act. EFSEC and its contractor the Department of Ecology (Ecology) will review the work pursuant to Section 401 of the CWA, with applicable provisions of State water pollution control laws.

APPLICANT: Tesoro Savage Petroleum Terminal, LLC

6340 South 3000 East, Suite 600 Salt Lake City, Utah 84121 Attention: Kelly Flint Telephone: (801) 944-6600

AGENT:

BergerABAM

1111 Main Street, Suite 300 Vancouver, Washington 98660

Attention: Brian Carrico Telephone: (360) 823-6112

<u>LOCATION</u>: In the Columbia River at the Port of Vancouver berths 13 and 14, 5501 Northwst Lower River Road, in Vancouver, Clark County, Washington.

<u>WORK</u>: Conduct seismic and safety upgrades and utility line work at existing piers in the Columbia River. This work is part of a proposal to construct a terminal that would receive up to an average of 360,000 barrels of crude oil per day from train. Oil would be stored onsite for eventual transfer to marine vessels, for transport primarily to refineries along the west coast of the U.S. Seismic and safety upgrades include replacing decking, mooring hardware and fender systems, filling existing hollow steel pipe piles with concrete, and removing portions of some overwater structures. The utility line work includes installing a transfer pipeline, return line, manifolds, hoses, a crane structure, and other facilities on an existing pier. The remainder of the proposed terminal would be built in

NWS-2013-962, Tesoro Savage Petroleum Terminal, LLC

uplands and not require Department of the Army authorization from the Corps. Those upland activities include constructing rail lines, above-ground storage tanks, buildings, ground modifications to meet seismic design requirements, and related facilities.

<u>PURPOSE</u>: To construct an export facility for the transfer of crude oil to marine vessels.

MITIGATION: Compensatory mitigation is not proposed.

ENDANGERED SPECIES: The Endangered Species Act (ESA) requires federal agencies to consult with the National Marine Fisheries Service (NMFS) and/or U.S. Fish and Wildlife Service pursuant to Section 7 of the ESA on all actions that may affect a species listed (or proposed for listing) under the ESA as threatened or endangered or any designated critical habitat. After receipt of comments from this public notice, the Corps will evaluate the potential impacts to proposed and/or listed species and their designated critical habitat.

ESSENTIAL FISH HABITAT: The Magnuson-Stevens Fishery Conservation and Management Act, as amended by the Sustainable Fisheries Act of 1996, requires all Federal agencies to consult with the NMFS on all actions, or proposed actions, permitted, funded, or undertaken by the agency, that may adversely affect Essential Fish Habitat (EFH). The proposed action would impact EFH in the project area. The Corps has determined that the proposed action will not adversely affect designated EFH for federally managed fisheries in Washington waters. No further EFH consultation is necessary.

CULTURAL RESOURCES: The Corps has reviewed the latest published version of the National Register of Historic Places, Washington Information System for Architectural and Archaeological Records Data and other sources of information. A historic properties investigation has also been conducted within the permit area. No historic properties determined eligible for or listed on the National Register of Historic Places were found to exist within the permit area. The Corps invites responses to this public notice from Native American Tribes or tribal governments; Federal, State, and local agencies; historical and archeological societies; and other parties likely to have knowledge of or concerns regarding historic properties and sites of religious and cultural significance at or near the project area. After receipt of comments from this public notice, the Corps will evaluate potential impacts and consult with the State Historic Preservation Officer and Native American Tribes in accordance with Section 106 of the National Historic Preservation Act, as appropriate.

<u>PUBLIC HEARING</u>: Any person may request, in writing, within the comment period specified in this notice, that a public hearing be held to consider this application. Requests for public hearings shall state, with particularity, the reasons for holding a public hearing.

<u>EVALUATION</u> – <u>CORPS</u>: The decision whether to issue a permit will be based on an evaluation of the probable impacts, including cumulative impacts, of the proposed activity on the public interest. That decision will reflect the national concern for both protection and utilization of important resources. The benefits, which reasonably may be expected to accrue from the proposal, must be balanced against its reasonably foreseeable detriments. All factors which may be relevant to the proposal will be considered, including the cumulative effects thereof; among those are conservation, economics, aesthetics, general environmental concerns, wetlands, historic properties, fish and wildlife values, flood hazards, floodplain values, land use, navigation, shoreline erosion and accretion, recreation, water supply and conservation, water quality, energy needs, safety, food and fiber production, mineral needs, considerations of property ownership, and, in general, the needs and welfare of the people.

The Corps is soliciting comments from the public; Native American Nations or tribal governments; Federal, State, and local agencies and officials; and other interested parties in order to consider and evaluate the impacts of this activity. Any comments received will be considered by the Corps to determine whether to issue, modify, condition or deny a permit for the work. To make this decision, comments are used to assess impacts on endangered species, historic properties, water quality, general environmental effects, and the other public interest factors listed above.

NWS-2013-962, Tesoro Savage Petroleum Terminal, LLC

Comments are used in the preparation of an Environmental Assessment and/or an Environmental Impact Statement pursuant to the National Environmental Policy Act. Comments are also used to determine the need for a public hearing and to determine the overall public interest of the activity.

The described discharge will be evaluated for compliance with guidelines promulgated by the Environmental Protection Agency under authority of Section 404(b)(1) of the CWA. These guidelines require an alternatives analysis for any proposed discharge of dredged or fill material into waters of the United States.

<u>SOURCE OF FILL MATERIAL</u>: Fill material that would be placed in waters of the U.S. will be limited to discharge of concrete into existing steel piles. The applicant has not yet identified the source of the fill material. Should a permit be issued, the Corps will evaluate the fill material source prior to the start of construction.

<u>EVALUATION</u> – EFSEC: EFSEC is soliciting comments from the public; Federal, Native American Nations or tribal governments, State, and local agencies and officials; and other interested parties in order to consider and evaluate the impacts of this activity. EFSEC will be considering all comments to determine conditions the applicant would need to meet in designing the project to be in compliance with Section 401 of the CWA.

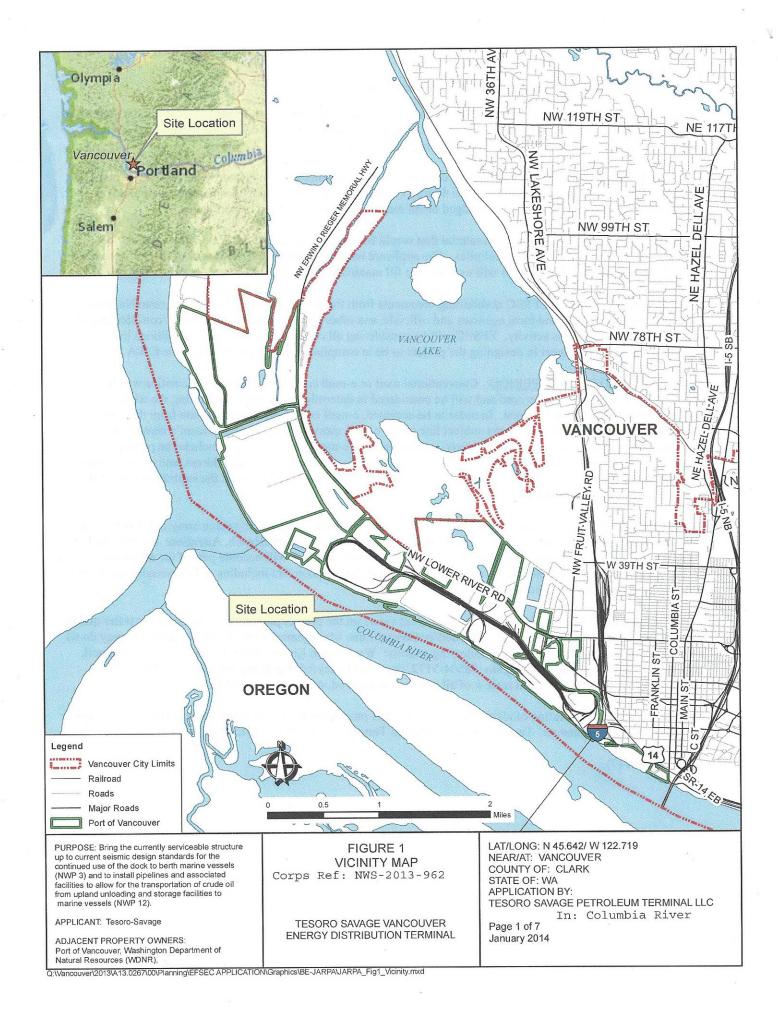
COMMENT AND REVIEW PERIOD: Conventional mail or e-mail comments on this public notice will be accepted and made part of the record and will be considered in determining whether authorizing the work would not be contrary to the public interest. In order to be accepted, e-mail comments must originate from the author's e-mail account and must include on the subject line of the e-mail message the permit applicant's name and reference number as shown below. Either conventional mail or e-mail comments must include the permit applicant's name and reference number, as shown below, and the commenter's name, address, and phone number. All comments whether conventional mail or e-mail must reach this office, no later than the expiration date of this public notice to ensure consideration.

CORPS COMMENTS: All e-mail comments should be sent to nws.tesoro_savage@usace.army.mil. Conventional mail comments should be sent to: U.S. Army Corps of Engineers, Regulatory Branch, Attention: Steven Manlow, P.O. Box 3755, Seattle, Washington 98124-3755. All comments received will become part of the administrative record and are subject to public release under the Freedom of Information Act including any personally identifiable information such as names, phone numbers, and addresses.

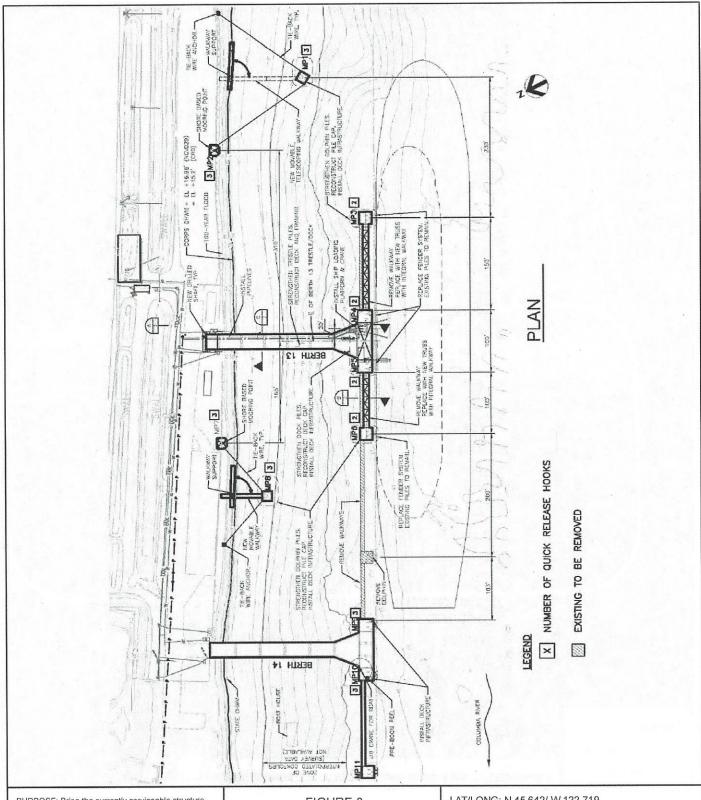
EFSEC COMMENTS: Any person desiring to present views on the project pertaining to a request for water quality certification under Section 401 of the CWA and/or Coastal Zone Management consistency concurrence, may do so by submitting written comments to the following address: Washington Energy Facility Site Evaluation Council, P.O. Box 43172, Olympia, Washington 98504-3172, or e-mail to ecyfedefsec@ecy.wa.gov. Ecology will be coordinating the management and review of all comments received, on behalf of EFSEC.

To ensure proper consideration of all comments, responders must include the following name and reference number in the text of their comments: Tesoro Savage Petroleum Terminal, LLC; NWS-2013-962

Encl: Figures (7)







APPLICANT: Tesoro-Savage

ADJACENT PROPERTY OWNERS: Port of Vancouver, Washington Department of Natural Resources (WDNR),

FIGURE 3 PLAN VIEW

Corps Ref: NWS-2013-962

TESORO SAVAGE VANCOUVER ENERGY DISTRIBUTION TERMINAL

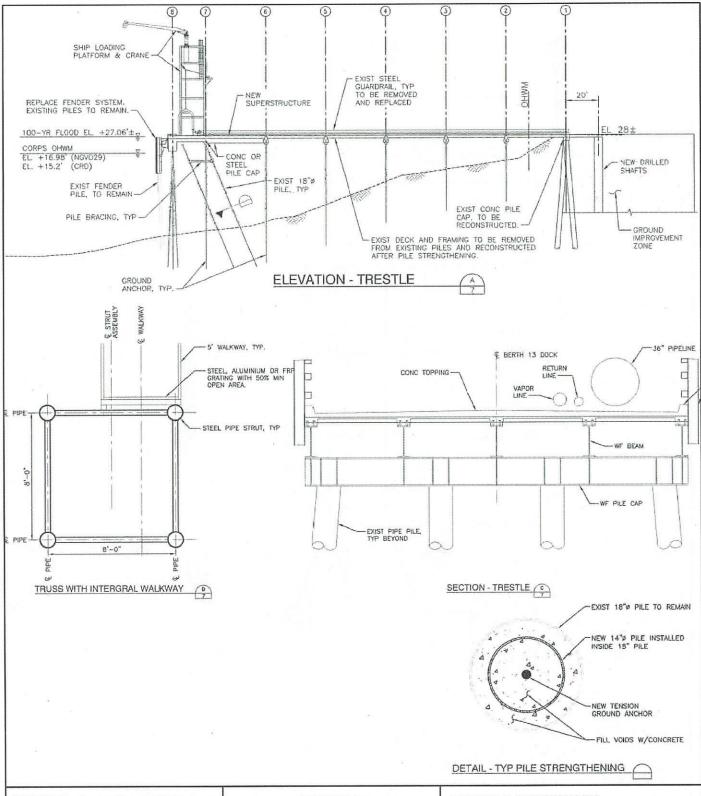
LAT/LONG: N 45.642/ W 122.719 NEAR/AT: VANCOUVER COUNTY OF: CLARK STATE OF: WA

STATE OF: WA APPLICATION BY:

TESORO SAVAGE PETROLEUM TERMINAL LLC

In: Columbia River

Page 3 of 7 January 2014



APPLICANT: Tesoro-Savage

ADJACENT PROPERTY OWNERS: Port of Vancouver, Washington Department of Natural Resources (WDNR),

FIGURE 4 CROSS SECTION DETAILS

Corps Ref: NWS-2013-962

TESORO SAVAGE VANCOUVER ENERGY DISTRIBUTION TERMINAL

LAT/LONG: N 45.642/ W 122.719 NEAR/AT: VANCOUVER COUNTY OF: CLARK STATE OF: WA

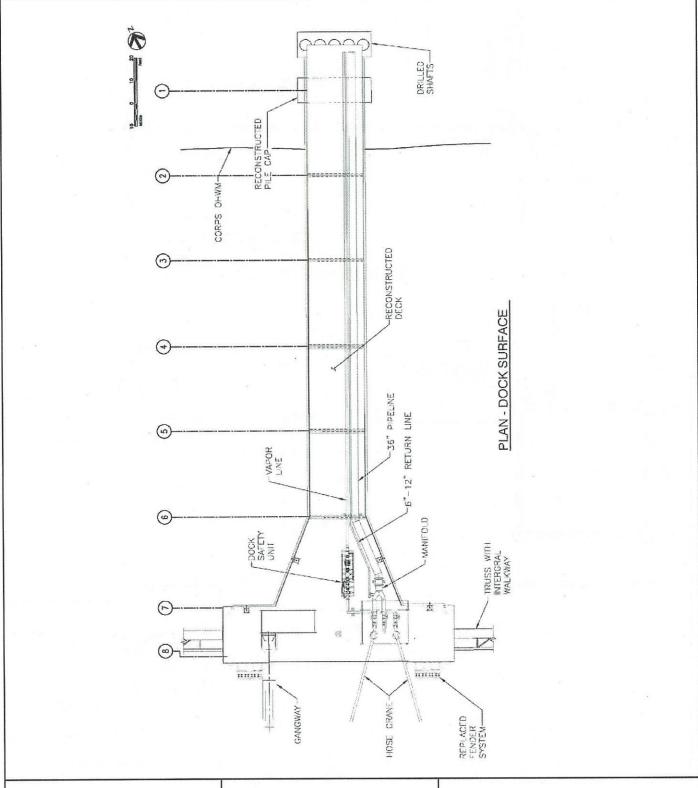
APPLICATION BY:

TESORO SAVAGE PETROLEUM TERMINAL LLC

In: Columbia River

Page 4 of 7 January 2014

Q:\Vancouver\2013\A13.0267\00\Planning\EFSEC APPLICATION\Graphics\BE-JARPA\JARPA_Fig4_CrossSection.mxd



APPLICANT: Tesoro-Savage

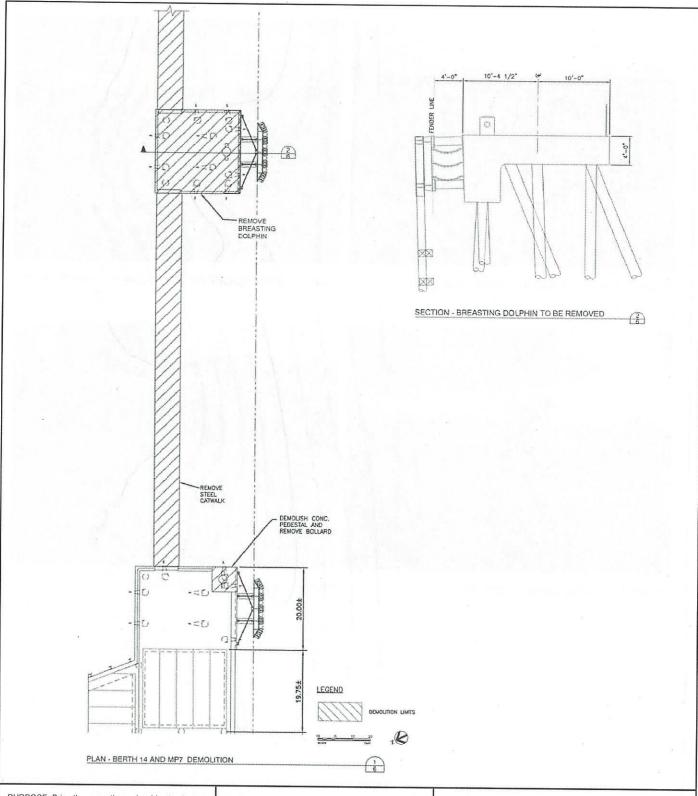
ADJACENT PROPERTY OWNERS: Port of Vancouver, Washington Department of Natural Resources (WDNR), FIGURE 5

DOCK SURFACE PLAN
Corps Ref: NWS-2013-962

TESORO SAVAGE VANCOUVER ENERGY DISTRIBUTION TERMINAL

LAT/LONG: N 45.642/ W 122.719
NEAR/AT: VANCOUVER
COUNTY OF: CLARK
STATE OF: WA
APPLICATION BY:
TESORO SAVAGE PETROLEUM TERMINAL LLC
In: Columbia River
Page 5 of 7
January 2014

Q:\Vancouver\2013\A13.0267\00\Planning\EFSEC APPLICATION\Graphics\BE-JARPA\JARPA_Fig5_Dock Surface.mxd



APPLICANT: Tesoro-Savage

ADJACENT PROPERTY OWNERS: Port of Vancouver, Washington Department of Natural Resources (WDNR),

FIGURE 6 DEMOLITION PLAN

Corps Ref: NWS-2013-962

TESORO SAVAGE VANCOUVER ENERGY DISTRIBUTION TERMINAL

LAT/LONG: N 45.642/ W 122.719 NEAR/AT: VANCOUVER COUNTY OF: CLARK STATE OF: WA APPLICATION BY: TESORO SAVAGE PETROLEUM I

TESORO SAVAGE PETROLEUM TERMINAL LLC In: Columbia River

Page 6 of 7

January 2014

Q:\Vancouver\2013\A13.0267\00\Planning\EFSEC APPLICATION\Graphics\BE-JARPA\JARPA_Fig6_Demolition.mxd

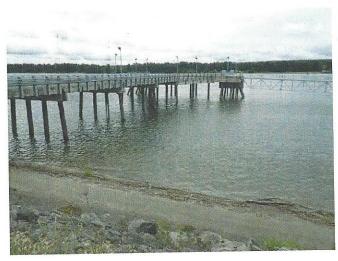


Photo 1: Existing Berth 13 Trestle and Dock

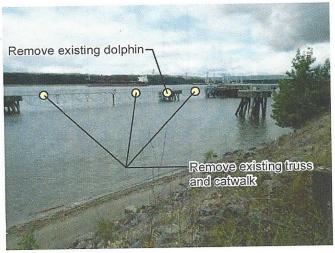


Photo 2: Existing Dolphin and Catwalk to be removed



Photo 3: Existing Mooring Dolphin



Photo 4: Existing Bank Conditions

APPLICANT: Tesoro-Savage

ADJACENT PROPERTY OWNERS: Port of Vancouver, Washington Department of Natural Resources (WDNR), FIGURE 7 Photo Sheet

Corps Ref: NWS-2013-962

TESORO SAVAGE VANCOUVER ENERGY DISTRIBUTION TERMINAL

LAT/LONG: N 45.642/ W 122.719 NEAR/AT: VANCOUVER COUNTY OF: CLARK STATE OF: WA APPLICATION BY:

TESORO SAVAGE PETROLEUM TERMINAL LLC In: Columbia River

Page 7 of 7 January 2014