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6 WASHINGTON STATE

7 ENERGY FACILITY SITE EVALUATION COUNCIL

8 Richard Hemstad Building

9 1300 South Evergreen Park Drive Southwest

10 Conference Room 206

11 Olympia, Washington

12 April 19, 2016

13 1:31 p.m.
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16
17 MONTHLY COUNCIL MEETING

18 Verbatim Transcript of Proceeding

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A P P E A R A N C E S

Councilmembers Present:

Bill Lynch, Chair
Cullen Stephenson, Department of Ecology
Dennis Moss, Utilities and Transportation Commission
Jaime Rossman, Department of Commerce
Dan Siemann, Department of Natural Resources

Local Government and Optional State Agency:

Larry Paulson, Port of Vancouver
Bryan Snodgrass, City of Vancouver (via phone)
Greg Shafer, Clark County

Assistant Attorney General:

Ann Essko, Senior Counsel

Staff in Attendance:

Stephen Posner
Jim LaSpina
Tammy Mastro
Cassandra Noble
Kali Wraspir
Joan Aitken
Pamela Thorne-Cochran

Guests in Attendance

Mark Miller, PacifiCorp Chehalis Generation Facility
Pete Valinski, Grays Harbor Energy
Phyllis Barney, Attorney General's Office
Jared Larrabee, Tesoro/Savage

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A P P E A R A N C E S (continued)

Guests in Attendance Via Phone:

Shannon Khounnala, Energy Northwest

Kristen Boyles, Earthjustice

Karen McGaffey, Perkins Coie

Jennifer Diaz, Puget Sound Energy

Eric Melbardis, EDP Renewables

Aziz Mahar, Ecology

Tim McMahan, Stoel Rives

Karen Reed, City of Vancouver

Steve Eberl, Ecology

Brooks Johnson, The Columbian

Connie Sue Martin, Port of Vancouver

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1 OLYMPIA, WASHINGTON, APRIL 19, 2016

2 1:31 P.M.

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4
5 CHAIR LYNCH: Good afternoon. Today is
6 Tuesday, April 19th. This is the monthly meeting for
7 the Energy Facility Site Evaluation Council.

8 And can we please have the clerk call the
9 roll?

10 MS. MASTRO: Department of Commerce?

11 MR. ROSSMAN: Jaime Rossman present.

12 MS. MASTRO: Department of Ecology?

13 MR. STEPHENSON: Cullen Stephenson is here.

14 MS. MASTRO: Fish and Wildlife?

15 CHAIR LYNCH: Mr. Stohr is excused.

16 MS. MASTRO: Department of Natural
17 Resources?

18 MR. SIEMANN: Dan Siemann present.

19 MS. MASTRO: Utilities and Transportation
20 Commission?

21 MR. MOSS: Dennis Moss is here.

22 MS. MASTRO: Local government and optional
23 State agencies, Department of Transportation?

24 CHAIR LYNCH: Mr. Stone is excused.

25 MS. MASTRO: City of Vancouver?

1 CHAIR LYNCH: I believe Mr. Snodgrass will
2 be appearing by phone.

3 MS. MASTRO: Clark County?

4 MR. SNODGRASS (via phone): Yes, I'm on the
5 phone.

6 CHAIR LYNCH: Okay. Very good. Thank you,
7 Mr. Snodgrass.

8 MS. MASTRO: Clark County?

9 MR. SHAFER: Greg Shafer present.

10 MS. MASTRO: Port of Vancouver?

11 MR. PAULSON: Larry Paulson here.

12 MS. MASTRO: Chair, there is a quorum for
13 the regular Council and for the Tesoro/Savage project.

14 CHAIR LYNCH: Thank you very much.

15 If I could just have the Council review the
16 proposed agenda for today. I note that there are two
17 action items. One involves a modification of the
18 compliance schedule for the Grays Harbor Energy Center,
19 and later we'll be extending the application for
20 processing the Tesoro/Savage Vancouver Energy
21 Distribution Terminal.

22 But I'll have councilmembers take a quick
23 moment and see if there's any modifications they'd like
24 to make to the agenda. Hearing none, let's proceed.

25 And at this time, I'd like to have those

1 people who are on the phone who wish to identify
2 themselves to do so now.

3 MR. MAHAR (via phone): Aziz Mahar for the
4 Washington State Department of Ecology, the Water
5 Quality program.

6 CHAIR LYNCH: Excuse me. Mr. LaSpina, could
7 you say his name for us?

8 MR. LASPINA: Aziz, A-z-i-z, Mahar,
9 M-a-h-a-r.

10 CHAIR LYNCH: Great. Thank you, Mr. Mahar.

11 MR. MCMAHAN (via phone): Tim McMahan, Stoel
12 Rives law firm.

13 MS. DIAZ (via phone): Jennifer Diaz, Puget
14 Sound Energy, Wild Horse Wind Facility.

15 MS. MCGAFFEY (via phone): Karen McGaffey,
16 Perkins Coie.

17 MS. REED (via phone): Karen Reed, City of
18 Vancouver.

19 CHAIR LYNCH: I'm sorry. Would the
20 representative for the City of Vancouver please identify
21 herself again?

22 MS. REED: Karen Reed.

23 CHAIR LYNCH: Thank you.

24 MS. KHOUNNALA: Shannon Khounnala, Energy
25 Northwest.

1 MR. MAHAR: Excuse us. We have also Steve
2 Eberl from Washington State Department of Ecology.

3 MR. LASPINA: E-b-e-r-l.

4 CHAIR LYNCH: Please pull the mic over so we
5 can hear you.

6 I'm sorry. Did the court reporter get that
7 spelling?

8 THE REPORTER: Yes.

9 CHAIR LYNCH: Thank you.

10 MR. BOYLES (via phone): Kristin Boyles,
11 EarthJustice.

12 MR. JOHNSON (via phone): Brooks Johnson,
13 the Columbian, Vancouver.

14 MR. MELBARDIS (via phone): Eric Melbardis,
15 EDP Renewables.

16 CHAIR LYNCH: Anyone else?

17 MS. MARTIN (via phone): Connie Sue Martin,
18 Port of Vancouver.

19 CHAIR LYNCH: Last call. Okay.

20 And at this point I would like to have the
21 councilmembers review the minutes from the council
22 meeting that took place on March 25th and see if there's
23 any suggested edits.

24 And I will entertain a motion for their
25 approval at any point.

1 MR. ROSSMAN: So moved.

2 MR. MOSS: Second.

3 CHAIR LYNCH: It's been moved and seconded
4 that the Council approve the minutes as submitted for
5 the March 25th meeting.

6 All those in favor, say "Aye."

7 MULTIPLE SPEAKERS: Aye.

8 CHAIR LYNCH: Opposed? Motion carries.

9 So at this point in time, let's go ahead and
10 get our operational updates. And we'll start with
11 Mr. Melbardis for the Kittitas Valley Wind Project.

12 MR. MELBARDIS: Good afternoon, Chair
13 Lynch --

14 CHAIR LYNCH: I'm sorry, you cut --

15 MR. MELBARDIS: Good afternoon, Chair Lynch.

16 CHAIR LYNCH: Yes, I heard you identify
17 yourself.

18 MR. MELBARDIS: Okay. This is -- this is
19 Eric Melbardis with EDP Renewables for the Kittitas
20 Valley Wind Power Project. We have nothing nonroutine
21 to report at this time.

22 CHAIR LYNCH: And we see the report you've
23 submitted, and there have been no complaints, no
24 incidents.

25 Any questions for Mr. Melbardis?

1 Excuse me. Mr. LaSpina?

2 MR. LASPINA: I'm just showing the --

3 CHAIR LYNCH: Oh, you're just showing us the
4 fact that there is a lime green sheet with -- indicating
5 no complaints or no incidents. Thank you.

6 Thank you, Mr. Melbardis.

7 Now we'll turn to Ms. Diaz on behalf of the
8 Wild Horse Wind Power Project.

9 MS. DIAZ: Yes. Thank you, Chair Lynch and
10 councilmembers. For the record, my name is Jennifer
11 Diaz. I'm the project manager for Puget Sound Energy at
12 the Wild Horse Wind and Solar Facility. And I have two
13 nonroutine updates for the Council for the month of
14 March.

15 In accordance with the Stormwater Solution
16 Prevention Plan, a stormwater inspection was completed
17 following the spring snow melt. Maintenance was
18 required and completed on some stormwater BMPs. Overall,
19 the site's responded very well to snow melt and is in
20 compliance with the Stormwater Pollution Prevention Plan.

21
22 And in accordance with Article VII.F of the
23 Site Certification Agreement, the site was opened to the
24 public for access and recreation on April 1st. And the
25 Renewable Energy Center also opened for visitors on

1 April 1st.

2 And that's all I have.

3 CHAIR LYNCH: And Ms. Diaz, how long does
4 the visitor's -- does the Renewable Energy Center tend
5 to stay open?

6 MS. DIAZ: So we're open April 1st through
7 November 15th at the visitor center, seven days a week,
8 from 9:00 to 5:30.

9 CHAIR LYNCH: Very good. Thank you.

10 MS. DIAZ: You're welcome.

11 CHAIR LYNCH: Any questions for Ms. Diaz?

12 Then we'll move ahead to Ms. Khounnala for
13 both the Columbia Generating Station and WNP 1/4.

14 MS. KHOUNNALA: Yes. Good afternoon,
15 councilmembers.

16 For Columbia Generating Station, our
17 operational status, we have one item we'd like to update
18 the Council on.

19 And that is, at the end of March, March 28th
20 to be specific, Columbia Generating Station operators
21 did initiate a sudden shutdown of our nuclear reactor,
22 or what we call a plant SCRAM.

23 They initiated this following an indication
24 of a loss of reactor cooler -- reactor closed cooling.
25 That's a system that provides cooling to equipment in

1 the plant. All of our systems needed to simply shut
2 down. The plant operated as expected for that event.

3 Following the -- following the shutdown, an
4 event investigation took place, and it became apparent
5 that this was not an operational or equipment issue,
6 rather an issue related to human performance and lack of
7 some key communication measures during a
8 post-maintenance testing of a valve involved in that
9 system.

10 So following the event investigation,
11 there's been a number of corrective actions in place for
12 us to learn from this -- from this evolution. However,
13 the plant was brought back online on March 31st, so
14 approximately four days later, and we continue with that
15 event investigation to put some other corrective actions
16 in place and some other learning so we don't repeat that
17 event.

18 Are there any other questions related to the
19 event, as we have no other safety or other regulatory
20 issues to report regarding Columbia?

21 CHAIR LYNCH: Any questions for
22 Mr. Khounnala regarding the Columbia Generating Station?

23 Yes, Mr. Stephenson.

24 MR. STEPHENSON: Thank you, Chair Lynch.

25 Could we ask that a report come back for

1 this next month or whenever the investigation is done so
2 that we have finality on this investigation?

3 MS. KHOUNNALA: Sure. We will -- there'll
4 be a number of corrective actions put in place, and
5 they'll go through some causal evaluations, and from
6 that comes a report. And I could provide a -- like a
7 basis summary that comes out of that causal evaluation.

8 MR. STEPHENSON: Thank you.

9 MS. KHOUNNALA: Sure.

10 CHAIR LYNCH: Yeah, and I agree with
11 Mr. Stephenson that I think that would be helpful for
12 the Council to have.

13 Thank you, Ms. Khounnala.

14 Any other questions regarding the Columbia
15 Generating Station?

16 Then Ms. Khounnala, why don't you proceed
17 and update us on WNP 1/4?

18 MS. KHOUNNALA: Okay. Of course. So with
19 regard to WNP 1/4, I do have a safety incident to report
20 regarding Site 1, WNP 1.

21 On April 9th, we had a team of employees
22 here. It was during the weekend, and so -- WNP 1 and 4
23 site had lost power, so we had a team of electrical
24 staff and facility staff troubleshooting that issue.

25 One of the electrical engineers on that team

1 had approached a switch gear cubicle, and although the
2 site was de-energized, there was some residual energy in
3 the system that resulted in a shock to their index
4 finger.

5 So that employee was transported to a local
6 hospital and was observed overnight as a precautionary
7 measure. The individual returned to work the following
8 day with no restrictions or other significant injuries.

9 We began working with and reporting to
10 Department of L&I immediately, and last week L&I did
11 complete a site inspection. That was on the 13th. And
12 we began exchanging information, we've provided them a
13 number of documents, and answering their questions. We
14 expect over the coming week or two to be further engaged
15 with L&I, so more to come on any other -- any other
16 communications they have with us, but that's -- that's
17 the status as to where we've gone with that event
18 investigation thus far.

19 CHAIR LYNCH: Thank you. And as
20 Mr. Stephenson mentioned for the other incident, if you
21 could provide the Council with a final report once
22 that's all brought together.

23 MS. KHOUNNALA: Certainly. We will -- we'll
24 keep the Council apprised on that, not -- we're not in
25 full understanding yet of the timeline of how long that

1 will take with L&I, but we'll keep the Council updated
2 as we continue through.

3 The last item on the WNP 1/4 update regards
4 the NEPA and the leasing status. We have begun work on
5 the NEPA Environmental Assessment for WNP 1/4. We're in
6 the early stages of that NEPA. The level of effort, we
7 expect, as we've been reporting out, is that the full
8 NEPA effort should take approximately six months. So
9 we'll be working on this effort through the fall of this
10 year, and then hopefully finalizing our lease, which
11 will then, in turn, allow us to pursue using the water
12 rights.

13 That's the end of the report from 1 and 4.

14 CHAIR LYNCH: Any questions for
15 Ms. Khounnala regarding WNP 1/4?

16 Thank you very much.

17 MS. KHOUNNALA: Thank you.

18 CHAIR LYNCH: And now we get to hear about
19 the Chehalis Generation Facility from Mr. Miller.

20 MR. MILLER: Good afternoon, Chair Lynch and
21 councilmembers and staff. I'm Mark Miller, the plant
22 manager at the Chehalis Generation Facility. I have a
23 few nonroutine comments to add.

24 As noted in this month's report, the plant
25 completed repairs on the Unit 2 combustion turbine, and

1 it's back in service operating today. We've conducted
2 successful relative accuracy test audits on our
3 emissions monitors and they're within compliance.

4 And also, the Southwest Clean Air Agency, I
5 guess, as the contractor to the EFSEC, conducted an
6 on-site Title 5 physical site inspection and there were
7 no issues identified.

8 Are there any questions?

9 CHAIR LYNCH: Any questions for Mr. Miller?

10 Always good to see your face. Thank you.

11 MR. MILLER: All right. Thanks.

12 CHAIR LYNCH: And here's Mr. Valinski. I
13 don't know if anyone ever said they were glad to see
14 Mr. Valinski's face, but we'll say that today. Good to
15 see you, Mr. Valinski.

16 If you could give us an operational update,
17 please.

18 MR. VALINSKI: Good afternoon, Chair Lynch,
19 Council, Staff. I'm Pete Valinski, the plant manager at
20 Grays Harbor Energy.

21 You have my update in your package, and I
22 have nothing beyond that to report.

23 CHAIR LYNCH: Any questions for Mr. Valinski
24 regarding the operational update?

25 Thank you.

1 And Mr. Valinski, why don't you stay there
2 at the mic because we're going to move on to the NPDES
3 permit update, and I've got Mr. LaSpina here to walk us
4 through what our Council actions will be with extending
5 the compliance schedule.

6 We also have two Department of Ecology
7 representatives on the phone. As part of your packets,
8 you will notice that we have a memo from Mr. LaSpina,
9 and we also got a letter from -- oh, we got a request
10 letter from Grays Harbor Energy, but we also got a
11 letter in support of this action by the Department of
12 Ecology.

13 This proposed extension has been reviewed
14 early, not only by us, but Ecology staff and Ecology's
15 AG. And I hope I didn't take away all the thunder from
16 Mr. LaSpina, but please go ahead.

17 MR. LASPINA: Good afternoon, Chair Lynch
18 and councilmembers. I prepared a little blurb because
19 the memo that was prepared last week apparently had some
20 holes in it, and so you will hear some different -- some
21 new information in addition to what's in the memo you've
22 read.

23 In your packets is a group of white
24 documents sent to you last week regarding revision of
25 the NPDES permit schedule of compliance for the Grays

1 Harbor Energy Center.

2 Grays Harbor Energy has requested an
3 extension of the Schedule of Compliance to allow
4 additional time to implement pollution prevention
5 measures that will help it attain compliance with
6 applicable state and federal regulations.

7 Specifically, Grays Harbor Energy has
8 proposed to replace all the wood support timbers in its
9 cooling towers that are -- basically, they were made
10 with arsenic in it. I assume it's some sort of
11 preservative or something. This project will cost
12 between \$6 and \$8 million, which is a fairly significant
13 amount of money for the company.

14 At this time, Grays Harbor Energy is in
15 compliance with the conditions and requirements of its
16 NPDES permit. It's important to note that, over the
17 past several years, EFSEC staff and the Department of
18 Ecology have worked closely with Grays Harbor Energy
19 staff to develop an engineering report that will
20 comprehensively evaluate the facility's discharges and
21 bring them into compliance as necessary.

22 Ecology has reviewed the permittee's request
23 and has recommended approval. Also be aware that
24 approval of these -- of this order that you're going to
25 act on today is not an enforcement action. It's a

1 routine administrative revision of the Schedule of
2 Compliance that's provided for in the permit.

3 The proposed revision of a Schedule of
4 Compliance is frequently requested by the permittee to
5 allow for budgeting of large expenditure improvements
6 and to minimize disruption of facility operations.

7 Power plants usually shut down for several
8 weeks a year when demands for power is low to implement
9 large maintenance projects. In this case, the planned
10 2016 shutdown did not allow enough time to plan and
11 budget for the necessary work, so the 2017 shutdown is
12 the next best opportunity to replace the cooling tower
13 timbers.

14 EFSEC Staff requests the Council approve the
15 proposed revision of the Schedule of Compliance. And
16 I'm happy to answer any questions you may have.

17 CHAIR LYNCH: Any questions for Mr. LaSpina?

18 And since we have Mr. Mahar on the phone,
19 Mr. Mahar, you -- Ecology concurs with this proposed
20 extension of the compliance schedule; is that correct?

21 MR. MAHAR: Yes.

22 CHAIR LYNCH: And does Ecology want to say
23 anything else about this proposed extension?

24 MR. MAHAR: No.

25 CHAIR LYNCH: Well, that is short and to the

1 point.

2 MR. LASPINA: I just want to point out,
3 Chair Lynch, that Mr. Mahar is the consulting engineer
4 who has worked with EFSEC and the permittee to -- on the
5 engineering report for the facility. And Mr. Eberl,
6 also on the line, is his supervisor.

7 CHAIR LYNCH: Very good.

8 MR. SIEMANN: Excuse me.

9 CHAIR LYNCH: Yes.

10 MR. SIEMANN: I have some questions.

11 CHAIR LYNCH: Yes. Please go ahead.

12 MR. SIEMANN: So -- this is Dan Siemann, and
13 I was curious if -- or how much of this chemical is
14 currently leaking into the water supply now. You
15 mentioned that it's -- they're currently in compliance,
16 and I'm sort of curious about, if they're in compliance,
17 why are they making changes, and what is the sort of
18 risk that's being fixed here?

19 MR. LASPINA: The facility is in compliance
20 with the permit. The problem is, or the issue is that
21 the permit has to be issued before the facility can
22 start operating. So you don't know what the facility's
23 going to put out until it's actually operating.

24 So once it starts operating and we get
25 wastewater that we can characterize, then we can figure

1 out what the facility really puts out and -- and
2 evaluate compliance with the water quality standards,
3 and AKART technology sort of standard.

4 CHAIR LYNCH: So let me continue, along with
5 Mr. LaSpina's remarks, is that they might be in
6 compliance with the permit, but they might not be in
7 compliance with water quality standards at this time,
8 which is why we have a compliance schedule to allow them
9 to redo their facility.

10 Then we can have them check to see what
11 is -- okay, they're gonna replace all these timbers that
12 are currently soaked with arsenic, so they're gonna
13 replace that. Then it's, like, okay, what does the
14 effluent discharge look like now after that? And then
15 we can double-check to see if, in fact, they are in
16 compliance with AKART.

17 And there's been some questions from
18 councilmembers about how this process works, and I think
19 it might be good at some point in time if -- we've had
20 some turnovers with councilmembers fairly recently, if
21 we just have a -- maybe part of an afternoon some time
22 to just go through what do some of these terms mean,
23 like a compliance schedule; what is AKART, which is --
24 you frequently hear with water quality issues; but with
25 air quality you often hear BACT, which is Best Available

1 Control Technology. So there's different terms used for
2 different things and -- for example, there's a
3 difference between a water quality standard and a
4 benchmark.

5 And so it's -- and we tend to throw these
6 terms around, and we don't always do the best job of
7 letting new councilmembers -- getting them enough time
8 up to speed. But this would be a situation where,
9 because they're going to be replacing a large capital
10 facility, you have to have them timed to actually
11 engineer that, you know, take -- actually physically do
12 it, engineer the replacement, bid out the work and have
13 it done and have it installed. So that's why we don't
14 say, okay, you need to do this by next month, because
15 that's not really possible.

16 In my previous experience with the Pollution
17 Control Hearings Board, I frequently was sitting on
18 cases where sometimes there would be an appeal that
19 would come up, and they would say, well, where are we on
20 the compliance schedule? Why is this taking so long?

21 And there are times when that board would
22 look and say, well, this has actually taken a while to
23 get to this point, but -- in fact, I was looking at a
24 case that I helped issue in 2004 involving the Port of
25 Seattle at SeaTac, and there were some citizen groups

1 who were concerned about the time it took them to get to
2 this point.

3 And we said, well, yes, that concerned us,
4 too. It did take a while to get to this point of coming
5 into compliance, but now we're at the point where we
6 want them to be, which is that they have a game plan for
7 coming into compliance. We could issue the permits, and
8 that's where we want to be. So I'm actually very
9 pleased that Grays Harbor Energy is at this point making
10 a finding -- helping find a solution to these water
11 quality problems.

12 And just also note -- I mean, I don't know
13 if people appreciate how small the Grays Harbor Energy
14 facility is. I mean, they're not a utility. They're
15 not charging ratepayers for -- it's not something they
16 can bill ratepayers on a monthly basis for improvements.
17 So I mean, they operate episodically, and so -- you
18 know, providing energy in the market, so that makes
19 their situation a little bit different.

20 So we have to take -- whenever you have
21 questions regarding, how do we deal with a particular
22 facility in coming into compliance, you have to take a
23 myriad of factors into account.

24 And the last thing -- well, I shouldn't say
25 the last thing -- but you normally don't turn to

1 enforcement mode unless somebody is refusing to comply.
2 Because we'd much rather have someone be part of the
3 solution, and here Grays Harbor Energy has been working
4 with us, and now it looks like we have the solution to
5 get out of this.

6 And I would also point out, in the meantime,
7 they have been also -- they've -- the Council had
8 suggested that they put in air monitoring equipment to
9 be aware of -- so that we could determine if they'd been
10 in violation of any noise standards. They have done
11 that.

12 We've been working with them on an air
13 permit for a long time. In fact, I've -- we've -- I
14 think some of you know, one of our problems in issuing
15 air permits is we have to issue them jointly with EPA,
16 and that takes a lot of time. And EPA had been getting
17 close to finishing the air permit for this facility, and
18 then they let us know that, oh, well, we're pulling the
19 guy off the permit again so he can work on something
20 else.

21 I had our staff contact EPA and tell them
22 that was not a good way to do business and we need to
23 wrap up this permit, and the EPA is back on it. In
24 fact, they're supposed to contact us later this week.

25 So I think the thing to take away from all

1 of this is that we have a regime change here where we're
2 actually quite interested in making sure everybody has
3 their permits. Grays Harbor Energy has stepped up to
4 the plate here to make sure that's happening.

5 And within my own experience, and the
6 experience of Mr. LaSpina and Ecology, this particular
7 compliance schedule, based upon everything that they're
8 proposing and everything that needs to have happen
9 [sic], seems to be reasonable.

10 So that's, I guess, me giving a speech, but
11 I just wanted to let you all know that this is kind of
12 how this all -- that there's lots of pieces, lots of
13 moving parts with this facility, and it seems like it's
14 all coming together now.

15 So I'll just -- Mr. Siemann, do you have any
16 more questions or comments?

17 MR. SIEMANN: If I may, yes, please. And I
18 appreciate the cooperative nature of this, and I
19 understand the complexities -- or maybe I don't fully
20 understand the complexities of it, but I respect the
21 complexities of it.

22 What I'm trying to understand, just for my
23 own edification is, is there effluent that is going out
24 now? And is it in some ways polluted? And is there
25 mitigation options, if so? And so that's what I was

1 trying to get at. Understanding that there are going to
2 be fixes to the bigger problem, is there effluent that
3 is now polluting the stream currently?

4 CHAIR LYNCH: I'll let Mr. Valinski or
5 Mr. LaSpina answer that, whoever --

6 MR. LASPINA: Well, the replacement of the
7 cooling tower timbers is expected to address the last
8 compliance issue of the discharge for the facility.
9 There are -- it's not an easy thing to explain. There
10 are -- there are two technological stand -- there's two
11 standards that the utility must meet.

12 One's the technology-based standard, which
13 is reduce pollution concentrations to the extent you
14 can. And then -- and then once the facility fulfills
15 that -- that's the AKART that Chair Lynch was talking
16 about -- once the facility fulfills that, then -- then
17 an evaluation of compliance with the water quality
18 standards happens.

19 And if they fulfill the AKART, then the
20 State allows the facility to get a mixing zone, which
21 allows a little bit of exceedance of the water quality
22 standards around the outfall pipe.

23 So what I'm saying is, is it's not a
24 straightforward sort of thing; if this, then that.
25 It's -- there's several pieces that work together to

1 determine compliance.

2 CHAIR LYNCH: And there's not an easy answer
3 to, what can they do to deal with the effluent going out
4 now. Because you have such a high volume of effluent,
5 it's not a question of you just, oh -- a lot of times,
6 in order to deal with pollutants that are metals, you
7 can run them through a swale and a lot of metals will
8 settle out. But you have such a high volume of water
9 here that's in the discharge, you can't really do that.
10 And so, then, what other options do you have?

11 And that's what we're kind of looking at as
12 a regulator, what options do you have? You know, you
13 can say, well, we're just gonna shut the whole place
14 down and -- but then they don't have the revenue then to
15 create -- to make the changes happen.

16 Or you look at other alternatives, and
17 there's basically no other good alternative. I mean, if
18 you were to do some -- I don't know, just to make
19 something up -- like an ion exchange or something, let's
20 just say there's some sort of equipment that can settle
21 out the particulates, well, that's probably in the
22 millions of dollars when you're only going to use it for
23 a year.

24 So -- so yes, there is going to be a
25 continued discharge in this case of arsenic until they

1 can replace -- until they shut down and replace those
2 timbers. But it's just a recognition that, you know,
3 like, that's the best option to deal with the problem.

4 So I haven't -- I've spoken to staff, and
5 we've actually kicked this around in response to some
6 other councilmember questions, and at some point you
7 just need to -- you know, you need to take care of it
8 and move forward. And there's not just a good option to
9 deal with the effluent other than that.

10 And Mr. Rossman, did you have a question or
11 a comment?

12 MR. ROSSMAN: I did. I have a number of
13 questions.

14 So my understanding is that arsenic was
15 among the pollutants that's tested for on a monthly
16 basis; is that right?

17 MR. LASPINA: Yes.

18 MR. ROSSMAN: And my understanding is that
19 roughly 30 micrograms per liter was the most recent test
20 result?

21 MR. LASPINA: That's the average over time.

22 MR. ROSSMAN: That's the average over time.
23 All right.

24 And I guess -- so recognizing that the
25 compliance schedule is the process by which

1 determinations will be made about final mixing zones are
2 [sic] and present levels, is there presently some amount
3 of arsenic that this facility is permitted to be
4 discharging?

5 MR. LASPINA: No. You -- you -- typically,
6 effluent limits are not established when a facility is
7 under a Schedule of Compliance because the facility has
8 no mechanism to reduce the pollutants in the discharge
9 until the engineering report's done.

10 So -- so what happens is, you can think of
11 the Schedule of Compliance as kind of like a regulatory
12 timeout or a shield from enforcement so that the
13 facility can determine what's the best way to reduce or
14 eliminate the pollutant and then implement it. So there
15 is no discrete effluent limit in the permit right now
16 for arsenic.

17 MR. ROSSMAN: So am I right, then, if that
18 is not a particular pollutant for which a level is
19 established, then the effluent limit would be none, and
20 that the current permit states that the permittee must
21 not discharge detectable amounts of priority pollutants
22 listed in 40 CFR 423, Appendix A, and arsenic is one
23 such pollutant?

24 MR. LASPINA: That's true.

25 MR. ROSSMAN: Okay. Mr. Chair, can I ask a

1 few more questions?

2 CHAIR LYNCH: Certainly.

3 MR. ROSSMAN: I'm trying to understand the
4 current timing of where we are in the process and why
5 this timeline is the appropriate timeline.

6 So I guess I'm wondering, at what point did
7 we first understand there to be discharge of arsenic?

8 MR. LASPINA: Well, in 2008.

9 MR. ROSSMAN: So that is eight years ago?

10 MR. LASPINA: Yep.

11 MR. ROSSMAN: And at what point was the
12 source of that arsenic identified, or the principal
13 source?

14 MR. LASPINA: I couldn't -- I don't
15 remember. A while ago. Definitely a while ago.

16 MR. ROSSMAN: Got it. So the -- the
17 Schedule of Compliance has been amended twice before, or
18 three times before.

19 MR. LASPINA: Three times.

20 MR. ROSSMAN: And were any of those
21 amendments in relation to this issue?

22 MR. LASPINA: Indirectly. We needed an
23 oppor -- you have to understand, there's -- there was a
24 lot of mitigating circumstances. For approximately two
25 years, the facility hardly even ran. It's hard to do an

1 engineering analysis if the facility's not operating
2 because you can't pull samples.

3 We also had to contract with the Department
4 of Ecology for engineering support. Also, understand
5 that developing an engineering report is an evolutionary
6 sort of task. The facility proposes various ways to
7 attain compliance with the standards, and the regulators
8 review those proposals and then tell the facility either
9 that's fine or you need to do more. So it's kind of an
10 iterative process that plays out over time.

11 MR. ROSSMAN: When is the end of that
12 iterative process?

13 MR. LASPINA: The end of the iterative
14 process is when the facility is in full compliance with
15 the technology and water quality based standards. In
16 this case, that is expected to be December 31st, 2017.

17 MR. ROSSMAN: Okay. And I understand that
18 we're looking at extending this schedule under, among
19 other things, the authority of Washington Administrative
20 Code 463.76.054; is that correct? That's on our council
21 order.

22 MR. LASPINA: Okay.

23 MR. ROSSMAN: So I believe that that WAC
24 establishes a requirement that the dates in such a -- in
25 such a compliance schedule not have a larger gap in

1 between them than nine months, so I'm concerned that
2 this extension, as we're contemplating it right now,
3 isn't in compliance with our WAC.

4 And I'm not sure to whom that question is
5 best directed, Mr. Chair.

6 CHAIR LYNCH: Well, I can tell you, I'd
7 actually wrote some -- I don't think we -- I don't
8 believe we are out of compliance with that WAC. I
9 actually researched some of the board decisions I wrote
10 when I was on the PCHB, including that Port of Seattle
11 case, and there was some questions about the compliance
12 schedules.

13 And essentially, what it comes down to is,
14 as I think we said, the Puget Soundkeeper is, like,
15 okay, so, technically, yes, it's longer than the period
16 that's allowed for. What are we supposed to do? It's,
17 like, okay, so what do you do?

18 And it's just recognizing, pragmatically and
19 reality, that it takes -- once we've identified a
20 solution, that it takes time to implement that solution.
21 This particular time period, based upon the amount of
22 work and financing that's required, is reasonable. And
23 Ecology has determined it's reasonable, and we give a
24 lot of deference to them.

25 But also I think it's -- I agree with you

1 that it has taken longer than it should to get where we
2 are now. But rather than look back and just say -- I
3 mean, there's lots of things we could point to and just
4 say, this should have happened a long time ago.

5 And I think it's fair to say that we do have
6 a regime change here, and I think this council for a
7 long time was focused almost exclusively on siting, as
8 opposed to oversight of the facilities that we regulate,
9 and we've been doing a lot in the last two and a half
10 years to update our WACs, adopt policies, work with our
11 permittees to come into compliance, and I'm happy to see
12 that we're moving forward.

13 So I would agree with you that it's been a
14 long time to get here, but this looks like the way out,
15 and it seems like it's reasonable. So we have the -- we
16 certainly have the option -- I mean, we have more than
17 the option -- we've got the responsibility now to make
18 sure that they do due diligence and comply with this
19 compliance schedule.

20 MR. POSNER: Chair Lynch, councilmembers, we
21 have Phyllis Barney here, who has worked on this matter.
22 She's with the Attorney General's office. And this --
23 this -- she can address this issue and have a possible
24 resolution to the point that Jaime brought up.

25 CHAIR LYNCH: Thank you.

1 Ms. Barney, thank you.

2 MS. BARNEY: Let's see. I don't know if
3 this is on.

4 Good afternoon, Chair Lynch.

5 Councilmember Rossman did identify an issue
6 that I should have flagged for Staff but failed to do.
7 And I think -- but I think also the solution is actually
8 contained in this provision.

9 Because the compliance schedule that the
10 Council is being asked to approve here stretches for
11 more than a year, what the provision in the WAC provides
12 for is interim dates and progress reports that actually
13 need to be nested into the order itself.

14 Because the period of time is greater than
15 nine months, what this does is assure that the process
16 that the compliance schedule is being issued to
17 accommodate is taking place on the proper timeline.

18 And I think that that -- actually, if
19 that -- provisions for interim dates and progress
20 reports are included in the Council's order, then that
21 would bring the order into compliance with 463-76-054.

22 MR. LASPINA: If I might add, Chair Lynch, I
23 have talked to Mr. Valinski, and Mr. Valinski has
24 indicated he would be willing to provide the contract,
25 the signed contract after it's finalized to EFSEC. I

1 think that would be an appropriate interim milestone,
2 and it would also indicate the Company's full commitment
3 to carrying out the cooling tower replacement. I
4 propose that is sort of an interim milestone.

5 CHAIR LYNCH: Well, I guess I'll ask
6 Ms. Barney.

7 What -- so do -- are you recommending an
8 addition to the proposed order?

9 MS. BARNEY: I think that would be the
10 appropriate mechanism, to nest that within the order,
11 since it's -- since the Council is extending and
12 modifying the compliance schedule on the basis of that
13 order, the interim dates should be included in the
14 order.

15 CHAIR LYNCH: And what is -- and do you have
16 the proposed order in front of you?

17 MS. BARNEY: I'm sorry, I don't.

18 CHAIR LYNCH: I just thought maybe we could
19 just work that out just right now.

20 MR. LASPINA: Oh, dear.

21 CHAIR LYNCH: So we would be adding on
22 page 2 -- would you be suggesting after number 8 we add
23 a number 9?

24 MS. BARNEY: I would include it in the
25 order, which would be in the operative -- not in the

1 findings, but in the order itself, designating the
2 specific dates, interim dates within that -- the order
3 provision.

4 Potentially under 3.0, Approval Order and
5 Restrictions, would be a place to add the milestones and
6 the interim dates.

7 CHAIR LYNCH: I'm just trying to -- what I
8 wanted to do is pass this out today, so I'm hoping we
9 can get some language in front of us.

10 MR. LASPINA: Can we -- is the table in the
11 proper place? I mean, could we just add the date for
12 submittal of the signed contract in the table? Would
13 that -- would that be --

14 MS. BARNEY: I would think that would work
15 as well, because that still is within the order action
16 section of the document.

17 CHAIR LYNCH: So under Task, we would have
18 "Submittal of signed contract."

19 MR. LASPINA: Mr. Valinski, can you propose
20 a date that you would have a contract?

21 MR. VALINSKI: I can propose one. Right now
22 we're working with an engineering company. We'll pick
23 an engineering company this week to develop our cooling
24 tower spec for us. They will send that spec out to
25 various companies to get bids. We expect that to happen

1 by mid-May.

2 Once those bids come back, they'll be
3 evaluated, we'll pick a preferred contractor. So we
4 hope to have something penned out, I would think, late
5 fall, December at the very latest, because we'd like to
6 get on this as soon as possible.

7 So to throw a date out there, I would say
8 December 31st, if that's adequate for a contract.

9 MR. LASPINA: 2016.

10 MR. VALINSKI: 2016. And we expect --
11 certainly expect to be rolling on it well before that.

12 CHAIR LYNCH: And it's less than a year
13 between now and December 31st, 2016, so we would be
14 meeting the requirements of the WAC.

15 MR. SIEMANN: That's nine months.

16 CHAIR LYNCH: Nine months? Excuse me.
17 You're right, nine months. It would still be meeting
18 the nine months.

19 MR. VALINSKI: We could throw another date
20 in of commencing construction, and I would propose that
21 to be April of 2017, our 2017 outage.

22 CHAIR LYNCH: So under -- so we have --
23 under Task, we'd have "Submittal of signed contract,"
24 and that would -- proposed completion date would be
25 December 31st, 2016.

1 And then "Commencement of construction"
2 would be another task and you're proposing that would
3 be -- proposed completion date is April 30th or
4 April 1st or --

5 MR. VALINSKI: April 30th.

6 CHAIR LYNCH: April 30th.

7 MR. VALINSKI: That wouldn't be the
8 completion date. That would be the initiating
9 construction date.

10 CHAIR LYNCH: Right. Initiate commencement
11 of construction.

12 Ms. Barney, is it within your exalted legal
13 opinion that that will --

14 MS. BARNEY: Well, what that does is that
15 presents increments that are within the nine months that
16 are required by the WAC, so that keeps things on
17 schedule and provides a schedule, an interim --
18 essentially interim benchmark dates to make sure that
19 the facility is meeting those benchmark dates.

20 MR. ROSSMAN: That would -- that would
21 address the bulk of my concerns. I appreciate that the
22 facility has been working well with our staff and with
23 Ecology staff to come to a resolution to this. So that
24 would address my concerns.

25 CHAIR LYNCH: Okay. Thank you, Mr. Rossman.

1 Thank you for identifying that for us.

2 Mr. Stephenson?

3 MR. STEPHENSON: Thank you, Chair Lynch.

4 As your Ecology representative, though while
5 I'm here I'm an EFSEC person, I want to ask Mr. Eberl
6 and Mr. Aziz [sic] on the phone if this is working for
7 them, to make sure that what we've just done here -- it
8 seems to me that we should at least make sure this is
9 working for the Ecology regulations. So I just want to
10 hear a yes or no for that.

11 CHAIR LYNCH: Still there?

12 MR. STEPHENSON: Aziz or Steve, are you
13 still on the phone?

14 MR. MAHAR: Here. Yes, it does work for us
15 also.

16 MR. STEPHENSON: Thank you. So that helps.

17 So -- and again, as the Ecology member on
18 the Council, I have looked at this. I think we have
19 done a good job of trying to make sure this is compliant
20 with regulations, and I appreciate the AG review of this
21 as well. It has been difficult to get to a compliance
22 issue since the plant has not been operating at full
23 capacity, so we don't know what the full emissions are.

24 But my analysis, when I've talked to Ecology
25 staff and to EFSEC staff, is that the changes are

1 intended to make sure that this will work and will be a
2 good solution. So I'm -- I'm happy, and especially with
3 the changes submitted.

4 We're always happy to hear good commentary
5 on how we could do our job better as Ecology, and I'm
6 sure we are also as EFSEC members. So I appreciate the
7 conversation, but have been trying to do my job as a
8 councilmember here.

9 CHAIR LYNCH: Thank you, Mr. Stephenson.

10 Any other comments?

11 Mr. Siemann?

12 MR. SIEMANN: Thank you, Chair Lynch.

13 I'd like to ask the water quality experts
14 from Ecology that are on the phone, given what you know
15 of the situation, are there options for mitigation that
16 are available to us to address the current effluent
17 discharge?

18 And I'm, in part, concerned that, you know,
19 this has been going on since 2008, and so I'm just
20 interested to see if there were opportunities for
21 controlling that in some way before this changeover that
22 is proposed.

23 MR. EBERL (via phone): This is Steve Eberl
24 in Ecology. Removing arsenic from these effluents is
25 one of the more difficult changes that we face, and we

1 have this issue at a variety of industrial and Municipal
2 discharges. There are not very many treatment
3 alternatives available to remove arsenic down at these
4 low, ten-microgram-per-liter-type of range discharges
5 that we're talking about.

6 So the simple answer is no, there's not very
7 many, particularly short-term discharge treatment
8 alternatives that would be available. So the
9 alternative that's put forward here, which is to remove
10 the timbers that I believe were treated probably with
11 chromated copper arsenate timbers, that's what we find
12 are the situation -- in fact, I'm personally familiar
13 with a different sawmill that had these in their cooling
14 water system. We were unaware of this. They kept
15 having arsenic in their discharge, found out those were
16 in the cooling water tower, removed that, and then the
17 problem was solved.

18 So that's the solution is to remove these
19 timbers, get them out of there, replace them with a
20 non-arsenic-containing material. I think plastic
21 composite material is the one that they're spec'ing out.
22 That's the solution.

23 So to try to remove the arsenic once it's in
24 the solution -- once it's in the effluent is extremely
25 difficult. There's really no good, reliable treatments

1 that are effective at removing this down at these very
2 low levels.

3 MR. ROSSMAN: Mr. Chair, a question?

4 CHAIR LYNCH: Yeah, Mr. Rossman.

5 MR. ROSSMAN: I'm noticing that the facility
6 was operational only for a part of a month. I'm
7 wondering, what about the feasibility of painting the
8 timbers to contain the arsenic in place until they're
9 removed. I guess I would be interested in Ecology
10 staff's perspective on that.

11 MR. EBERL: Could you repeat your question?

12 MR. ROSSMAN: Yeah. I'm noticing from the
13 operational report we had from this facility that the --
14 it operated 12 days during the month of March, so
15 there's some downtime, at least periodically, and I'm
16 wondering about potentially the feasibility of something
17 like painting the timbers to contain the arsenic in
18 place as an interim measure.

19 MR. EBERL: Did you say paint the timbers in
20 place?

21 MR. ROSSMAN: Yeah. Paint the timbers so
22 that the water is not leaching off.

23 MR. EBERL: Okay. Yeah. To try to seal the
24 timbers to prevent the arsenic from leaching?

25 MR. ROSSMAN: That's right.

1 MR. EBERL: Actually, the type of timber
2 doesn't really take paint very well at all. In fact,
3 the EPA decided to remove the product off of the entire
4 consumer market about ten years ago -- those are the
5 timbers you might recall that you were able to buy,
6 chromated copper arsenate, CCA -- because the arsenic
7 was too high of a health danger.

8 And so they're only available now to certain
9 limited commercial construction, and that's all. Like
10 transportation departments for roadside construction,
11 girder-type stuff. Other than that, it's just not
12 available for the vast majority of consumer markets.

13 And so you can't really seal these timbers
14 by painting them, sealing them in any other way. It's
15 just -- it doesn't take to the material.

16 MR. ROSSMAN: Thank you.

17 MR. EBERL: And you wouldn't really get
18 access into the cooling tower to effectively get in
19 there anyway. Even if the material could be, the access
20 in there is really limited. But that's a good idea. I
21 mean, it would be worthy to try that if it were
22 possible.

23 CHAIR LYNCH: Any other councilmember
24 questions?

25 Mr. Siemann?

1 MR. SIEMANN: One last one for me.

2 In a letter -- in our packets, there's a
3 letter dated April 11th from Grays Harbor Energy, and it
4 mentions that -- in the last paragraph there under the
5 box, it says, "Taking the extra measure of replacing the
6 entire cooling tower structure will remove GHE's major
7 source of arsenic in its wastewater and drastically
8 reduce the plant's contribution."

9 And -- but we're only talking -- so I'm kind
10 of confused as to, if we're talking about just replacing
11 the wood timbers or replacing the entire tower
12 structure, or maybe that's the same thing in different
13 words.

14 CHAIR LYNCH: Mr. Valinski can answer that.

15 MR. VALINSKI: Yes, I can. The cooling
16 tower is 95 percent lumber with a small fraction of
17 fiberglass, and the rest machinery, piping, motors,
18 fans.

19 We are replacing all of the wood -- or we're
20 proposing to replace all of the wood in the cooling
21 tower. We'll reuse the motors, fans and some of the
22 fiberglass. So the entire wooden structure is going
23 away and it would all be replaced with fiber-reinforced
24 plastic.

25 MR. SIEMANN: Thank you.

1 CHAIR LYNCH: Any other questions by
2 councilmembers? Well, this was a very lively bunch
3 today, and I appreciate that.

4 So at this point in time, I would entertain
5 a motion to adopt Council Order No. 876, which will need
6 to be retyped to include -- so as amended, but -- so it
7 will include those changes within the proposed schedule
8 in the order.

9 So I would entertain a motion and a second
10 for Council Order No. 876 to be adopted as amended.

11 MR. ROSSMAN: Could you just recite those
12 changes one last time, Mr. Chair, so that --

13 CHAIR LYNCH: The changes would be, in the
14 Order portion of the document on page 2, under -- in
15 that box under the Task column, there would be a new
16 task "Submittal of signed contract," and the proposed
17 completion date for that would be December 31st, 2016.

18 And then, again, another task is added,
19 which is "Commencement of construction," and the
20 proposed completion date -- which would mean when they
21 would start construction -- would be April 30th, 2017.

22 MR. ROSSMAN: Thank you.

23 CHAIR LYNCH: You're welcome.

24 And at this point, I would entertain a
25 motion.

1 MR. MOSS: Chair Lynch, I would move that
2 the Council approve Order 876, amended as discussed
3 today, to provide for interim tasks and dates for the
4 completion of those tasks in the ordering paragraphs.
5 That should be sufficient.

6 CHAIR LYNCH: Thank you, Mr. Moss.

7 Do we have a second?

8 MR. STEPHENSON: I'll second.

9 CHAIR LYNCH: It's been moved and seconded
10 that we approve Council Order No. 876 as amended.

11 All those in favor, say "Aye."

12 MULTIPLE SPEAKERS: Aye.

13 CHAIR LYNCH: Opposed? Motion carries.

14 Thank you.

15 MR. MOSS: And Chair Lynch, if you'll
16 indulge me, I meant to say that I very much appreciate
17 the insightful questions that my fellow councilmembers
18 asked today. I feel much more informed about this issue
19 as a result of the colloquy between the Council and
20 those present in person and on the telephone. So thank
21 you all.

22 CHAIR LYNCH: And thank you, Mr. Valinski.

23 MR. VALINSKI: Thank you.

24 CHAIR LYNCH: Now, let's go ahead and turn
25 to the update regarding Tesoro/Savage.

1 And Mr. Posner will be pinch-hitting for
2 Ms. Bumpus today.

3 MR. POSNER: Thank you, Chair Lynch. Good
4 afternoon councilmembers.

5 I'll give you a quick update on the status
6 of project review. I'll start with the SEPA analysis.

7 We are continuing working with our
8 consultant on the integration of the two -- of the over
9 250,000 comments that we received. Those comments are
10 being -- we're -- while we're analyzing them, we're also
11 putting them into the comment management database, and
12 that's scheduled to be completed next week.

13 We are also considering [sic] with
14 regular -- with our regular workshops, technical
15 workshops that we're having with our consultant, Cardno.
16 We've been doing that every week, and the purpose of
17 those workshops is to discuss the issues raised in the
18 comments and to determine how best to respond to certain
19 DEIS comments that we received.

20 And I'll go next to the permits. We are
21 continuing to develop three separate permits. The first
22 one is the NPDES Stormwater Industrial Permit. There
23 was a letter that was sent to the Applicant on
24 February 19th requesting more information. This
25 information was requested as a result of a technical

1 review conducted by our permitting agency that's
2 assisting us with writing the permit, the Department of
3 Ecology. We are waiting for a response back from the
4 Applicant on this information, which is necessary to
5 continue developing the permit.

6 The NPDES Stormwater Construction Permit,
7 Ecology permit contractors are continuing to work on
8 this permit, and we expect that additional information
9 may be requested as the permit continues to develop.

10 And on the Notice of Construction, Air
11 Operating Permit, we sent a letter to the Applicant on
12 March 14th and we were requesting additional
13 information. And as of today, we are still waiting to
14 hear back from the Applicant with that information.

15 And on the 401 Water Quality Certification,
16 we're working with Ecology in dealing with the 401
17 certification, and our Ecology contractor has prepared
18 some comments based on the information the Applicant
19 submitted in February, and we will be providing --
20 providing those comments to the Applicant in the next
21 week or so.

22 And I believe that's all we have. I'll be
23 happy to try to answer any questions councilmembers may
24 have.

25 CHAIR LYNCH: Any questions for Mr. Posner

1 of where we are in the process so far?

2 Hearing none, Mr. Posner, do you want to
3 describe the request to extend the statutory deadline?

4 MR. POSNER: Yes. In your packets is a copy
5 of a letter that we received from the Applicant late
6 last week. And the Applicant has requested an extension
7 to the timeframe for processing the application.

8 As you know, our statute states that the
9 application review be conducted within either one year
10 or such time as mutually agreed by the Applicant and the
11 EFSEC Council.

12 We've had prior previous extensions that
13 have been put forth to the Council that the Council has
14 agreed to, which take us to a deadline date now of
15 May 1st, 2016.

16 So the Applicant, in this letter, has
17 described basically what has happened to date, and this
18 is the -- another request for an extension, which would
19 take us out to November 1st, 2016, a six-month extension
20 from May 1st, 2016.

21 CHAIR LYNCH: Any questions for Mr. Posner?

22 I would like to comment on this letter. I
23 believe that the request for an extension for six months
24 to November 1st, 2016, is very realistic, and I'm
25 supporting this extension.

1 But I just have to comment on how the letter
2 is worded, and I just want to flag some language that's
3 in here. And it says, the last paragraph, "Applicant
4 has no information from EFSEC staff regarding the
5 expected schedule for the permits or the expected
6 schedule for the final EIS."

7 And when I see language like this, this
8 concerns me because, as Mr. Posner indicated, we sent a
9 letter to Tesoro/Savage on February 19th of this year
10 saying, Here are a number of questions that need to be
11 answered in order to get your NPDES permit processed.

12 We sent another letter March 14th, 2016,
13 saying, Here are some questions that need to be answered
14 before we can move forward with the air permit.

15 And I see language -- and Mr. Posner has
16 indicated there have been regular meetings between our
17 staff and the consultants and Tesoro/Savage where
18 they're updated on what needs to be done.

19 And then I see a sentence like this in a
20 letter, which seems to indicate you could knock me over
21 with a feather. What is going on with EFSEC? And
22 frankly, that's just darned annoying.

23 I mean, you know, when we see public
24 officials in a meeting saying, EFSEC is broken, and
25 we're trying to game the process, we are purposefully

1 trying to delay this project for whatever reason,
2 that -- so when I see language in a letter like this, I
3 just think that that contributes to the misperception
4 that's out there, which is not correct, and it's frankly
5 way too cynical. And people who say things like that,
6 well, I think it speaks more to their character than it
7 does to ours.

8 And we have been working with good faith all
9 along, all our councilmembers and our staff, to make
10 sure that we have a thorough vetting of this project,
11 and that we also maintain a certain amount of pragmatism
12 and reasonableness. And I just don't think there's any
13 place for this sort of language anymore.

14 And with that, I will open it up for
15 discussion regarding the extension of this schedule for
16 another six months to November 1, 2016.

17 Any other comments?

18 Mr. Moss?

19 MR. MOSS: Chair Lynch, I would echo the
20 comments that you made. I have been serving on this
21 council for a long time, and I have observed its
22 operations when I was not serving on it for an even
23 longer time, and I'm talking more than ten years,
24 fifteen years, actually.

25 In my experience, working with this staff

1 and predecessor members of the staff, there is no foot
2 dragging. They work very, very hard, very, very
3 diligently to process these applications as efficiently
4 and correctly as they can. The Council itself meets
5 regularly, usually monthly, or more frequently as
6 needed, and also devotes a great deal of effort to these
7 matters. And I think any suggestion to the contrary is
8 perhaps bordering on the offensive, and I think it
9 should stop.

10 I agree with Chair Lynch that that is an
11 inappropriate type of communication, particularly from
12 the Applicant, who ought to be cooperating with our
13 staff and with us to get this done. So I think -- I
14 just wanted to echo that I feel the same way you do
15 about it, Chair Lynch.

16 CHAIR LYNCH: Thank you, Mr. Moss.

17 Any other comments by councilmembers?

18 At this point in time, I would like a motion
19 that would respond to the request by Tesoro/Savage to
20 grant an extension until November 1, 2016.

21 MS. NOBLE: Chair Lynch, I'm sorry, I'm
22 probably out of order. This is Cassandra Noble,
23 administrative law judge, and I just wanted to correct
24 something in the letter myself.

25 CHAIR LYNCH: Please go ahead.

1 MS. NOBLE: Am I out of order?

2 CHAIR LYNCH: Well, let's see what you have
3 to say.

4 MS. NOBLE: Okay. The sentence says that my
5 order indicates that the adjudication will be completed
6 by the end of July 2016, and it should be that the
7 adjudication hearing will be completed by then. You
8 will not be able to issue your findings and conclusions
9 from the adjudication until after deliberations, and the
10 APA, Administrative Procedure Act, gives you 90 days or
11 such further time as is needed.

12 I anticipate that your findings and
13 conclusions will be done certainly within that
14 timeframe, but it is not correct that the entirety of
15 the adjudication will be completed at the end of July.
16 The hearing hopefully will be completed by then.

17 CHAIR LYNCH: And duly noted, Judge Noble.
18 We're talking about the hearing will be completed by
19 that time, and I think that's what they meant to say.
20 It was just a little inartful. Yes, thank you.

21 MR. SIEMANN: Judge?

22 CHAIR LYNCH: Yes, Mr. Siemann.

23 MR. SIEMANN: Since we're perhaps correcting
24 the letter, I noticed that the first sentence of the
25 last paragraph -- I think that's the last paragraph --

1 well, the second paragraph anyway, ends with "a further
2 extension is required."

3 And I just wanted to ask, is a further
4 extension required? I realize that we didn't vote on
5 that, but they're saying that it is required. I just
6 wanted to ask if that is accurate.

7 CHAIR LYNCH: Well, yes, it would be
8 required for us to continue to move forward beyond
9 May 1st, so yes. And we're actually not trying to
10 wordsmith the Applicant's letter to us as -- but yes, it
11 is -- in order for us to continue working on this
12 proposal, it would -- it ends on May 1st, and this
13 extension would allow us to keeping working on it until
14 we're done, which contemplates November 1st.

15 With that, I think we -- did we have a
16 motion?

17 MR. MOSS: No, we don't, but I will make
18 one.

19 CHAIR LYNCH: Okay.

20 MR. MOSS: Chair Lynch, I would move that
21 the Council grant the Applicant's request for an
22 extension of six months in this process to the date of
23 November 1, 2016.

24 CHAIR LYNCH: Do we have a second?

25 MR. ROSSMAN: Second.

1 CHAIR LYNCH: It's been moved and seconded
2 that we extend the Applicant's request on the proposed
3 Tesoro/Savage Vancouver Energy Distribution Terminal
4 until November 1, 2016.

5 All those in favor, say "Aye."

6 MULTIPLE SPEAKERS: Aye.

7 CHAIR LYNCH: Opposed? Motion carries.

8 MR. PAULSON: Chair Lynch?

9 CHAIR LYNCH: Yes.

10 MR. PAULSON: I should note, just for the
11 record, while I support the extension, I did not vote on
12 it because I cannot.

13 CHAIR LYNCH: Right. Thank you,
14 Mr. Paulson.

15 As many of know, Mr. Paulson, as the Port of
16 Vancouver representative, is allowed to take part in all
17 deliberations and discussions, but when you actually
18 vote, he is -- by statute, the Port representative is
19 not a voting member.

20 So thanks for the reminder, Mr. Paulson.

21 And we still have a little bit left on our
22 agenda for today, and that is the 4th quarter cost
23 allocation.

24 But before we do that, Mr. Posner, do you
25 want to introduce the new staff person?

1 MR. POSNER: Yes. We do have a new staff
2 person. She started approximately a month ago. Her
3 name is Pamela Thorne-Cochran. She's sitting right over
4 here. She is providing administrative support services
5 to EFSEC, and she's making quite a noticeable dent in
6 our filing backlog, so she's really been working hard on
7 that and we're really glad to have her on board.

8 CHAIR LYNCH: I didn't even know there was a
9 cubicle back there, and then all of a sudden it's, like,
10 gosh, you look behind and all those cabinets are gone
11 and there's actually a cubicle back there.

12 So thank you very much.

13 MS. THORNE-COCHRAN: You're welcome.

14 CHAIR LYNCH: Mr. Posner, do you want to,
15 for the record, go through the 4th quarter cost
16 allocations for us?

17 MR. POSNER: Yes. So in your packets is the
18 latest version of the non-direct cost allocation for the
19 4th quarter fiscal year 2016.

20 We do this at the beginning of every quarter
21 within the fiscal year. We take a look at the past
22 quarter's percentage of EFSEC technical staff time that
23 was spent on the various projects, and we also look at
24 what we are projecting the time will be spent for the
25 upcoming quarter; in this case, the fourth quarter.

1 And then based on that information, we
2 calculate or recalculate the percentages that we charge
3 to our applicants and certificate holders. That
4 information is listed on this sheet of paper.

5 I'll go ahead and read the percentages for
6 those who are on the phone.

7 For the Kittitas Valley Wind Power Project,
8 it's 7 percent; the Wild Horse Wind Power Project,
9 7 percent; Columbia Generating Station, 16 percent;
10 WNP 1, 4 percent; Whistling Ridge Energy Project,
11 3 percent; Grays Harbor 1 and 2, 7 percent; Chehalis
12 Generation Project, 7 percent; Desert Claim Wind Power
13 Project, 3 percent; Gray Harbor Energy 3 and 4,
14 3 percent; and Tesoro/Savage, 43 percent.

15 And that concludes my presentation. I'd be
16 happy to answer any question councilmembers may have.

17 CHAIR LYNCH: Any questions for Mr. Posner?

18 Any other further -- any further business
19 before the Council today? I would really like to
20 appreciate [sic] the Council's engagement today. We had
21 a couple big lifts today, and appreciate your input.

22 And with that, we are adjourned. Thank you.

23 (Meeting concluded at 2:43 p.m.)

24
25 -o0o-

C E R T I F I C A T E

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I, ANITA W. SELF, a Certified Shorthand Reporter
in and for the State of Washington, do hereby certify
that the foregoing transcript is true and accurate to
the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have hereunto set my hand
and seal this 2nd day of May, 2016.

ANITA W. SELF, RPR, CCR #3032

Kittitas Valley Wind Power Project

Monthly Project Update

April 19, 2016

Project Status Update

March Production Summary:

Power generated: 17,350 MWh
Wind speed: 5.9 m/s or 13.2 mph
Capacity Factor: 23.2%

Safety:

No incidents

Compliance:

Project is in compliance as of April 18, 2016.

Sound:

No complaints

Shadow Flicker:

No complaints

Environmental:

No incidents

Wild Horse Wind Facility

Wind Production: March generation totaled 76,520 MWh for an average capacity factor of 37.73%.

Safety: No lost-time accidents or safety injury/illnesses to report in March.

Compliance/Environmental:

In accordance with the Storm Water Pollution Prevention Plan (SWPPP) a storm water inspection was completed following spring snow melt. Maintenance was completed on some stormwater BMPs. Overall the site responded very well to the snow melt and is in compliance with SWPPP.

In accordance with Article VII.F of the SCA, the site was opened to the public for access and recreational use on April 1st. The Renewable Energy Center (visitor center) also opened to visitors on April 1st.

EFSEC Monthly Operational Report

March, 2016

1. Safety and Training

- 1.1. There were no accidents or injuries during the month of March.
- 1.2. Conducted scheduled and required monthly training.
- 1.3. Conducted the scheduled safety committee meeting.
- 1.4. Two employees recertified as plume evaluators and two employees completed initial plume evaluation certification for EPA Method 9 stack evaluations.

2. Environmental

- 2.1. Submitted the February Discharge Monitor Report (DMR) to WebDMR.
- 2.2. Submitted the 2015 annual emissions inventory report to Olympic Region Clean Air Authority (ORCAA).
- 2.3. Submitted the 2015 Greenhouse Gas (GHG) report to EPA and Ecology.
- 2.4. Submitted additional documents to EPA, at their request, to help with decision on the applicability of 40 CFR 60 Subpart GG vs. KKKK to support Amendment 4 to our PSD.

3. Operations & Maintenance

- 3.1. Grays Harbor Energy (GHE) operated 12 days and generated 129,416 MWh during the month of March.
- 3.2. The capacity factor (CF) was 28.1% in March, and 56.2% YTD.
- 3.3. The availability factor (AF) was 98.5% in March, and 99.5% YTD.

4. Noise and/or Odor

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

5. Site Visits

- 5.1. A group from the Washington Utilities and Transportation Commission visited the site in March. Their purpose was to get acquainted with combined cycle power plants.

6. Other

- 6.1. Grays Harbor is staffed with 21 personnel. We have one open position for the Operations Manager that we plan to fill with an internal candidate.

Chehalis Generation Facility----Monthly Plant Report – March 2016

Washington Energy Facility Site Evaluation Council

04-14-2016

Safety:

- There were no recordable incidents this reporting period and the plant staff has achieved 4883 days without a Lost Time Accident.

Environment:

- There were no air emissions or stormwater deviations or spills during the month of March 2016.
- Wastewater and Stormwater monitoring results were in compliance with the permit limits for the month of March 2016.

Personnel:

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

Operations and Maintenance Activities:

- The Plant generated 112,002 MWhrs in March 2016 for a total YTD capacity factor of 19.4%.
- Repair of the unit #2 combustion turbine was completed and the unit returned to service on March 2, 2016 at 21:50.

Regulatory/Compliance:

- The Chehalis plant submitted the 2015 Annual Emissions Inventory on March 15th for review by EFSEC and the Southwest Clean Air Agency. All Title V Air Operating Permit, permit #: EFSEC/06-01 AOP Rev. 1, R6., and WAC 173-400-105, conditions were met and in compliance for EU #1, EU #2 and EU #3 for the 2015 calendar year.
- The Chehalis plant submitted the 2015 Washington State Greenhouse Gas Report to Ecology on March 21st.
- The Southwest Clean Air Agency conducted an annual Title V Inspection of the Chehalis plant site on March 29th and the Agency also observed emissions compliance testing being conducted by a third party contractor. There were no other inspections or issues this period.
- The 2016 annual Relative Accuracy Test Audit (RATA) of the performance of the continuous emission monitors was conducted during this operating period. The preliminary results of the audit indicate that the emission monitors are performing within compliance requirements.



Sound monitoring:

- There were no noise complaints to report.

Carbon Offset Mitigation

- There are no updates on the carbon offset mitigation projects this reporting period.

Respectfully,

A handwritten signature in black ink, appearing to read "Mark A. Miller".

Mark A. Miller
Manager, Gas Plant

Energy Northwest
EFSEC Council Meeting
April 18, 2016

I. Columbia Generating Station Operational Status

Columbia is online at 100% power and producing 1141 MWs. The plant has been online for 19 days following a plant SCRAM on March 28, 2016.

Columbia Generating Station operators safely shut down the reactor following an indication of the loss of reactor closed cooling, which provides cooling to equipment in the plant. All systems needed to safely shut down the plant operated as expected.

The event investigation review board concluded that the cause of the reactor scram was related to a human performance error during a post maintenance test. The plant was brought back online on March 31.

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

II. WNP 1/4 Water Rights

Site Injury

On April 9, 2016, a team of employees were troubleshooting a loss of power at the WNP 1 site. One employee troubleshooting the issue approached the switch gear cubicle. Residual energy in the system resulted in a shock to their index finger. The employee was transported to a local hospital and observed overnight as a precautionary measure. The individual returned to work the following day, with no restrictions or injuries.

Washington State Department of Labor and Industries (L&I) completed a site inspection on April 13, 2016. Further communications with L&I are expected this month.

NEPA/Leasing

The Department of Energy and Energy Northwest have begun work on the NEPA Environmental Assessment (EA) for WNP 1/4. The NEPA process is expected to continue through the fall of 2016. Following completion of the EA, a new lease will be signed between EN and the Department of Energy. The new lease will allow for use of the water rights obtained in January 2015.



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47600 • Olympia, WA 98504-7600 • 360-407-6000

711 for Washington Relay Service • Persons with a speech disability can call 877-833-6341

April 1, 2016

Mr. Stephen Posner
Energy Facility Site Evaluation Council, Manager
PO Box 43172
Olympia, WA 98504

Re: NPDES Permit No. WA002496-1 - Request for Compliance Schedule Extension

Dear Mr. Posner:

The Department of Ecology (Ecology) has reviewed Grays Harbor Energy, LLC (GHE) letter that Jim La Spina forwarded to Aziz Mahar, dated February 23, 2016. This letter requests an extension to the current compliance schedule which is stated in the Energy Facility Site Evaluation Council's (EFSEC) letter of October 27, 2015. The October EFSEC letter requires GHE to implement the final engineering report by August 1, 2016 and meet the applicable surface water quality standards. In the engineering report of August 2015, GHE stated that the major source of the high concentration of arsenic in the process water is cooling tower structure. GHE is proposing to replace all treated wood timbers in the cooling tower structure with FRP.

GHE is requesting to delay the current engineering report implementation deadline of August 1, 2016. GHE is requesting an extension of the deadline for submitting the supplemental engineering report to EFSEC by December 31, 2017. GHE states in their letter that the proposed extension request will give GHE adequate time to secure financing for the replacement of all treated wood timbers in the cooling tower structure while minimizing the plant down-time by having the work coincide with a scheduled, extended turbine maintenance outage. Ecology concurs with this request. Please contact Aziz Mahar at (360) 407-6290 or azizullah.mahar@ecy.wa.gov, if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "A. Eberl".

Steven G. Eberl, P.E.
Industrial Operations Unit Supervisor
Southwest Regional Office
Water Quality Program

Grays Harbor Energy LLC

Grays Harbor Energy Center

April 11, 2016
GHE253

Stephen Posner
Energy Facility Site Evaluation Council
PO Box 43172
Olympia, WA 98504-3172

**RE: NPDES Permit No. WA-002496-1 Condition S5.C – Request for
Extension of Schedule of Compliance**

Dear Mr. Posner,

Grays Harbor Energy (GHE) received a letter from the Energy Facility Site Evaluation Council (EFSEC), dated October 28, 2015, approving our proposed revision of the schedule of compliance as presented in the draft engineering report dated August 24, 2015.

Subsequent to that letter, GHE met with EFSEC, Ecology and AECOM to discuss Ecology's comments on the draft engineering report. During that meeting it was agreed that replacing only the lower cooling tower structure would not comply with All Known And Reasonable Treatment (AKART). Furthermore, complete replacement of the cooling tower timbers is a necessary step to fulfillment of AKART. This approach is expected to result in lower and more consistent concentrations of arsenic in the discharge.

GHE considered replacing the entire cooling tower structure in 2016. However, that option was not feasible due to budgeting constraints and the availability of materials with such a short lead time. The option of replacing the lower timbers in 2016, per the schedule of compliance, then replacing the remainder of the timbers in 2017 was also considered. However, the additional time and expense for this two-step approach made it a less sensible option.

The best solution is to replace the entire cooling tower structure in 2017. This option will allow time to adequately finance and plan this major project while minimizing plant down time by having the work coincide with a scheduled, extended turbine maintenance outage.

GHE requests that our schedule of compliance be revised as shown below.

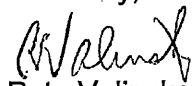
Grays Harbor Energy LLC

Grays Harbor Energy Center

Task	Proposed Completion Date
Replace all treated wood timbers in the cooling tower structure with Fiber Reinforced Plastic (FRP).	September 1, 2017
Submit Engineering Report Addendum	December 31, 2017

Taking the extra measure of replacing the entire cooling tower structure will remove GHE's major source of arsenic in its waste water and drastically reduce the plant's contribution of arsenic to the Chehalis River.

Sincerely,



Pete Valinske
Plant Manager

cc: Jim LaSpina, EFSEC
Milos Stefanovic, Invenergy



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

MEMO

To: Energy Facility Site Evaluation Council (EFSEC)
From: EFSEC Staff
Date: April 19, 2016
Subject: Grays Harbor Energy Center National Pollutant Discharge Elimination System
(NPDES) Permit WA-002496-1: Proposed Administrative Order to Revise Condition
S5.B - Schedule of Compliance

Proposal Statement

EFSEC Staff requests Council approval of Order 876 which modifies the schedule of compliance in the Grays Harbor Energy Center NPDES Permit. The proposed modification would allow the permittee, Grays Harbor Energy, LLC (GHE), additional time to implement all known, available and reasonable methods of prevention, control and treatment (AKART) and demonstrate compliance with the water quality standards.

Background

EFSEC issued the current NPDES Permit No. WA-002496-1 to GHE for its Grays Harbor Energy Center facility on May 13, 2008. The facility discharges cooling water to the Chehalis River near Satsop, Washington.

EFSEC staff and its compliance contractor, the Department of Ecology (Ecology), have been working with GHE on an engineering report to demonstrate compliance with technology and water quality-based standards contained in state and federal laws. State and federal standards are encompassed in Chapter 173-201A, the National Toxics Rule, and Chapter 463-76 Washington Administrative Code (WAC). Over the past several years EFSEC, Ecology and GHE have collaborated to reduce and/or eliminate several sources of pollutants from the facility's discharge. The remaining anthropogenic sources of pollutants are the wood timbers providing structural support for the cooling towers. The wood timbers are treated with chromium, copper and arsenic (CCA) that leach into the cooling water, which is discharged to the river.

GHE's discharge must comply with two state discharge standards: 1) the technology-based requirement to apply AKART to the discharge, and 2) compliance with all applicable water quality standards. Dischargers must fulfill the requirements of AKART prior to being authorized mixing zones in the receiving water. WAC 173-201A-400(2). AKART is determined on a case-by-case basis in an engineering report.

GHE has agreed to replace all cooling tower timbers, recharacterize the discharge, and finalize the engineering report. Approval of this extension to the schedule of compliance will provide the time to do so.

EFSEC issued a permit modification on November 1, 2010 to correct technical errors. EFSEC also approved revisions to the schedule of compliance in 2012 and 2014. GHE requested these revisions because the plant was not generating electricity due to poor market demand for its power. The permit requires the facility to be operating normally to allow representative sampling of the discharge.

EFSEC approved the current schedule of compliance on April 4, 2014 and is as follows:

Current Schedule of Compliance

Task	Deadlines
Submit Engineering Report	November 1, 2014
Treatment Plant Design (if applicable)	August 1, 2015
Construction Completion (if applicable)	August 1, 2016

Proposed Action

In a letter dated February 23, 2016, GHE requests revision of the current deadline for replacement of timbers in the cooling towers (or completion of construction) to July 1, 2017. In a letter dated April 11, 2016, GHE subsequently revised its estimated date of completion of construction to September 1, 2017. After completion of construction GHE must recharacterize the discharge and other tasks to verify compliance with state water quality standards so that the engineering report can be approved. The proposed revision requires GHE to submit the final engineering report no later than December 31, 2017.

Proposed Schedule of Compliance

Task	Deadlines
Construction Completion (if applicable)	September 1, 2017
Submit Engineering Report	December 31, 2017

Ecology has reviewed and recommended approval of the proposed modifications to the schedule of compliance. Replacement of Grays Harbor Energy Center's cooling tower timbers is expected to significantly reduce concentrations of chromium, copper and arsenic in the discharge to the Chehalis River throughout the life-cycle of the facility.

Staff Recommendation

EFSEC staff recommends Council approval of Council Order No. 876, which addresses revisions to the schedule of compliance in NPDES Permit No. WA-002496-1.

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

In the Matter of:

GRAYS HARBOR ENERGY CENTER

COUNCIL ORDER No. 876

**Order to Revise the Schedule of
Compliance in National Pollutant
Discharge Elimination System (NPDES)
Permit No. WA-002496-1**

Regulatory Authority:

Pursuant to the Revised Code of Washington (RCW) 90.48.160, 90.48.262(2), Chapter 80.50 RCW, and Washington Administrative Code (WAC) 463-76-054, 463-76-065(6)(a) the Energy Facility Site Evaluation Council (EFSEC) now finds the following:

Findings:

1. Grays Harbor Energy, LLC, (GHE) is the operator of the Grays Harbor Energy Center, an electric generating plant located near Satsop in Grays Harbor County, Washington.
2. EFSEC issued the current NPDES Permit No. WA-002496-1 to GHE for its Grays Harbor Energy Center facility on May 13, 2008. EFSEC issued a permit modification on November 1, 2010 to correct technical errors.
3. The permit authorizes discharge of cooling water through Outfall 001 to the Chehalis River at River Mile 19.7 and stormwater through Outfall 002 to the Grays Harbor Public Development Authority pond immediately west of Keys Road.
4. Permit condition S5 contains a schedule of compliance that requires GHE to demonstrate application of all known, available and reasonable methods of prevention, control and treatment (AKART) and compliance with applicable water quality standards to all discharges to the environment. Demonstration of compliance will be accomplished through completion of an engineering report. The existing schedule of compliance was approved by EFSEC on April 4, 2014 and requires compliance with AKART and water quality standards by August 1, 2016.
5. On March 1, 2016, EFSEC received a request for extension of the schedule of compliance from GHE to allow additional time to implement AKART and to demonstrate compliance with the water quality standards. GHE requests extension of the schedule of compliance to December 31, 2017.
6. The request for extension is based on the time required to conduct source control for pollutants, recharacterize the discharge, and issue the engineering report incorporating the source removal and new discharge characterization.

7. Permit condition S5.C provides for extension of the schedule of compliance through an administrative order.
8. EFSEC's NPDES compliance contractor, the state Department of Ecology, has recommended approval of GHE's request for extension of the schedule of compliance.

Order:

THEREFORE, IT IS ORDERED by EFSEC that the schedule of compliance approved by EFSEC on April 4, 2014 be replaced with the following schedule of compliance:

Task	Proposed Completion Date
Replace all treated wood timbers in the cooling tower structure with FRP	September 1, 2017
Submit engineering report addendum	December 31, 2017

3.0 APPROVAL ORDER AND RESTRICTIONS

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

Nothing in this Order alters the facility's obligation to comply with other permit conditions, laws or statutes, including water quality and regulations. Any violation of such laws, statutes, regulations, or of the terms of this Order or the permit shall be subject to the sanctions provided in RCW 80.50.

Reconsideration of this Order may be sought by petitioning the Council within ten (10) days of issuance.

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

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

FOR THE WASHINGTON STATE ENERGY FACILITY SITE EVALUATION COUNCIL.

William Lynch
EFSEC Chairman

ATTEST:

Stephen Posner
EFSEC Manager

Council Order No. 876, Grays Harbor Energy Center, Order to Revise the Schedule of Compliance in National Pollutant Discharge Elimination System (NPDES) Permit No. WA-002496-1



COMMITTED TO ENERGY INDEPENDENCE



April 14, 2016

Stephen Posner, Manager
Energy Facility Site Evaluation Council
Utilities & Transportation Commission
1300 S. Evergreen Park Dr. SW
P.O. Box 43172
Olympia, Washington 98504-3172

Re: Tesoro Savage Vancouver Energy Distribution Terminal
Project No. 2013-01– Request to Extend Statutory Deadline

Dear Mr. Posner,

Tesoro Savage Petroleum Terminal LLC dba Vancouver Energy (“Applicant”) submitted its application for site certification for the referenced terminal facility on August 29, 2013. State law provides that EFSEC “shall report to the governor its recommendation as to the approval or rejection of an application for certification within twelve months of receipt by the council of such an application, or such later time as mutually agreed by the Council and the Applicant.” Based on the time then expected to complete the EFSEC process, the Applicant requested on August 6, 2014 a six-month extension for completion, to March 2, 2015, and the Council granted that extension at its regular meeting on August 19, 2014. The Applicant requested on February 5, 2015 a second six-month extension for completion, to November 1, 2015, and the Council granted that extension at its regular meeting on February 27, 2015. The Applicant requested on October 16, 2015 a third six-month extension for completion, to May 1, 2016, and the Council granted that extension at its regular meeting on October 20, 2015.

The latest extension will expire on May 1, 2016, and it is now apparent that date cannot be met, and that a further extension is required. At this time, the only information Applicant has from EFSEC staff regarding the expected schedule to complete EFSEC’s review is the adjudication scheduling order issued by Administrative Law Judge Cassandra Noble. That Order indicates the adjudication will be completed by the end of July 2016. Applicant has no information from EFSEC staff regarding the expected schedule for the permits or the expected schedule for the Final EIS. Based on this limited schedule information, Applicant requests another extension for six months, to November 1, 2016.

Energy Facility Site Evaluation Council
April 14, 2016
Page 2

Thank you for your consideration of this extension.

Sincerely,



Kelly J. Flint

cc: Jared Larrabee, Tesoro Savage Petroleum Terminal LLC
Jay Derr, Van Ness Feldman
Irina Makarow, BergerABAM

Energy Facility Site Evaluation Council

Non Direct Cost Allocation for 4th Quarter FY 2016 April 1, 2016 – June 30, 2016

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

Based on the levels of work during the 3rd quarter of FY 2016, using the procedures for developing cost allocation, and allowance for new projects, the following percentages shall be used to allocate EFSEC's non direct costs for the 4th quarter of FY 2016:

Kittitas Valley Wind Power Project	7%
Wild Horse Wind Power Project	7%
Columbia Generating Station	16%
WNP-1	4%
Whistling Ridge Energy Project	3%
Grays Harbor 1&2	7%
Chehalis Generation Project	7%
Desert Claim Wind Power Project	3%
Grays Harbor Energy 3&4	3%
Tesoro Savage	43%


Stephen Posner, EFSEC Manager

Date: 4/12/16