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WASHINGTON STATE

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ENERGY FACILITY SITE EVALUATION COUNCIL

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Richard Hemstad Building

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1300 South Evergreen Park Drive Southwest

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Conference Room 206 --

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Monthly Council Meeting held before

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CHAIR BILL LYNCH

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1:30 p.m. - 2:15 p.m.

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August 16, 2016

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Olympia, Washington

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Mary M. Paradise, CSR 2469

A P P E A R A N C E S

Council Members Present:

Bill Lynch, Chair

Dennis Moss, Utilities and Transportation
Commission

Cullen Stephenson, Department of Ecology

Jaime Rossman, Department of Commerce

Assistant Attorney General:

Ann C. Essko, Senior Counsel

Local Government and Optional State Agency:

Bryan Snodgrass, City of Vancouver

(Via phone line)

Ken Stone, Department of Transportation

(Via phone line)

Greg Shafer, Clark County

Staff in Attendance:

Stephen Posner

Sonia Bumpus

Ami Kidder

Jim LaSpina

Joan Aitken

Kali Wraspir

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Guests in Attendance:

Pete Valinske, Grays Harbor Energy

Rich Downen, Grays Harbor Energy

Guests in Attendance Via Phone Line:

Bronson Potter, City of Vancouver

Jennifer Diaz, Puget Sound Energy

Shannon Khouonnala, Energy Northwest

Tim McMahan, Stoel Rives

Eric Melbardis, EDP Renewables

Kristen Boyles, Earth Justice

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OLYMPIA, WASHINGTON AUGUST 16, 2016

1:30 p.m.

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P R O C E E D I N G S

CHAIR LYNCH: Good afternoon. Today is Tuesday, August 16th, the monthly meeting for the Energy Facility Site Evaluation Council. Can we please have the staff call roll?

MS. WRASPIR: Department of Commerce.

MR. ROSSMAN: Jaime Rossman here.

MS. WRASPIR: Department of Ecology.

MR. STEPHENSON: Cullen Stephenson here.

MS. WRASPIR: Fish and Wildlife.

CHAIR LYNCH: Excused.

MS. WRASPIR: Department of Natural Resources.

CHAIR LYNCH: Excused.

MS. WRASPIR: Utilities & Transportation Commission.

MR. MOSS: Dennis Moss is here.

MS. WRASPIR: Local governments and

1 optional state agencies for the Tesoro/Savage
2 project, Department of Transportation.

3 MR. STONE: Ken Stone is here.

4 MS. WRASPIR: City of Vancouver.

5 MR. SNODGRASS: Bryan Snodgrass is on the
6 phone.

7 MS. WRASPIR: Clark County.

8 MR. SHAFER: Greg Shaffer present.

9 MS. WRASPIR: Port of Vancouver.

10 CHAIR LYNCH: Mr. Paulson indicated he'd
11 be calling in by telephone.

12 MS. WRASPIR: Chair, there is a quorum for
13 the regular council and for the Tesoro/Savage
14 project council.

15 CHAIR LYNCH: Thank you. And if we could
16 please have the council members take a last look at
17 the June 14, 2016 minutes. We did not have a July
18 council hearing, so we're just looking at the June
19 minutes. And I believe eagle eye council member
20 Cullen Stephenson found a correction.

21 MR. STEPHENSON: Thank you, Chair Lynch.
22 First of all, I noted, since I wasn't at this
23 meeting, the minutes were much more cogent than
24 usual. But on page 25, line 8, there is a word
25 called throws, and it should be with is an "e"

1 instead of a "w," so t-h-r-o-e-s, I believe is the
2 intent here.

3 CHAIR LYNCH: And does anybody else have
4 any suggested edits to the minutes from June?
5 Hearing none, I entertain a motion for their
6 approval, as corrected.

7 MR. MOSS: Chair Lynch, I'll move that we
8 approve the minutes of the -- what's the date?

9 CHAIR LYNCH: June 14th.

10 MR. MOSS: June 14th, as amended.

11 CHAIR LYNCH: Do we have a second?

12 MR. ROSSMAN: Second.

13 CHAIR LYNCH: It's been moved and seconded
14 that we approve the minutes from the June 14th
15 meeting, as corrected. All those in favor sigh aye

16 MR. STONE: Aye.

17 MR. MOSS: Aye.

18 MR. STEPHENSON: Aye.

19 MR. ROSSMAN: Aye.

20 MR. SHAFER: Ayes.

21 CHAIR LYNCH: Opposed? Motion carries.
22 And I would just note that today will be a fairly
23 quick council meeting. Does anyone have any
24 proposed changes to the agenda? And hearing none,
25 we'll proceed.

1 And at this point in time, before we get
2 the operational updates, I'd like to give those
3 people who are on the phone an opportunity to
4 identify themselves, though they're not required
5 to. I'm sorry, whoever just identified themselves,
6 can you do that again, because we got a loud buzz
7 from somebody else just joining us.

8 MR. POTTER: Yes, it's --

9 CHAIR LYNCH: I heard you, Mr. Potter.
10 Someone else was calling in right when you were
11 saying it again. So that was Bronson Potter for
12 the City of Vancouver.

13 MR. McMAHAN: Tim McMahon with Stoel
14 Rives.

15 MS. KHOUNNALA: Shannon Khounnala, Energy
16 Northwest.

17 MR. MELBARDIS: Eric Melbardis, EDP
18 Renewables.

19 MS. BOYLES: Kristen Boyles, Earth
20 Justice.

21 CHAIR LYNCH: Anybody else? And was that
22 -- there was a woman who identified themselves
23 earlier, and it was hard to hear the name. Is that
24 Ms. Khounnala?

25 MS. KHOUNNALA: Yes, I'm here.

1 CHAIR LYNCH: Okay, thank you. So at this
2 point in time, let's go ahead and proceed to our
3 operational updates. Kittitas Valley Wind Project?

4 MR. MELBARDIS: Yes. Good afternoon,
5 Chair Lynch, EFSEC council. This is Eric Melbardis
6 with EDP Renewables for the Kittitas Valley Wind
7 Power Project. Can you hear me all right?

8 CHAIR LYNCH: Yes. Thank you.

9 MR. MELBARDIS: The Kittitas Valley Wind
10 Power Project has nothing non-routine to report.

11 CHAIR LYNCH: And we always like reports
12 like that. Any questions for Mr. Melbardis? Thank
13 you, Mr. Melbardis.

14 And let's go ahead and proceed to the Wild
15 Horse Wind Power Project. And do we have Ms. Diaz
16 on the line? Mr. LaSpina, are you aware of --

17 MR. LASPINA: I thought I heard her
18 identify herself. Well, in that -- in that case,
19 it's -- the monthly report is the pink sheet.

20 CHAIR LYNCH: And you were all provided a
21 copy of the report from Wild Horse. They have
22 conducted an emergency response drill in
23 coordination with the Kittitas County Fire And
24 Rescue. The staff also received training on safe
25 access and rescue training for climbing wind

1 turbines.

2 In the area of maintenance, they applied a
3 new layer of chip seal to the main road between the
4 maintenance building and the renewable energy
5 center. And they received -- the site staff
6 received annual training on spill prevention
7 control and countermeasure plan. And there were no
8 accidents or injuries to report.

9 So let's go ahead and move to Columbia
10 Generating Station, and then WNP 1/4.

11 Ms. Khounnala?

12 MS. KHOUNNALA: Yes, thank you.

13 CHAIR LYNCH: Excuse me, Ms. Khounnala, we
14 can barely hear you at all. So can you please move
15 closer to the phone, please?

16 MS. KHOUNNALA: Okay. Is that better?

17 CHAIR LYNCH: That's a lot better. Thank
18 you.

19 MS. KHOUNNALA: There we go. So first, to
20 start off with, Columbia Generating Station, we do
21 want to report out to the council an event that we
22 had in regard to our evaporation ponds that were
23 installed a little over two years ago now.

24 As you'll see in our report, on the
25 morning of June 13th, one of our evaporation ponds,

1 1-B, was found to be overtopping with water. So it
2 was overflowing. The water -- we estimate to be
3 about 500 to a thousand gallons of water drained
4 out from pond 1-B into a gravel area south of the
5 evaporation pond facility.

6 So I think it's worth noting, and a
7 reminder that evaporation pond 1-B received the
8 water from our potable water filter plant and
9 includes --

10 CHAIR LYNCH: I'm sorry, we're starting to
11 lose you again. Please, if you could talk a little
12 louder.

13 MS. KHOUNNALA: Okay. Any better?

14 CHAIR LYNCH: That's better. Thank you.
15 Just remember to keep your voice up.

16 MS. KHOUNNALA: Okay. I'll do my best.
17 So that water, again, from 1-B is -- comes from our
18 potable water filter plant, reverse osmosis
19 filtrate and fire test water. None of the water in
20 the evaporation pond 1-B comes from plant
21 wastewater streams.

22 So we -- we did look into the event, and
23 we determined that the overflow was caused by a
24 partially plugged screen that covers the drain in
25 pond 1-B. That drain automatically flows to pond

1 2. However, because that drain was partially
2 clogged, it prevented the automatic flow into the
3 next adjacent pond, which resulted in the
4 overtopping.

5 As a response to this, we have put in some
6 corrective action measures. One of those is that
7 we will be replacing the screen with a larger -- a
8 larger screen diameter, as well as the overflow,
9 will have no screen on it so that we don't
10 encounter this issue.

11 Additionally, we will be cleaning pond 1-B
12 to remove some of the solids that have accumulated
13 from the potable water filter plant system.

14 So those are the actions we put -- we're
15 putting into place. We're working those now. We
16 regret that we -- we had some overtopping of that
17 water. We are still learning quite a bit about
18 this system and how to manage the system. We are
19 managing it in -- in accordance with our approved
20 O&M manual and have been working with EFSEC staff,
21 keeping them updated on the progress of this, and
22 we'll -- we'll continue to do so.

23 Are there any specific questions about
24 Columbia Generating Station and our operational
25 status?

1 CHAIR LYNCH: I'll ask, before I turn to
2 council members, Ms. Khounnala, I'll ask,
3 Mr. LaSpina, there anything else to add regarding
4 this incident that you can add?

5 MR. LASPINA: Thank you, Chair Lynch. I
6 just want to report that EFSEC staff are working
7 with Ecology staff to investigate the incident more
8 thoroughly.

9 Also, Energy Northwest has proposed some
10 corrective actions, and those actions await review
11 by Ecology's engineer that reviewed the original
12 design of the -- of the evaporation ponds. And so
13 EFSEC staff expects to have a complete report for
14 the council at next month's council meeting.

15 CHAIR LYNCH: Okay. Very good. Any
16 questions for either Mr. LaSpina or Ms. Khounnala
17 regarding Columbia Generating Station? Yes,
18 Mr. Stephenson.

19 MR. STEPHENSON: Thank you, Chair Lynch.
20 I don't know if this is for Ms. Khounnala or
21 Mr. LaSpina, but the report says it was supposed to
22 overflow into pond 2, and the -- this partially
23 plugged screen precluded the flow between the
24 ponds. So I wonder, where did the flow go, and is
25 that a problem?

1 MS. KHOUNNALA: So I'd be happy to take a
2 stab at that answer. Yes, pond 1-B does flow into
3 pond 2. Because of the partially clogged screen,
4 it overtopped the pond, essentially, and flowed
5 down the side of the pond into a gravel area that's
6 sometimes used as a -- as, essentially, a parking
7 area.

8 I think it is important to note that the
9 water that recedes -- that is received in ponds
10 1-A, 1-B and 2, we do have the approval to use
11 water directly from those ponds as construction
12 water around the site or dust suppression around the
13 site.

14 It is non-plant associated water. It
15 really is very clean. It has, you know, some of
16 these solids that we use in the -- in the -- in the
17 backwash from our potable water system, but we do
18 have the ability to discharge this water for
19 construction or dust suppression purposes.

20 Clearly, when we overtop a pond, that's
21 not operating the way we want it to operate, but
22 the source of the water itself, you know, is -- is
23 not an impactful source, and it -- we do have a
24 permit to use that water around the site. I hope
25 that answers your question.

1 MR. STEPHENSON: Thank you.

2 CHAIR LYNCH: Any further questions for
3 Ms. Khounnala or Mr. LaSpina regarding the Columbia
4 Generating Station?

5 Ms. Khounnala, why don't you go ahead and
6 proceed to WNP 1/4?

7 MS. KHOUNNALA: Okay. Thank you. In
8 regard to WNP 1/4, there really is not a lot of
9 change in the updates for the WNP. We will
10 continue to work on the NEPA Environmental
11 Assessment for 1 and 4, and that work will continue
12 into the fall through the end of 2005. So no
13 additional updates for that project.

14 CHAIR LYNCH: Okay. Very good. Any
15 questions for Ms. Khounnala on WNP 1/4?

16 Mr. LaSpina, you are flagging something
17 for us.

18 MR. LASPINA: Yes. Chair Lynch, I'd like
19 to provide an update regarding the entrainment
20 characterization study.

21 CHAIR LYNCH: Oh, yes. Thank you.

22 MR. LASPINA: That is required by the
23 NPDES Permit Commission as 12.B. So I have a
24 little -- just a little update for the council.

25 EFSEC issued the current NPDES permit to

1 Energy Northwest for its Columbia Generating
2 Station September 30th, 2014. During the last
3 stages of the development of the permit, the US
4 Environmental Protection Agency released its final
5 rule on cooling water intake structures.

6 The rule is known as the Clean Water Act
7 316(b) rule. The intent of the -- of the 316(b)
8 rule is to reduce entrainment and impingement of
9 aquatic life into cooling water systems of large
10 industrial facilities. The 316(b) rule applies to
11 the cooling water intake structures used by the
12 Columbia Generating Station to take cooling water
13 from the Columbia River to help cool its nuclear
14 reactor.

15 Permit condition S.12.B requires Energy
16 Northwest to draft an entrainment characterization
17 study plan for review by regulatory agencies. The
18 purpose of the entrainment study is to determine
19 whether and to what extent the Columbia Generating
20 Station's cooling water intake system entrains
21 aquatic life into the cooling water system.

22 The plan was reviewed by the Washington
23 Department of Fish and Wildlife, the US National
24 Marine Fishery Service, and three independent fish
25 study specialists. In communications with EFSEC,

1 WDFW indicated the plan complies with Clean Water
2 Act requirements.

3 In addition, they express concerns the
4 plan may not meet all of WDFW and NMFS guidelines.
5 It is our understanding that these concerns will be
6 addressed during formal consultation, which is now
7 under way between NMFS and the Nuclear Regulatory
8 Commission to develop an incidental taped statement
9 and biological opinion.

10 Depending on the outcome of the
11 consultation, Energy Northwest may be required to
12 undertake other tasks not required by the Clean
13 Water Act. Based on concurrence of EPA, WDFW, NMFS
14 and the Thurston County Superior Court that
15 reviewed the appeal of the permit, the permit
16 complies with the Clean Water Act, and EFSEC
17 approved Energy Northwest's entrainment
18 characterization study plan. The EFSEC manager
19 approved the entrainment characterization study
20 plan on June 22nd, 2016.

21 I can address any concerns or answer any
22 questions you have at this time.

23 CHAIR LYNCH: Just as a follow-up,
24 Mr. LaSpina, I think the big news out of this is
25 that when we were working on issuing the permit

1 earlier, the NRC had not agreed to have a
2 consultation with NMFS -- and that's N-M-F-S,
3 National Marine Fisheries Service -- and now, they
4 have agreed and they're actually undergoing that
5 consultation process. So that's a good healthy
6 thing, and we're glad that's under way.

7 Any questions for Mr. LaSpina? Very good.
8 Thank you.

9 And Mr. Miller, Chehalis Generation?

10 MR. LASPINA: Mr. Miller is not available
11 today, sir.

12 CHAIR LYNCH: And Mr. Miller's report is
13 the blue piece of paper, and I believe that there
14 was -- in looking at this earlier, there was
15 nothing to -- of significance to update the council
16 on.

17 And I believe -- was it the last council
18 meeting, Mr. LaSpina, that we indicated that we --
19 we will be working -- that the Title V air permit
20 will be going to public notice? And it looks like
21 you've got that in your hands.

22 MR. LASPINA: Thank you, Chair Lynch. I
23 have a short update on the re-issuance of the Title
24 V air emissions permit.

25 Today, EFSEC would like to inform the

1 council of its intent to begin the public notice
2 process for renewal of the Chehalis Title V and
3 Title IV air emissions permits. The PacificCorp
4 Chehalis generating facility combusts natural gas
5 to generate power that is dispatched to the
6 transmission grid.

7 The Title IV and Title V permits regulate
8 emissions of various combustion by-products from
9 burning the natural gas into the atmosphere. These
10 permits, together with the prevention of
11 significant deterioration, or PSE permit, regulate
12 air emissions of such substances as carbon
13 monoxide, nitrous oxides and sulfuric acid.

14 This renewed permit will not contain any
15 significant changes from the existing permit, but
16 will make minor revisions to regulatory monitoring
17 and require -- and reporting, as required by state
18 and federal laws.

19 The public notice process, which will
20 include a public comment period, will begin on
21 Thursday, August 25th, and end at the close of
22 business on May -- September 26th. So that's a
23 little bit over a 30 day comment period.

24 The council will have the opportunity to
25 consider public comments and approve issuance of

1 the final permit after the close of public comment.
2 I can answer any questions you have at this time.

3 CHAIR LYNCH: And thank you, Mr. LaSpina.
4 You might remember, in fact, you've got last --
5 excuse me. You have June's minutes in front of
6 you, and we spoke about this Title V permit at that
7 time, how it's a really -- not a substantive change
8 in requirements for -- how a facility operates.

9 A Title V permit essentially collects
10 existing -- all the existing permits and
11 obligations that they have, rolls them into one
12 package, but then it includes monitoring and -- and
13 inspection provisions frequently.

14 And as Mr. LaSpina said, the counsel will
15 be getting the permits and all the comments in
16 front of us at the next council meeting, and we'll
17 have a chance to review it, make any changes, if we
18 desire, and then issue the permit.

19 Any questions for Mr. LaSpina? Thank you.
20 Yes, Mr. Rossman.

21 MR. ROSSMAN: This is just a small data
22 question, and I don't need an answer right now, but
23 I'm just looking at these two months against each
24 other, June and July. It looks like generation in
25 June was about 117,000 megawatt hours, and that's

1 -- oh, I'm sorry.

2 I think I've answered my own question.
3 That's a year to date capacity factor there, and
4 not the month's. I was just noticing the next
5 month it was higher, but a smaller amount of
6 generation, and that's because it's year to date.
7 So never mind.

8 CHAIR LYNCH: Thank you, Mr. Rossman. And
9 actually, it's good that you mention the reports,
10 because I forgot to mention that the submissions
11 from PacificCorp includes a monthly plant report
12 for June 2016 and July 2016. So you have both of
13 those in front of you at this time.
14 Mr. Stephenson?

15 MR. STEPHENSON: Thank you, Chair Lynch.
16 Just a follow-up that, Mr. LaSpina, often, I look
17 at you during council meetings and I get nods from
18 you that, yes, this report is saying what it says
19 it should.

20 But the public doesn't see that, and I
21 just -- so for the record, I would like it to be
22 stated that staff actually looks at these reports.
23 I mean, we look at them during this meeting, but
24 staff looks at these reports, and you're approving
25 these reports as well, right?

1 MR. LASPINA: Approving the reports?

2 MR. STEPHENSON: You're looking at the
3 reports and you're agreeing with the -- the data
4 that's on these reports?

5 MR. LASPINA: Yes, but not approving them.

6 MR. STEPHENSON: Okay. We approve them,
7 but you agree that they're truthful. Thank you.

8 CHAIR LYNCH: Okay. And now, let's move
9 to the Grays Harbor Energy Center, and we have
10 Mr. Valinske here with us, but we also have
11 Mr. Downen in the audience. So it's a double bonus
12 today for the council.

13 MR. VALINSKE: Good afternoon, Chair
14 Lynch, EFSEC council. My name is Pete Valinske.
15 I'm a plant manager at Grays Harbor Energy. I have
16 nothing abnormal to report. I have two additions
17 to the June and July reports in your packet.

18 We have -- we are nearing completion of a
19 contract for our cooling tower replacement with a
20 vendor. We expect to have something late this week
21 or early next week in place, with the construction
22 beginning mid-November and proceeding through April
23 of 2017.

24 Additionally, we finally got our PSD
25 amendment 4 from EPA for review late last month.

1 That will enable us to move on with our Title V air
2 permit, which Orca is currently working on.

3 CHAIR LYNCH: And that PSD permit was
4 seven, eight years in the making?

5 MR. VALINSKE: Since 2009 was our initial
6 request. So seven years in the making.

7 CHAIR LYNCH: We're very happy to hear
8 that EPA has provided you with a new permit.

9 MR. VALINSKE: We were happy to receive
10 it. And that's all I have. Thank you.

11 CHAIR LYNCH: Very good. And I would like
12 to point out that I was on the job about a month --
13 two and a half years ago, and Mr. LaSpina came into
14 my office, he said, there's something you should
15 probably know. And he has been continually trying
16 to work with EPA and -- and Grays Harbor to get
17 this permit issued, and we -- it looks like we've
18 had some success. So we're appreciative of
19 everyone's efforts.

20 MR. VALINSKE: We appreciate all your
21 help, too, with that.

22 CHAIR LYNCH: Thank you. Any questions
23 for Mr. Valinske? Mr. Rossman.

24 MR. ROSSMAN: Yes, a couple quick
25 questions, Mr. Valinske. Thank you. Am I right

1 that it's a little ahead of schedule on the cooling
2 tower bid? I think -- I think that's ahead some of
3 the benchmarks we --

4 MR. VALINSKE: Our benchmarks were
5 conservative. I think we had a contract date of
6 December 31st of this year, so we're ahead of that.

7 MR. ROSSMAN: I want to congratulate you
8 on that. Thank you.

9 MR. VALINSKE: Thank you.

10 MR. ROSSMAN: I'm wondering if the vacancy
11 of the plant engineer position that's noted here,
12 is there any concerns about that on the cooling
13 tower replacement project?

14 MR. VALINSKE: For me, there is, because
15 I'm doing both jobs at the same time, but we -- we
16 have posted that job just this week. So we --
17 we'll be interviewing, and I expect to have it
18 filled before long.

19 MR. ROSSMAN: My last question, was there
20 any major change, up or down, in what you're
21 finding in the discharge monitoring reports for
22 June and July, or were they sort of in the same
23 range of -- of what had been before that?

24 MR. VALINSKE: They have been very
25 consistent. Are you referring to the arsenic?

1 MR. ROSSMAN: Yes.

2 MR. VALINSKE: Our arsenic is very
3 consistent between 20 and 25 micrograms per liter,
4 and we don't expect to see any change until we
5 start removing lumber.

6 MR. ROSSMAN: Thank you very much.

7 MR. VALINSKE: You're welcome.

8 CHAIR LYNCH: Any other questions for
9 Mr. Valinske? No. Thank you for coming.

10 MR. VALINSKE: Thank you.

11 CHAIR LYNCH: Now, if we can get an update
12 on the Tesoro/Savage Vancouver Energy Distribution
13 Terminal. Ms. Bumpus.

14 MS. BUMPUS: Good afternoon, Chair Lynch
15 and council members. Thank you. I'm going to
16 provide an update on where we are with permits, and
17 then provide an update on the SEPA work that we've
18 been doing, and I wanted to let council members
19 know that I am also going to have Ami Kidder, who
20 has been with EFSEC since May, do part of the SEPA
21 update to council members on the work we're doing
22 with tribes.

23 So for the permit update for the NPDES
24 stormwater industrial permit, last Friday on August
25 12, 2016, EFSEC received materials from the

1 applicant that were submitted in response to a
2 letter EFSEC sent to them on February 19.

3 This information includes a revised -- or
4 updated engineering report and other information
5 that our permit writer at Ecology or contractor
6 there is reviewing now. If all of the information
7 is complete and is there, he will proceed with
8 preparing draft preliminary -- or a preliminary
9 draft, rather, permit documents for staff to
10 review.

11 If there is additional information that we
12 do need as he reviews the materials, we'll ask the
13 applicant for that and continue working with him to
14 get everything we need to prepare the permits, but
15 we'll be finding out soon whether we have
16 everything he needs to proceed with preparing that.

17 For the NPDES stormwater construction
18 permit, we do have preliminary draft documents that
19 we have been internally reviewing. We have a few
20 questions for our contractors at Ecology that we
21 need to get clarification on. We'll make some
22 additional edits, and then we will do another
23 internal review, and this will include a legal
24 review of that -- of that permit. So I'll keep you
25 updated on that.

1 CHAIR LYNCH: I'm just going to interrupt
2 you on that particular point, on the construction
3 stormwater permit. Council members might remember
4 that we adopted a rule, within the last year or so,
5 authorizing us to use general permits by the
6 Department of Ecology.

7 And in this particular case -- in fact,
8 most cases, we'll be using a general permit by
9 Ecology, I believe it will be with respect to the
10 the construction stormwater permit. That tends to
11 be a little more cookie cutter.

12 So in this case, we -- this is the first
13 time we are doing that. And so even though we are
14 saving time by doing that, the next time we have an
15 application in here, we'll save even more time,
16 because what we're working out now are some of the
17 differences between Ecology issuing a permit and us
18 issuing a permit, in terms of appeals and things
19 like that.

20 So it's -- so we're just kind of making
21 sure that that language is correct for when it goes
22 into the permit. But once that language is worked
23 out, that language is worked out for a very, very
24 long time. So that will really help us.

25 So thank you, Ms. Bumpus. Please proceed.

1 MS. BUMPUS: So for the notice of
2 construction air permit, again, like the
3 construction stormwater permit, we also have
4 preliminary draft documents that we're doing
5 internal review on. We did have questions and
6 comments back to the air permit contractor at the
7 Southwest Clean Air Agency that he now has and is
8 working to address.

9 Once those comments are addressed in the
10 permit documents, we will do another internal
11 review, and this also would include a legal review
12 as well. And so that's where we are with -- with
13 that, and I'll keep you updated. Are there any
14 questions about the permits?

15 CHAIR LYNCH: Any questions for Ms. Bumpus
16 regarding the permits? No questions.

17 MS. BUMPUS: So moving on to the SEPA
18 update, there's not a whole lot of new information
19 to update that you haven't already heard some
20 information about.

21 We're continuing to process the comments.
22 We are moving along in making progress. Our
23 consultant is keeping us updated on the extraction
24 of the comments from the submissions, and they're
25 -- they're making progress there, and they are also

1 working with us to develop a schedule for not just
2 that part of the process, but the final EIS
3 development itself.

4 And that's kind of segwaying into some of
5 the additional work that we have authorized our
6 consultant to do on updating the transportation
7 risk analysis. There are several other areas that
8 we've authorized them to move forward with work,
9 and as those pieces fall into place and as we get
10 timelines for those pieces, we will keep developing
11 a schedule that will show us where we're going to
12 land with our final EIS.

13 So I'll keep you updated on that, but we
14 have authorized Cardno, the consultant, to move
15 forward on most of the work that needs to be done.

16 I should note that there is some work that
17 we've -- we're working with the applicant to
18 perform for seismic modeling. We had a discussion
19 with the applicant on July 22nd, and we're
20 reviewing a scope of work that they submitted to
21 EFSEC, and we'll be giving them some feedback on
22 that. But that's another piece of the information
23 that we need to fall into place to further develop
24 the schedule.

25 So are there any questions before I hand

1 the update over to Ms. Kidder to talk about our
2 tribal outreach?

3 CHAIR LYNCH: Any questions for
4 Ms. Bumpus? I know we're anxious to hear from
5 Ms. Kidder. That's why we're not asking you
6 questions at this moment. Ms. Kidder?

7 MS. KIDDER: Well, good afternoon, Chair
8 Lynch and council members. As Sonia said, my name
9 is Ami Kidder. It's nice to meet you all.

10 I just wanted to give you an update on our
11 tribal outreach. At the end of June, on June 27th,
12 EFSEC staff sent out letters to initiate outreach
13 to tribes and begin to arrange meetings and discuss
14 concerns based on the tribes' public comments --
15 public comment submissions.

16 Five of those tribes responded, and we
17 have some of those meetings already scheduled, and
18 some of the meetings we're still working to
19 schedule with the tribes that have responded.

20 CHAIR LYNCH: Can you say who you've had
21 consultations with already?

22 MS. KIDDER: We have -- we have already
23 met with the Cowlitz Indian tribe. We've had a
24 meeting with the Confederated Tribes of the Grand
25 Ronde Community of Oregon, and we have had a

1 meeting with the Confederated Tribes of the
2 Umatilla Indian Reservation.

3 CHAIR LYNCH: And my understanding is
4 those -- did they call those consultations, or did
5 they call them something -- or just meetings?

6 MS. KIDDER: Those were staff-to-staff
7 coordinations.

8 CHAIR LYNCH: And it's actually -- I'll
9 just make a fine point here. When you're having
10 consultations that are government-to-government,
11 it's hard for EFSEC to meet that -- the formal
12 requirements of that, because we have no separately
13 elected officials here, and the fact that -- and if
14 we were to have me try to meet with the individual
15 tribes, that would be an ex-parte contact with the
16 tribe.

17 So this is why we're having staff-to-staff
18 meetings. This is the closest as we can come to a
19 consultation. So we're -- we're trying to use the
20 consultation model, where we're reaching out to the
21 tribes, but they don't -- technically, they're not
22 a consultation.

23 Sorry for making that fine point, but I
24 just wanted to get that on the record. Any
25 questions for Ms. Kidder? And Mr. Posner, did you

1 have anything else to add?

2 MR. POSNER: The only thing I would add on
3 that is just -- stress the point that the purpose
4 of the -- the main purpose of reaching out to the
5 tribes was to gather more information and sort of
6 interact with them so that our consultant and our
7 EFSEC staff can develop adequate responses to the
8 comments that -- that various tribes provide on the
9 DEIS. That was the -- one of the main purposes of
10 the meetings.

11 CHAIR LYNCH: All right. So this was more
12 primarily SEPA related? Because they already had
13 an opportunity to testify in adjudication?

14 MR. POSNER: Yes, that's correct.

15 CHAIR LYNCH: Okay. Thank you. So unless
16 there's any other questions, we will move to the
17 petition for the declaratory order that we received
18 regarding the received regarding the proposed
19 methanol facility in Cowlitz County.

20 Mr. Posner, do you want to provide us with
21 that?

22 MR. POSNER: Yes. Thank you, Chair Lynch.
23 Good afternoon, council members. So on June 23rd
24 of this year, we received a petition from the
25 Columbia River Keepers, a petition for -- it's

1 called a petition for declaratory order. They're
2 requesting that EFSEC issue a declaratory order
3 concerning jurisdiction for the proposed Northwest
4 Innovation Works natural gas to methanol conversion
5 facility proposed at the Port of Kalama.

6 And the noticing requirements concerning
7 petitions for declaratory orders are described in
8 RCW 34.05.240. Not only are the noticing
9 requirements there, but it also lists the various
10 options that an agency has in responding to a
11 request for a declaratory order.

12 So we issued a -- in keeping with the
13 requirements of that section or that -- that part
14 of the RCW, we issued an our first notice
15 announcing receipt of the order on July 8th, and
16 then we issued a second notice requesting response
17 documents that was issued on July 15th.

18 And in that notice, it had a number of
19 filing dates for various documents. The first one
20 was a deadline of August 2nd for objections to be
21 filed, and that -- we received two objections from
22 -- one from Northwest Innovation Works and the
23 other from the Port of Kalama.

24 And in those objections, both of those
25 parties described how they believed their rights

1 would be prejudiced if EFSEC was to issue a
2 declaratory order on this matter. And in response
3 to that, or I should say responses to those
4 objections were due on August 9th. We received one
5 from Columbia River Keeper, and then replies to the
6 responses to objections were due August 16th.

7 We received two of those on Friday, August
8 12th, one from Northwest Innovation Works and one
9 from the Port of Kalama. All of those documents
10 have been posted on our web site. I sent a link
11 out to council members yesterday so that you could
12 review those documents.

13 I just have a little bit of update on that
14 project. That project originally came to EFSEC --
15 the project opponents -- with a description of the
16 project, and a jurisdiction determination was made
17 in September 2014 that it did not appear that we
18 had regulatory authority or jurisdiction over the
19 project.

20 And since that time, Cowlitz County and
21 the Port of Kalama have been acting as SEPA --
22 co-SEPA lead agencies. They are -- let's see.
23 They are very close to issuing their final EIS.
24 They have issued their draft EIS. I believe
25 they're in the development phase for the final

1 environmental impact statement. I believe it's to
2 be issued later this year.

3 So next steps are for council members
4 to -- I request that you review the documents that
5 are posted and that, basically, you'll be asked to
6 decide the merits of the petition and whether or
7 not the council can actually issue a declaratory
8 order.

9 Because if you read 34.05.240, there is a
10 section, and it's number 7, that says an agency may
11 not enter a declaratory order that would
12 substantially prejudice the rights of a person who
13 would be a necessary party and who does not consent
14 in writing to the determination of the matter by a
15 declaratory order proceeding.

16 And both filings, one by the Port and the
17 other by the facility, make -- make that claim. So
18 similar to a request for a declaratory order that
19 the council had in 2014 for the two proposals at
20 the crude by rail transportation proposals at -- in
21 Grays Harbor County -- I believe some of you were
22 on the council at the time -- it's -- at least the
23 filings, anyway, appear to sort of be similar to
24 what we received on that project.

25 We have two of the parties that are

1 claiming that they would be prejudiced, and they
2 describe in detail their reasons for that. So --

3 CHAIR LYNCH: And that -- excuse me,
4 Mr. Posner. The decision that the council issued
5 on that, that's on our web site as well, is that
6 correct?

7 MR. POSNER: That is correct. And on that
8 matter, the council determined that they did not --
9 could not issue a declaratory order.

10 So next month -- what I would propose is
11 that next month, at next month's council meeting,
12 if not before, but that seems like the most
13 appropriate time, the council make a decision on
14 this matter. And I'd be happy to answer any
15 questions council members have.

16 CHAIR LYNCH: Any questions for Mr. Posner
17 on the declaratory order? No questions. Thank
18 you.

19 MR. POSNER: Thank you.

20 CHAIR LYNCH: And just a couple of things
21 before we adjourn the meeting. First of all, I
22 wanted to thank our gold medal staff for the good
23 work that they did in putting together a five-week
24 adjudication for all of us. So that --

25 (Applause by council members.)

1 CHAIR LYNCH: It also deserves a bonus,
2 but you're just going to get the hand.

3 But I don't think I've ever seen a hearing
4 not only last that long, but use two different
5 venues, so that was a lot of logistics to
6 coordinate. So we're very appreciative.

7 And also, some good news but sad news, is
8 that Kali Wraspir, who is my favorite, as I always
9 say in our staff meetings, is staying with the UTC,
10 but she will be leaving EFSEC. So I think the
11 September committee meeting is your last meeting,
12 is that right? Or is this your last meeting? We
13 haven't decided. You might just have to stay here
14 for all these meetings.

15 So Kali, anything you want to say? We're
16 just going to put you on the spot. This is your
17 chance.

18 MS. WRASPIR: I just want to say thank
19 you, and it's been an absolute pleasure to work
20 with everybody here at EFSEC, and this was a very,
21 very tough decision. And I just have been
22 overwhelmed by just how wonderful it has been to
23 work here, and just how -- the immense amount of
24 information that I have gleaned while I've been
25 here is amazing, and I'm going to miss everybody.

1 But the best thing about it is I'll still
2 be in the same building, so I can continue to
3 terrorize you, and I'll just -- I'll miss
4 everybody, but I absolutely appreciate everything.
5 Thank you so very much.

6 CHAIR LYNCH: Thank you, Kali. Council
7 Member Moss?

8 MR. MOSS: Chair Lynch, I'll just say as
9 an UTC representative on the council that our loss
10 is our gain.

11 CHAIR LYNCH: Any further comments before
12 we adjourn? Thank you all for your participation,
13 and we're adjourned.

14 (The proceedings adjourned at 2:15 p.m.)
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C E R T I F I C A T E

STATE OF WASHINGTON

COUNTY OF KING

I, Mary M. Paradise, a Certified Shorthand Reporter in and for the State of Washington, do hereby certify that the foregoing transcript of the EFSEC Monthly Meeting is true and accurate to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have hereunto set my hand this 25th day of August, 2016.

MARY M. PARADISE, CSR

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

Washington Energy Facility Site Evaluation Council

08-15-2016

Safety:

- There were no recordable incidents this reporting period and the plant staff has achieved 4974 days without a Lost Time Accident.

Environment:

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

Personnel:

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

Operations and Maintenance Activities:

- The Plant generated 116,963 MWhrs in June 2016 for a total YTD capacity factor of 18.13%.

Regulatory/Compliance:

- Nothing to report.

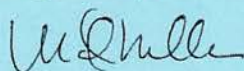
Sound monitoring:

- There were no noise complaints to report.

Carbon Offset Mitigation

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

Respectfully,



Mark A. Miller
Manager, Gas Plant

Wild Horse

Wind Production

- June wind generation totaled 64,836 MWh for an average capacity factor of 33.03%
- July wind generation totaled 57,915 MWh for an average capacity factor of 28.56%

Safety

- No lost-time accidents or safety injury/illnesses
- Site staff conducted an emergency response drill in coordination with Kittitas County Fire and Rescue
- Site staff received training on safe access and rescue training for climbing wind turbines
- Site staff participated in PSE's annual Wind Safety Day

Maintenance

- A new layer of chip seal was applied to the main road between the Maintenance Building and the Renewable Energy Center

Compliance/Environmental

- In accordance with Article VI.A.2. of the SCA, site staff received annual training on the Spill Prevention, Control and Countermeasure Plan (SPCCP)

EFSEC Monthly Operational Report

June and July, 2016

1. Safety and Training

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

2. Environmental

- 2.1. Submitted the monthly Discharge Monitor Reports (DMR) for June and July to Ecology.
- 2.2. Submitted the 2016 Q2 Storm Water DMR to Ecology.
- 2.3. Submitted the 2016 Q2 Emissions Data Report (EDR) to EFSEC and EPA.
- 2.4. A pre-bid site visit for the cooling tower replacement project potential vendors occurred in June. Four bids were received and evaluated in July. A preferred vendor has been identified. Final contract approvals and details are being worked out.
- 2.5. Since 2008, The Climate Trust has received offset project funding in the amount of \$2,563,288.03 from Grays Harbor, \$1,907,563.17 of which was invested directly in projects both inside and out of the state of Washington and which offset 237,931 metric tons of carbon.

3. Operations & Maintenance

- 3.1. Grays Harbor Energy (GHE) operated 19 days and generated 118,998 MWh during the month of June. GHE operated 29 days and generated 358,887 MWh during the month of July.
- 3.2. The capacity factor (CF) was 26.7% in June, 77.8% in July and 50.7% YTD.
- 3.3. The availability factor (AF) was 61.0% in June, 100% in July and 86.9% YTD.
- 3.4. Hot Gas Path Inspections (HGPI) were completed on both Combustion Turbines in June.

4. Noise and/or Odor

- 4.1. There were no complaints made to the site during the months of June and July.

5. Site Visits

- 5.1. There were no site visits during the months of June and July.

6. Other

- 6.1. Grays Harbor is staffed with 21 personnel. The Plant Engineer position remains vacant.

Kittitas Valley Wind Power Project

Monthly Project Update

July 19, 2016

Project Status Update

June Production Summary:

Power generated: 31,569 MWh
Wind speed: 8.5 m/s or 19 mph
Capacity Factor: 45.3%

Safety:

No incidents

Compliance:

Project is in compliance as of July 19, 2016.

Sound:

No complaints

Shadow Flicker:

No complaints

Environmental:

No incidents

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

Washington Energy Facility Site Evaluation Council

08-15-2016

Safety:

- There were no recordable incidents this reporting period and the plant staff has achieved 4974 days without a Lost Time Accident.

Environment:

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

Personnel:

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

Operations and Maintenance Activities:

- The Plant generated 77,608 MWhrs in July 2016 for a total YTD capacity factor of 21.02%.

Regulatory/Compliance:

- Nothing to report.

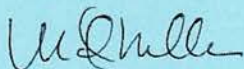
Sound monitoring:

- There were no noise complaints to report.

Carbon Offset Mitigation

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

Respectfully,



Mark A. Miller
Manager, Gas Plant

Kittitas Valley Wind Power Project

Monthly Project Update

August 16, 2016

Project Status Update

July Production Summary:

| | |
|------------------|----------------------|
| Power generated: | 41,972 MWh |
| Wind speed: | 10.1 m/s or 22.6 mph |
| Capacity Factor: | 58.4% |

Safety:

No incidents

Compliance:

Project is in compliance as of August 15, 2016.

Sound:

No complaints

Shadow Flicker:

No complaints

Environmental:

No incidents

**Energy Northwest
EFSEC Council Meeting
August 16, 2016
Shannon Khounnala**

I. Columbia Generating Station Operational Status

Columbia is online at 100% power and producing 1118 MWs. The plant has been online for 138 days.

Evaporation Pond Overflow

On the morning of June 13, 2016, evaporation pond 1B was found to be overflowing. Evaporation pond 1B receives backwash water from the potable water filter plant, reverse osmosis filtrate, and fire test water. These non-plant wastewaters are sent directly to Ponds 1A, 1B, and 2, where the water is often used for construction water or road watering around the site. An estimated 500-1000 gallons of water drained over the edge of the pond and washed into a graveled area south of the evaporation pond. Energy Northwest determined the overflow was caused by a partially-plugged screen that covers the drain in pond 1B. While pond 1B is designed to automatically flow to pond 2, to prevent it from overflowing, the partially-plugged screen precluded the flow between the ponds.

Energy Northwest plans to replace pond 1B screen with a modified larger intake screen and an open (no screen) overflow so a solids accumulation cannot plug the drain/overflow line. Additionally cleaning of pond 1B will occur, per the approved O&M manual.

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

II. WNP 1/4 Water Rights

NEPA/Leasing

The Department of Energy continues to 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.