
WASHINGTON STATE

ENERGY FACILITY SITE EVALUATION COUNCIL

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Conference Room 206

Olympia, Washington

Tuesday, September 20, 2016

1:33 p.m.

MONTHLY COUNCIL MEETING

Verbatim Transcript of Proceedings

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A P P E A R A N C E S

Council Members:

BILL LYNCH, Chairman
JAIME ROSSMAN, Department of Commerce
DAN SIEMANN, Department of Natural Resources
CULLEN STEPHENSON, Department of Ecology
JOE STOHR, Fish and Wildlife
DENNIS MOSS, Utilities & Transportation Commission

Local Government and Optional State Agencies:

LARRY PAULSON, Port of Vancouver
GREG SHAFER, Clark County (via phone)
BRYAN SNODGRASS, City of Vancouver (via phone)
KEN STONE, Department of Transportation

EFSEC Staff:

JOAN AITKEN
SONIA BUMPUS
AMI KIDDER
JIM LASPINA (via phone)
TAMMY MASTRO
STEPHEN POSNER

Guests:

KRISTEN BOYLES, Earthjustice (via phone)
JENNIFER DIAZ, Puget Sound Energy (via phone)
SHANNON KHOUNNALA, Energy Northwest (via phone)
TADAS KISIELIUS, Van Ness Feldman (via phone)
KAREN MCGAFFEY, Perkins Coie (via phone)
TIM MCMAHON, Stoel Rives (via phone)
ERIC MELBARDIS, EDP Renewables (via phone)
MARK MILLER, PacifiCorp Chehalis Generation
Facility (via phone)
PETE VALINSKE, Grays Harbor Energy

* * * * *

Olympia, Washington

1:33 p.m.

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P R O C E E D I N G S

CHAIRMAN LYNCH: Good afternoon. Today is Tuesday, September 20. It's a little bit after 1:30, and could we please have the court call the roll?

MS. MASTRO: Department of Commerce?

MR. ROSSMAN: Jaime Rossman present.

MS. MASTRO: Ecology?

MR. STEPHENSON: Cullen Stephenson here.

MS. MASTRO: Department of Fish and Wildlife?

MR. STOHR: Joe Stohr's here.

MS. MASTRO: Natural Resources?

MR. SIEMANN: Dan Siemann is here.

MS. MASTRO: Utilities/Transportation Commission?

MR. MOSS: Dennis Moss is here.

MS. MASTRO: Local governments and optional state agencies for the Tesoro project. Department of Transportation?

MR. STONE: Ken Stone is here.

MS. MASTRO: City of Vancouver?

Clark County?

1 MR. SHAFER: Greg Shafer on the phone.

2 MS. MASTRO: Port of Vancouver?

3 MR. PAULSON: Larry Paulson's here.

4 MS. MASTRO: Chair, there is a quorum for the
5 regular Council and for the Tesoro project council.

6 CHAIRMAN LYNCH: Thank you.

7 And if I could have the Council just look
8 over the proposed agenda and see if they have any suggested
9 changes?

10 Hearing none, we'll go ahead and proceed.

11 And if anybody who is on the phone who wishes
12 to identify themselves now for purposes of the record, you
13 may do so now, though you're not required to.

14 MR. MILLER: This is Mark Miller of the
15 Chehalis PacifiCorp Generation Facility.

16 CHAIRMAN LYNCH: Excuse me. I heard
17 Mr. Miller, and there was a woman. Was it Ms. Khounnala?

18 MS. DIAZ: It's Jennifer Diaz.

19 CHAIRMAN LYNCH: Okay. Thank you, Ms. Diaz.

20 MS. DIAZ: Uh-huh.

21 (Multiple speakers.)

22 CHAIRMAN LYNCH: I'm sorry. You're both
23 going to have to do that first, and we'll start with the
24 lady.

25 MS. MCGAFFEY: Karen McGaffey from Perkins

1 Coie.

2 CHAIRMAN LYNCH: Now the gentleman.

3 MR. LASPINA: Jim LaSpina, EFSEC Staff.

4 CHAIRMAN LYNCH: Oh, Mr. LaSpina. Welcome.

5 MS. KHOUNNALA: Shannon Khounnala, Energy
6 Northwest.

7 MR. MELBARDIS: Eric Melbardis, EDP
8 Renewables.

9 MR. MCMAHON: Tim McMahon, Stoel Rives.

10 MS. BOYLES: Kristen Boyles, Earthjustice.

11 CHAIRMAN LYNCH: Anybody else?

12 MR. SNODGRASS: Bryan Snodgrass for the
13 Council is on the phone.

14 CHAIRMAN LYNCH: Thank you, Mr. Snodgrass.

15 MR. KISIELIUS: Tadas Kisielius with Van Ness
16 Feldman.

17 COURT REPORTER: Can I get that again,
18 please?

19 CHAIRMAN LYNCH: Mr. Kisielius, do you mind
20 spelling your name for the court reporter?

21 MR. KISIELIUS: Of course. First name is
22 T-A-D-A-S, last name, K-I-S-I-E-L-I-U-S.

23 CHAIRMAN LYNCH: Thank you. I'm surprised
24 the court reporter just couldn't get that.

25 Anybody else?

1 MR. KISIELIUS: Do you need me to repeat it?

2 CHAIRMAN LYNCH: No.

3 MR. KISIELIUS: Sorry.

4 CHAIRMAN LYNCH: That was a good one, though.

5 Okay. At this point in time, I would like to
6 have the Council take a look through the meeting minutes
7 from the August 16th meeting. And I did take a
8 look-through earlier; I did not see anything jump out at
9 me.

10 MR. ROSSMAN: I had a small one, Mr. Chair.

11 CHAIRMAN LYNCH: Mr. Rossman?

12 MR. ROSSMAN: Thank you. On page 4, line 14,
13 I haven't used "Jim" as a first name, so that should be
14 Jaime, J-A-I-M-E.

15 CHAIRMAN LYNCH: Thank you, Jim.

16 MR. LASPINA: You're welcome.

17 MR. ROSSMAN: Maybe I should start.

18 CHAIRMAN LYNCH: Any other corrections?

19 That's funny how you look at something and
20 you just read right through it. You just -- you make the
21 correction in your mind. Yeah. So thank you, Mr. Rossman.

22 MR. MOSS: Chair Lynch, subject to Mr.
23 Rossman's correction, I would move that we accept the
24 minutes as transcribed.

25 CHAIRMAN LYNCH: Do I have a second?

1 MR. STEPHENSON: I'll second.

2 CHAIRMAN LYNCH: All those in favor of
3 approving the minutes from the August 16th Council meeting
4 as amended, say "Aye."

5 MULTIPLE SPEAKERS: Aye.

6 CHAIRMAN LYNCH: Opposed?

7 Motion carries.

8 Okay. Let's go ahead and turn to updates
9 from our different facilities, and starting first with the
10 Kittitas Valley Wind Project.

11 Mr. Melbardis?

12 MR. MELBARDIS: Good afternoon, Chair Lynch,
13 EFSEC Council. This is Eric Melbardis with EDP Renewables
14 for the Kittitas Valley Wind Power Project. There was
15 nothing non-routine to report for the period.

16 CHAIRMAN LYNCH: And we see that in your
17 report, that you have nothing to report.

18 Any questions for Mr. Melbardis?

19 Thank you, Mr. Melbardis.

20 We'll move on to the Wild Horse Wind Power
21 Project.

22 Ms. Diaz?

23 MS. DIAZ: Thank you, Chair Lynch and Council
24 Members. Jennifer Diaz, Puget Sound Energy Wild Horse Wind
25 Facility, and I also have nothing non-routine to report for

1 the month of -- which month was it? -- August.

2 CHAIRMAN LYNCH: So nothing to report from
3 Wild Horse. Are there any questions for Ms. Diaz?

4 Thank you, Ms. Diaz.

5 Now we'll turn to Ms. Khounnala with Energy
6 Northwest. She's going to tell us about the Columbia
7 Generation Station and WNP 1/4.

8 MS. KHOUNNALA: Yes. Thank you, Chair and
9 Council.

10 While I don't have any items of non-routine
11 nature to report on, I would like to mention that we are
12 happy to be hosting Jim LaSpina from EFSEC this week.
13 Today, he and the Department of Ecology performed an air
14 quality inspection as well as a site visit to our
15 evaporation pond as part of a follow-up to the overtopping
16 event that was discussed at the last Council meeting.

17 Jim's also going to be attending our state
18 fire marshal inspection that's going to occur tomorrow as
19 well as the EFSEC quarterly audit on Thursday, so we're
20 happy he's here. We always appreciate a visit from him,
21 and we get great feedback. And other than that, from
22 Columbia Generating Station, we have no other non-routine
23 items.

24 CHAIRMAN LYNCH: And if you need Mr. LaSpina
25 over there for a couple weeks, just -- you know, just let

1 us know.

2 MS. KHOUNNALA: Will do.

3 CHAIRMAN LYNCH: Okay. Any questions for
4 Ms. Khounnala?

5 MR. STEPHENSON: I do have one, actually.

6 CHAIRMAN LYNCH: We do have a question.

7 Mr. Stephenson?

8 MR. STEPHENSON: Thank you, Chair Lynch. I
9 don't know if this is for the facility or for Staff. I
10 just wanted to know the status of the water receptacle
11 that's going into the river.

12 CHAIRMAN LYNCH: The fish screen? Is that
13 what you're saying? Or the new water right?

14 MR. STEPHENSON: The fish screen. Yes.
15 Thank you.

16 MS. KHOUNNALA: The -- so the intake
17 structure?

18 MR. STEPHENSON: Yes.

19 MS. KHOUNNALA: Okay. So as far as the
20 intake structure goes, right now, our current -- our
21 current plan within the NPDES permit is to perform an
22 entrainment study under EFSEC's review and jurisdiction
23 under the NPDES permit.

24 We have let a -- kind of a request for
25 proposals for that work to be put under contract. As it

1 stands now, the work would begin in March and continue for
2 two years, and then a final report would be generated and
3 submitted to EFSEC.

4 CHAIRMAN LYNCH: And I believe Mr. LaSpina
5 can probably jump in, is that I believe that there are --
6 that there is a Section 7 consultation process that is now
7 ongoing between the Nuclear Regulatory Commission and
8 National Marine Fisheries Service; is that correct?

9 MS. KHOUNNALA: Yes. Yes. We are -- right
10 now, the National Marine Fisheries Service is preparing to
11 submit a biological opinion to the Nuclear Regulatory
12 Commission. They had promised that in August and asked for
13 an extension to September.

14 I know that they are actively working on
15 those documents, as they've requested input from Columbia
16 for some additional data, so we are waiting on the
17 deliverable of those items, and we will then continue in
18 consultation with the NRC and National Marine Fisheries
19 Service going forward under that Section 7 consultation.

20 CHAIRMAN LYNCH: Any other questions for
21 Ms. Khounnala or Mr. LaSpina?

22 Thank you very much.

23 And we'll turn to Mr. Valinske, Grays Harbor
24 Energy.

25 MR. STEPHENSON: We didn't do WNP.

1 CHAIRMAN LYNCH: I'm sorry?

2 MR. STEPHENSON: We didn't do WNP.

3 CHAIRMAN LYNCH: Oh, and excuse me,
4 Ms. Khounnala. Did you also cover WNP 1/4?

5 MS. KHOUNNALA: Well, I didn't, but
6 there's -- there's also not a lot to report on. There
7 really isn't any change from our two thousand -- or
8 August 2016 update, that really the Department of Energy
9 continues to work on the NEPA evaluation, so there's really
10 not a lot of detail to update there.

11 CHAIRMAN LYNCH: Thank you.

12 Any questions for Ms. Khounnala regarding
13 WNP 1/4?

14 Thank you.

15 And we've got Mr. Valinske at the microphone
16 now for Grays Harbor Energy.

17 MR. VALINSKE: Good afternoon, Chair Lynch.
18 The microphone -- is working now.

19 Good afternoon, Chair Lynch, Council. My
20 name is Pete Valinske. I'm the plant manager at Grays
21 Harbor Energy. Beyond what I've given you in your folders,
22 I have updates on our cooling tower replacement project.

23 ORCAA and Department of Ecology have
24 evaluated the plans and determined that a notice of
25 construction is not required. We have a preconstruction

1 meeting scheduled for October 5th and mobilization
2 beginning October 24th for the construction crew.

3 CHAIRMAN LYNCH: And just for the Council
4 Members' benefit, when you say -- refer to a notice of
5 construction, that's in reference to a potential air
6 permit; is that correct?

7 MR. VALINSKE: Correct. For potential
8 emissions changes.

9 CHAIRMAN LYNCH: Right. And they're saying
10 that none's required.

11 MR. VALINSKE: That is correct.

12 CHAIRMAN LYNCH: Okay. Thank you. Just
13 whenever we use terminology here, I try to -- well, since
14 we have some new Council Members who might not know, I try
15 to bring them along.

16 MR. VALINSKE: And that's all I have.

17 CHAIRMAN LYNCH: Thank you.

18 Any questions for Mr. Valinske?

19 Thank you very much.

20 Now turning to the Tesoro/Savage Vancouver
21 Energy Distribution Terminal. Ms. Bumpus?

22 MS. BUMPUS: Thank you. Good afternoon,
23 Chair Lynch and Council Members.

24 I'm going to start with an update on where we
25 are with permits, and Ami Kidder will be doing a portion of

1 the SEPA update to follow up on information that she put
2 out last month to Council Members.

3 So starting with permits, for the industrial
4 NPDES stormwater permit, we reviewed information submitted
5 by the applicant, a revised engineering report that we
6 received on August 12, 2016. And we reviewed the material,
7 met with the applicant on September 2nd to discuss the
8 review findings, and we actually did identify some other
9 questions that we need them to clarify.

10 We are moving forward with preparation of
11 preliminary draft permit documents, but we will need to get
12 some additional information from them to complete the work,
13 so more to follow on that.

14 For the NPDES construction permit,
15 preliminary draft of the permit documents are being
16 circulated internally for EFSEC management review and legal
17 review, so I'll keep you posted, but we are very close to
18 having some draft documents to look at.

19 For the notice of construction air permit, we
20 have made progress in that area as well. We have
21 preliminary draft documents that we're reviewing
22 internally, but there are a couple of figures that we're
23 asking the applicant -- applicant, sorry -- to clarify for
24 us to wrap that up, and that will need to go through
25 another, I would say, two rounds of internal review. So,

1 again, getting very close.

2 I would say the notice of construction permit
3 and the NPDES construction permit are very much on the same
4 path as far as being ready to look at.

5 Before I move on to SEPA updates, are there
6 any questions about the permits?

7 CHAIRMAN LYNCH: Any questions for Ms. Bumpus
8 regarding permits?

9 Please proceed.

10 MS. BUMPUS: So there is not a whole lot to
11 share on the SEPA side. The consultant's working very hard
12 constantly to address all of the comments. They're
13 preparing a draft for us to look at for the final EIS, and
14 a lot of the work that we've discussed in the past, that's
15 coming to fruition, and they're going to be incorporating
16 that work into the draft document that we'll be reviewing.

17 For the schedule, we are continuing to work
18 with them to identify target dates as we learn more about
19 when things are coming available. The work, for instance,
20 with the applicant on the seismic modeling, as we learn
21 more about that, we're updating the schedule almost by the
22 week.

23 So we are expecting to get 3D modeling
24 results from the applicant. I think, at this point,
25 they're expecting mid October, so -- just as an example of

1 some of the things that we're becoming aware of that we're
2 using to update the schedule.

3 CHAIRMAN LYNCH: So it's fair to say, for
4 terms of schedule, you'll know more later and be able to
5 update the Council later?

6 MS. BUMPUS: Correct.

7 CHAIRMAN LYNCH: Let's see. What was my
8 question? Actually, I guess I didn't have a question. I
9 was going to say, do any Council Members have any questions
10 at this point? No.

11 Go ahead.

12 MS. BUMPUS: Okay. So that concludes my
13 portion of the SEPA update, and then Ami Kidder is going to
14 follow up with some updates on the tribal coordination.

15 CHAIRMAN LYNCH: Good afternoon, Ms. Kidder.

16 MS. KIDDER: Good afternoon, Chair Lynch and
17 Council Members.

18 Just to recap everybody from last month,
19 EFSEC Staff had reached out to ten tribes for
20 staff-to-staff coordination, and five tribes had responded,
21 confirming that they would like to meet, and as of last
22 month, we had met with three of the tribes. Now we have
23 met with all five of the tribes that confirmed that they
24 wanted to meet with us.

25 And the consultant is working on the

1 technical report with the details of those meetings. There
2 may be some additional action items to follow up with as
3 they complete that work, but that's where we are at the
4 moment.

5 CHAIRMAN LYNCH: Okay. Can you identify the
6 tribes that you're -- we are referencing?

7 MS. KIDDER: Yes. We have met with the
8 Cowlitz Tribe, the Umatilla, Swinomish, Yakama -- thank
9 you -- and the Grand Ronde.

10 CHAIRMAN LYNCH: Thank you. And does that
11 conclude your remarks?

12 MS. KIDDER: It does. Thank you. Unless
13 anybody has any questions for me.

14 CHAIRMAN LYNCH: Any questions for Staff?

15 Thank you.

16 Then we'll -- now let's turn to the Chehalis
17 Generation Facility. After the operational update, we'll
18 be talking about the Title V air operating permit and
19 hoping to take final action on that today contingent upon
20 no substantive public comments being received.

21 But at this point in time, we'd like to hear
22 from Mr. Miller.

23 MR. MILLER: Good afternoon, Chair Lynch and
24 Council Members and Staff. This is Mark Miller, the plant
25 manager at the PacifiCorp Chehalis Generation Facility, and

1 I have a couple non-routine comments to provide.

2 As noted in our report, there was a revision
3 to a medical treatment case that occurred in August of
4 2015. The incident involved an auxilliary operator that
5 was using a valve spanner wrench to open a valve on a
6 temporary water treatment trailer.

7 At the time, the operator noted to a
8 supervisor that he had an irritation to his shoulder, and
9 over the last year and several evaluations, the employee
10 decided on a surgical repair. The employee was on light
11 duty and has since returned to normal duties.

12 Also, the first of three energy efficiency
13 projects that were approved to satisfy the carbon offset
14 mitigation acquisition commitments, one was completed this
15 summer. This was the high-efficiency lighting project.

16 There were 31 sub-projects that replaced 462
17 fixtures and light sources for a reduction of 290 megawatt
18 hours per year, and this is an equivalent of a reduction of
19 49 tons of CO2 per year. The final expense for this first
20 project was \$138,000, and that's all I have that's
21 non-routine.

22 CHAIRMAN LYNCH: We're pleased that the --
23 that the energy consumption ends up being quite a bit more
24 than what you originally estimated, 290 megawatt hours
25 per year as opposed to 246 megawatt hours per year.

1 Are there any questions --

2 MR. MILLER: Thank you.

3 CHAIRMAN LYNCH: Any questions for
4 Mr. Miller?

5 Thank you, Mr. Miller.

6 And we have a Title V air operating permit
7 that Mr. LaSpina provided you prior to the meeting,
8 including some background information.

9 Mr. LaSpina, are you still there?

10 MR. LASPINA: Yes, I am. And Mr. Posner has
11 a prepared statement to read, because I didn't know how the
12 phone connection would be.

13 MR. POSNER: Right. Yeah. Thank you, Chair
14 Lynch, Council Members. I'll go ahead, and these are just
15 some prepared comments that Jim and I worked on. We
16 weren't sure whether or not he was going to actually be
17 able to call in, so I'll just go ahead and make a few
18 remarks.

19 So just a reminder of where we're at with
20 this process, at the August meeting, Staff notified the
21 Council of its intent to issue the draft permit for the
22 beginning of the public no- -- we started the public notice
23 for the draft permit, which began the public comment
24 period. And the draft permit, this is a renewal of an
25 existing permit that's been in effect for a number of

1 years. It contains only some minor revisions to the
2 regulatory monitoring and reporting requirements.

3 The public notice began on August 25th. We
4 provided the draft permit, statement of basis, and public
5 notice documents to all Council Members on September 9, so
6 I believe you've had time to look at all those documents,
7 and the public notice began on the 25th. It will end on
8 September 26th at 5 p.m.

9 We do have a public hearing scheduled for
10 next Monday, which is the 26th, at 1:30 p.m. It's not
11 necessary for Council Members to be present for that
12 hearing. Staff will be taking care of all the logistics,
13 although you're welcome to come if you like, but it is not
14 necessary.

15 And what we're asking today is a contingent
16 approval, approval from the Council, to go ahead and issue
17 this permit conditioned -- conditional upon that we receive
18 no substantive comments on this permit. If we do, we would
19 have to address those comments and would bring this matter
20 back to you at next month's Council meeting.

21 So with that, I can answer any questions or
22 Jim, perhaps, could answer questions if you have any
23 technical questions, but we would ask that you have a
24 motion to approve issuance of the permit conditionally.

25 CHAIRMAN LYNCH: Any questions for Mr. Posner

1 or Mr. LaSpina?

2 I hear no question --

3 MR. LASPINA: Chair Lynch, I -- Chair Lynch,
4 I just wanted to clarify that, as far as I know, we have
5 not received any public comments.

6 CHAIRMAN LYNCH: So up until -- up at this
7 point, anyway, no one has responded to the notice that
8 we're going to reissue the Title V permit.

9 Any Council Members wish to discuss this
10 further?

11 I would like to have someone make a motion
12 that the Council approve the Title V permit contingent upon
13 the Council receiving no substantive comments.

14 MR. STEPHENSON: Chair Lynch, I'm happy to
15 make that motion.

16 CHAIRMAN LYNCH: Mr. Stephenson has moved for
17 approval of the Title V permit contingent upon us receiving
18 no substantive comments. Do we have a second?

19 MR. MOSS: If I can turn my microphone on,
20 I'll second that motion.

21 CHAIRMAN LYNCH: It's moved and seconded that
22 we give conditional approval to the Title V air operating
23 permit, and I think the key to this is, one, it's a Title V
24 permit, and the other thing is, is that this is a
25 reissuance of an existing Title V permit.

1 So I'm going to -- going to call the
2 question. All those in favor, say "Aye."

3 MULTIPLE SPEAKERS: Aye.

4 CHAIRMAN LYNCH: Opposed?

5 Motion carries. Thank you.

6 So let's go ahead and turn now to, the
7 Council had received a petition for a declaratory order
8 from Columbia Riverkeeper regarding the proposed Northwest
9 Innovation Works project located at the Port of Kalama.

10 Mr. Posner, you're listed here. Were you
11 going to provide us any background on that?

12 MR. POSNER: Yes. I was planning on
13 providing just some follow-up since we talked about this
14 last month. As you had mentioned, we did receive a
15 petition from the Columbia Riverkeeper. They requested the
16 Council issue a declaratory order concerning Northwest
17 Innovation Works, a proposed methanol production facility
18 in Cowlitz County.

19 And since last month, we -- or since the last
20 update to the Council, we've received a number of documents
21 from various parties associated with this project. We
22 received from Northwest Innovation Work an objection, and
23 also the -- objection was filed by the Port of Kalama, and
24 then there was a letter from the Cowlitz County Board of
25 Commissioners basically stating that they did not consent

1 to issuance of a dec- -- of a declaratory order on this
2 matter.

3 We did receive responses from Columbia
4 Riverkeeper, and then there was a joint reply from
5 Northwest Innovation Works and the Port of Kalama to the
6 Columbia Riverkeeper's response. All those documents were
7 posted on our website, and I believe that the Council
8 Members have had an opportunity to look at all those
9 documents.

10 So, basically, Staff is recommending that --
11 that, consistent with what we've done on a past project
12 where a declaratory order was requested, that because of
13 the filings and the information submitted by the various
14 parties, that the -- the law is very specific about whether
15 or not the Council or an agency can issue an order, a
16 declaratory order, if certain -- if certain conditions are
17 met.

18 And basically, I believe the Council's aware
19 of those -- those conditions. They are described in
20 34.05.240, and so if there's a necessary party and if they
21 provide information which documents or supports their claim
22 that their rights would be prejudiced, then the agency is
23 prohibited from issuing an order.

24 So -- and that is the recommendation that
25 Staff has to the Council on this matter, that basically

1 because of that section, the Council is not able to issue
2 an order on this matter.

3 CHAIRMAN LYNCH: Thank you, Mr. Posner.

4 I would echo support of the Staff's
5 recommendation and would note that this -- that the request
6 for the declaratory order came in quite a bit of time after
7 the project was undertaken by the Port of Kalama and
8 Cowlitz County.

9 I agree that the statute indicates that if
10 the rights of a person, if they would be substantially
11 prejudiced, if they're a necessary party, I would -- I
12 would note that the Council does retain a bar of requiring
13 showing of sub- -- of substantial prejudice.

14 I think this was indicated by the amount of
15 time that's passed, the amount of expenditures that have
16 been expended by the parties on behalf of this project, so
17 I would also recommend that the Council follow the statute
18 and not enter a declaratory order on those bases, and I
19 would open it up to further Council discussion. Any
20 further Council discussion?

21 At this point in time, I would entertain a
22 motion for the approval -- excuse me, for issuing of an
23 order dismissing the petition for a declaratory order.

24 MR. MOSS: So move.

25 CHAIRMAN LYNCH: Do we have a second?

1 MR. STEPHENSON: I'll second.

2 CHAIRMAN LYNCH: All those in favor of the
3 Council issuing an order to -- dismissing the petition for
4 a declaratory order, say "Aye."

5 MULTIPLE SPEAKERS: Aye.

6 CHAIRMAN LYNCH: Opposed?

7 Motion carries. The Council will be issuing
8 an order under the signature of the Chair dismissing the
9 petition for the declaratory order.

10 Turning now to happy news, Mr. LaSpina, do
11 you want to give us a SIP update?

12 MR. POSNER: Chair Lynch, Council Members,
13 same protocol for this item as we had earlier, so I have
14 some comments on the SIP submittal.

15 And I'll go ahead and start off with letting
16 you know that, update, June 14th, we did brief the
17 Council -- or Staff briefed the Council on the submittal of
18 EFSEC's State Implementation Plan, also known as the SIP,
19 to the EPA, and it's basically -- the SIP is the State's
20 plan to comply with the federal National Ambient Air
21 Quality Standards. It is tied to the federal Prevention of
22 Significant Deterioration, or PSD, air permitting program.

23 In its role as the State's primary
24 environmental regulatory agency, Department of Ecology is
25 the sponsor of EFSEC's SIP submittal to EPA, and we are

1 very fortunate that they are helping us, and they've taken
2 a lead role in drafting the submittal package on behalf of
3 EFSEC, and they are also going to help us with managing the
4 public comment process.

5 The main components of the SIP package are
6 EFSEC's letter requesting EPA approve the SIP and, also,
7 there is detailed documentation demonstrating EFSEC's air
8 quality rules are consistent with federal regulations.

9 Then, one of the primary benefits of this
10 approval from EPA, if we receive it, is it will allow EFSEC
11 to implement a more autonomous air quality program that
12 will expedite issuance of PSD permits. As I believe most
13 of you know, right now, because of our partial delegation
14 authority with EPA, we have to work with EPA and co-sign
15 PSD permits with them.

16 We have a public comment period, which will
17 start on September 22nd, and it will end on November 8th,
18 and that's all I have.

19 CHAIRMAN LYNCH: And my understanding is
20 then, after November 8th, then we ship the package to EPA,
21 they have their opportunity to do a final review, and we
22 would anticipate approval of this sometime in the spring.

23 And this was one of the top priorities for me
24 when I came in as the Chair, seeing what Grays Harbor
25 Energy, for example, how long it took for them to get their

1 permits and just how much process was involved. We were
2 able to get a lot of assistance from our own Department of
3 Ecology air program, who's just really made this happen,
4 along with Mr. LaSpina, and EPA has also been very amenable
5 to working with us on this.

6 So this will be a very big deal, and this was
7 one of the things I said there'd be ice cream cake once
8 this gets approved.

9 So is there anything else for the good of the
10 order today?

11 Hearing none, thank you for all your
12 participation, and we're adjourned.

13 (Proceedings concluded at 2:05 p.m.)
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C E R T I F I C A T E

STATE OF WASHINGTON

COUNTY OF KING

I, Ryan Ziegler, a Certified Shorthand Reporter in
and for the State of Washington, do hereby certify that the
foregoing transcript of the proceedings held September 20,
2016, 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 September 30, 2016.

RYAN ZIEGLER, RPR, CCR

ENERGY FACILITY SITE EVALUATION COUNCIL

Roll Call Checklist

Executive Session

Meeting Date: September 20, 2016 EFSEC Council Meeting

10:30 AM

State Agency Members

☒ Chair

Chair Bill Lynch

☒ Commerce

Jaime Rossman

☒ Ecology

Cullen Stephenson

☒ Fish and Wildlife

Joe Stohr

☒ Natural Resources

Dan Siemann

☒ Utilities and Transportation

Commission

Dennis Moss

Local Gov't. and Optional State Agency

☐ Department of Transportation

Ken Stone

☐ City of Vancouver

Bryan Snodgrass

☐ Clark County

Greg Shafer

☐ Port of Vancouver

Larry Paulson

Assistant Attorney General

☐ Assistant Attorney General

Ann Essko

David Stearns Assistant

Council Staff

Attorney

☒ Stephen Posner

☐ Jim LaSpina

☒ Joan Aitken

☒ Tammy Mastro

☐ Patty Betts

☒ Sonia Bumpus

☐ Ami Kidder

☐ Cassandra Noble

In attendance via phone

In attendance

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ENERGY FACILITY SITE EVALUATION COUNCIL

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☒ Jim LaSpina ☒ Joan Aitken

☒ Tammy Mastro ☐ Patty Betts

☒ Sonia Bumpus ☒ Ami Kidder

☐ Cassandra Noble

In attendance via phone

In attendance

1.	mark miller - Chehalis	Pete Delinske
2.	jennifer Diaz - wild horse	
3.	Shannon Khoumala - Columbia River	
4.	Karen McAffey - Perkins	Coie
5.	Eric Melbardis - Kittitas Valley	
6.	Tim McMahon - Stoel Rives	Rives
7.	Kristen Boyles - Earth Justice	
8.	Tadas Kisielius - Tesoro	
9.		
10.		

Via Phone

Grays Harbor

Via phone

Via Phone



Washington State Energy Facility Site Evaluation Council AGENDA

MONTHLY MEETING
Tuesday, September 20, 2016
1:30 PM

1300 S Evergreen Park Drive SW
Olympia, WA 98504
Hearing Room 206

1. Call to Order Bill Lynch, EFSEC Chair
2. Roll Call Tammy Mastro, EFSEC Staff
3. Proposed Agenda Bill Lynch, EFSEC Chair
4. Minutes **Meeting Minutes**..... Bill Lynch, EFSEC Chair
 - August 16, 2016
5. Projects **a. Kittitas Valley Wind Project**
 - Operational Update..... Eric Melbardis, EDP Renewables**b. Wild Horse Wind Power Project**
 - Operational Update..... Jennifer Diaz, Puget Sound Energy**c. Columbia Generating Station**
 - Operational Update..... Shannon Khounnala, Energy Northwest**d. WNP - 1/4**
 - Non-Operational Update..... Shannon Khounnala, Energy Northwest**e. Grays Harbor Energy Center**
 - Operational Update..... Pete Valinske, Grays Harbor Energy**f. Tesoro/Savage Vancouver Energy Distribution Terminal**
 - Project Update..... Sonia Bumpus, EFSEC Staff**g. Chehalis Generation Facility**
 - Operational Update..... Mark Miller, Chehalis Generation Staff
 - Title V Air Operating Permit..... Jim LaSpina, EFSEC Staff

The Council may consider and take **FINAL ACTION** on issuing the permit after the public comment period closes.
6. Other **a. Council**
 - Petition For Declaratory Order..... Stephen Posner, EFSEC Staff
The Council will discuss a petition from Columbia Riverkeeper requesting the Council to issue a declaratory order concerning Northwest Innovation Works, a proposed methanol production facility in Cowlitz County. The Council will not receive public comment but may take **Final Action** on this matter.
 - SIP Update..... Jim LaSpina, EFSEC Staff
7. Adjourn Bill Lynch, EFSEC Chair

Note: "FINAL ACTION" means a collective positive or negative decision, or an actual vote by a majority of the members of a governing body when sitting as a body or entity, upon a motion, proposal, resolution, order, or ordinance. RCW 42.30.02

Kittitas Valley Wind Power Project

Monthly Project Update

September 20, 2016

Project Status Update

August Production Summary:

Power generated: 31,119 MWh
Wind speed: 8.4 m/s or 18.8 mph
Capacity Factor: 41.5%

Safety:

No incidents

Compliance:

Project is in compliance as of September 16, 2016.

Sound:

No complaints

Shadow Flicker:

No complaints

Environmental:

No incidents

Wild Horse

Wind Production

August wind generation totaled 44,749 MWh for an average capacity factor of 22.06%

Safety

No lost-time accidents or safety injuries/illnesses

Maintenance

Nothing to report

Compliance/Environmental

Nothing to report

**Energy Northwest
EFSEC Council Meeting
September 20, 2016
Shannon Khounnala**

I. Columbia Generating Station Operational Status

Columbia is online at 100% power and producing 1142 MWs. The plant has been online for 174 days.

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

II. WNP 1/4 Water Rights

No Change from August 2016 update:

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.

EFSEC Monthly Operational Report

August, 2016

1. Safety and Training

- 1.1. There were no accidents or injuries during the months of August.
- 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 Report (DMR) for July to Ecology.
- 2.2. Completed the annual storm water dry weather inspection.
- 2.3. Completed the annual priority pollutant sample of the outfall.
- 2.4. All paved surfaces were vacuumed to remove accumulated contaminants prior to the rainy season. This is a commitment GHE made to EFSEC as a Best Management Practice (BMP) to minimize pollutant run-off following a high copper reading on a prior storm water sample.
- 2.5. Submitted EPA DMR-QA Study 36 testing results to Ecology.
- 2.6. A contract is in place with Enexio to replace the cooling tower structure lumber with fiber-reinforce plastic (FPR). EFSEC is reviewing the contract to determine the need for a Notice of Construction (NOC). An on-site pre-construction meeting is scheduled to occur in October.

3. Operations & Maintenance

- 3.1. Grays Harbor Energy (GHE) operated 31 days and generated 393,187 MWh during the month of August.
- 3.2. The capacity factor (CF) was 85.2% in August, and 50.7% YTD.
- 3.3. The availability factor (AF) was 97.7% in August, and 88.3% YTD.
- 3.4. Annual RATA and stack testing was completed in August.

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. ORCAA was on-site in August to observe the annual RATA and stack testing.

6. Other

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

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

Washington Energy Facility Site Evaluation Council

09-15-2016

Safety:

- There were no recordable incidents this reporting period and the plant staff has achieved 398 days without a Lost Time Accident.
- A personnel safety incident that occurred in August 2015 was revised from a Medical Treatment case to a Lost Time Accident.

Environment:

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

Personnel:

- Authorized plant staffing level is currently 18 with 19 positions filled.
- The open position is for Operations Manager.

Operations and Maintenance Activities:

- The Plant generated 142,644 MW-hrs in August 2016 for a total YTD capacity factor of 23.52%.

Regulatory/Compliance:

- Nothing to report.

Sound monitoring:

- There were no noise complaints to report.



Carbon Offset Mitigation

- High Efficiency Lighting Project:

The retrofit of plant lighting is the first of three In-Plant Energy Efficiency Measures approved by EFSEC. This project has been completed. The Project reduces energy consumption for lighting in the plant by 290 megawatt-hours per year (MWh/year). The initial estimate was 246 MWh/year.

The final cost was \$138,354.81.

- Reverse Osmosis Pump Variable Frequency Drives:

This is the second of the three projects is undergoing scoping and engineering for implementation in early 2017.

- Closed Cooling Water System:

Project start date is to be determined.

Respectfully,

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

Mark A. Miller
Manager, Gas Plant