

WASHINGTON STATE

ENERGY FACILITY SITE EVALUATION COUNCIL

Richard Hemstad Building

1300 South Evergreen Park Drive Southwest

Conference Room 206

Olympia, Washington

Tuesday, October 18, 2016

1:32 p.m.

MONTHLY COUNCIL MEETING

Verbatim Transcript of Proceeding

REPORTED BY: SHERRILYN SMITH, CCR# 2097

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A P P E A R A N C E S

Councilmembers:

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

Local Government and Optional State Agency:

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

Attorney General's Office:

ANN ESSKO, Assistant Attorney General
DAVID STEARNS, Assistant Attorney General

EFSEC Staff:

STEPHEN POSNER
SONIA BUMPUS
JOAN AITKEN
AMI KIDDER
HALEIGH MISSILDINE

Guests:

JAY DERR, Van Ness Feldman (via phone)
ERIC MELBARDIS, EDP Renewables (via phone)
PETE VALINSKE, Grays Harbor Energy
SHANNON KHOUNNALA, Energy Northwest (via phone)
CONNIE SUE MARTIN, Port of Vancouver (via phone)
LINDA LARSON, Columbia Waterfront (via phone)
KRISTEN BOYLES, Earthjustice (via phone)

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1 OLYMPIA, WASHINGTON, OCTOBER 18, 2016

2 1:32 P.M.

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5 P R O C E E D I N G S

6
7 CHAIRMAN LYNCH: Good afternoon. Today
8 is Tuesday, October 18th. It's 1:30 p.m., and this is
9 the October monthly meeting for the Energy Facility
10 Site Evaluation Council. Could we please have the
11 clerk call the roll?

12 MS. AITKEN: Department of Commerce?

13 MR. ROSSMAN: Jaime Rossman is here.

14 MS. AITKEN: Department of Ecology?

15 MR. STEPHENSON: Cullen Stephenson here.

16 MS. AITKEN: Department of Fish &
17 Wildlife?

18 MR. STOHR: Joe Stohr is here.

19 MS. AITKEN: Department of Natural
20 Resources?

21 MR. SIEMANN: Dan Siemann here.

22 MS. AITKEN: Utilities and
23 Transportation Commission?

24 MR. MOSS: Dennis Moss is here.

25 MS. AITKEN: Local governments and

1 optional state agencies for the Tesoro Project.

2 Department of Transportation?

3 MR. STONE: Ken Stone is here.

4 MS. AITKEN: City of Vancouver?

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

7 MS. AITKEN: Clark County?

8 CHAIRMAN LYNCH: Mr. Shafer is excused.

9 MS. AITKEN: Port of Vancouver?

10 MR. PAULSON: Larry Paulson is on the
11 phone.

12 MS. AITKEN: Chair, there is a quorum
13 for the regular Council and for the Tesoro Project
14 Council.

15 CHAIRMAN LYNCH: Thank you.

16 If the Councilmembers could take a quick look
17 at the proposed agenda and see if they have any
18 changes. You will note towards the end of the Council
19 meeting we have one action item.

20 Hearing no changes to the proposed agenda,
21 let's go ahead and move forward.

22 This would be for the -- we need approval of
23 the meeting minutes for the September 20, 2016
24 meeting.

25 I would note one small change. This would be

1 on Page 16, Line 8. Yakama, when referring to the
2 tribe is Y-A-K-A-M-A, as opposed to I-M-A, which would
3 be the city.

4 Does anybody else have any proposed changes?

5 At this point in time I would entertain a
6 motion for approval of the minutes as amended.

7 MR. STEPHENSON: I will move for
8 approval of the minutes.

9 CHAIRMAN LYNCH: Do we have a second?

10 MR. ROSSMAN: I'll second.

11 CHAIRMAN LYNCH: It's been moved and
12 seconded that we approve the September 20 meeting
13 minutes as amended. All those in favor say "aye."

14 MULTIPLE SPEAKERS: Aye.

15 CHAIRMAN LYNCH: Opposed?

16 Motion carries.

17 At this time I would like to hear from those
18 people who are -- who wish to identify themselves on
19 the line, but you are not required to do so. And I
20 will start with those people who are energy facility
21 site projects.

22 MS. KHOUNNALA: Shannon Khounnala,
23 Energy Northwest.

24 MR. MELBARDIS: Eric Melbardis, EDP
25 Renewables.

1 MR. DERR: Jay Derr for Vancouver
2 Energy.

3 MS. MARTIN: Connie Sue Martin for the
4 Port of Vancouver.

5 CHAIRMAN LYNCH: Anybody else?

6 MS. LARSON: Linda Larson, Columbia
7 Waterfront.

8 MS. BOYLES: Kristen Boyles,
9 Earthjustice.

10 CHAIRMAN LYNCH: Anybody else?

11 Okay. And it's just been pointed out to me
12 that I neglected to move on the special meeting
13 minutes because they are so short. This would have
14 been the special meeting that we held on
15 September 20th at 10:33 a.m., where we essentially
16 just went into executive session and came out of
17 executive session. So could we have a motion to
18 approve those minutes?

19 MR. ROSSMAN: So moved.

20 CHAIRMAN LYNCH: Do we have a second?

21 MR. SIEMANN: I'll second.

22 CHAIRMAN LYNCH: It has been moved and
23 seconded that we approve the special Council meeting
24 minutes for September 20th, beginning at 10:30 a.m.
25 All those in favor say "aye."

1 MULTIPLE SPEAKERS: Aye.

2 CHAIRMAN LYNCH: Opposed?

3 Motion carried.

4 So at this point in time let's go ahead and
5 have an update from our facilities, starting first
6 with Mr. Melbardis with Kittitas Valley Wind Project.

7 MR. MELBARDIS: Good afternoon, Chair
8 Lynch, EFSEC Council. This is Eric Melbardis with EDP
9 Renewables for the Kittitas Valley Wind Power Project.
10 There was nothing out of the ordinary or nonroutine to
11 report during this period.

12 CHAIRMAN LYNCH: Are there any questions
13 for Mr. Melbardis?

14 Thank you, Mr. Melbardis.

15 And now we will have a report regarding the
16 Wild Horse Wind Power Project. And who is going to be
17 presenting that?

18 MR. POSNER: Good afternoon, Chair
19 Lynch, Councilmembers. Jennifer Diaz is unavailable,
20 as well as -- so is Jim LaSpina, who would normally
21 give the update in Jennifer's absence, so I'm going to
22 give a quick update.

23 In your packets is a meeting report. It's
24 there with all the information concerning activities
25 over the last month. One thing of note is there is a

1 section in the update that deals with an eagle update.
2 I'll just briefly go over some of the things that were
3 provided, some of the information that was provided by
4 PSE.

5 I will note that at the November Council
6 meeting, PSE will be giving a detailed update to the
7 Council, and they will be here in person. We will
8 also -- we have also requested that our DFW
9 representative contractor be present as well to answer
10 questions from Councilmembers, so there will be a more
11 detailed presentation next month.

12 Just to summarize what happened this last
13 month, or in September, September 26th, during a
14 regular turbine maintenance they -- the technicians
15 discovered the remains of a juvenile Golden Eagle at
16 one of the turbines. It was reported to the
17 appropriate personnel, and including a report that was
18 filed with EFSEC.

19 This is the fourth eagle -- the fourth eagle
20 that's been killed. They have all been juveniles.
21 The first one occurred in April 2015, and then there
22 was another one, another report June 2014, where two
23 juveniles were reported killed. And in this recent
24 report there was also just a juvenile, one juvenile.

25 So PSE has followed the appropriate protocol.

1 They have notified not only EFSEC, but officials from
2 U.S. Fish & Wildlife Service. They have been working
3 with Fish & Wildlife Service and DFW to develop
4 basically a program for -- finalize basically an eagle
5 conservation plan consistent with U.S. Fish & Wildlife
6 Service plan guidance. That would be to support
7 coverage for any eagle kills under a programmatic
8 eagle take permit.

9 I will attempt to answer any question
10 Councilmembers may have, however, it might be best if
11 you hold off until next month, where we will have PSE
12 representatives here.

13 And just one final note. We have talked to
14 our DFW representative and he mentioned that he has
15 been working very closely with PSE representatives
16 over the last couple years concerning eagle issues,
17 and he has been very pleased with the progress they
18 have been making. So he will be here next month to
19 answer any questions you might have.

20 CHAIRMAN LYNCH: Yes, Councilmember
21 Siemann.

22 MR. SIEMANN: I just wanted to ask one
23 question. Do we know if there are limits to the
24 number of eagle deaths that are allowed in the permit?

25 MR. POSNER: Well, right now that would

1 be covered under an eagle take permit --

2 MR. SIEMANN: Right.

3 MR. POSNER: -- which has not been
4 issued. That is in the process of being developed.
5 And that's a permit that's issued by U.S. Fish &
6 Wildlife Service.

7 I will note that based on baseline data, the
8 number of eagles that have been killed so far is
9 consistent with what the expectations were before the
10 site was built. So there was an expectation there
11 might be some loss of eagle life, but -- so it's not
12 to minimize the loss here, but just to keep in mind
13 that this is something that does happen at wind
14 facilities.

15 CHAIRMAN LYNCH: Any other questions to
16 Staff?

17 Yes, Councilmember Stohr.

18 MR. STOHR: Yeah, I just wanted, for the
19 record, to say thanks to Wild Horse and to the staff
20 for keeping my agency involved early and continuously
21 through this process. I appreciate the communication
22 there.

23 CHAIRMAN LYNCH: Thank you.

24 Any further questions?

25 And we'll be looking forward to the -- getting

1 a more detailed report at our next Council meeting and
2 an opportunity to ask further questions.

3 I'll go ahead turn to the Columbia Generating
4 Station.

5 Ms. Khounnala?

6 MS. KHOUNNALA: Yes. Good afternoon,
7 Council. Thank you.

8 In regard to Columbia Generating Station, we
9 do not have any nonroutine items to report.

10 CHAIRMAN LYNCH: Any questions for
11 Ms. Khounnala regarding Columbia Generating Station?

12 Seeing none, Ms. Khounnala, why don't you go
13 ahead and brief us on WNP 1/4.

14 MS. KHOUNNALA: Certainly.

15 In regard to WNP 1/4, we have been given an
16 update from the Department of Energy that they have
17 completed the cultural resource report, working on a
18 draft of the environmental assessment, and they expect
19 to have that completed within December of this year,
20 so that process continues as expected.

21 No other items to report on WNP 1/4.

22 CHAIRMAN LYNCH: Any questions for
23 Ms. Khounnala on WNP 1/4?

24 Very good. Thank you.

25 MS. KHOUNNALA: Thank you.

1 CHAIRMAN LYNCH: And here with us today
2 is Mr. Valinske with the Grays Harbor Energy Center.

3 Welcome.

4 MR. VALINSKE: Good afternoon, Chair
5 Lynch, Council, EFSEC Staff. My name is Pete
6 Valinske, I am the plant manager -- my name is Pete
7 Valinske, I am the plant manager at Grays Harbor
8 Energy.

9 I have one update from what's in your packet,
10 and that is our fire marshal inspection that was
11 completed last week with no discrepancies. And one
12 follow-up to something that is in your package. I
13 just wanted to make note that we are starting our
14 cooling tower construction, or replacement, next
15 month.

16 CHAIRMAN LYNCH: Very good.

17 MR. VALINSKE: That's all I have.

18 CHAIRMAN LYNCH: Any questions for
19 Mr. Valinske regarding the Grays Harbor Energy
20 Project?

21 Yes. Mr. Rossman?

22 MR. ROSSMAN: I would just like to say I
23 appreciate the continued work on that project and
24 getting it completed in a really timely fashion.
25 Thank you.

1 MR. VALINSKE: Well, it's not done yet.
2 We're just starting.

3 MR. ROSSMAN: Passed all the benchmarks.

4 MR. VALINSKE: Thank you.

5 CHAIRMAN LYNCH: Thank you,
6 Councilmember Rossman.

7 And now the Chehalis Generation Facility.
8 Mr. Miller?

9 Is Mr. Miller here?

10 MR. POSNER: I don't see Mr. Miller
11 here, and apparently he hasn't called in, so I will go
12 ahead and give the update on that.

13 There is a monthly update in your packets.
14 One thing I'll note, it looks like most things are
15 routine there, but one update is concerning the
16 Title V permit. As Councilmembers will recall, at our
17 September meeting you provided approval for Staff to
18 go ahead and issue the permit. We had a public
19 comment period, and that conditional approval was
20 based on receiving no comments.

21 We did have our public comment period that ran
22 from August 25th. These dates might not be correct.
23 I'm looking at this. But we did have our public
24 comment period. It's closed. It closed on the 26th.
25 We did receive one comment. It was from EPA,

1 Environmental Protection Agency. Our contractor, the
2 Southwest Clean Air Agency, has developed responses to
3 the comment letter. There were a couple comments in
4 the one letter. We have shared those responses with
5 EPA, and at this time we are waiting to hear back from
6 them, to make sure that their concerns have been
7 addressed.

8 From our contractor's perspective, the
9 Southwest Clean Air Agency, the majority of these
10 comments were dealt with, request for updates,
11 information in the fact sheet. There did not appear
12 to be any significant request for changes in the
13 permit itself, but we want to make sure that EPA is
14 satisfied with our responses to their comments. We
15 will update the Council on the EPA responses before we
16 actually issue the permit.

17 CHAIRMAN LYNCH: Any questions for
18 Mr. Posner regarding either the Chehalis Generation
19 Facility or the Title V permit associated with that?

20 Thank you, Mr. Posner.

21 If we could -- yes. Mr. Stephenson?

22 MR. STEPHENSON: Thank you, Chair Lynch.

23 I would like to ask a general question. We
24 have had two Staff briefings today. It feels to me
25 somehow that our facility briefings are getting

1 shorter and simpler. I hope that's good, but I don't
2 know, and so I would just like to ask the question,
3 maybe to Staff.

4 I assume we are looking at these, because what
5 is what is coming to Council seems to be shorter and
6 simpler. That's great if everything is just fine, but
7 I want to make sure that I know that everything is
8 just fine. Because when I come to my monthly meetings
9 with my briefings slightly ahead of time, I want to
10 make sure that I am doing my Council duty to say, yes,
11 this is a good thing, or no, it's not a bad thing.

12 CHAIRMAN LYNCH: And I will just jump in
13 here, and that's a good question.

14 The answer is, yes, things are going along,
15 you know, fine. When something happens, like the
16 eagle kill, it's brought to the Council's attention
17 and we will have a more detailed report on that. In
18 fact, I made it clear to Staff that I wanted to hear
19 bad news as well as good news. The worst thing that
20 can happen is you are sitting on some oversight body
21 and everybody else in the public knows the bad news
22 before you do.

23 Yes, I have made it clear, and Staff has
24 certainly consented that if there is bad news that
25 they will pass it along to us as well.

1 Yes. Thank you.

2 Ms. Bumpus, the Tesoro/Savage Vancouver Energy
3 Distribution Terminal update.

4 MS. BUMPUS: Thank you. Good afternoon,
5 Chair Lynch and Councilmembers.

6 Just a couple of things to update you on. For
7 the update on the EIS, I have mentioned working with
8 the consultant, our consultant, to develop a schedule.
9 I wanted to let Councilmembers know that we are still
10 doing that, we are still working with them to finalize
11 a schedule, given new pieces of information that are
12 coming in. We have had questions that we are asking
13 the applicant to clarify, and there is other work
14 related to seismic that we are waiting on. And so I
15 will keep you updated as that schedule is finalized.
16 And we are looking to get a date for a complete
17 document so that we can perform a comprehensive
18 review.

19 I just wanted to let you know that that's
20 still continuing.

21 CHAIRMAN LYNCH: I will interrupt. And
22 the applicant just did provide responses to a data
23 request.

24 MS. BUMPUS: That's correct, Chair
25 Lynch. That's part of my air permit update, but I

1 will go ahead and let you know that we had Data
2 Request 13 that included several questions. One of
3 them was related to the air permit development. We
4 needed some clarification to -- for the air permit
5 writer to move forward, and our consultant for the EIS
6 was asking the same question. We recently did receive
7 that, the end of last week, and we are looking at that
8 now. That's kind of overlapped there, where we needed
9 information both for the EIS and for the permit.

10 CHAIRMAN LYNCH: That's good that's in.

11 MS. BUMPUS: So for the other updates on
12 the other two permits. For the industrial permit, the
13 permit writer is reviewing the application for site
14 certification that we received October 6th. They are
15 looking at that. We do have some comments and
16 questions that we are going to be sending to the
17 applicant. We will get the responses and continue
18 working to develop that permit. So I will keep you
19 updated on where we are with that.

20 For the other permit, the construction
21 stormwater permit, you received an email with the
22 draft permit documents. There are cases where you
23 might issue an individual permit, where you think that
24 the water quality standards may be exceeded, or there
25 could be other special situations where you would do

1 that. In this case, it was determined that a general
2 permit would be appropriate, and so that's what you
3 are going to be reviewing.

4 That segues into the other email that you've
5 gotten, asking about your availability for a proposed
6 special Council meeting. I think the dates that we
7 were looking at are October 26 and 27. I'm not sure
8 if we have heard back from all of you yet. But at
9 that meeting we would -- and after you have reviewed
10 the permit documents, we would ask that you make a
11 tentative determination on the issuance of the permit.

12 CHAIRMAN LYNCH: And Staff, following
13 the tentative determination, the permit would go out
14 for public comment, we would receive the comments, and
15 then those comments would go back to the Council,
16 then, for final permitted options; is that correct?

17 MS. BUMPUS: Correct.

18 CHAIRMAN LYNCH: Okay.

19 I believe that we are tentatively scheduled, I
20 think, for Wednesday the 26th at 1:30 for that special
21 meeting.

22 MS. BUMPUS: Okay. That sounds right.

23 CHAIRMAN LYNCH: Ms. Bumpus, did you
24 have anything else?

25 MS. BUMPUS: Just that as you review the

1 permit documents, that you contact me or Stephen
2 Posner if you have questions.

3 That concludes my update.

4 CHAIRMAN LYNCH: Yes, Councilmember
5 Rossman?

6 MR. ROSSMAN: Yeah, a question on that.
7 I know that the permit is a different track from the
8 EIS, is a different track from the adjudication. I
9 guess I am -- this is -- this is a question of getting
10 it out for public comment, to start getting that
11 information in, but it's not an approval that's
12 separate from the -- from a future site certification
13 agreement; is that right? It would be -- it's not --
14 it's not issuing a permit at this stage, that would
15 happen with the site certification agreement?

16 MS. BUMPUS: Correct. The permit is
17 not -- it's not actually active-issued until a site
18 certification agreement is executed.

19 CHAIRMAN LYNCH: That's correct. So the
20 permits would not be valid unless the governor
21 approved this site certification agreement, and
22 approval of a permit is not a recommendation for
23 approval of the project.

24 MR. ROSSMAN: Thank you.

25 CHAIRMAN LYNCH: Thank you for that

1 clarification.

2 Anything else regarding the proposed Tesoro
3 Project?

4 MS. BUMPUS: Chair Lynch, Ami Kidder
5 does have a few updates on the tribal meetings.

6 CHAIRMAN LYNCH: I don't see her name
7 here on the agenda.

8 Ms. Kidder, please go ahead.

9 MS. KIDDER: Good afternoon, Chair Lynch
10 and Councilmembers. Just a brief update for you this
11 afternoon.

12 EFSEC has met with all five of the tribes that
13 responded to outreach. The tribes have provided EFSEC
14 with additional information that we have passed along
15 to our consultant. Cardno is currently working to
16 complete the technical report, which will incorporate
17 the information collected.

18 CHAIRMAN LYNCH: Any questions for
19 Ms. Kidder?

20 Thank you for that update.

21 And we do have -- so are we ready to move on
22 to the action item, then?

23 Mr. Posner, do you want to please brief us.

24 MR. POSNER: Yes.

25 In your packets is a letter from the Vancouver

1 Energy Project. It is a letter requesting an
2 extension to the deadline to report to the governor on
3 the status of the project. This extension request
4 would extend the review period until March 1st, 2017.
5 The current extension that we are operating now ends
6 on November 1st. We have had some previous extensions
7 in the past. This is to be in compliance with the
8 section of the RCW 80.50.100, which allows for an
9 extension of the time frames upon mutual agreement
10 between the Council and the applicant.

11 So this matter is before you. Staff
12 recommendation is to -- is to approve this date, which
13 would extend it to March 1st, 2017.

14 I would be happy to answer any questions
15 Councilmembers may have.

16 CHAIRMAN LYNCH: I would agree with
17 Staff's recommendation to -- for the Council to extend
18 the time for us to work on this application for site
19 certification to March 1st, 2017. We are moving
20 forward on all fronts with respect to this
21 application, and the March 1 date certainly seems like
22 it's doable at this time.

23 Are there any comments or questions by
24 Councilmembers?

25 Hearing none, I would entertain a motion to

1 extend the action time for the Council to act on this
2 proposed application to March 1, 2017.

3 MR. MOSS: Chair Lynch, I would move
4 that the Council adopt the Staff's recommendation that
5 we grant an extension of the schedule until March 1st,
6 2017, with respect to the Tesoro/Savage Vancouver
7 Energy Distribution Terminal Project No. 2013-01.

8 CHAIRMAN LYNCH: Do we have a second?

9 MR. STONE: I'll second.

10 CHAIRMAN LYNCH: It's been moved and
11 seconded that we approve the request to extend the
12 statutory deadline for Project No. 2013-01, the
13 Vancouver Energy Distribution Terminal. All those in
14 favor say "aye."

15 MULTIPLE SPEAKERS: Aye.

16 CHAIRMAN LYNCH: Opposed?

17 Motion carries.

18 Thank you.

19 Mr. Posner, do you want to inform the Council
20 regarding the cost allocation?

21 MR. POSNER: Yes. In your packets is a
22 cost allocation sheet for the second quarter of fiscal
23 year 2017. As we do at the beginning of every
24 quarter, we recalculate our nondirect costs for each
25 quarter. I will go ahead and read off the percentages

1 for the second quarter.

2 For the Kittitas Valley Wind Power Project
3 it's 6 percent; Wild Horse Wind Power Project,
4 8 percent; Columbia Generating Station, 17 percent;
5 the WNP 1 Project, 3 percent; Whistling Ridge Energy
6 Project, 3 percent; Grays Harbor Project 1 and 2,
7 8 percent; Chehalis Generation Project, 8 percent;
8 Desert Claim Wind Power Project, 3 percent; Grays
9 Harbor Energy 3 and 4, 3 percent; and Vancouver
10 Energy, 41 percent.

11 And that's all I have on that matter.

12 CHAIRMAN LYNCH: Any questions for Staff
13 regarding the cost allocation for this past quarter?

14 MR. ROSSMAN: Quick question.

15 CHAIRMAN LYNCH: Yes. Mr. Rossman?

16 MR. ROSSMAN: Just to clarify, this
17 is -- this is nondirect so this doesn't include costs
18 of like the adjudication, or is that included in this?

19 MR. POSNER: It does not include that.
20 Those are direct charges to this specific project.

21 MR. ROSSMAN: Thank you.

22 CHAIRMAN LYNCH: Any further questions
23 regarding the cost allocation for the past quarter?

24 Very good. That does not require Council
25 action.

1 Any further business before the Council today?

2 MR. POSNER: One other item. I don't
3 know if I beat you to it. It looked like you were
4 going to say something. I just wanted to let
5 Councilmembers know we have a new staff. Haleigh
6 Missildine is here. She just recently came on board,
7 and she is helping us with some office support.

8 CHAIRMAN LYNCH: I wondered who that was
9 the last weeks.

10 MR. MOSS: Aren't you going to have her
11 sing the class song?

12 CHAIRMAN LYNCH: Maybe next month.
13 Welcome, Haleigh.

14 MS. MISSILDINE: Thank you.

15 CHAIRMAN LYNCH: Hearing no further
16 business before the Council, we are adjourned.

17 (Proceedings concluded 2:02 p.m.)
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C E R T I F I C A T E

STATE OF WASHINGTON

COUNTY OF KING

I, Sherrilyn Smith, 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.

SHERRILYN SMITH

ENERGY FACILITY SITE EVALUATION COUNCIL

Roll Call Checklist

Meeting Date: October 18, 2016 EFSEC Council Meeting

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

call ☒ City of Vancouver

Bryan Snodgrass

☒ Clark County

Greg Shafer

call ☒ Port of Vancouver

Larry Paulson

Assistant Attorney General

☒ Assistant Attorney General

Ann Essko

☒ Assistant Attorney General

David Stearns

Council Staff

☒ Stephen Posner

☒ Patty Betts

☒ Jim LaSpina

☒ Ami Kidder

☒ Tammy Mastro

☒ Haleigh

☒ Sonia Bumpus

Missildine

☒ Joan Aitken

In attendance via phone

In attendance

1.	Shannon Kownala - Energy Northwest
2.	Eric Melbards - FDP Renewables
3.	Jay Derr - Vancouver Energy
4.	Connie Sue Martin - Port of Vancouver
5.	Linda Larson - Columbia Waterfront
6.	Kristen Boyles - Earthjustice
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8.	
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10.	



Washington State Energy Facility Site Evaluation Council AGENDA

MONTHLY MEETING
Tuesday, October 18, 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 Joan Aitken, EFSEC Staff
3. Proposed Agenda Bill Lynch, EFSEC Chair
4. Minutes **Meeting Minutes**..... Bill Lynch, EFSEC Chair
 - September 20, 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. Chehalis Generation Facility**
 - Operational Update..... Mark Miller, Chehalis Generation Staff
 - g. Tesoro/Savage Vancouver Energy Distribution Terminal**
 - Project Update..... Sonia Bumpus, EFSEC Staff
 - Extension of Application Processing Time Stephen Posner, EFSEC Staff

*The Council may consider and take **FINAL ACTION** on the Tesoro/Savage request to extend the time for processing of Application 2013-01.*
6. Other
 - a. EFSEC Council**
 - Cost Allocation..... Stephen Posner, EFSEC Manager
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

**Energy Northwest
EFSEC Council Meeting
October 13, 2016
Shannon Khounnala**

I. Columbia Generating Station Operational Status

Columbia is online at 100% power and producing 1133 MWs. The plant has been online for 202 days.

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 Cultural Resources Report is complete. The NEPA process is expected to be completed in December of this year. 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.

Energy Facility Site Evaluation Council

Non Direct Cost Allocation for 2nd Quarter FY 2017 October 1, 2016 – December 31, 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 1st quarter of FY 2017, 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 2nd quarter of FY 2017:

Kittitas Valley Wind Power Project	6%
Wild Horse Wind Power Project	8%
Columbia Generating Station	17%
WNP-1	3%
Whistling Ridge Energy Project	3%
Grays Harbor 1&2	8%
Chehalis Generation Project	8%
Desert Claim Wind Power Project	3%
Grays Harbor Energy 3&4	3%
Tesoro Savage	41%



Stephen Posner, EFSEC Manager

Date: 10/11/16

Kittitas Valley Wind Power Project

Monthly Project Update

October 18, 2016

Project Status Update

September Production Summary:

Power generated: 23,375 MWh
Wind speed: 7.4 m/s or 16.5 mph
Capacity Factor: 35%

Safety:

No incidents

Compliance:

Project is in compliance as of October 12, 2016.

Sound:

No complaints

Shadow Flicker:

No complaints

Environmental:

No incidents

Wild Horse Operational/Compliance Update for September

Safety

No lost-time accidents or safety injuries/illnesses

Compliance/Environmental

Nothing to report

Wind Production

September wind generation totaled 60,651 MWh for an average capacity factor of 30.90%

EFSEC Eagle Update

On September 26, 2016, during regular turbine maintenance, Vestas technicians discovered the remains of a juvenile golden eagle at turbine N4 and immediately reported it to the site's Environmental Manager. Proper response and notification procedures were followed for this incident, as per the Wildlife Incident Reporting and Handling System, PSE's Special Purpose Utility Wind Permit, PSE's Corporate Avian Protection Plan, and the Wild Horse EFSEC Site Certification Agreement.

PSE promptly notified officials from the U.S. Fish & Wildlife Service (USFWS) and Washington Department of Fish & Wildlife (WDFW) and are consulting with USFWS Office of Law Enforcement, and coordinating with WDFW in response to this incident. The Technical Advisory Committee (TAC) was notified about the incident via email on October 13th (see notification attached). A formal TAC meeting will be scheduled in early 2017 to discuss the incident in more detail and answer any questions TAC members may have.

PSE is working cooperatively with the USFWS to resolve all four eagle fatalities and to finalize the Eagle Conservation Plan (ECP), consistent with the USFWS Eagle Conservation Plan Guidance to support coverage under a programmatic eagle take permit. The ECP describes measures to aid in the protection of eagles by reducing potential impacts and requirements for ongoing monitoring, reporting, and mitigation for unavoidable impacts resulting from operation of Wild Horse.

PSE will provide a more detailed update for the EFSEC Council in-person at the November Council meeting.

Wild Horse TAC Eagle Update

10/13/16

Dear TAC Members,

In accordance with the protocols reviewed and discussed during the TAC conference call on February 12, 2015, WEST has completed one full year of eagle fatality monitoring and eagle use surveys at Wild Horse, consistent with recommendations in the US Fish and Wildlife Service (USFWS) Eagle Conservation Plan Guidance (ECPG) for monitoring and use surveys. Attached for your review is the final report with results from the monitoring effort and below is a brief summary of the findings:

- Eagle fatality monitoring surveys were conducted at all turbines on a monthly basis between March 2015 and March 2016, and included searcher efficiency and raptor carcass persistence trials.
- One juvenile golden eagle fatality was discovered by WEST at turbine O2 (as reported to the TAC during the January 2016 conference call).
- The results of fatality monitoring were characterized by high searcher efficiency rates (88.7%) and long carcass persistence times (97% chance that carcasses would persist through the mean search interval of 27.5 days).
- The fatality estimate for the one year of monitoring at Wild Horse was approximately two golden eagles and zero bald eagles based on the survey results using two different fatality estimators, as recommended by USFWS.
- Eagle use surveys were also conducted at 12 survey points throughout the project area for a total of 310 hours of survey effort between March 2015 and March 2016.
- Overall eagle use estimates were similar to or lower than pre-construction use, indicating that use of the project area by eagles has not increased since the initial baseline surveys were conducted.
- Although there were some observations of golden eagle prey species, no prey concentration areas were identified in the project area.

In addition to the one juvenile golden eagle discovered by WEST at wind turbine O2 in April 2015 and the two juvenile golden eagles discovered by Vestas technicians and PSE biologists at wind turbine F2 in June 2014, Vestas technicians recently discovered the remains of another juvenile golden eagle during regular turbine maintenance on September 26, 2016. The remains were found approximately 90 feet northwest of wind turbine N4.

Proper response and notification procedures were followed for this incident, as per the Wildlife Incident Reporting and Handling System, PSE's Special Purpose Utility Wind Permit, PSE's Corporate Avian Protection Plan, and the Wild Horse EFSEC Site Certification Agreement. PSE promptly notified officials from the USFWS and Washington Department of Fish & Wildlife (WDFW) and we are consulting with USFWS Office of Law Enforcement (OLE) and coordinating with WDFW in response to this incident.

EFSEC Monthly Operational Report

September, 2016

1. Safety and Training

- 1.1. There were no accidents or injuries during the months of September.
- 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 August to Ecology.
- 2.2. Hosted Enxio for an on-site pre-construction meeting for the cooling tower replacement. Mobilization is scheduled to begin on 11/14/16, with construction beginning on or before 11/21/16.
- 2.3. The draft RATA and stack test report was received from the vendor. The report was returned with comments.

3. Operations & Maintenance

- 3.1. Grays Harbor Energy (GHE) operated 30 days and generated 388,845 MWh during the month of September.
- 3.2. The capacity factor (CF) was 87.1% in September, and 56.8% YTD.
- 3.3. The availability factor (AF) was 100% in September, and 89.6% YTD.

4. Noise and/or Odor

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

5. Site Visits

- 5.1. The State Fire Marshal's annual site inspection is scheduled for October 12.

6. Other

- 6.1. Grays Harbor is staffed with 20 personnel. The Plant Engineer and Operations Manager positions are vacant. Interviews for the Plant Engineer position are in progress.

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

Washington Energy Facility Site Evaluation Council

10-12-2016

Safety:

- There were no recordable incidents this reporting period and the plant staff has achieved 428 days without a Lost Time Accident.

Environment:

- There were no air emissions or stormwater deviations or spills during the month of September 2016.
- Wastewater and Stormwater monitoring results were in compliance with the permit limits for the month of September 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 242,943 MW-hrs in September for a 2016 YTD generation total of 950,336 MW-hrs and a capacity factor of 28.27%.

Regulatory/Compliance:

- Nothing to report.

Sound monitoring:

- There were no noise complaints to report.



Carbon Offset Mitigation

- There are no updates this reporting period.

Respectfully,

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

Mark A. Miller
Manager, Gas Plant

WASHINGTON STATE
ENERGY FACILITY SITE EVALUATION COUNCIL

Richard Hemstad Building
1300 South Evergreen Park Drive Southwest
Conference Room 206
Olympia, Washington
Tuesday, September 20, 2016
10:33 a.m.

SPECIAL COUNCIL MEETING

Verbatim Transcript of Proceedings

REPORTED BY: RYAN ZIEGLER, RPR, CCR 3348

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APPEARANCES

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

Attorney General's Office:

DAVID STEARNS, Assistant Attorney General

EFSEC Staff:

JOAN AITKEN
SONIA BUMPUS
TAMMY MASTRO
STEPHEN POSNER

* * * * *

Olympia, Washington
10:33 a.m.
--o0o--

P R O C E E D I N G S

CHAIRMAN LYNCH: Good morning. This is an executive session of the Energy Facility Site Evaluation Council. It's a little bit after 10:30. We plan on going into executive session until -- what time did we say? Noon?

MS. AITKEN: 12:30.

MS. BUMPUS: 12:30.

MS. AITKEN: Or 12. Sorry.

CHAIRMAN LYNCH: Till -- and so we'll come back on the record at 12.

And we're going into executive session pursuant to RCW 42.30.110(1)(i), which pertains to potential litigation or the possibility of potential litigation.

And with that, we're in executive session.

(Off the record at 10:34 a.m.)

(On the record at 12:00 p.m. Chairman Lynch and

Ms. Aitken present.)

CHAIRMAN LYNCH: Good morning. It's Tuesday, September 20th, and the Council -- it is noon. The Council

has finished its executive session, and we are concluding the executive session, and the Council will meet again at 1:30 for its regular monthly meeting.

And with that, we're adjourned. Thank you.

(Proceedings concluded at 12:01 p.m.)

* * * * *

1 CERTIFICATE

2
3 STATE OF WASHINGTON

4 COUNTY OF KING

5
6 I, Ryan Ziegler, a Certified Shorthand Reporter in
7 and for the State of Washington, do hereby certify that the
8 foregoing transcript of the proceedings held September 20,
9 2016, is true and accurate to the best of my knowledge,
10 skill, and ability.11 IN WITNESS WHEREOF, I have hereunto set my hand
12 and seal this September 30, 2016.
13
14
1516 RYAN ZIEGLER, RPR, CCR
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20
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22
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24
25

October 12, 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

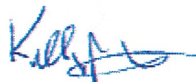
Re: Tesoro Savage Vancouver Energy Distribution Terminal
Project No. 2013-01 Request to Extend Statutory Deadline

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. The latest extension for completion of the EFSEC process and reporting its recommendation will expire on November 1, 2016. Applicant requests another extension to March 1, 2017.

Thank you for your consideration of this extension. Applicant looks forward to meeting with you to discuss further the schedule for completing the EFSEC process.

Sincerely,



Kelly J. Flint

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