



Washington State

Energy Facility Site Evaluation Council

AGENDA

REVISED AGENDA

MONTHLY MEETING
Tuesday, January 17, 2017
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
 - **December 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
6. Other
 - a. EFSEC Council
 - 3rd Quarter Cost Allocation..... Stephen Posner, EFSEC Staff
 - Executive Session..... Bill Lynch, EFSEC Chair
 - Executive Session, not open to the public to discuss possible agency litigation as allowed under RCW 42.30.110 (1) (i)***
7. Adjourn..... Bill Lynch, EFSEC Chair

Verbatim Transcript of Monthly Council Meeting
Washington State Energy Facility Site Evaluation
Council

December 20, 2016



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<p>1</p> <p>2</p> <p>3</p> <p>4 WASHINGTON STATE</p> <p>5 ENERGY FACILITY SITE EVALUATION COUNCIL</p> <p>6 Richard Hemstad Building</p> <p>7 1300 South Evergreen Park Drive Southwest</p> <p>8 Conference Room 206</p> <p>9 Olympia, Washington</p> <p>10 Tuesday, December 20, 2016</p> <p>11 1:30 p.m.</p> <p>12</p> <p>13</p> <p>14 MONTHLY COUNCIL MEETING</p> <p>15 Verbatim Transcript of Proceeding</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20 REPORTED BY: TAYLER RUSSELL, CCR #3358</p> <p>21 Buell Realtime Reporting, LLC</p> <p>22 1325 Fourth Avenue</p> <p>23 Suite 1840</p> <p>24 Seattle, Washington 98101</p> <p>25 206.287.9066 Seattle</p> <p>360.534.9066 Olympia</p> <p>800.846.6989 National</p> <p>www.buellrealtime.com</p>	<p>1 OLYMPIA, WASHINGTON; DECEMBER 20, 2016</p> <p>2 1:30 P.M.</p> <p>3 --o0o--</p> <p>4 PROCEEDINGS</p> <p>5</p> <p>6 CHAIRMAN LYNCH: Good afternoon. Today is</p> <p>7 December 20th, and it's the monthly meeting of the</p> <p>8 Energy Facility Site Evaluation Council. Can we please</p> <p>9 have the Staff call the roll?</p> <p>10 MS. MASTRO: Department of Commerce.</p> <p>11 MR. ROSSMAN: Jaime Rossman is here.</p> <p>12 MS. MASTRO: Department of Ecology.</p> <p>13 MR. STEPHENSON: Cullen Stephenson, here.</p> <p>14 MS. MASTRO: Fish and Wildlife.</p> <p>15 MR. STOHR: Joe Stohr is here.</p> <p>16 MS. MASTRO: Department of Natural</p> <p>17 Resources.</p> <p>18 CHAIRMAN LYNCH: I believe he's calling in.</p> <p>19 MS. MASTRO: Utilities and Transportation</p> <p>20 Commission.</p> <p>21 MR. MOSS: Dennis Moss is here.</p> <p>22 MS. MASTRO: Local Governments and Optional</p> <p>23 State Agencies for the Tesoro Project, Department of</p> <p>24 Transportation.</p> <p>25 MR. STONE: Ken Stone is here.</p>
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<p>1 APPEARANCES</p> <p>2 Councilmembers:</p> <p>3 BILL LYNCH, Chairman</p> <p>4 JAMIE ROSSMAN, Department of Commerce</p> <p>5 CULLEN STEPHENSON, Department of Ecology</p> <p>6 JOE STOHR, Department of Fish and Wildlife</p> <p>7 DAN SIEMANN, Department of Natural Resources (via phone)</p> <p>8 DENNIS MOSS, Utilities and Transportation Commission</p> <p>9</p> <p>10 Local Government and Optional State Agency:</p> <p>11 KEN STONE, Department of Transportation</p> <p>12 BRYAN SNODGRASS, City of Vancouver (via phone)</p> <p>13 LARRY PAULSON, Port of Vancouver (via phone)</p> <p>14</p> <p>15 Attorney General's Office:</p> <p>16 ANN ESSKO, Assistant Attorney General</p> <p>17</p> <p>18 EFSEC Staff:</p> <p>19 STEPHEN POSNER</p> <p>20 JIM LASPINA</p> <p>21 TAMMY MASTRO</p> <p>22 SONIA BUMPUS</p> <p>23 JOAN AITKEN</p> <p>24 AMI KIDDER</p> <p>25 HALEIGH MISSILDINE</p> <p>Guests:</p> <p>PETE VALINSKE, Grays Harbor Energy</p> <p>MARK MILLER, Chehalis Generation Staff</p> <p>SHANNON KHOUNNALA, Energy Northwest (via phone)</p> <p>JENNIFER DIAZ, PSE (via phone)</p> <p>SCOTT LICHTENBERG, PSE (via phone)</p> <p>CLINT LAMOREAUX, Southwest Clean Air (via phone)</p> <p>KRISTEN BOYLES, Earth Justice (via phone)</p> <p>CONNIE SUE MARTIN, Port of Vancouver (via phone)</p> <p>*****</p>	<p>1 MS. MASTRO: City of Vancouver.</p> <p>2 MR. SNODGRASS: Bryan Snodgrass is on the</p> <p>3 phone.</p> <p>4 MS. MASTRO: Clark County.</p> <p>5 CHAIRMAN LYNCH: Mr. Shafer is excused.</p> <p>6 MS. MASTRO: And Port of Vancouver.</p> <p>7 MR. PAULSON: Larry Paulson's on the phone.</p> <p>8 MS. MASTRO: Chair, there is a quorum for</p> <p>9 the regular Council and for the Tesoro/Savage Project</p> <p>10 Council.</p> <p>11 CHAIRMAN LYNCH: Thank you. I was going to</p> <p>12 have the Staff call the names of all of Santa's reindeer</p> <p>13 for each of the Councilmembers' names instead, but I</p> <p>14 realized some of you would be fighting over who got to</p> <p>15 be Cupid and at least a few of you who got to be Vixen,</p> <p>16 so I decided that wasn't the best way to go. In fact, I</p> <p>17 even was trying to recall all of them. There's Dancer,</p> <p>18 Dancer [sic], Comet, Cupid, Froto, Grumpy, Hermione.</p> <p>19 Pretty much covers it.</p> <p>20 So please take a look over the proposed</p> <p>21 agenda. We will have one action item today regarding</p> <p>22 the Chehalis Title V Air Operating Permit. We'll see if</p> <p>23 you have any suggested changes?</p> <p>24 Hearing none, we will move forward, but</p> <p>25 before we get to the minutes, any of those people who</p>

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<p>1 are on the line other than the Councilmembers who've 2 already identified themselves, who wish to identify 3 themselves please do so now. 4 MS. MARTIN: Connie Sue Martin. 5 CHAIRMAN LYNCH: Sorry, Ms. Martin, you're 6 with who? 7 MS. MARTIN: Port of Vancouver. 8 CHAIRMAN LYNCH: Thank you. 9 MS. DIAZ: Jennifer Diaz and Scott 10 Lichtenberg with Puget Sound Energy Wild Horse Wind 11 Facility. 12 MS. KHOUNNALA: Shannon Khounnala, Energy 13 Northwest. 14 MR. LAMOREAUX: Clint Lamoreaux, Southwest 15 Clean Air. 16 CHAIRMAN LYNCH: Anyone else? 17 MS. BOYLE: Kristen Boyle, Earth Justice. 18 CHAIRMAN LYNCH: Sorry, I heard you, 19 Ms. Boyle, with Earth Justice, but another gentleman, I 20 believe, was just talking at the same time you were. 21 MR. SIEMANN: This is Dan Siemann from DNR 22 and Councilmember. 23 CHAIRMAN LYNCH: Oh, thank you, Mr. Siemann. 24 Anybody else? 25 Okay. Let's go ahead and take a look at the</p>	<p>1 November 15th, 2016 as transcribed. 2 CHAIRMAN LYNCH: Do we have a second? 3 MR. STEPHENSON: I will second. 4 CHAIRMAN LYNCH: It's been moved and 5 seconded that we approve the monthly Council meeting 6 minutes from the November 15th, 2016 meeting. All those 7 in favor say "Aye." 8 COUNCILMEMBERS: Aye. 9 CHAIRMAN LYNCH: Opposed? 10 Motion carries. 11 At this point in time, we will get updates 12 from our projects. We will start first with the 13 Kittitas Valley Wind Project. 14 MR. LASPINA: Chair Lynch, Mr. Melbardis was 15 not able to call in this week, but his – his report is 16 on the green paper and he had nothing nonroutine to 17 report. 18 CHAIRMAN LYNCH: Okay. Very good. We will 19 move on to the Wild Horse Wind Power Project and, 20 Ms. Diaz, you're here on the phone, and I understand you 21 have someone else with you. 22 MS. DIAZ: I do. Thank you, Chair Lynch and 23 Councilmembers. For the record, Jennifer Diaz, 24 environmental manager for Puget Sound Energy at the Wild 25 Horse Wind and Solar Facility and with me today is Scott</p>
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<p>1 meeting minutes for the November 15th regular meeting. 2 Does anybody have any suggested edits? 3 MR. MOSS: Chairman Lynch, I have one 4 question. 5 CHAIRMAN LYNCH: Yes. 6 MR. MOSS: Is "councilmember" one word or 7 two? 8 CHAIRMAN LYNCH: I would normally think it's 9 two, but I see here it's one so – but I don't know. 10 What were your thoughts? 11 MR. MOSS: Well, I thought it should be two. 12 It struck me that it was treated as a single word and 13 that is consistent throughout the transcript, but 14 perhaps this has been treated this way for a hundred 15 years. But I just noticed it and I thought I'd ask. I 16 don't think it's all that important. 17 CHAIRMAN LYNCH: We're going to form a 18 special selection. 19 MR. MOSS: Can I share that? 20 CHAIRMAN LYNCH: Yes, thank you. We will 21 have time next – before next meeting to check that out. 22 Any other suggested edits or changes? And 23 if not, I will entertain a motion. 24 MR. MOSS: Chair Lynch, I will move that we 25 accept the minutes of the Council meeting of</p>	<p>1 Lichtenberg. He is our new plant manager here at Wild 2 Horse, and he comes to us from the Snoqualmie River 3 Hydro Project. He's been with PSE for about 30 years, 4 right? 5 MR. LICHTENBERG: 32. 6 MS. DIAZ: 32 years, thank you. 7 MR. LICHTENBERG: I'm old. Leave me alone. 8 MS. DIAZ: He's also been on the safety side 9 of things and the gas side on PSE. So we're very happy 10 to have him here at Wild Horse, and I'll be dragging him 11 over to Olympia soon to meet the Council when the 12 weather clears over the pass. 13 CHAIRMAN LYNCH: Very good. Welcome, 14 Mr. Lichtenberg. 15 MR. LICHTENBERG: Thank you. Happy to be 16 aboard. 17 CHAIRMAN LYNCH: And we'll be looking 18 forward to go your way, too. Once we get a project out 19 the door here, we will plan on visiting some more of our 20 facilities. 21 MR. LICHTENBERG: Fantastic. 22 MS. DIAZ: It'd be great to have you over 23 here. And then just my – I only have one brief update 24 under compliance and environmental. In accordance with 25 the Stormwater Pollution Prevention Plan, a semiannual</p>

<p style="text-align: right;">Page 9</p> <p>1 stormwater inspection was completed. All of the 2 stormwater BMPs were -- appear to be in good condition 3 and no maintenance was required. And the site remains 4 in compliance with the plan, and we've got gusting winds 5 over 56 miles per hour today and snow on the ground, so 6 a little different than in November. 7 CHAIRMAN LYNCH: Wow, better you than us, 8 Ms. Diaz. I hope things calm down a little bit for you 9 over there. 10 MS. DIAZ: Thank you. 11 CHAIRMAN LYNCH: Any questions? 12 MS. DIAZ: And that's all I have for my 13 updates. Any questions? 14 CHAIRMAN LYNCH: Any questions for Ms. Diaz? 15 Hearing none, we will move on. 16 Ms. Khounnala, first, the Columbia 17 Generating Station. 18 MS. KHOUNNALA: Yes, good afternoon, Chair 19 and Councilmembers. So first, I'd like to start with 20 giving an update on the operational status of Columbia. 21 It differs from that that you see in your packet. On 22 Sunday morning, Columbia Generating Station performed an 23 abrupt shutdown of the plant from 100 percent power due 24 to what is known as a load reject. The severe cold 25 weather that we've been experiencing over here created</p>	<p style="text-align: right;">Page 11</p> <p>1 particular event has happened like this in the past, 2 I'm -- I'm -- I'm not sure. 3 CHAIRMAN LYNCH: So this is a question of -- 4 since it's not operational error or anything like that, 5 it's just a question of the load based upon the 6 temperature and everything else just being too much for 7 the system to take or -- 8 MS. KHOUNNALA: Yeah, so actually the event 9 occurred at the BPA substation, ASH substation. So they 10 had an event related to cold wat -- to the cold weather 11 in which they had breakers open, and when our plant 12 sends the electrical generation to the substation and 13 receives those signals, it's -- the reaction is, you 14 know, it's the electricity has nowhere to go 15 essentially. And so it then implements a scram at our 16 plant as a result of that. 17 CHAIRMAN LYNCH: I see. 18 Any Councilmember questions for 19 Ms. Khounnala regarding the shutdown on Sunday? 20 No questions regarding that, Ms. Khounnala. 21 Why don't you go ahead and proceed. 22 MS. KHOUNNALA: Sure. And so as you will 23 see in your packet, I have also provided a write-up of a 24 regulatory event that I'd like to discuss briefly. And 25 that is in regard to our -- our Radley shipping process</p>
<p style="text-align: right;">Page 10</p> <p>1 conditions on the site of the power administration 2 transmission system that resulted in this event. 3 So our systems operated as designed in this 4 situation and shut down the reactor and reduced our 5 electrical output as appropriate, and, additionally, the 6 operating crew did a phenomenal job in responding to it 7 [beeping over bridge line.] Our outage -- currently our 8 outage and our operating [inaudible] team are activated 9 and they're coordinating our response to return the 10 plant's power. BPA is working closely with Energy 11 Northwest on this on our planned return to full power. 12 That's the focus of our attention this week. 13 Based on the schedule they've outlined, we expect that 14 we will begin start-up activities on Thursday. Are 15 there any questions in regard to the operational status 16 before I go on to an additional item regarding Columbia? 17 CHAIRMAN LYNCH: I have a question, 18 Ms. Khounnala. Has this happened before, a shutdown 19 like this? 20 MS. KHOUNNALA: You know, I don't know the 21 answer to that, Chair, and that's something I could -- I 22 could find out, but I know that the actual event itself 23 wasn't necessarily surprising, the load reject itself, 24 and that certainly that the cold weather temps have 25 been -- can play a part in some of them. Whether this</p>	<p style="text-align: right;">Page 12</p> <p>1 that we have here. 2 So you will see in your packet that 3 Columbia's had its permitted disposal privileges at the 4 U.S. Ecology commercial disposal site temporarily 5 suspended by the Department of Health. We made a 6 shipment in November of some waste that came out of our 7 fuel pool cleanup activities, and that waste, when it 8 was -- when it arrived at the U.S. Ecology site, the 9 projected dose calculations were higher on the manifest 10 than what was actually calculated. And it exceeded it 11 at a rate in which the shipment was rejected and 12 returned back to Energy Northwest. 13 So for just a little bit of background, we 14 take some data off of those Radley shipments and provide 15 it to a vendor who completes some calculations for us. 16 And because there was a discrepancy in that data from 17 the calculations to what was received at the site, the 18 shipment was rejected. So we're working on a cause 19 evaluation on that right now. 20 We've also this past week -- last week with 21 the NRC, they came out and performed an on-site 22 inspection to help review our processes and procedures 23 surrounding that -- that event so we can get down to 24 what went wrong and how do we prevent that from 25 happening -- from not happening in the future. Of</p>

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<p>1 course, as we complete that causal evaluation, we will</p> <p>2 then go back and work with the Department of Health to</p> <p>3 demonstrate what we found in the causal event and have</p> <p>4 our shipping -- shipping privileges reinstated.</p> <p>5 Are there any questions regarding --</p> <p>6 regarding that event?</p> <p>7 CHAIRMAN LYNCH: Any questions for</p> <p>8 Ms. Khounnala regarding that Radley shipment?</p> <p>9 I don't see any questions, and that's</p> <p>10 something that -- you're -- you're just reporting that</p> <p>11 to us, but it's actually outside of EFSEC's regulatory</p> <p>12 overview; is that correct?</p> <p>13 MS. KHOUNNALA: Yes, and you know, that's --</p> <p>14 it's been featured in the newspapers and whatnot, so I</p> <p>15 feel like it's a -- you know, important for us to make</p> <p>16 sure that we're transparent on bringing that to the</p> <p>17 Council so that they're aware of the details as well.</p> <p>18 CHAIRMAN LYNCH: Yes, we appreciate that.</p> <p>19 Thank you.</p> <p>20 MS. KHOUNNALA: Yes, and that's all I have</p> <p>21 for Columbia today.</p> <p>22 CHAIRMAN LYNCH: Any questions regarding</p> <p>23 Columbia for Ms. Khounnala?</p> <p>24 Yes, Mr. Stohr.</p> <p>25 MR. STOHR: Afternoon, Ms. Khounnala. This</p>	<p>1 MR. LASPINA: Chair Lynch, I -- I had</p> <p>2 requested a Department of Health person to call in about</p> <p>3 this. I don't know --</p> <p>4 Is there a Department of Health rep on the</p> <p>5 phone?</p> <p>6 Was hoping to provide some more information</p> <p>7 to the Council, but I guess it didn't work out.</p> <p>8 CHAIRMAN LYNCH: Okay. We could -- if you</p> <p>9 wouldn't mind following up with the Department of Health</p> <p>10 afterwards.</p> <p>11 MR. LASPINA: Yes.</p> <p>12 CHAIRMAN LYNCH: Thank you. Thanks,</p> <p>13 Mr. LaSpina.</p> <p>14 So any -- Ms. Khounnala, do you want to</p> <p>15 update us on WNP 1/4?</p> <p>16 MS. KHOUNNALA: Certainly. With regard to</p> <p>17 WNP 1/4, the Department of Energy has completed the</p> <p>18 draft of the NEPA Environmental Assessment and that is</p> <p>19 within their internal routing system. I've also been</p> <p>20 provided a draft and provided them comments. They</p> <p>21 expect to be moving that into the final phase after the</p> <p>22 first of the year. We also continue to work on the</p> <p>23 cultural resource consultation with regard to that</p> <p>24 project. So items continue to be ongoing, but we are</p> <p>25 making some progress with the NEPA documentation.</p>
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<p>1 is Joe Stohr with Fish and Wildlife. With the</p> <p>2 radioactive waste package and the calculated surface</p> <p>3 measurements, is there any indication this is an ongoing</p> <p>4 problem, something that's been happening for some length</p> <p>5 of time or was it just related to the fuel pool cleanup</p> <p>6 project?</p> <p>7 MS. KHOUNNALA: Yes, so this -- this</p> <p>8 particular incident is really confined to that -- that</p> <p>9 evolution. That's not -- the fuel pool cleanup events</p> <p>10 are not something we do frequently, and because of the</p> <p>11 materials that we're using or that we're taking out of</p> <p>12 that fuel pool and whatnot, the way we measure that, you</p> <p>13 know, we have to put a number of protective actions in</p> <p>14 place that -- you know, it's just not something we use a</p> <p>15 meter and we walk right up to and measure.</p> <p>16 So we'll be looking at, you know, how we do</p> <p>17 collect that data to then filter into that contractor</p> <p>18 who uses those projections. We routinely shift low</p> <p>19 levels rad waste, and we have a number of processes and</p> <p>20 procedures in place. And we have -- you know, we do not</p> <p>21 have issues -- issues with those processes and</p> <p>22 procedures. It really is related to this evolution.</p> <p>23 MR. STOHR: Thank you.</p> <p>24 CHAIRMAN LYNCH: Any other Council</p> <p>25 questions?</p>	<p>1 CHAIRMAN LYNCH: Any questions for</p> <p>2 Ms. Khounnala on WNP 1/4?</p> <p>3 Thank you, Ms. Khounnala.</p> <p>4 MS. KHOUNNALA: Thank you.</p> <p>5 CHAIRMAN LYNCH: And let's turn to the Grays</p> <p>6 Harbor Energy Center.</p> <p>7 Mr. Valinske, welcome.</p> <p>8 MR. VALINSKE: Good afternoon, Chair Lynch,</p> <p>9 EFSEC Council. My name is Pete Valinske. I'm the plant</p> <p>10 manager at Grays Harbor Energy. I have nothing unusual</p> <p>11 to report, but I would like to state in addition to</p> <p>12 what's in our -- in your packet from Grays Harbor, we</p> <p>13 have begun construction of the coin tower. We've had</p> <p>14 two cells being worked right now and the first one</p> <p>15 should finish up by the end of this week and the work</p> <p>16 will continue through April. And that's all I have.</p> <p>17 CHAIRMAN LYNCH: Outstanding.</p> <p>18 Any questions for Mr. Valinske?</p> <p>19 Thanks for being here.</p> <p>20 Excuse me, I'm sorry. Councilmember</p> <p>21 Rossman.</p> <p>22 MR. ROSSMAN: Just for the record, the</p> <p>23 report that we have from Grays Harbor is dated November</p> <p>24 2014. I'm not quite sure if that's a typo or somehow an</p> <p>25 old one got into our file. I think the address at the</p>

<p style="text-align: right;">Page 17</p> <p>1 bottom is a different address than on the October 2 report, so I'm not sure if we maybe just got an old one. 3 MR. VALINSKE: I have a copy of it here as 4 November '16. I must have the -- that looks like an old 5 report. That is a -- probably a 2014 report. I can 6 leave this one with Mr. LaSpina to give to you. 7 MR. ROSSMAN: Thank you. 8 CHAIRMAN LYNCH: Thank you. We will make 9 sure the 2016 report is circulated to Councilmembers and 10 made a part of our record and thank you, Mr. Rossman, 11 for your keen eyes. 12 Any questions for Mr. Valinske? 13 Seeing none, thank you. 14 MR. VALINSKE: Thank you. 15 CHAIRMAN LYNCH: Chehalis Generation 16 Facility, Mr. Miller. 17 MR. MILLER: Good afternoon, Chair Lynch, 18 Councilmembers and Staff. I am Mark Miller with the 19 PacifiCorp Chehalis Generation Facility. I do have a 20 couple of nonroutine comments to add. Mr. Kevin Hancock 21 from the Washington State Department of Ecology made an 22 unannounced visit to the Chehalis Facility November 1st. 23 He examined the -- those items that are noted in your 24 report, generally having to do with stormwater 25 conditions. At the end of the audit, Mr. Hancock</p>	<p style="text-align: right;">Page 19</p> <p>1 contractor, Clint Lamoreaux, of the Southwest Clean Air 2 Agency on the Title V Permit renewal. Public notice for 3 the draft permit began on August 25th and ended on 4 September 26th. Comments were received from only one 5 party, the U.S. Environmental Protection Agency. The 6 comments were of an administrative nature and have been 7 addressed to EPA's satisfaction. 8 In your package, you will find three 9 documents related to the Title V Permit reissuance. The 10 Title V Air Operating Permit document itself, the 11 statement of basis which functions as sort of a fact 12 sheet, and the several-page response to comment document 13 with EPA's comments and EFSEC's responses. 14 An extra note, in the past couple of days, 15 EFSEC Staff made a couple of clarifications in the 16 permit. If you turn to page 5 of the permit document, 17 about halfway down the page, subsection F was revised to 18 clearly state that the permittee, the permittee pays for 19 all permit development compliance administrative costs 20 associated with the permit. So there's a slight change 21 of language from the earlier vision you saw -- version 22 you saw, but this -- this is more EFSEC-specific 23 language. 24 Also, a little bit further down the page in 25 subsection I, this subsection was revised to accurately</p>
<p style="text-align: right;">Page 18</p> <p>1 verbally indicated that there were no deficiencies or 2 actual findings, and the written report is to follow. 3 As of today, we have not received that report. 4 Also, the Washington State fire marshal 5 issued the final report for inspections, the 6 reinspection in 2016 and with the final determination 7 that Chehalis plant was in compliance with all 8 regulations. And we actually received that report from 9 Mr. LaSpina of EFSEC Staff. 10 I have no other comments. Are there any 11 questions? 12 CHAIRMAN LYNCH: Any questions for 13 Mr. Miller? 14 Thank you, Mr. Miller, and then we're going 15 to take up the Title V Air Operating Permit next so why 16 don't you just stay there in case there are questions. 17 And, Mr. LaSpina, do you want to brief the 18 Council on this proposed project? I see the proposed 19 permit, we've had it in front of us for more than one 20 month. 21 MR. LASPINA: Thank you, Chair Lynch. Good 22 afternoon, Chair Lynch and Councilmembers. Today Staff 23 is recommending your approval to issue the Title V -- 24 the Chehalis Title V Permit. Over the past nine months, 25 EFSEC Staff has been working with our permitting</p>	<p style="text-align: right;">Page 20</p> <p>1 describe the permit appeals process. Due to the unique 2 nature of EFSEC, we have a different appeals process 3 than Ecology and the Clean Air Agency's. So that had to 4 be clarified in the permit. Clint Lamoreaux is on the 5 phone to respond to any technical questions on the 6 permit you may have. 7 CHAIRMAN LYNCH: Any questions first for 8 Mr. LaSpina? Any questions for Mr. Lamoreaux? 9 Yes, Mr. Stephenson. 10 MR. STEPHENSON: Thank you, Chair Lynch. 11 Clint, we hear from Staff. Just wanted to 12 hear from you, are you good with this permit? 13 MR. LAMOREAUX: Yes. 14 MR. STEPHENSON: Thank you. 15 CHAIRMAN LYNCH: And I was just -- just for 16 purposes of the record, either Mr. LaSpina or 17 Mr. Lamoreaux, my understanding, and I'm sorry, I 18 haven't looked at the permit since last time, but there 19 were some improvements from this permit over the 20 previous permit. Do you want to hit a few highlights 21 from that? 22 MR. LASPINA: Clint, could you answer that 23 since you had a larger role in that? 24 MR. LAMOREAUX: Are we responding -- the 25 updates after the EPA comments?</p>

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<p>1 CHAIRMAN LYNCH: Oh, just the previous 2 permit.</p> <p>3 MR. LAMOREAUX: Oh, the previous --</p> <p>4 MR. LASPINA: Yeah, we -- we tightened up 5 some requirements. EPA recommended mentioning or 6 clarifying some regulatory citations, you know, that 7 sort of thing, Clint.</p> <p>8 MR. LAMOREAUX: There was one change that 9 was related to continuous emission monitoring data 10 collection requirements that were changed since the last 11 permit or added to the lack of the last permit rather 12 than -- it had to do with data availability.</p> <p>13 MR. LASPINA: And another recommendation 14 that EPA made involved actually the fact sheet. EPA 15 requested more background data on the equipment at the 16 plant. It was more descriptive rather than regulatory. 17 So that was -- a couple of their comments had to do with 18 that.</p> <p>19 CHAIRMAN LYNCH: Any other questions for 20 Mr. LaSpina or Mr. Lamoreaux?</p> <p>21 Seeing none, I would entertain a motion to 22 approve. We have actually done this before, but we've 23 made a couple -- but now we've responded to EPA's 24 comments and made some slight tweaks to the permit. 25 We're actually issuing this version of the permit today</p>	<p>1 chapters that we did receive that were missing. And at 2 the last Council meeting in November, I noted that 3 preliminary draft final EIS with all chapters is 4 expected in early January 2017. And that target date 5 has not changed, so we still expect to receive that 6 document and begin a comprehensive review at that time.</p> <p>7 I'm going to move on to updates on the 8 status of the permits. Are there any questions about 9 the SEPA?</p> <p>10 CHAIRMAN LYNCH: Are there any questions for 11 Ms. Bumpus regarding the Environmental Impact Statement?</p> <p>12 Please continue.</p> <p>13 MS. BUMPUS: For the NPDES Stormwater 14 Industrial Permit, not really any new information to put 15 out about this. We're continuing to coordinate with our 16 contractor at Ecology to develop draft permit documents 17 and we are -- our understanding is that he's preparing 18 the first preliminary drafts and we will receive those 19 soon. I don't have a target date. I will keep you 20 updated, but we are very close on that. And, of course, 21 it will have to go through internal review once we do 22 receive those drafts.</p> <p>23 Similarly, the draft NOC, the air permit, is 24 going through its own round of internal review and we 25 are continuing to coordinate that. We will go back to</p>
Page 22	Page 24
<p>1 and not the previous permit. So I will entertain a 2 motion for this approval.</p> <p>3 MR. STEPHENSON: Chair Lynch, I will move 4 that the Council approve this permit as amended to cover 5 the EPA comments.</p> <p>6 CHAIRMAN LYNCH: And do we have a second?</p> <p>7 MR. MOSS: I will second that.</p> <p>8 CHAIRMAN LYNCH: All those in favor of 9 adopting the Air Operating Permit as revised for the 10 Chehalis Generation Facility say "Aye."</p> <p>11 COUNCILMEMBERS: Aye.</p> <p>12 CHAIRMAN LYNCH: Opposed?</p> <p>13 Motion carries. Very good.</p> <p>14 Thank you, Mr. Miller.</p> <p>15 MR. MILLER: Thank you, Chair and Council.</p> <p>16 CHAIRMAN LYNCH: And now it's time for our 17 favorite person, Ms. Bumpus. If you want to give us an 18 update on the Tesoro/Savage Vancouver Energy 19 Distribution Terminal.</p> <p>20 MS. BUMPUS: Thank you. Good afternoon, 21 Chair Lynch and Councilmembers. Just a couple of things 22 for the Tesoro/Savage project. For SEPA updates, on 23 December 1st, EFSEC received certain portions of a 24 preliminary draft final EIS and Staff began reviewing 25 that document. There are several pieces within the</p>	<p>1 the applicant for new information if we need to, but I 2 will keep you updated on when that review concludes.</p> <p>3 For the NPDES Stormwater Construction 4 Permit, just to remind you, we had the public comment 5 period from October 31st to November 29. During the 6 public comment period, EFSEC received 137 comments by 7 the website and mail. And during the public comment 8 meeting, the hearing that we had on November 29th in 9 Vancouver, we had 46 speakers provide verbal comments. 10 We've gone through a portion of those comments and have 11 identified those that are substantive, but there still 12 is a portion, primarily the ones from the public 13 hearing, that we're still going through to identify 14 which ones will require responses. We'll be working 15 with our contractors at Ecology and our consultant to 16 respond to comments, and I will, again, keep you updated 17 on the progress of that.</p> <p>18 CHAIRMAN LYNCH: Is that it?</p> <p>19 MS. BUMPUS: That's all I have for the 20 project update.</p> <p>21 CHAIRMAN LYNCH: Any questions for 22 Ms. Bumpus regarding the project update?</p> <p>23 Thank you.</p> <p>24 So let's turn now to other items of interest 25 and, Mr. LaSpina, do you want to tell the Council about</p>

<p style="text-align: right;">Page 25</p> <p>1 the SIP?</p> <p>2 MR. LASPINA: Thank you, Chair Lynch. We</p> <p>3 missed our update last month so I just have a short</p> <p>4 little brief. At the September 20th Council meeting,</p> <p>5 Staff briefed the Council on submittal of EFSEC's State</p> <p>6 Implementation Plan update to the U.S. Environmental</p> <p>7 Protection Agency. The State Implementation Plan or SIP</p> <p>8 is the State's plan to comply with federal National</p> <p>9 Ambient Air Quality standards. The SIP is tied to the</p> <p>10 federal prevention of significant deterioration or PSD</p> <p>11 air permitting program.</p> <p>12 In its role as the State's primary</p> <p>13 environmental regulatory agency, the Department of</p> <p>14 Ecology is the sponsor of EFSEC's SIP submittal to EPA</p> <p>15 and took the lead role in drafting the submittal package</p> <p>16 and managing the public comment process. Public notice</p> <p>17 ran from September 22nd to November 8th. EFSEC did not</p> <p>18 receive any public comments. At this time, the</p> <p>19 Environmental Federal Protection Agency is preparing a</p> <p>20 public notice for the Federal Register. So public</p> <p>21 notice in the Federal Register is the next step in this</p> <p>22 process.</p> <p>23 I just wanted to say that EFSEC Staff</p> <p>24 appreciates the enormous amount of support provided by</p> <p>25 Ecology in preparing our SIP submittal. EFSEC Staff</p>	<p style="text-align: right;">Page 27</p> <p>1 there's always a question about how much should be</p> <p>2 allowed in terms of salvage value, and I see this item</p> <p>3 as actually a pretty big endeavor, where we would</p> <p>4 involve the Council and the stakeholders to -- for us to</p> <p>5 kind of dig a little bit deeper into what we've had and</p> <p>6 what's the appropriate level of security for our</p> <p>7 facilities.</p> <p>8 Also, hope -- of course we've got this big</p> <p>9 project in front of us now, which is the major focus</p> <p>10 that we have, but then there's also some other things.</p> <p>11 We were close to finishing some rules adoption in the</p> <p>12 beginning of the summer that would finish off the</p> <p>13 enforcement piece, which we have most of it -- most</p> <p>14 of -- some rules done and updated policies, so I</p> <p>15 probably need about two, three weeks to finish that off</p> <p>16 and some AG review, and then we can get it in front of</p> <p>17 the Council and get your thoughts.</p> <p>18 Same with updating our clean water</p> <p>19 regulations. We've updated our air regulations</p> <p>20 previously, but we've been turning to our clean water</p> <p>21 regulations. And I work with Mr. LaSpina, and we're</p> <p>22 pretty close to getting those done as well, so I'm</p> <p>23 hoping 2017 is a big year for us to get even more things</p> <p>24 in place.</p> <p>25 Anything else anyone wants to bring up for</p>
<p style="text-align: right;">Page 26</p> <p>1 will keep you posted as the process unfolds.</p> <p>2 Thank you.</p> <p>3 CHAIRMAN LYNCH: Very good. So we -- it's</p> <p>4 basically in EPA's hands at this point in time.</p> <p>5 MR. LASPINA: Yes, sir.</p> <p>6 CHAIRMAN LYNCH: Which is great, so we're</p> <p>7 one step closer to ice cream cake. We're hoping to have</p> <p>8 this approved sometime in the spring if everything moves</p> <p>9 along, and that will help us with some of our other</p> <p>10 permits that we're hoping to issue later on.</p> <p>11 And just to let Councilmembers know, some of</p> <p>12 the things I am thinking about for 2017 is Mr. Siemann</p> <p>13 and Mr. Rossman brought up the idea about us adopting a</p> <p>14 policy about when the Council gets a request regarding</p> <p>15 our jurisdiction and whether there's a jurisdiction</p> <p>16 determination made. And so I would like to have us</p> <p>17 flush out a policy on that and adopt it sometime in</p> <p>18 2017, and that will mean anyone can look at our website</p> <p>19 and see any sort of determinations that we've -- that</p> <p>20 delineated upcoming jurisdiction that helps give people</p> <p>21 a little bit longer heads-up about proposed projects.</p> <p>22 We have some work that's been done regarding</p> <p>23 the security that has been put up by our different</p> <p>24 facilities, and I'm hoping to talk to the Council about</p> <p>25 that, look over some recommendations. Like for example,</p>	<p style="text-align: right;">Page 28</p> <p>1 the good of the Council? I need to be quicker with this</p> <p>2 gavel. Hearing none, we are adjourned. Thank you.</p> <p>3 (Hearing adjourned at 2:07 p.m.)</p> <p>4</p> <p>5</p> <p>6</p> <p>7</p> <p>8</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>

CERTIFICATE

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STATE OF WASHINGTON
COUNTY OF THURSTON

I, Tayler Russell, 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.

Tayler Russell, CCR

Kittitas Valley Wind Power Project

Monthly Project Update

December 20, 2016

Project Status Update

November Production Summary:

Power generated:	8,751 MWh
Wind speed:	4.5 m/s or 10 mph
Capacity Factor:	12%

Safety:

No incidents

Compliance:

Project is in compliance as of December 15, 2016.

Sound:

No complaints

Shadow Flicker:

No complaints

Environmental:

No incidents

Wild Horse Wind Facility- Monthly Compliance Report- November 2016

Safety

No lost-time accidents or safety injuries/illnesses to report for November.

Compliance/Environmental

In accordance with the Stormwater Pollution Prevention Plan (SWPPP), a semi-annual stormwater inspection was completed. All BMPs were observed to be in good condition, no maintenance was required. The site remains in compliance with the SWPPP.

Operations/Maintenance

Nothing to report.

Wind Production

November wind generation totaled 48,462 MWh for an average capacity factor of 24.69%

**Energy Northwest
EFSEC Council Meeting
November 15, 2016
Shannon Khounnala**

I. Columbia Generating Station Operational Status

Columbia is online at 100% power and producing 1138 MWs. The plant has been online for 264 days.

Rad Waste Shipping Suspended

Columbia's permitted disposal privileges at the US Ecology commercial disposal site have been temporarily suspended by the Department of Health. A shipment made in November 2016 was not accepted due to dose rates higher than expected compared to the station manifest. The shipment contained materials from our used fuel cleanup campaign. Prior to shipment, projected dose rates were calculated based on characterization of the manifest – a low-risk approach for worker exposure. A qualified vendor performs the dose projection calculations based on information we provide them. A cause determination is in progress and an inspection by the NRC occurred the week of December 12 to review the Rad Waste shipping process in an effort to identify factors that led to this incident. Energy Northwest will be working closely with the Department of Health to demonstrate that we have implemented actions taken to prevent reoccurrence.

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

II. WNP 1/4 Water Rights

NEPA/Leasing

The Department of Energy has completed the draft of the NEPA Environmental Assessment (EA) for WNP 1/4. The document is being routed for review. Energy Northwest continues to work with the tribes on completing the cultural review. 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.

Kittitas Valley Wind Power Project

Monthly Project Update

January 17, 2017

Project Status Update

December Production Summary:

Power generated: 11,529 MWh
Wind speed: 4.7 m/s or 10.5 mph
Capacity Factor: 15.4%

Safety:

No incidents

Compliance:

Project is in compliance as of January 13, 2017

Sound:

No complaints

Shadow Flicker:

No complaints

Environmental:

No incidents

Wild Horse Wind Facility

Safety

No lost-time accidents or safety injuries/illnesses to report for December.

Compliance/Environmental

Nothing to report.

Operations/Maintenance

On December 4th, an unplanned outage occurred on circuit 23 due to a splice failure on the 34.5kV underground cable. Crews repaired the splice and re-energized the circuit on December 13th.

Wind Production

December wind generation totaled 62,204 MWh for an average capacity factor of 30.67%.

**Energy Northwest
EFSEC Council Meeting
January 17, 2017
Shannon Khounnala**

I. Columbia Generating Station Operational Status

Columbia is online at 100% power and producing 1151 MWs. The plant has been online for 24 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 has completed the draft of the NEPA Environmental Assessment (EA) for WNP 1/4. A Finding of No Significant Impact was issued on January 6, 2017. Energy Northwest and the Department of Energy will work to finalize and sign a new land lease for WNP 1/4. The new lease will allow for use of the water rights obtained in January 2015.

EFSEC Monthly Operational Report

December, 2016

1. Safety and Training

- 1.1. Conducted scheduled and required monthly training.
- 1.2. Conducted the scheduled safety committee meeting.

2. Environmental

- 2.1. Submitted the November Outfall Discharge Monitor Report (DMR) to Ecology.
- 2.2. Work on replacing the cooling tower structural lumber with fiber reinforced plastic (FRP) continues. Two cells are complete, two cells are in progress.

3. Operations & Maintenance

- 3.1. Grays Harbor Energy (GHE) operated 21 days and generated 220,773 MWh during the month of December.
- 3.2. The capacity factor (CF) was 47.9% in December, and 52.5% YTD.
- 3.3. The availability factor (AF) was 90.9% in December, and 91.0% YTD.

4. Noise and/or Odor

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

5. Site Visits

- 5.1. There were no site visits during the month of December.

6. Other

- 6.1. Grays Harbor is staffed with 20 personnel. The Plant Engineer and Operations Manager positions are vacant. Offers have been made to fill both positions with January start dates for both individuals.

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

Washington Energy Facility Site Evaluation Council

01-13-2017

Safety:

- There were no recordable incidents this reporting period and the plant staff has achieved 520 days without a Lost Time Accident.

Environment:

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

Personnel:

- The Chehalis plant staffing level is currently 18 of 19 approved positions filled.
- The open position is for an Operations Manager.

Operations and Maintenance Activities:

- The Plant generated 183,486 MW-hrs in December for a 2016 YTD generation total of 1,421,241 MW-hrs and a capacity factor of 32.7%.

Regulatory/Compliance:

- EFSEC issued the final approved Title V Air Operating Permit for the Chehalis plant. The term of the permit is 5 years.

Sound monitoring:

- There were no noise complaints to report.



Carbon Offset Mitigation

- Nothing to report.

Respectfully,

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

Mark A. Miller
Manager, Gas Plant

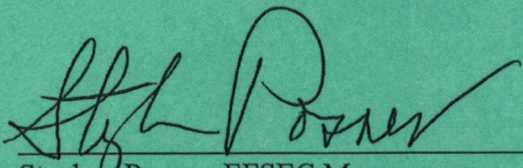
Energy Facility Site Evaluation Council

Non Direct Cost Allocation for 3rd Quarter FY 2017 January 1, 2017 – March 31, 2017

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 2nd 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 3rd quarter of FY 2017:

Kittitas Valley Wind Power Project	5%
Wild Horse Wind Power Project	8%
Columbia Generating Station	18%
WNP-1	3%
Whistling Ridge Energy Project	3%
Grays Harbor 1&2	9%
Chehalis Generation Project	8%
Desert Claim Wind Power Project	3%
Grays Harbor Energy 3&4	3%
Tesoro Savage	40%


Stephen Posner, EFSEC Manager

Date: 1/10/17