

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

March 21, 2017



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WASHINGTON STATE
ENERGY FACILITY SITE EVALUATION COUNCIL
Richard Hemstad Building
1300 South Evergreen Park Drive Southwest
Conference Room 206
Olympia, Washington
March 21, 2017
1:30 p.m.

MONTHLY COUNCIL MEETING
Verbatim Transcript of Proceeding

REPORTED BY: ANITA W. SELF, RPR, CCR #3032

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A P P E A R A N C E S

Councilmembers Present:

- Bill Lynch, Chair
- Jaime Rossman, Department of Commerce
- Cullen Stephenson, Department of Ecology
- Joe Stohr, Department of Fish and Wildlife
- Dennis Moss, Utilities and Transportation Commission
- Dan Siemann, Department of Natural Resources (via phone)

Local Government and Optional State Agencies:

- Larry Paulson, Port of Vancouver (via phone)
- Ken Stone, Department of Transportation
- Bryan Snodgrass, City of Vancouver (via phone)
- Greg Shafer, Clark County (via phone)

Assistant Attorney General:

- Ann Essko, Senior Counsel
- David Stearns, Assistant Attorney General

Staff in Attendance:

- Stephen Posner
- Tammy Mastro
- Sonia Bumpus
- Joan Aitken (via phone)
- Ami Kidder

Guests in Attendance:

- Rich Downen, Grays Harbor Energy
- Mark A. Miller, PacifiCorp Chehalis Generation Facility

Guests in Attendance Via Phone:

- Shannon Khounnala, Columbia Generating Station & WNP 1/4
- Kristen Boyles, Earthjustice
- Karen McGaffey, Perkins Coie
- Jennifer Diaz, Puget Sound Energy
- Eric Melbardis, EDP Renewables
- Tim McMahan, Stoel Rives
- Tadas Kisielius, Van Ness Feldman

* * * * *

1 OLYMPIA, WASHINGTON; MARCH 21, 2017

2 1:30 P.M.

3 --o0o--

4

5 CHAIR LYNCH: Good afternoon. Today is
6 March 21st -- happy spring, everybody -- and this is the
7 monthly meeting for the Energy Facility Site Evaluation
8 Council.

9 Can we please have the clerk call the roll?

10 MS. MASTRO: Department of Commerce?

11 MR. ROSSMAN: Jaime Rossman is here.

12 MS. MASTRO: Department of Ecology?

13 MR. STEVENSON: Cullen Stephenson, here.

14 MS. MASTRO: Fish and Wildlife?

15 MR. STOHR: Joe Stohr is here.

16 MS. MASTRO: Department of Natural

17 Resources?

18 MR. SIEMANN (via phone): Dan Siemann is on
19 the phone.

20 MS. MASTRO: Utilities and Transportation

21 Commission?

22 MR. MOSS: Dennis Moss is here.

23 MS. MASTRO: Local Government and Optional

24 State Agencies, for the Tesoro project, Department of

25 Transportation?

1 MR. STONE: Ken Stone is here.

2 MS. MASTRO: City of Vancouver?

3 MR. SNODGRASS (via phone): Bryan Snodgrass
4 is on the phone.

5 MS. MASTRO: Clark County?

6 MR. SHAFER (via phone): Greg Shafer is on
7 the phone.

8 MS. MASTRO: Port of Vancouver?

9 MR. PAULSON (via phone): Larry Paulson's on
10 the phone.

11 MS. MASTRO: Chair, there is a quorum for
12 the regular Council and for the Tesoro Project Council.

13 CHAIR LYNCH: Thank you. If we could just
14 have the Council take a look over the proposed agenda
15 today and see if they want to make any changes.

16 And you'll note that there are no action
17 items today. We originally had proposed to issue a
18 minor air permit, an NOC, but then when we were looking
19 at it, there were just, like, two or three, like, real
20 little things that we needed to fix. And we thought,
21 rather than put it in front of the Council with making
22 all these little fixes, we would just take one good look
23 through it again, and then make any changes we needed to
24 do and take care of it next Council meeting.

25 Okay. So hearing no changes to the proposed

1 agenda, let's move on to the minutes of the
2 February 21st meeting. Does anyone have any suggested
3 edits? I went through the minutes and I didn't see any.

4 Councilmember Stephenson?

5 MR. STEPHENSON: Chair, hearing no changes,
6 I move that we approve these minutes.

7 CHAIR LYNCH: Do we have a second?

8 MR. MOSS: I'll second that.

9 CHAIR LYNCH: It's been moved and seconded
10 that the Council approve the February 21st, 2017,
11 minutes as submitted.

12 All those in favor, say "Aye."

13 MULTIPLE SPEAKERS: Aye.

14 CHAIR LYNCH: Motion carries.

15 So let's go ahead and turn to updates from
16 our various facilities, and we'll start with the
17 Kittitas Valley Wind Project, Mr. Melbardis.

18 MR. MELBARDIS (via phone): Good afternoon,
19 Chair Lynch, EFSEC Council. This is Eric Melbardis with
20 EDP Renewables for the Kittitas Valley Wind Project.

21 We had a routine month with nothing out of
22 the ordinary to report.

23 CHAIR LYNCH: Very good. Any questions for
24 Mr. Melbardis? Good.

25 And before I hear from Ms. Diaz, I forgot to

1 ask if there's anybody on the phone who wishes to
2 identify themselves for the record, although they're not
3 required to.

4 MR. MCMAHAN (via phone): Tim McMahan with
5 Stoel Rives.

6 MS. DIAZ (via phone): Jennifer Diaz, Puget
7 Sound Energy.

8 MS. MCGAFFEY (via phone): Karen McGaffey
9 with Perkins Coie.

10 MR. KISIELIUS (via phone): Tadas Kisielius
11 with Van Ness Feldman.

12 MS. KHOUNNALA (via phone): Shannon
13 Khounnala, Energy Northwest.

14 MS. BOYLES (via phone): Kristin Boyles,
15 Earthjustice.

16 CHAIR LYNCH: So I think we heard
17 Ms. Khounnala and Ms. Kristin Boyles as well.

18 Anybody else?

19 MS. AITKEN (via phone): Joan Aitken, EFSEC
20 staff.

21 CHAIR LYNCH: Joan Aitken, EFSEC staff?

22 MS. MASTRO: From her sick bed.

23 CHAIR LYNCH: Well, who is this person
24 sitting in front of her name plate here? That's the
25 thing that we're wondering. Anyway, well, Joan, thanks

1 for joining us. She just wanted to make sure that we
2 weren't talking about her while she was gone, I think.

3 Well, we hope you feel better.

4 MS. AITKEN: Thank you.

5 CHAIR LYNCH: So let's go ahead and move on
6 to Ms. Diaz, Puget Sound Energy and the Wild Horse Wind
7 Power Project.

8 MS. DIAZ: Yes. Thank you, Chair Lynch and
9 Councilmembers. This is Jennifer Diaz with the Wild
10 Horse Wind Power Project.

11 And I have nothing nonroutine to report for
12 the month of February.

13 CHAIR LYNCH: Very good.

14 Any questions for Ms. Diaz?

15 Let's move ahead to the Columbia Generating
16 Station and then WNP 1/4, Ms. Khounnala.

17 MS. KHOUNNALA: Yes. Thank you, Chair.

18 In regards to Columbia Generating Station,
19 our outage is upcoming and will begin in 55 days. And
20 outside of that, we have no nonroutine items to report.

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

23 So why don't you go ahead and proceed to
24 inform us about WNP 1/4, Ms. Khounnala.

25 MS. KHOUNNALA: Certainly. WNP 1/4, there

1 really are no changes from the January 2017 report.
2 We're -- we completed our work on the NEPA evaluation.
3 We are working on our land lease with the Department of
4 Energy, and that will continue through this spring.

5 CHAIR LYNCH: Okay. Very good.

6 Any questions for Ms. Khounnala?

7 Okay. Let's move on with Mr. Miller here
8 today with the Chehalis Generation Facility. Welcome.

9 MR. MILLER: Welcome, or thank you. Good
10 afternoon, Chair Lynch, Councilmembers and Staff. I'm
11 Mark Miller, the plant manager for the Chehalis --
12 PacifiCorp Chehalis Generation Facility.

13 While I have no nonroutine comments, I do
14 want to make a statement about the carbon offset
15 mitigation, that the Council had approved our three
16 projects to move forward.

17 One of the projects, the technology has --
18 the technology's changed a little bit, so it's an
19 opportunity to gain more efficiency from the reverse
20 osmosis water treatment plant. And I'll be able to -- I
21 will be approaching EFSEC staff within the next month or
22 so, prior to the next meeting, to address how we might
23 want to -- if that can be changed or altered to capture
24 this additional efficiency.

25 And basically what it is is it's -- we had

1 proposed using variable frequency drives for the pumps
2 that push the water through the osmosis process, but we
3 actually can resize those pumps and still use
4 centrifugal pumps and be able to consume less energy,
5 about a ten percent increase in savings.

6 So I just thought I'd bring that up, because
7 I don't -- I feel uncomfortable sometimes when I don't
8 show anything to report on that mitigation, because I
9 know that Council and Chair were very interested in us
10 moving forward, and we are.

11 So our engineer at Burns & McDonnell out of
12 Kansas has been working on that diligently, so we're
13 making progress. And I'll demonstrate that, again, and
14 work with the Staff to see how we can approach the
15 Council.

16 CHAIR LYNCH: Okay. Very good. We
17 appreciate your efforts to be more efficient and energy
18 conscious.

19 MR. MILLER: All right. Thank you.

20 CHAIR LYNCH: Thank you.

21 Any questions for Mr. Miller? Thank you.

22 And it's not Mr. Valinske with the Grays
23 Harbor Energy Center.

24 MR. DOWNEN: Not today. Good afternoon,
25 Chair Lynch and Council and Staff. I'm Rich Downen

1 representing Grays Harbor Energy.

2 And I don't have anything off-normal to
3 report, although I would highlight item 2.5 under
4 Environmental, which is just kind of the update on the
5 cooling tower replacement project that's ongoing.

6 This -- as of February, as it said, there
7 were five of nine cells complete. This week we'll
8 finish up cell number seven, so there will only be two
9 cells remaining that are being worked on as we speak,
10 and they'll get finished up in our month-long
11 maintenance outage, which begins in a week and a half,
12 in about ten days. So by the end of -- end of April, we
13 will have the -- the tower will be completely replaced
14 and all of that work will be complete.

15 And then the only other off-normal item is
16 that Pete Valinske resigned, so he is no longer with us.
17 He's -- people say, well, what's he doing? Well, he's
18 just sitting at home enjoying -- I think he's going to
19 go do some traveling and he's semi-retired. So I'm back
20 there for a few months until we find a replacement.

21 CHAIR LYNCH: Well, we are always happy to
22 see Mr. Downen, and give our best to Mr. Valinske.

23 MR. DOWNEN: I will. I will. Thank you.

24 CHAIR LYNCH: Thank you.

25 Any questions for Mr. Downen? I've got one,

1 and this has to do with the NOC that we're going to
2 issue.

3 MR. DOWNEN: Okay.

4 CHAIR LYNCH: It's -- during the course of
5 your work on the cooling tower, can you tell me again
6 the name of that --

7 MR. DOWNEN: The component that --

8 CHAIR LYNCH: Yeah, the component that was
9 found that was wearing -- that needed replacing.

10 MR. DOWNEN: So it was the drift eliminator,
11 which is one of the items that just reduces -- and
12 that's one of the monitored parameters for the cooling
13 tower, and it's actually in the -- in the air permit.
14 It's the percentage of volume that leaves the tower as
15 mist, and this drift eliminator minimizes that.

16 So when we were -- we thought that we would
17 be able to utilize the old materials that were taken
18 out, but when we were taking them out, they were -- it's
19 a plastic material, and they were brittle and coming
20 apart, and so we just thought we'd make the decision to
21 replace it.

22 CHAIR LYNCH: And the new one that you'll
23 replace it with will actually even work even better
24 than --

25 MR. DOWNEN: It has a higher efficiency

1 rating by the manufacturer, so it's a step -- it's an
2 improvement, but -- but it's a change to that permit, so
3 that, either way, it triggers the NOC, which we didn't
4 think that we would have to do, but --

5 CHAIR LYNCH: We were wondering if -- you
6 know, because the drift eliminator's already covered
7 under the PSD permit, and you're repairing or replacing
8 it, we were kind of wondering why you needed an NOC for
9 that. But it's kind of a -- as some of us were saying
10 here, it's belt and suspenders and a good bit of duct
11 tape wrapped around it at the same time to make sure
12 that we're covering all the bases.

13 MR. DOWNEN: I agree.

14 CHAIR LYNCH: Yeah. Thank you.

15 Any questions for Mr. Downen? Good. Thank
16 you, Mr. Downen.

17 MR. DOWNEN: All right. Thank you.

18 CHAIR LYNCH: We're turning to our wonderful
19 and informed staff to give us an update on the Tesoro
20 Savage Vancouver Energy Distribution Terminal.

21 Ms. Bumpus?

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

24 I'll start with the SEPA update. As I
25 updated previously in February, EFSEC Staff held

1 multiple discussions with the legal counsel involved in
2 the review of the draft final environmental impact
3 statement. It was necessary for Staff to continue
4 discussions with the AAGs involved in that review into
5 early March. And with that input, EFSEC Staff -- and
6 the AAGs included -- EFSEC has given approval to our
7 consultant to begin working on issues and addressing
8 issues in the draft FEIS.

9 Staff have scheduled meetings later this
10 week where we'll be discussing additional project
11 meetings, the scheduling of additional project meetings,
12 and a work breakdown structure for the tasks that both
13 EFSEC and the consultant need to complete.

14 That's all I have for the SEPA update. Are
15 there any questions before I move to permits?

16 CHAIR LYNCH: Any questions for Ms. Bumpus
17 on SEPA? Go ahead and proceed.

18 MS. BUMPUS: Okay. For the construction
19 stormwater permit, Staff has continued to work with our
20 Ecology contractors on addressing comments and responses
21 to those comments that we received on the draft permit
22 documents, and will continue to coordinate. There's
23 been some additional information that we needed to get
24 from the applicant to do that, and so we're continuing
25 to work with them on that.

1 For the NPDES industrial stormwater permit,
2 I coordinated a discussion between the reviewing AAG and
3 the Ecology permit writer, and we identified what the
4 issues were that needed to be addressed, and the Ecology
5 permit writer is making some revisions to the draft
6 permit documents. Once he's done doing that, he'll send
7 that to Staff and we'll take it from there, and
8 hopefully prepare a final draft permit. So I'll keep
9 you posted and see if anything new comes up there, but
10 we're hoping that we've addressed those issues.

11 For the Notice of Construction air permit,
12 Staff have been engaged in technical discussions with
13 the air permit contractor and the reviewing AAG since
14 the last Council meeting. We've also had correspondence
15 with the applicant to discuss a number of issues that we
16 need to resolve. One we are still trying to work on is
17 related to the capture efficiency rate for the marine
18 vapor combustion units. We need to continue to have
19 discussions on this until we address the issue.

20 This is one of note for Councilmembers that
21 I wanted to mention because the capture efficiency, if
22 it changes, it affects other calculations for the
23 emissions and, of course, this trickles into the permit,
24 obviously, and into SEPA. So we'll need to update our
25 SEPA work as well with new calculations if that

1 efficiency rate is different.

2 And that's -- that concludes my updates on
3 the permits.

4 CHAIR LYNCH: Can I ask you -- so it looks
5 like with -- assuming the air permit, that that one item
6 gets worked out relatively soon and then the -- you've
7 got the industrial water quality permit, do you
8 anticipate that we could go out to public hearing
9 sometime late next month?

10 MS. BUMPUS: It's possible. If we can get
11 these issues resolved really soon, I think that April is
12 possible.

13 CHAIR LYNCH: And just for the Council's
14 information, it might be -- I'm not sure when we meet in
15 April, but if we get both permits ready to go for public
16 notice, and it's not until after our Council hearing
17 or -- I might want to call a special meeting just for
18 the purpose of receiving the information about the
19 permits, and then if everyone's fine, going out to
20 public notice on those rather than wait until May -- the
21 May meeting to put those out. And we'll have fact
22 sheets on those that the Staff will have put together
23 and other information.

24 So just kind of a heads-up that, depending
25 how all that information comes together, it would be

1 efficient for us to put those -- both those permits on
2 at the same meeting and have them go out at the same
3 time.

4 Any questions for Staff?

5 Anything, Mr. Posner? You look like you
6 want to say something.

7 MR. POSNER: If I can get this on. No,
8 other than just to compliment Ms. Bumpus on a very
9 comprehensive overview.

10 MS. BUMPUS: Thank you.

11 CHAIR LYNCH: Which I should have done
12 myself. Thank you for reminding me. So -- and I just
13 want to say how hard the Staff is working in moving this
14 proposal forward, so I appreciate all your hard work.

15 And I appreciate all the Councilmembers
16 work, too, in the efforts that you're making on getting
17 our portion of things through as well.

18 And is there anything for the good of the
19 order -- I don't want to say my basketball team, because
20 last time I mentioned that at Council meeting they lost.

21 So seeing no further good of the order, we
22 are adjourned. Thank you.

23 (Meeting concluded at 1:48 p.m.)

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C E R T I F I C A T E

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

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

IN WITNESS WHEREOF, I have hereunto set my hand
and seal this 31st day of March, 2017.

ANITA W. SELF, RPR, CCR #3032

Kittitas Valley Wind Power Project

Monthly Project Update

March 21, 2017

Project Status Update

February Production Summary:

Power generated:	6826.2 MWh
Wind speed:	3.9 m/s
Capacity Factor:	10.1%

Safety:

No incidents

Compliance:

Project is in compliance as of March 16, 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 February.

Compliance/Environmental

Nothing to report.

Operations/Maintenance

Nothing to report.

Wind Production

February wind generation totaled 50,142 MWh for an average capacity factor of 27.37%.

**Energy Northwest
EFSEC Council Meeting
March 21, 2017
Shannon Khounnala**

I. Columbia Generating Station Operational Status

Columbia is online at 96% power and producing 1057 MWs. The plant has been online for 87 days.

Maintenance Outage

Columbia has begun its power “coast down”, which will continue through the start of the 2017 Maintenance Outage. The outage begins in 55 days.

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

II. WNP 1/4 Water Rights

NEPA/Leasing

No change from Feb 2017 report.

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 have begun to review the new land lease for WNP 1/4. The new lease will allow for use of the water rights obtained in January 2015. The new lease is expected to be effective by the start of July 2017.

Chehalis Generation Facility----Monthly Plant Report – February 2017

Washington Energy Facility Site Evaluation Council

03-17-2017

Safety:

- There were no recordable incidents this reporting period and the plant staff has achieved 579 days without a Lost Time Accident.

Environment:

- There were no air emissions or storm-water deviations or spills during the month of February 2017.
- Wastewater and Storm-water monitoring results were in compliance with the permit limits for the month of February 2017.

Personnel:

- The Chehalis plant staffing level is currently 19 of 19 approved positions filled.

Operations and Maintenance Activities:

- The Plant generated 60,930 MW-hrs in February for a 2017 YTD generation total of 256,211 MW-hrs and a capacity factor of 27.9%.

Regulatory/Compliance:

- Nothing to report.

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

EFSEC Monthly Operational Report

February, 2017

1. Safety and Training

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

2. Environmental

- 2.1. Submitted the January Outfall Discharge Monitor Report (DMR) to Ecology.
- 2.2. Submitted the 2016 Q1 Storm Water DMR to Ecology.
- 2.3. Submitted the 2016 Annual Hazardous Waste Report to Ecology.
- 2.4. Submitted the 2016 Title III SARA Tier Two Hazardous Chemical Inventory to Grays Harbor County emergency agencies.
- 2.5. Work on replacing the cooling tower structural lumber with fiber reinforced plastic (FRP) continues. Five of nine cells are complete, two cells are in progress.

3. Operations & Maintenance

- 3.1. Grays Harbor Energy (GHE) operated 17 days and generated 189,036 MWh during the month of February.
- 3.2. The capacity factor (CF) was 45.4% in February, and 62.7% YTD.
- 3.3. The availability factor (AF) was 100% in February, and 99.8% YTD.

4. Noise and/or Odor

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

5. Site Visits

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

6. Other

- 6.1. Grays Harbor is staffed with 22 personnel.