



Washington State Energy Facility Site Evaluation Council

AGENDA

MONTHLY MEETING
Tuesday April 16, 2019
1:30 PM

1300 S. Evergreen Park Drive S.W.
Olympia, WA 98504, Meeting Room 206
Conference number: (360) 664-3846

1. Call to Order Kathleen Drew, EFSEC Chair
 2. Roll Call Tammy Mastro, EFSEC Staff
 3. Proposed Agenda Kathleen Drew, EFSEC Chair
 4. Minutes **Meeting Minutes**..... Kathleen Drew, EFSEC Chair
 - March 19, 2019
 5. Projects
 - a. Kittitas Valley Wind Project
 - Operational Updates..... Eric Melbardis, EDP Renewables
 - b. Wild Horse Wind Power Project
 - Operational Updates..... Jennifer Diaz, Puget Sound Energy
 - c. Chehalis Generation Facility
 - Operational Updates..... Mark Miller, Chehalis Generation
 - d. Columbia Solar Project
 - Project Updates..... Ami Kidder, EFSEC Staff
 - e. Desert Claim
 - Project Updates..... Amy Moon, EFSEC Staff
 - f. WNP – 1/4
 - Non-Operational Updates..... Mary Ramos, Energy Northwest
 - g. Columbia Generating Station
 - Operational Updates..... Mary Ramos, Energy Northwest
 - h. Grays Harbor Energy Center
 - Operational Updates..... Chris Sherin, Grays Harbor Energy
 - NPDES Permit Renewal Draft..... Ami Kidder, EFSEC Staff
- The Council may consider and take FINAL ACTION on issuing the Draft NPDES Permit for public comment*
6. Other
 - a. EFSEC Council
 - EFSEC Legislative Update..... Kathleen Drew, EFSEC Chair
 - 4th Quarter Cost Allocation..... Sonia Bumpus, EFSEC Staff
 - Manager Updates..... Sonia Bumpus, EFSEC Staff
 7. Adjourn..... Kathleen Drew, EFSEC Chair

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

March 19, 2019



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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 Olympia, Washington</p> <p>7 Tuesday, March 19, 2019</p> <p>8 1:30 p.m.</p> <p>9</p> <p>10</p> <p>11</p> <p>12</p> <p>13 MONTHLY COUNCIL MEETING</p> <p>14 Verbatim Transcript of Proceedings</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20 REPORTED BY: TAYLER GARLINGHOUSE, CCR 3358</p> <p>21 Buell Realtime Reporting, LLC</p> <p>22 1325 Fourth Avenue, Suite 1840</p> <p>23 Seattle, Washington 98101</p> <p>24 (206) 287-9066 Seattle</p> <p>25 (360) 534-9066 Olympia</p> <p>(800) 846-6989 National</p> <p>www.buellrealtime.com</p>	<p>1 OLYMPIA, WASHINGTON; MARCH 19, 2019</p> <p>2 1:30 P.M.</p> <p>3 --o0o--</p> <p>4 P R O C E E D I N G S</p> <p>5</p> <p>6 CHAIR DREW: Good afternoon. This is</p> <p>7 Kathleen Drew, Chair of the Energy Facility Site</p> <p>8 Evaluation Council, and this meeting will come to order.</p> <p>9 We'll start with the roll call.</p> <p>10 MS. MASTRO: Department of Commerce?</p> <p>11 MS. GREEN-TAYLOR: Liz Green-Taylor, here.</p> <p>12 MS. MASTRO: Department of Ecology?</p> <p>13 MR. STEPHENSON: Cullen Stephenson, here.</p> <p>14 MS. MASTRO: Fish & Wildlife?</p> <p>15 MR. LIVINGSTON: Mike Livingston, here, on</p> <p>16 the phone.</p> <p>17 MS. MASTRO: Department of Natural</p> <p>18 Resources?</p> <p>19 MR. SIEMANN: Dan Siemann is here on the</p> <p>20 phone.</p> <p>21 MS. MASTRO: Utilities and Transportation</p> <p>22 Commission?</p> <p>23 MS. BREWSTER: Stacey Brewster, here.</p> <p>24 MS. MASTRO: Chair, there is a quorum of the</p> <p>25 EFSEC Council.</p>
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<p>1 A P P E A R A N C E S</p> <p>2 Councilmembers:</p> <p>3 KATHLEEN DREW, Chair</p> <p>4 LIZ GREEN-TAYLOR, Department of Commerce</p> <p>5 CULLEN STEPHENSON, Department of Ecology</p> <p>6 STACEY BREWSTER, Utilities and Transportation</p> <p>7 Commission</p> <p>8 DAN SIEMANN, Department of Natural Resources (via</p> <p>9 phone)</p> <p>10 MIKE LIVINGSTON, Department of Fish & Wildlife</p> <p>11 (via phone)</p> <p>12</p> <p>13 Assistant Attorney General:</p> <p>14 JON THOMPSON</p> <p>15</p> <p>16 Council Staff:</p> <p>17 STEPHEN POSNER</p> <p>18 SONIA BUMPUS</p> <p>19 TAMMY MASTRO</p> <p>20 AMI KIDDER</p> <p>21 AMY MOON</p> <p>22 CHRISTINA POTIS</p> <p>23 JOAN AITKEN</p> <p>24 STEW HENDERSON</p> <p>25</p> <p>In Attendance:</p> <p>ERIC MELBARDIS, EDP Renewables (via phone)</p> <p>JENNIFER DIAZ, Puget Sound Energy</p> <p>CHRIS SHERIN, Grays Harbor Energy</p> <p>MARY RAMOS, Energy Northwest (via phone)</p> <p>BILL SHERMAN, The Environment (via phone)</p> <p>JEREMY SMITH, Chehalis Generation Facility</p> <p>*****</p>	<p>1 CHAIR DREW: Thank you.</p> <p>2 Are there other people who are on the phone</p> <p>3 who would like to introduce themselves?</p> <p>4 MR. SHERMAN: This is Bill Sherman from the</p> <p>5 Attorney General's Office as counsel for The</p> <p>6 Environment.</p> <p>7 CHAIR DREW: Okay. So moving on to the</p> <p>8 proposed agenda. Is there a motion to adopt the agenda?</p> <p>9 MS. GREEN-TAYLOR: I will move to adopt the</p> <p>10 agenda.</p> <p>11 CHAIR DREW: Second?</p> <p>12 MR. STEPHENSON: I'll second.</p> <p>13 CHAIR DREW: All those in favor?</p> <p>14 COUNCILMEMBERS: Aye.</p> <p>15 CHAIR DREW: Opposed? The agenda is</p> <p>16 adopted.</p> <p>17 And now for the meeting minutes from January</p> <p>18 15th, which was our last regular meeting. You have them</p> <p>19 in your packets. They were sent to you electronically.</p> <p>20 Is there a motion to approve the meeting minutes from</p> <p>21 January 15th, 2019?</p> <p>22 MS. GREEN-TAYLOR: I move to adopt the</p> <p>23 minutes from January 15th, 2019.</p> <p>24 CHAIR DREW: Second?</p> <p>25 MR. STEPHENSON: I'll second.</p>

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<p>1 CHAIR DREW: Are there any -- is there any 2 discussion or errors or changes? Hearing none, all 3 those in favor of adopting the minutes from January 4 15th, say "aye." 5 COUNCILMEMBERS: Aye. 6 CHAIR DREW: All those opposed? Meeting 7 minutes are adopted. 8 Moving on to the operational updates. We'll 9 start with Kittitas Valley Wind Project. 10 MR. MELBARDIS: Good afternoon. This is 11 Eric Melbardis with EDP Renewables for the Kittitas 12 Valley Wind Power Project. You should have two project 13 updates in your packets, but over both periods, we had 14 nothing out of the ordinary to report. 15 CHAIR DREW: Okay. Thank you, Eric. 16 Wild Horse Wind Power Project, Ms. Diaz, in 17 person. 18 MS. DIAZ: All right. There we are. All 19 right. For the record, my name is Jennifer Diaz. I'm 20 with Puget Sound Energy for the Wild Horse Wind 21 Facility. And other than snow removal in January and 22 February, we have nothing nonroutine to report for the 23 month. 24 CHAIR DREW: Is the snow removed? 25 MS. DIAZ: No. Well, from the roads, yes.</p>	<p>1 the State Fire Marshal inspector was out to complete our 2 reinspection, and Ms. Kidder, EFSEC Staff member, was 3 also in attendance for that reinspection. That's all I 4 have. Thank you. 5 CHAIR DREW: Okay. Thank you. 6 Chehalis Generation Facility? 7 MR. SMITH: Good afternoon, Chair Drew and 8 Council. I'm Jeremy Smith. I'm the environmental 9 analyst for the Chehalis Power Plant. For Chehalis, we 10 do not have any abnormal reports for the month of 11 February. 12 CHAIR DREW: Okay. Thank you. 13 Columbia Solar Project, Ms. Kidder? 14 MS. KIDDER: Thank you, Chair Drew. Good 15 afternoon, Chair Drew and Councilmembers. For the 16 record, my name is Ami Kidder. I just have a quick 17 update for you on the Columbia Solar Project. Since the 18 Council meeting in January, Staff have continued 19 coordination with our contractors at Ecology to continue 20 establishment of appropriate mitigation and monitoring 21 for impacts as directed in the SCA and MDNS. 22 CHAIR DREW: Thank you. 23 Desert Claim, Ms. Moon? 24 MS. MOON: Good afternoon, Council Chair 25 Drew and Councilmembers. For the record, this is Amy</p>
Page 6	Page 8
<p>1 It's still on site. 2 CHAIR DREW: It's still on the site. 3 MS. DIAZ: Yeah, it probably will be for 4 another few weeks. 5 CHAIR DREW: You had that much? 6 MS. DIAZ: We did, yeah. Quite a bit of 7 drifting. 8 CHAIR DREW: A high year for you? 9 MS. DIAZ: Yes, it was. 10 CHAIR DREW: Well, thank you. Good to see 11 you. 12 MS. DIAZ: Thank you. 13 CHAIR DREW: Moving on to Grays Harbor 14 Energy Center. 15 MR. SHERIN: Good afternoon, Chair Drew and 16 Councilmembers. I'm Chris Sherin, the plant manager at 17 Grays Harbor Energy Center. For January, the only 18 nonroutine item I'll mention is that we did schedule 19 RATA for February 27th and 28th, which in February, we 20 rescheduled to March 13th and 14th due to pipeline, 21 scheduled pipeline maintenance. And it will be in that 22 next -- this month's report, but we did do that testing 23 last week and it was successful. 24 CHAIR DREW: Great. 25 MR. SHERIN: Also in February, the Office of</p>	<p>1 Moon, and I am providing an update for the Desert Claim 2 Project. EFSEC Staff continue to coordinate with Desert 3 Claim working toward a construction date of 2021, and I 4 have no further updates at this time. 5 CHAIR DREW: Okay. Thank you. 6 WNP-1/4? 7 MS. RAMOS: Good afternoon, Chair Drew and 8 Councilmembers. This is Mary Ramos reporting for Energy 9 Northwest. For WNP-1/4, there are no updates to report. 10 CHAIR DREW: Okay. Thank you. And for 11 Columbia Generating Station. 12 MS. RAMOS: For Columbia Generating Station, 13 I have two topics to update. First, is a transformer 14 oil spill at Columbia. On February 27th of this year, 15 Energy Northwest received a letter from Washington State 16 Department of Ecology regarding the transformer oil 17 spill at Columbia. The letter states that Ecology is 18 not requiring additional follow-up regarding the spill 19 event, and the dangerous waste compliance investigation 20 is closed. The transformer repair has been included in 21 our upcoming outage, which is scheduled from May 11th 22 through June 15th. 23 And then my next update is regarding the 24 fire inspection at Columbia. On the 26th of February, 25 Energy Northwest provided a follow-up response to the</p>

<p style="text-align: right;">Page 9</p> <p>1 State Fire Marshal regarding the fire inspection of 2 non-power block facilities at Columbia. 3 CHAIR DREW: Okay. Are there any questions? 4 Thank you. 5 And, Ms. Moon? 6 MS. MOON: Thank you, Chair Drew. For the 7 record, again, this is Amy Moon, and I am providing an 8 update for Columbia Generating Station. I have two 9 issues. One, as Mary just spoke about, the transformer 10 release. I'm just going to give a little more 11 information on that. 12 Energy Northwest contractors performed a 13 cleanup of the leaking transformer oil on January 21st. 14 Mineral oil contaminated soil was removed and 15 verification samples of the remaining soil did not 16 detect PCBs. At the January 15th, 2019 Council meeting, 17 Councilmember Stephenson asked if there is a concrete 18 floor associated with the approximately 18-inch concrete 19 berm that surrounds the transformer yard. The 20 contractor dug to an approximate depth of two feet and 21 was unable to find a concrete liner. 22 Councilmember Stephenson also asked how 23 Energy Northwest determined that there's no water 24 contamination associated with the transformer leak. 25 Inspection of the underground -- well, the UIC wells</p>	<p style="text-align: right;">Page 11</p> <p>1 moved to Olympia due to inclement weather. No comments 2 were received during the public comment period or at the 3 public hearing. 4 With no comments received on the draft 5 permit modification, EFSEC Staff have prepared the final 6 Permit Amendment No. 2. And the only change to the 7 permit documents presented to the Council at the January 8 15th Council meeting and those presented to the public 9 is that EFSEC Staff have added an errata sheet 10 documenting the rescheduling of the public hearing and 11 correcting three broken web links that are now all 12 corrected in the final NPDES Permit documents. 13 So at this time, Staff are now requesting 14 the Council take action to approve the NPDES Permit 15 Modification Amendment No. 2. In EFSEC's regulations, 16 WAC 463-76-062(5) state that for existing facilities 17 under the jurisdiction of the Council, modifications of 18 the NPDES Permit shall be effective when approved by the 19 Council and signed by the Council Chair. If the Council 20 approves a permit modification, the Council Chair will 21 sign and the permit can go into effect immediately. Do 22 you have any questions about the permit? 23 CHAIR DREW: Are there any questions about 24 the permit? 25 MS. BUMPUS: Chair Drew, I just wanted to</p>
<p style="text-align: right;">Page 10</p> <p>1 within the vicinity of the transformer, which is 2 approximately 44 feet to the west is one well and 89 3 feet to the north is the other closest well, that's 4 being done weekly to look for oily sheen, and no sheen 5 has been observed. Do you have any questions on that? 6 CHAIR DREW: No questions. Thank you. 7 MS. MOON: Okay. And then I have an update 8 on the NPDES Permit modification for Columbia Generating 9 Station. As you recall, at the January 15th, 2019 EFSEC 10 Council meeting, Staff presented the draft National 11 Pollutant Discharge Elimination System Permit 12 modification for the Columbia Generating Station, which 13 is known as CGS, if I use that acronym, and that's 14 Amendment No. 2. 15 The proposed NPDES Permit modification was 16 to allow for a continuous halogenation/dehalogenation 17 process to improve inhibition of biological fouling of 18 the circulating water and plant service water systems at 19 CGS. 20 The Council made a tentative determination 21 for approval of the draft NPDES Permit and subsequently 22 conducted a public comment period from January 19th to 23 February 22nd, 2019. Additionally, a public hearing was 24 held by the Council on February 19th in Olympia. The 25 hearing was originally scheduled in Kennewick but was</p>	<p style="text-align: right;">Page 12</p> <p>1 add that the -- the NPDES Permit documents are all in 2 your packets. 3 CHAIR DREW: Thank you. 4 I know everybody looked at the proposed -- 5 the draft permit before the January meeting, and then we 6 had the hearing in February, so I think you're all 7 pretty familiar with what's in front of us. So 8 without -- if there aren't any questions, if someone 9 would like to make a motion to approve? Okay. 10 MR. STEPHENSON: I will move to approve the 11 NPDES Permit Modification Amendment No. 2 for Columbia 12 Generating Station. 13 CHAIR DREW: Thank you. 14 MS. GREEN-TAYLOR: I will second that 15 motion. 16 CHAIR DREW: Any discussion? All those in 17 favor, please say "aye." 18 COUNCILMEMBERS: Aye. 19 CHAIR DREW: Thank you. The NPDES Permit 20 No. 2 for Columbia Generating Station is approved. 21 Now I will say that we have a few 22 announcements to make and a resolution to consider. 23 First I'll start with the announcements. The 24 announcements are that, of course, Stephen Posner has 25 decided to retire, for which we're all a little sorry,</p>

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<p>1 and we can talk about that, but his last day will be 2 April 4th in the office? 3 MR. POSNER: 5th. 4 CHAIR DREW: 5th. I'm kicking him out a day 5 early. Not really. And I also want to announce that I 6 think you all know, but Sonia Bumpus will be our new 7 EFSEC manager, and she's already started training with 8 Stephen. Of course you know they've worked very closely 9 together over the past few years, so we're expecting a 10 smooth transition and for Stephen to leave his current 11 phone number on for a while. 12 And we have also named Ami Kidder as the new 13 siting and compliance manager, so congratulations to 14 Ami. And we're in the process of interviewing for 15 another siting specialist. So a lot of changes here at 16 EFSEC, but first of all, I'd like us to take up our 17 resolution. 18 And I may do a full reading of it after the 19 meeting, and we don't -- but it is resolution No. 345, 20 commending the services of EFSEC manager, Stephen 21 Posner. And a number of very good descriptive whereas 22 clauses with -- Stephen's worried. 23 Now therefore be it resolved that the Energy 24 Facility Site Evaluation Council hereby recognizes 25 Stephen Posner's outstanding and faithful contribution</p>	<p>1 great a colleague you've been in working as a partner as 2 we've looked at some -- quite a bit of new activities. 3 And you -- you just have been a tremendous leader, and I 4 have benefitted greatly from your leadership. And I 5 want to thank you and wish you many good golf games in 6 the future. 7 MR. POSNER: Well, thank you very much for 8 those very kind words. And it's -- it's very rewarding 9 to be receiving a resolution, considering how many I've 10 been involved in writing for other people. I'll finally 11 get my own. So I'm really looking forward to that. 12 And I just would like to thank the Council, 13 the folks that are here in front of us, but other 14 Councilmembers who have been here and who have left. 15 And there have been many. They have all provided a lot 16 of valuable input and helped me in doing my job better, 17 and I really appreciate the support and the guidance the 18 Council has provided to me. 19 And then also the Staff, every one of them, 20 all the folks sitting here and past Staff. You know, 21 we're a very small group. Everybody works very hard 22 and, you know, it's the accomplishments, my 23 accomplishments are, you know, are made up of efforts of 24 all of us. So -- and I think that's the way it works 25 here.</p>
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<p>1 to the Council's siting and regulatory activities and 2 gratefully expresses its gratitude for the commitment, 3 dedication, effort, and hair loss he has shown over the 4 past 12 years and 6 months. 5 So is there a motion to vote on the 6 resolution No. 345? 7 MR. STEPHENSON: Chair Drew, having read the 8 resolution myself and seeing that all Councilmembers 9 have signed it, I will move that we approve this 10 resolution. 11 MS. GREEN-TAYLOR: I will second the motion. 12 CHAIR DREW: Thank you. 13 All those in favor, please say "aye." 14 COUNCILMEMBERS: Aye. 15 CHAIR DREW: All those opposed? This one's 16 going to get the gavel. The resolution is adopted. I 17 do want to say as still a very new Chair of this 18 Council, that I could not have come into this position 19 with the -- without such a strong leader as Stephen has 20 been to the EFSEC Staff and as manager. 21 And for the many, many conversations and 22 discussions and education, every time I had a question, 23 which trust me, there were many, Stephen, you've just 24 been the most patient in getting me up to speed with my 25 learning curve, but also I very much appreciate how</p>	<p>1 And so it's been a great place to work. 2 I've met a lot of interesting people. And I wish you 3 all the best of luck and look forward to staying in 4 touch in the future. 5 CHAIR DREW: Thank you. 6 MR. POSNER: Thank you very much. 7 CHAIR DREW: Thank you. Well, with that, 8 our meeting is adjourned. 9 (Adjourned at 1:49 p.m.) 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>

CERTIFICATE

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STATE OF WASHINGTON
COUNTY OF THURSTON

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

Tayler Garlinghouse, CCR 3358

Kittitas Valley Wind Power Project

Monthly Operations Report

March 2019

Project Status Update

Production Summary:

Power generated: 8094 MWh
Wind speed: 3.9 m/s
Capacity Factor: 10.8%

Safety:

No incidents
Fire and Life Safety Inspection was a 100% perfect score.

Compliance:

Project is in compliance

Sound:

No complaints

Shadow Flicker:

No complaints

Environmental:

No incidents

Wild Horse Wind Facility

March 2019

Safety

No lost-time accidents or safety injuries/illnesses.

Compliance/Environmental

Nothing to report.

Operations/Maintenance

Nothing to report.

Wind Production

March generation totaled 40,722 MWh for an average capacity factor of 20.08%.

Eagle Update

Nothing to report.

Chehalis Generation Facility----Monthly Plant Report – March 2019

Washington Energy Facility Site Evaluation Council

04.05.2019

Safety:

- There were no recordable incidents this reporting period and the plant staff has achieved 1301 days without a Lost Time Accident.

Environment:

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

Operations and Maintenance Activities:

- The Plant generated 115,937 MW-hours in March for a 2019 YTD generation total of 483,109 MW-hours and a capacity factor of 44.03% for 2019.

Regulatory/Compliance:

- The Chehalis plant conducted the 2019 annual relative accuracy test audit (RATA) of the continuous emission monitors for each of the combustion turbine emission units. The final report will be issued in May 2019.
The draft results of the RATA confirmed the CEM's were performing within the limits as required by the Federal Regulation, 40 CFR Part 75 Annual specifications.
- On March 26, 2019, representatives from the Southwest Clean Air Agency and EFSEC staff conducted an annual site inspection as required by the Title V Permit. A site assessment report will be issued at a future date.

Sound monitoring:

- Nothing to report this period.

Carbon Offset Mitigation:

- Nothing to report this period.



Respectfully,

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

Mark A. Miller
Manager, Gas Plant
Chehalis Generation Facility

**Energy Northwest
April 16, 2019 EFSEC Council Meeting
Operations Reporting Period for March 1-31, 2019
Site Contact: Mary Ramos**

Washington Nuclear Project 1 and 4 (WNP-1/4)

No updates to report

Columbia Generating Station

Transformer oil spill at Columbia Generating Station

Energy Northwest is working on a response to EFSEC's request for information regarding the transformer oil spill at Columbia Generating Station. The letter, which was sent to EN by EFSEC on March 14, 2019, requests information regarding the release and cleanup of soil.

Fire Protection and Life Safety Inspection of Columbia Generating Station

On March 27, 2019, Energy Northwest responded to EFSEC's request for additional information regarding the fire inspection of non-power block facilities at Columbia Generating Station. Third-party reports to support the building code of record modification for buildings 26, 34, and 35 at CGS will be submitted to EFSEC by April 9, 2019.

Columbia Generating Station Refueling 24

Columbia Generating Station, owned and operated by Energy Northwest, will begin its 24th refueling May 11. Scheduled for no-more-than 40 days, refueling is an opportunity to add fresh nuclear fuel to Columbia's reactor core, as well as perform maintenance projects that can best be accomplished only when the reactor is shut down. Maintenance projects are undertaken for a variety of reasons, including regulatory commitments, enhancing equipment reliability and improving Columbia's value to the region.

Columbia will replace 260 of 764 nuclear fuel assemblies. Every two years, approximately a third of Columbia's fuel assemblies are removed from the core and placed in the used fuel pool after spending a total of six years in the reactor core.

A low pressure turbine rotor will be installed as part of Columbia's turbine life-cycle plan, a multi-year project to refurbish the three low pressure turbines to satisfy the plant's license extension to 2043.

In addition, workers will use robotics to perform a generator "rotor in" inspection and upgrade the plant fire detection system among other projects and maintenance. In all, 1,300 work orders involving more than 7,500 tasks will be completed during the 40-day planned shutdown. The total budget for refueling, maintenance and capital investment work is approximately \$127 million.



Workers install a new low pressure turbine during R-23



Columbia Refueling 24

More than 1,200 skilled outage workers were hired locally and from across the country to support maintenance projects throughout the plant. The added workers join Columbia's normal work force of about 1,000 employees and bring substantial economic value to the region.

Refueling is an "all hands on deck" effort, requiring many employees to work outside their regular position in support of functions such as in-processing and foreign material exclusion controls.

Concerted, rigorous planning efforts begin two years prior to the start of refueling with long-lead planning several years prior to that.

About Energy Northwest

Energy Northwest owns and operates a diverse mix of 100 percent clean electricity generating resources: hydro, solar and wind projects, and the third-largest provider of electricity in Washington – the Columbia Generating Station nuclear power facility. These projects provide carbon-free electricity at the cost of generation – enough clean, cost-effective and reliable energy to power more than a million homes each year. As an independent joint action agency of Washington state, Energy Northwest comprises 26 public power member utilities from across the state serving more than 1.5 million customers. The agency continually explores new generation projects to meet its members' needs.

Visit our website for more information about us. www.energy-northwest.com.



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EFSEC Monthly Operational Report Grays Harbor Energy Center

March 2019

Safety and Training

- There were no accidents or injuries during the month and the plant staff has achieved 3741 days without a lost time incident.

Environmental & Compliance

- There were no air emissions, outfall or storm water deviations, or spills during the month.
- All routine reporting was completed for the month and quarter.
- Annual Greenhouse Gas Reports submitted to EPA & WA DOE.
- NPDES (Discharge) Permit draft was given to GHEC on 19FEB for review. It was reviewed and submitted back to EFSEC on 5MAR19.
- Sent EFSEC a new revision of our Startup, Shutdown, Malfunction, Procedure.

Operations & Maintenance

- Grays Harbor Energy Center (GHEC) operated 21days during the month, with 3 starts on U1, and 5 starts on U2.
- GHEC generated 239,815MWh during the month and 706,678MWh YTD.
- The plant capacity factor was 52% for the month and 52.8% YTD.
- In January, the scheduled Relative Accuracy Test Audit (RATA) was completed March 13-14.

Noise and/or Odor

- None.

Site Visits

- None.

Other

- None.



EFSEC

Energy Facility Site
Evaluation Council

2018 STRATEGIC AND POLICY REVIEW

Prepared at the direction of Governor Jay Inslee, State of
Washington

ABSTRACT

This report reviews EFSEC's mission, summarizes recent changes in the world of energy production, and outlines a proposed response to those changes, in the form of five strategic opportunities for EFSEC to assist with the transformation to a clean energy future in Washington state.

Kathleen Drew, Chair, Energy
Facility Site Evaluation Council

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Introduction

Purpose of this review

Technologies for generating electricity – and our understanding of the environmental consequences of those different technologies – have changed dramatically in the nearly 50 years since the Energy Facility Site Evaluation Council (EFSEC) was created. EFSEC’s processes and procedures, originally designed to review the siting of nuclear power plants and coal-fired facilities, are now being applied to the siting of wind and solar installations. And we can expect even greater changes ahead, as costs of mature alternative energy technologies continue to decline, innovations in technology continue to reach market, and the demand for energy that is not just abundant and affordable but also *carbon-free* continues to grow.

In response to this new era in energy production and demand, Governor Jay Inslee, on Jan. 3, 2018, called on EFSEC’s new chair, Kathleen Drew, to conduct a strategic and policy review of the agency. Specifically, he called on her to (emphasis added):

- Reassess the **scope and role of the Council**, and recommend changes to reflect the **ongoing changes to the industry** and the **state’s needs for reliable, affordable and clean energy** to serve current and future generations;
- Evaluate the **process and procedures of the Council**, to **consolidate and streamline their work** in ways that **increase consistency, reduce decision times, and improve the transparency and access** to the process; and,
- Review the **current membership** of the council and recommend changes that would broaden representation from **local and tribal governments, industry experts, and the general public**.

Review process

Throughout 2018, EFSEC Chair Drew and her team conducted a series of steps to carry out this strategic and policy review, including:

- Meeting with a wide range of stakeholders to gather in-depth input on all aspects of EFSEC’s operations;
- Process-mapping of EFSEC’s core work processes, including both analyzing current operations and developing options for future improvements;
- Developing a proposed set of changes to EFSEC’s authorizing legislation, including major redrafting based on extensive input from outside stakeholders; and
- Launching an effort to gain specific input from energy facility operators regarding EFSEC’s processes for oversight of currently-regulated facilities.

What EFSEC has learned so far, our current proposals for action, and what we believe lies ahead are detailed in the report that follows. Our intention is to lay out a roadmap for continuous improvement to be carried out over the coming years.

EFSEC's Mission and Role

EFSEC's origins

The siting of energy facilities was a pressing issue when EFSEC was created in 1970. At the time (and until recently), economic growth was directly tied to growth in energy supply. So our growing state needed new energy facilities and associated transmission lines.

Getting approval for those facilities, however, meant interacting with multiple levels of government: Federal, state, and local (including cities, counties, and port districts). Within state government, getting approval meant working with multiple agencies having diverse (and sometimes conflicting) missions, goals, and areas of expertise.

The early 1970's was also a time of burgeoning concerns about the environment, coinciding with the first Earth Day and the creation of the federal Environmental Protection Agency (EPA). On the one hand, society could benefit from the demand to find cleaner, safer ways to produce needed power. On the other hand, local opposition in the form of "not in my backyard" (or "NIMBY") could put projects with statewide benefits at risk for strictly local concerns.

To cut through this knot of competing demands, Washington's legislature created the Energy Facility Site Evaluation Council, or EFSEC. Designed as a "one-stop shop," EFSEC brought together all the key state and local players at the same decision-making table. To insure its effectiveness, EFSEC was given authority to preempt local government regulations, when necessary, ensuring that no locality could block a project determined to have a greater good for all residents of the state. (While EFSEC today seeks to avoid the use of preemption, it remains a contentious issue with some of EFSEC's partners in local government.) EFSEC was also granted direct appeal of its decisions straight to the state Supreme Court, further ensuring timely and final decisions.

Types of energy facilities that may be covered by EFSEC:

- Thermal electrical generation
- Alternative energy electrical generation (optional)
- Pipelines
- Electrical transmission lines
- Petroleum refineries
- Petroleum storage

See Appendix 2 for more details.

EFSEC's mission

EFSEC has two primary duties:

1. The initial site certification of proposed new (or expanding) energy facilities; and
2. The regulation and operational (compliance) review of those facilities, from initial construction, through typically decades of operation, right up until closure, decommissioning, and site restoration (ensuring operators do not leave structures or waste behind after facilities close).

In pursuing those duties, EFSEC is charged with finding a workable balance between meeting society's demand for energy while ensuring "minimal adverse effects on the environment, ecology of the land and its wildlife, and the ecology of state waters and their aquatic life." When making siting decisions, the council is guided by a "balancing test" laid out in EFSEC's authorizing legislation, five premises the council must integrate to balance the need for energy facilities with the broader public interest:

1. To assure Washington state citizens that operational safeguards meet federal criteria and are technically sufficient for their welfare and protection;
2. To preserve, protect, and improve the quality of the environment (air, water and land);
3. To provide abundant energy at reasonable cost;
4. To limit costs and maintain public use of unfinished nuclear energy facilities (added in 1976);
5. To avoid costly duplication and delays in the siting process (added in 1996).

The critical role of SEPA

In making determinations on environmental issues, EFSEC's staff relies on the requirements of the State Environmental Policy Act, or SEPA. This act, which has been described as perhaps the most powerful legal tool for protecting the environment of the state, directs agencies (and developers) to:

- Consider environmental information (impacts, alternatives, and mitigation) before committing to a particular course of action;
- Identify and evaluate probable impacts, alternatives, and mitigation measures, emphasizing important environmental impacts and alternatives (including cumulative, short-term, long-term, direct, and indirect impacts);
- Encourage public involvement in decisions;
- Prepare environmental documents that are concise, clear, and to the point; and
- Integrate SEPA with agency activities at the earliest possible time to ensure that planning and decisions reflect environmental values, avoid delays later in the process, and seek to resolve potential problems.

Because SEPA was passed in 1971, shortly **after** the creation of EFSEC, there is some overlap and duplication in statutory requirements between the two laws. That overlap represents ripe potential opportunities for EFSEC to streamline its administrative procedures, and thereby reduce the time to process applications. The very idea of streamlining and shortening review can understandably raise concerns for those focused on protecting our environment. Stakeholders are reassured, however, by the fact that EFSEC's work is so firmly rooted in SEPA, thereby ensuring that any and all streamlining could only be done within the framework of maintaining the very highest level of environmental scrutiny.

EFSEC's structure

EFSEC's decision-making council includes from 6 to as many as 13 members chosen by state agencies and local governments. (For further detail on EFSEC membership, please refer to Appendix 1.) The council is led by a Governor-appointed chair, and supported by a small professional staff. Originally housed within the State Energy Office at CTED (later the Department of Commerce), EFSEC moved to the Utilities and Transportation Commission (UTC) in 2010.

EFSEC is completely funded by user fees collected from applicants and regulated facilities. EFSEC staff work with energy providers and government partners to analyze environmental risks, develop suitable mitigation strategies, and document operational requirements in the form of "site certificates." They also prepare studies and reports to help the council in making decisions. In support of these tasks, they develop and manage contracts with technical experts in state and local government and the private sector. EFSEC's primary contractors in state government include the Departments of Ecology, Health, and Fish and Wildlife, along with the Military Department (due to its role in ensuring emergency preparedness for the state's only operating nuclear facility, the Columbia Generating Station).

Except for fairly minor modifications, EFSEC's statute remains substantially unchanged from when it was first passed in 1970.

What is a "certificate holder?"

EFSEC's customers are private developers seeking a "certificate" (essentially a broad permit) to construct an energy facility. Developers are referred to as "applicants" prior to certification, and "certificate holders" once approved by the Governor.

External Conditions: Changes in Industry and Energy Demand

Background and emerging trends

Energy production and distribution is as critical to Washington's economy today as it was when EFSEC was established in 1970. In those early decades, the Northwest's chief sources of energy (after hydropower) were nuclear power and the burning of fossil fuels. Since then, however, advances in technology have pushed the steady and dramatic reduction in the cost of first wind and then solar power. Under the right conditions, those renewable sources are now the most cost-effective sources of new electrical power generation in the state.

Our current era in energy is characterized by volatility and change, as now-mature alternative technologies become cost-effective, newer technologies continue to come on-line, and society's expectations shift in response to a discernably changing climate. There is no reason to expect the current ferment will not go on or even intensify.

Within this context of fast-moving change, several trends have emerged:

1. The declining cost of wind and solar power.

Even without subsidies or a price on carbon, wind and solar have become cost-effective compared to traditional fossil fuels, and those costs are universally projected to continue to decline. Here in Washington, the trend can be seen in the fact that the majority of **new** facilities for generating electricity are wind and solar sites.

2. Advances in energy storage.

Industrial-scale batteries – 100 MW and larger – are already commercially available, and the wide range of alternative energy storage technologies being explored promises an era of steadily declining costs. The implications

of storage on this scale are industry-changing: It holds the promise of transforming variable wind and solar power into reliable baseload power. That means alternative energy doesn't just become the most affordable source of additional power; it can also start to replace existing sources of baseload power.

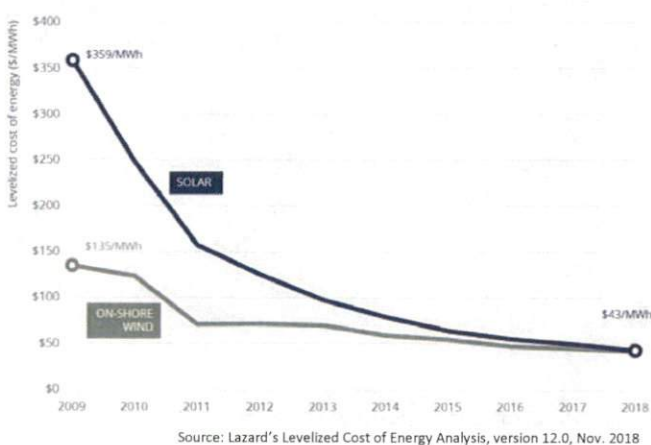
3. Advances in other tools to address variability and reliability.

Newer tools like demand response (essentially a way for utilities to cut peak demand as needed), microgrids, "virtual power plants," and more, increasingly enable greater use of wind and solar power. Technology in these areas is advancing rapidly.

4. Declining need for fossil fuel plants.

As advances in storage and other tools remove the most salient downside of wind and solar

Since 2009, prices of solar and wind power have fallen dramatically



What are "variability" and "reliability"?

Unlike a coal or nuclear plant, which can produce a steady stream of power, wind and solar power are "variable," since the wind doesn't always blow and the sun doesn't always shine. Utilities seek (and customers demand) a high level of "reliability" – essentially, power that is always "on." In the past, this sharply limited the degree to which solar and wind could be incorporated into the electricity supply mix. Advances in energy storage and other new tools are changing the equation, however.

power (variability), the long-term trends that have shuttered so many fossil-fuel facilities seem likely to grow.

5. Growing recognition of the costs associated with greenhouse gas (GHG) emissions. Whether recaptured through a carbon fee or not, the costs of GHG emissions are real and growing, both for governments and for society as a whole. Ever-increasing floods, droughts, extreme rain events, heat waves, sea-level rise, and ocean acidification can be expected to keep the high cost of carbon emissions ever more in the public's consciousness.

6. Growing demand for clean electricity. Washington has already seen a growing demand for clean energy, both from businesses (like Microsoft) and the public. As the observable costs of carbon emissions mount (as noted above), while the price of clean alternatives drops, and political urgency grows, the pressure to increase investment in renewables is likely to continue to grow.

7. Potential increases in demand. With advances in energy efficiency (such as LED lighting), overall electricity demand has held steady or has been declining. Projections are that this could change, however, particularly due to increased air conditioning demand in summers (due to rising temperatures), along with increasing electrification of the transportation sector. While any increased demand could be met by delaying the retirement of fossil-fuel facilities, it could also be met by a faster and larger build-out of new wind and solar facilities.

It must be noted that this list of trends is not exhaustive. A myriad of carbon-free alternative energy sources are under development: off-shore wind, tidal and wave energy, fuel cells, geothermal, and more. As these and other alternatives reach the market and become cost-competitive in their turn, they promise to further hasten the transformation away from fossil fuels and towards carbon-free alternatives.

The bottom line

Already, today, the majority of applications for new energy facilities in Washington are for wind and solar facilities. As their costs continue to decline, and the biggest obstacles to further adoption of these renewables (variability and reliability) are addressed, this trend can be expected to continue and grow.

If, in addition, the public's demand for clean energy continues to grow, and there are cheaper, clean-energy alternatives to current carbon-polluting baseload power sources, the demand for siting new wind and solar facilities could end up exceeding current projections.

At a bare minimum, to prepare for such scenarios, EFSEC's approval process ought not to be allowed to become a bottleneck to any possible future expansion of alternative energy. Thinking more expansively, concerned policymakers may want to seek ways to use EFSEC as a tool to actively accelerate Washington's transition to clean energy.

Building the EFSEC of the Future

Given the trends outlined above, it may be that the two greatest demands facing EFSEC in the next few years will be these:

1. How to review new solar and wind facilities in as streamlined a way as possible, and
2. How to quickly adapt in order to effectively address new, emerging technologies as they come to market.

In such a context, the next strategic development for EFSEC could be summarized in this phrase: “Streamlined processes run by a nimbler agency.” How can EFSEC do its work in a faster and less costly way, while still maintaining and expanding public participation, and – above all – while not lowering its environmental standards in any way?

While daunting, such a task is not impossible. EFSEC’s team has already identified a wide range of specific improvements it can make and outlined pathways for finding even more. These proposed improvements are laid out in the following pages, organized by the five greatest opportunities identified by stakeholders and the EFSEC team:

- **Opportunity #1: Restructuring the council for greater accountability,**
- **Opportunity #2: Streamlining the application process,**
- **Opportunity #3: Enhancing transparency and public involvement,**
- **Opportunity #4: Streamlining regulation and compliance, and**
- **Opportunity #5: Refining the scope and role of the council.**

The discussion of each of these opportunities includes:

- A background overview,
- A broad policy goal,
- A table detailing the current challenges, proposed solutions, and specific next steps, and
- A summary of where EFSEC proposes to go from here.

While these pages document EFSEC’s best thinking at this time, we hope this report will stimulate additional thinking and input from stakeholders and the public. With their help, we hope our analysis and solution sets will continue to develop and improve over time.

Opportunity #1: Restructure the Council for Greater Accountability

Background

In her meetings with stakeholders, Chair Drew heard a broad consensus that the variability in EFSEC's existing membership does not foster cohesiveness and consistent operation. Currently, council members fall into three distinct classes: 1) a core of consistent agency members; 2) a constantly-changing cast of site-specific city and county government representatives, and 3) a changing cast of members from "optional" state agencies. At a single Council meeting, the Chair might have to convene three distinct (though overlapping) council bodies to make decisions on three different sites. (See Appendix 1 for a detailed breakdown of council membership.)

Goal: To meet the challenges ahead, EFSEC should become a more cohesive body, better able to retain and build on institutional knowledge.

Current Challenges	Proposed Solutions	Next Steps
1. Washington's tribes have no representation on EFSEC.	<ul style="list-style-type: none">• Create a permanent position for a representative chosen by Washington's tribes.	Included in 2019 EFSEC streamlining bill.
2. EFSEC continually loses institutional knowledge because of the constantly changing representation from cities, counties, and "optional" agencies.	<ul style="list-style-type: none">• For cities and counties: Replace site-specific representation for cities and counties with permanent, standing members on EFSEC (to be chosen by their associations, AWC and WSAC, respectively).• For "optional" state agencies: Replace "optional" membership for specified state agencies with a strengthened consultative role, starting early in the application process.	Included in 2019 EFSEC streamlining bill.
3. Local government is only represented during application review (and thereby excluded from input on broader policy and regulatory oversight of facility construction and operation).		
4. It is unwieldy to have to convene multiple different councils at a single meeting in order to address different sites.		
5. Non-voting representation from ports is rarely used and adds little or no value for either party.	<ul style="list-style-type: none">• End non-voting representation from ports. (Other strong avenues for port input remain.)	Included in 2019 EFSEC streamlining bill.
6. Operational accountability over EFSEC staff is muddled; they work for the EFSEC Chair, but by statute report to the UTC.	<ul style="list-style-type: none">• Change the current reporting relationship so all EFSEC staff report to the EFSEC Chair.	Included in 2019 EFSEC streamlining bill.

Future Steps

If proposed legislative changes are adopted, it will mean significant changes for the council. The council, its government partners, and stakeholders will need to monitor the impact of these changes, both to ensure they achieve their intended purposes, and to identify additional improvements to adopt in the future.

Opportunity #2: Streamline the Application Process

Background

For developers coming before EFSEC, time is literally money. Developers have uniformly expressed frustration with the cost and time associated with EFSEC review, both for renewable energy facilities and for more traditional fossil fuel operations. At the same time, regulators (both within EFSEC and at other agencies) broadly agree that there are potential opportunities to streamline the review process *without sacrificing environmental protections in any way*.

Goal: EFSEC should streamline review for all applicants. In particular, EFSEC should adapt its level of review to match the environmental impact and risks associated with different energy technologies, and should be granted the flexibility it needs in order to do so.

Current Challenges	Proposed Solutions	Next Steps
1. Current statute requires EFSEC to hold two different hearings on the same case, back-to-back.	<ul style="list-style-type: none"> Combine two hearings into one by incorporating consideration of land-use consistency issues into the currently mandated informational public hearing. 	Included in 2019 EFSEC streamlining bill.
2. For certain straightforward siting decision (such as most wind farms), the EIS gives the council all the information it needs to make a decision; the statutorily required adjudication is unnecessary.	<ul style="list-style-type: none"> Allow the council to waive adjudication if it determines (after public comment) that the EIS already provides sufficient information to make a decision. 	Included in 2019 EFSEC streamlining bill.
3. Developers often start their siting process a full year before filing a site application. By then, the process may be too far along and opportunities for win-win solutions may have been lost.	<ul style="list-style-type: none"> Alter current statute to allow expansion of the pre-application process to facilitate earlier involvement with developers and local governments. 	Included in 2019 EFSEC streamlining bill.
	<ul style="list-style-type: none"> Actively reach out to developers for input, including seeking opportunities to pilot expanded pre-application. 	In planning.
4. EFSEC's work is centered on SEPA. But because EFSEC's statute predates SEPA, EFSEC created rules which are in some cases duplicative, creating unnecessary burdens on applicants.	<ul style="list-style-type: none"> Initiate outreach to stakeholders to identify ways to streamline EFSEC application process. Explore innovative opportunities, such as "off-the-shelf permitting" as practiced in Europe, and innovative ways to adopt previously-approved EIS's. 	Stakeholder outreach underway. Continue and expand current research.
5. Other jurisdictions have found ways to review applications and issue permits in much less time.	<ul style="list-style-type: none"> Initiate rule-making to implement identified improvements. 	Planned for 2019.

Future Steps

If passed, EFSEC's proposed legislative changes will allow EFSEC greater flexibility to create an expanded pre-application process. Those statutory changes will require follow-up rulemaking. That rulemaking will in turn be an opportunity to engage closely with stakeholders to find additional ways to streamline EFSEC's work.

Opportunity #3: Enhance Transparency and Public Involvement

Background

Under the current administration, EFSEC has sought opportunities to strengthen and expand opportunities for public input. EFSEC's statute mandates a series of public hearings on each siting decision, and grants the chair flexibility to add additional hearings where desirable (as she has frequently done). One of the prime duties of EFSEC staff is to carefully review all public input and ensure that every distinct point raised in hearings or comments receives a clear response, whether the recommendations are adopted or not.

Goal: EFSEC should continue to raise the bar on transparency and public involvement. Staff should capitalize on advances in information technology to foster clear communication.

Current Challenges	Proposed Solutions	Next Steps
1. Historically, nationwide, minority and disadvantaged communities have often been disproportionately harmed by environmental impacts from energy facilities, and often systematically denied a full voice in decision making.	<ul style="list-style-type: none">• Add consideration of environmental justice to EFSEC's balancing test.• Work with stakeholders to ensure adequate outreach and inclusion for minority and disadvantaged communities.	Included in 2019 EFSEC streamlining bill.
2. Local governments have expressed the desire for greater input into EFSEC application review and deliberations.	<ul style="list-style-type: none">• Strengthen the pre-application process to ensure greater involvement from local governments up front.	Included in 2019 EFSEC streamlining bill.
3. Citizen participation in EFSEC hearings is difficult when those hearings are held in Olympia.	<ul style="list-style-type: none">• Continue the recent practice of holding hearings in venues near proposed sites.• Continue to hold regular council meetings at the sites of currently regulated facilities.	Continue and expand on current practices.
4. It's not enough for the public to have a voice in public hearings; citizens also have the right to know their voice is being heard.	<ul style="list-style-type: none">• When analyzing and responding to issues raised in public comments, continue efforts to provide a clear crosswalk between comments and staff recommendations.	Continue and expand on current practices.
5. EFSEC's website is fairly difficult to navigate, is less complete than desirable, and has no search function.	<ul style="list-style-type: none">• Proceed with two planned rounds of website expansion and usability improvement (including adding a search function).	Continue current efforts.
6. The application process is fairly opaque. It is not obvious to all new applicants how to proceed, and it's not obvious along the way which components are complete and what exactly is missing on the rest.	<ul style="list-style-type: none">• In conjunction with it efforts towards streamlining the application process, EFSEC should consider incorporating clear, simple forms and checklists, where possible (including on-line access, where appropriate).	Under further study.

Future Steps

EFSEC intends to continue to seek stakeholder input in order to continuously improve its level of transparency and public involvement. EFSEC's goal should be to keep innovating, experimenting, and piloting new tools and techniques, always asking, "What can we do better?"

Opportunity #4: Streamline Regulation and Compliance

Background

The part of EFSEC's work that gets the most attention is the high-profile and sometimes controversial work of site certification. Less glamorous, but no less important, is the on-going, day-to-day work of regulating and ensuring compliance for currently operating energy facilities. This work, which consists of monitoring, processing permit renewals, responding to incidents, and more, is what guarantees the reliable flow of energy to Washington's citizens, while ensuring that vital environmental safeguards are strengthened and maintained.

Goal: EFSEC should seek to continuously improve its regulatory oversight of energy facilities, always seeking opportunities to strengthen environmental protection while reducing the time, cost and other regulatory burdens on facility operators.

Current Challenges	Proposed Solutions	Next Steps
1. There may be opportunities to make monthly status reports by facilities more consistent, less time-consuming to prepare, and more focused on what regulators really need to know.	<ul style="list-style-type: none">• Create a framework or template for facility monthly status reports.• Consider less frequent (but possibly more in-depth) reporting.	Currently under development by EFSEC staff.
2. EFSEC has never systematically met with all active certificate holders to learn their concerns and hear their ideas for improvements.	<ul style="list-style-type: none">• Systematically meet with all certificate holders, ideally on-site at their energy facilities.	Meetings are currently underway, with more planned.
3. There may be ways to improve EFSEC's practices and procedures for oversight and regulation.	<ul style="list-style-type: none">• Conduct research and compare EFSEC's oversight and regulation practices to those of other state and local entities.	In planning.
4. There may be ways to streamline the permit renewal process.	<ul style="list-style-type: none">• Work with staff and stakeholders to map out current permit processes and examine them for areas of improvement.• Act on the greatest opportunities for improvement that are identified.	In planning.

Future Steps

While there are no immediate areas of concern, compliance monitoring is the core of EFSEC's work. On-going and expanded efforts to reach out and listen to EFSEC's regulated customers is necessary to achieve the highest possible levels of efficiency and service.

Opportunity #5: Refine the Scope and Role of the Council

Background

EFSEC has statutory authority to issue permits to energy facilities ranging from generating plants to transmission lines to petroleum storage facilities. While EFSEC's statutory authority was at one time logical and comprehensive, changes in technology and energy sources have left EFSEC with a haphazard patchwork of oversight responsibilities. In some areas, EFSEC is restricted to only reviewing types of facilities which are unlikely to ever again be proposed; in other areas, EFSEC is excluded from addressing facilities which Washington's current economy demands.

Goal: State decision makers should consider whether the state would be better positioned to achieve its energy goals if EFSEC were granted expanded scope, in response to current and expected changes in the energy industry. EFSEC could be fully empowered to use its authority and expertise to help accelerate the transformation to a clean energy economy.

Current Challenges	Proposed Solutions	Next Steps
1. Clean energy is not explicitly called out as an element of EFSEC's statutory "balancing test."	<ul style="list-style-type: none">• Add language on clean energy to EFSEC's statutory "balancing test."	Included in 2019 EFSEC streamlining bill.
2. Statutory threshold limits on some covered technologies (such as 350 MW for thermal electric generation) greatly exceed current market realities.	<ul style="list-style-type: none">• Conduct a comprehensive review of what types of energy facilities EFSEC should have authority to review.	Continue and expand current efforts on research, stakeholder outreach, and planning. Develop proposed legislation for 2020, as appropriate.
2. Statutory silence on newer fuels (such as liquid natural gas, or LNG) keep EFSEC from reviewing key facilities.	<ul style="list-style-type: none">• Begin with expanded engagement with stakeholders.	
4. Statutory silence on energy storage, along with potential overlap with federal jurisdiction (FERC), may constrain EFSEC consideration of critically needed facilities.	<ul style="list-style-type: none">• Seek to update threshold limits to better match current market demands.	
5. While EFSEC is ideally suited for reviewing facilities that cross multiple jurisdictions, many opportunities are precluded by statute.	<ul style="list-style-type: none">• Seek legislative changes in 2020 as needed, and as consensus and clarity emerge.	
6. There is no mechanism in place to ensure EFSEC's authority keeps up with the pace of changing technology.	<ul style="list-style-type: none">• Explore ways to provide greater flexibility going forward, as technology continues to change and evolve.	Expand current efforts on research and stakeholder outreach.

Future Steps

Thresholds – what to cover and what not to cover – are one of the greatest areas of controversy regarding EFSEC's future role. EFSEC should work with stakeholders to find areas where consensus may exist, or at least to highlight where opportunities exist and hard decisions may need to be made. (See Appendix 2 for further detail on current threshold limits for EFSEC review, along with some proposed or possible changes.)

Next steps

This chart summarizes the major proposed work streams for streamlining and updating EFSEC operations over the next two years. Note that each of these work streams feeds into, builds on, or interacts with other work streams at multiple points along the way.

2019	2020
Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec	Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec
2019 Legislation <div>Legislative consideration of 2019 proposal</div>	
Stakeholder Outreach <div>Stakeholder engagement & outreach</div> <div>Focused outreach with current certificate holders</div> <div>Focused outreach to recent, current, and potential applicants</div>	
2019 Rulemaking <div>Prep for rule-making</div> <div>Rulemaking to implement legislative changes (if any) and incorporate process improvements</div>	
Redesign of Processes <div>Process re-design (pre-application & application), based on stakeholder input.</div> <div>Pilot new processes, if possible.</div>	
2020 Legislation <div>Development of 2020 legislative proposal (if consensus and clarity emerge)</div>	<div>Legislative consideration of 2020 proposal</div>
2020 Rulemaking	<div>Prep for rule-making</div> <div>Rulemaking to implement legislative changes (if any) and incorporate process improvements</div>

Appendix 1: EFSEC Membership, Current and Proposed

CURRENT

- **Members:**

- EFSEC Chair
- Dept. of Ecology
- Fish & Wildlife
- Dept. of Commerce
- UTC
- DNR

- **Site-specific:**

- Local County
- Local City (if any)
- Local Port District

- **Optional:**

- Dept. of Agriculture
- Dept. of Health
- Military Dept.
- Dept. of Transportation

PROPOSED

- **Membership:**

- EFSEC Chair
- Dept. of Ecology
- Fish & Wildlife
- Dept. of Commerce
- UTC
- DNR
- Counties rep (chosen by WSAC)
- Cities rep (chosen by AWC)
- Tribal rep (chosen by tribes)

- **Partnership:**

- Site-specific county, city, & tribes
- Dept. of Agriculture
- Dept. of Health
- Military Dept.
- Dept. of Transportation

Appendix 2: Thresholds for Energy Facilities Subject to Review by EFSEC

Category	Current Statutory Threshold for Coverage	Stakeholder Concerns
Thermal Electrical Generation	<ul style="list-style-type: none"> Any stationary thermal (non-hydro) power plants with electrical generating capacity of 350 MW or more, including associated facilities such as transmission lines in excess of 115 kilovolts. Floating thermal power plants of 100 MW or more. 	<ul style="list-style-type: none"> Much smaller plants are currently the norm. (Oregon's threshold is only 25 MW.)
Alternative Energy Electrical Generation	<ul style="list-style-type: none"> Opt-in: Applicants have the option of seeking certification under EFSEC for facilities of any size. Types of facilities specifically designated as "alternative": <ul style="list-style-type: none"> Wind Geothermal Wave or tidal action Solar Landfill gas Biomass 	<ul style="list-style-type: none"> Newer technologies (such as biofuel, renewable natural gas (RNG), and biopower) are not included. Some "alternative energy" facilities emit GHGs.
Pipelines	<ul style="list-style-type: none"> Crude or refined petroleum or liquid petroleum product pipelines larger than 6 inches in diameter and greater than 15 miles in length. Natural gas, synthetic fuel, gas, or liquefied petroleum gas pipelines larger than 14 inches in diameter and greater than 15 miles in length (intrastate only). 	<ul style="list-style-type: none"> Technology has advanced; there is a need to review and possibly reassess length and dimension criteria.
Electrical Transmission Lines	<ul style="list-style-type: none"> Electrical transmission facilities in a national interest electric transmission corridor. Opt-in: Electrical transmission facilities for which an applicant seeks certification under EFSEC, and the facility is: <ul style="list-style-type: none"> Greater than 115 kilovolts and located outside an electrical transmission corridor; or At least 115 kilovolts and located in a new corridor or located in more than one jurisdiction that has promulgated land use plans and zoning ordinances. 	<ul style="list-style-type: none"> May require comprehensive review, given increasing demands for transmission related to new alternative energy electrical generation sources. Reconsider EFSEC coverage for transmission lines that cross multiple jurisdiction; should it be required (as it is in Oregon)?
Refineries (Petroleum, Biofuel)	<ul style="list-style-type: none"> New refineries capable of processing more than 25,000 barrels per day of petroleum or biofuel into refined product, except where such biofuel production is undertaken at existing industrial facilities. Refineries which increase their processing of petroleum into refined product by more than 25,000 barrels per day. Crude or refined petroleum or liquefied petroleum facilities that can receive more than an average of 50,000 barrels per day, if transported over marine waters. (Doesn't apply to storage facilities unless they are part of a new energy plant or transmission facility.) 	<ul style="list-style-type: none"> Some of these thresholds are too high, particularly for biofuels. Why limited to these specific fuels? What about biofuels produced by thermochemical conversion, not refining? May need separate categories for biofuels and renewable natural gas (RNG). Should be "can store" instead of "can receive." Why limited to transport over marine waters?
Storage of Fossil Fuels (Petroleum, Natural Gas, Liquefied Natural Gas)	<ul style="list-style-type: none"> Any underground natural gas storage reservoir capable of delivering more than 100,000,000 cu.ft. per day. Crude or refined petroleum or liquefied petroleum facilities that can receive more than an average of 50,000 barrels per day, if transported over marine waters. (Doesn't apply to storage facilities unless they are part of a new energy plant or transmission facility.) Liquid natural gas facilities with capacity to receive an equivalent of more than 100,000,000 cu.ft. per day, if transported over marine waters. 	<ul style="list-style-type: none"> Are these numerical thresholds still appropriate? (Only 1 out of 7 proposed projects several years ago fell under EFSEC jurisdiction, because of the 50K threshold.) Should be "can store" instead of "can receive." Why limited to transport over marine waters?

REFERENCES

The following is a partial list of the resources which were consulted in the preparation of this report.

- **Underlying legal basis:**
 - EFSEC statute: [RCW 80.50](#); EFSEC rules: [WAC 463](#)
 - Proposed 2019 EFSEC legislation: [HB 1332](#) / [SB 5329](#)
 - SEPA statute: [RCW 43.21C](#); SEPA rules: [WAC 197-11](#)
 - Additional SEPA resource: [State Environmental Policy Act Handbook](#) (Dept. of Ecology)
- **Washington State Energy Policy** (current and proposed):
 - Policy Briefs, Office of the Governor: [Powered by Innovation, Washington Can Fight Back Against Climate Change](#); [100% Clean Electricity](#); [Clean Transportation](#); [Clean Buildings](#)
 - [Deep Decarbonization Pathways Analysis for Washington State](#)
- **“Changes in industry and energy demand”** (pp. 4-5): Please note that the trends listed in this section of this report are in no way intended (nor should they be used) as comprehensive or definitive projections. They are offered simply as a broad, high-level summary of trends which have been widely reported on in such publications as the *New York Times* and the trade journals of the energy and utility industries.
- **Stakeholder input** (partial list of organizations which provided input to Chair Drew and EFSEC staff during development of this report). **IMPORTANT NOTE: Listing here DOES NOT in any way imply endorsement of this report or any of its recommendations, in whole or in part.**

<u>Tribes</u>	<u>Local Government</u>	<u>Environmental Stakeholders</u>
Affiliated Tribes of Northwest Indians (individual members and staff)	WA State Association of Counties (WSAC) Association of Washington Cities (AWC) WA Public Ports Association City of Vancouver City of Tacoma	Audubon Climate Solutions Columbia RiverKeepers Earthjustice Friends of the Columbia Gorge Front and Centered The Nature Conservancy NW Energy Coalition Sierra Club WA Environmental Council (WEC)
<u>Washington State Agencies</u>	<u>Industry Stakeholders</u>	
Dept. of Ecology*	Andeavor	
Dept. of Fish and Wildlife*	Avista	
Dept. of Commerce*	Association of Washington Business	
Utilities and Transportation Commission*	Cascade Natural Gas	
Dept. of Natural Resources*	NW & Intermountain Power Producers Coalition	
Dept. of Agriculture**	Pacific Power	
Dept. of Health**	Puget Sound Energy	
Military Dept.**	Renewable Northwest	
Dept. of Transportation (WSDOT)**	WA Building Trades	
* current EFSEC member		
** current “optional” member		

Energy Facility Site Evaluation Council

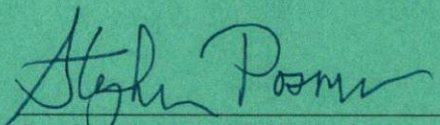
Non Direct Cost Allocation for

4th Quarter FY 2019
April 1, 2019 – June 30, 2019

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 along with anticipated work for the quarter is used as the basis for determining the non-direct cost percentage charge, for each EFSEC project.

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 4th quarter of FY 2019:

Kittitas Valley Wind Power Project	10%
Wild Horse Wind Power Project	10%
Columbia Generating Station	26%
Columbia Solar	14%
WNP-1	3%
Whistling Ridge Energy Project	3%
Grays Harbor 1&2	13%
Chehalis Generation Project	10%
Desert Claim Wind Power Project	8%
Grays Harbor Energy 3&4	3%


Stephen Posner, EFSEC Manager

Date: 4/3/19