

**MINUTES**

STATE OF WASHINGTON

ENERGY FACILITY SITE EVALUATION COUNCIL

**September 11, 2000 – Regular Meeting**

Rowe Six Conference Center – Building 1  
4224 6<sup>th</sup> Avenue SE  
Lacey, Washington

**Item 1: Call to Order**

Chair Deborah Ross called the meeting to order at 1:30 p.m. A quorum was present.

**Item 2: Roll Call**

<b>Chair</b>	Deborah Ross
<b>Department of Agriculture</b>	Daniel Jemelka
<b>Department of Community, Trade &amp; Economic Development</b>	Heather Ballash
<b>Department of Ecology</b>	Charles Carelli
<b>Department of Fish &amp; Wildlife</b>	Jenene Fenton
<b>Department of Health</b>	Ellen Haars
<b>Military Department</b>	Diane Offord
<b>Department of Natural Resources</b>	Gayle Rothrock
<b>Department of Transportation</b>	Gary Ray
<b>Utilities and Transportation Commission</b>	Dick Byers

**Others in Attendance**

**EFSEC Staff**

Allen Fiksdal	Irina Makarow
Mike Mills	Mariah Laamb

**Guests**

Bill Frymire, Attorney General's Office	Karen McGaffey, Perkins Coie
Tony Usibelli, CTED-Energy Policy	Mike Elmer, NPE
Dave Warren, CTED-Energy Policy	Darrel Peeples, Wallula
Grant Bailey, Jones and Stokes Associates, Inc.	Cindy Custer, BPA
Bill Staeger, Jones and Stokes Associates, Inc.	Bill Kiel, Energy Northwest
Paul Margaritis, Tractebel	Paul Cavicchi, Tractebel
Mary Barrett, Attorney General's Office, Counsel for the Environment-SE2	Dave Larkin, Energy Northwest
	Rose Spogen, CIC

**Item 3: Approval of Minutes – August 14, 2000**

The Chair deferred consideration of the minutes of the August 14, 2000 meeting to the October meeting.

**Item 4: Adoption of Proposed Agenda**

The Chair proposed moving Energy Northwest after agenda item # 9 NW Power Enterprises, allowing for a break for Council to read materials that were submitted at today’s meeting pertaining to the agenda items of Energy Northwest, then resuming with Energy Northwest items. The Council approved the Agenda as submitted with these changes added.

**Item 5: Sumas 2 Generation Facility, Application No. 99-1**

<i>Public Meeting Sept. 27<sup>th</sup>, 7pm</i>	<i>(Allen Fiksdal reporting)</i>
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In the course of the adjudicative hearings recently held in Bellingham and Olympia, the public witness hearing held in Everson on July 27th had many participants, but not all were able to speak. EFSEC has scheduled an additional public witness hearing for September 27<sup>th</sup> at the Nooksack Valley High School, starting at 7 p.m., to hear those individuals who did not get a chance to speak in July.

<i>PSD Hearing Sept. 28<sup>th</sup>, 7pm</i>	<i>(Allen Fiksdal reporting)</i>
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A hearing for public comments on the draft PSD air emissions permit will be held on September 28<sup>th</sup> at Nooksack Valley High School, starting at 7 p.m. This is an opportunity for the public to comment on the federally delegated draft PSD permit that has been issued.

Chair Ross reported on a meeting between EFSEC’s Counsel, Chair and the Administrative Law Judge facilitating the Sumas 2 adjudicative proceedings, Nan Thomas, to discuss if the parties and members of the public would be given an opportunity to hear from the permit writer. It was decided that on the morning of September 28<sup>th</sup>, prior to the regular adjudicative hearing, the permit writer would make a brief presentation of the draft permit and would be available to answer questions from intervening parties’ counsel and EFSEC Council members. The permit writer would not be under oath. Canadian Officials have been offered an opportunity to speak to issues relating to the governmental position of their country regarding this project at the meeting on the 28<sup>th</sup>. Nan Thomas will draft an order with the Council’s recommendation’s relating to the Canadian input.

At the September 28<sup>th</sup> public meeting in the evening, the permit writer would also make a brief presentation prior to the Council receiving the public comments.

<i>Preparation of Final EIS</i>	<i>(Deborah Ross reporting)</i>
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Chair Ross raised the issue of how EFSEC will turn the Draft EIS into a final EIS and how input can be provided to Jones and Stokes Associates to assist them in developing the final EIS. EFSEC rules provide that the Council or a sub-committee of the Council can supervise the preparation of the EIS with the SEPA official. In the past, the Council’s Executive Committee

has worked with Mr. Fiksdal in this capacity. Chair Ross proposed the formation of a committee to work with Mr. Fiksdal, to supervise the preparation of the final EIS. The committee would include the Executive Committee along with Gayle Rothrock, and would provide input to Mr. Fiksdal to supervise JSA's work. The Council approved the formation of this committee, and Chair Ross said she would contact the members to begin work.

It was also reported that the applicant, Sumas Energy 2, requested a clarification of Post-Hearing Order No. 1 regarding issues surrounding the position of Canadian government. Nan Thomas is drafting an order with the Council's response to this request.

**Item 6: Chehalis Generation Facility**

<i>Status</i>	<i>(Allen Fiksdal reporting)</i>
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Paul Margaritis and Paul Cavicchi presented an outline to EFSEC describing how Chehalis Power proposes to meet the requirement of the SCA for submitting required plans. Chehalis Power must submit several plans prior to construction of the facility and the PSD permit deadline for beginning construction is June 13, 2001. Some plans must be submitted to EFSEC by December 13, 2000.

<i>Plan Review Procedures</i>	<i>(Paul Margaritis reporting)</i>
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Mr. Margaritis reported that Chehalis Power is required to submit a number of plans to EFSEC in a schedule pre-determined by the SCA. Tractabel is requesting that plan review procedures be approved so that there will be a clear roadmap for the construction schedule. Mr. Margaritis clarified that the compliance plan document being submitted is a proposed procedure for plan review, and that it does not contain the actual construction plans. This procedure addresses which plans need to be submitted, their contents and level of detail, how the plans are to meet the specifications set forth in the current SCA, and the timeline for state agency review and EFSEC approval.

Allen Fiksdal reminded the Council that many of the submittals are required, regardless of the final facility design configuration resulting from the SCA amendment currently under review by Council.

Paul Cavicchi, Tractabel North America Business Development, presented the time issues of getting this plan approved and the time constraints Chehalis Power must deal with in beginning their design and engineering work. He explained that Tractebel currently has 13 combustion turbines on order, all Westinghouse, except for the two General Electric CT's ordered for the Chehalis Generation Facility. They are currently negotiating fuel contracts, as well as transmission agreements with BPA. Some issues are outstanding since they depend on the final configuration resulting from the SCA amendment, the water supply contract from the City of Chehalis for example. Mr. Cavicchi requested that Council move as expeditiously as possible with their review of the SCA Amendment.

Ruth Spogen asked if ex parte communication is still in effect. The Council indicated that it would remain in effect at least until a recommendation regarding the SCA amendment was made to the Governor. Mrs. Spogen requested a copy of the plan that Mr. Margaritis submitted and was given a copy. She asked that the rest of the intervening parties also receive this document.

She also voiced disapproval that the agenda for the September meeting did not reflect that this outline would be presented at the Council meeting, and that this was not the first time this type of situation had occurred.

**Item No. 7: Energy Northwest Columbia Generating Station, WNP 1/4, and Satsop Combustion Turbine (CT) Project**

<i>Columbia Operations</i>	<i>(Bill Kiel reporting)</i>
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During the last month, the Columbia Generating Station had been operating at reduced power levels due to a faulty seal on one of the plant's re-circulating pumps. During that period, the plant reduced power to around 640 Megawatts. On September 1, the plant entered a forced outage to repair the seal and perform other maintenance activities. The shutdown was scheduled over the Labor Day weekend when power demands were expected to be lower. The plant resumed full power operations on Friday, September 8.

Mr. Kiel also reported that on September 12-13, Energy Northwest, along with other state, local, and federal agencies, will be participating in emergency exercise to test the Columbia Generating Station Emergency Plans. Energy Northwest is also hosting an open house at the plant on October 21 to give the public an opportunity to tour the facility.

<i>Dry Cask Storage SCA Amendment</i>	<i>(Mike Mills reporting)</i>
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Mr. Mills referred the Council to draft Resolution No. 295 that, if approved, would amend the Columbia Generating Station Site Certification Agreement (SCA) to allow Energy Northwest to construct and operate a spent fuel Dry Cask Storage Facility at the project site. Mr. Mills provided an overview of the amendment review process, noting that staff had issued a Mitigated Determination of Non-Significance under the State Environmental Policy Act (SEPA), and that the Council held a public hearing on September 6 to take public comment on the proposed amendment. During the review period, comments were received from three state agencies - the Department of Health, the Military Department, and Labor and Industries (L&I) Boiler section. Those comments supported the mitigation conditions cited in the SEPA determination that the storage facility be included under the plant's Radiological Environmental Monitoring Program (REMP) and as part of the Columbia Emergency Plan. The L&I comment recognized the jurisdiction of the federal Nuclear Regulatory Commission over spent fuel storage systems. Based on the review findings, staff was proposing that construction of the storage facility be considered as a technical amendment to the Columbia SCA consistent with the conditions set forth in the draft resolution.

Chair Ross stated that the Council would first consider whether the proposed action qualifies as a technical amendment, and if so, then vote on the resolution separately. Counsel Rich Heath commented that under the Council's rules, if the proposal doesn't substantially change provisions of the SCA and doesn't have a detrimental effect upon the environment, then it can be considered a technical amendment, and he concurred with the conclusions stated in the resolution.

**Motion:** It was moved and seconded that the proposed Dry Cask Storage Facility be considered as a technical amendment to the Columbia SCA.

**Action:** The motion carried, with the Military Department abstaining.

Mr. Heath suggested several changes in wording to the draft resolution that members concurred with. The Council clarified that Energy Northwest could implement the two conditions stated on page 6 of the resolution “prior to initial fuel loading.” It was also recognized that Energy Northwest could incur additional costs for any additional radiological monitoring.

The Council decided that it would consider the next agenda item, a proposed resolution recognizing the plant’s name change from WNP-2 to Columbia Generating Station, before voting on the Dry Cask amendment.

### **Columbia Name Change**

Mr. Mills reviewed staff’s recommendation that Resolution No. 293 be amended to formally recognize the change in the name of Energy Northwest’s operating nuclear plant, WNP-2, to Columbia Generating Station. Resolution No. 293 had previously recognized the change in the corporate name of the Washington Public Power Supply System to Energy Northwest and updated the nuclear plant names. Consideration of the plant name change to the Columbia Generating Station had been noticed and no comments were received. The proposed change was reviewed pursuant to the rules for amending SCAs, and staff finds that it meets the criteria for amendment by resolution.

The Council expressed concern that the public might not be aware of the name changes and it might be necessary to use both the old and new name to ensure proper identification of the facility. Discussion indicated that Energy Northwest and state and local agencies have already changed plans and procedures and written materials to recognize the name change. Energy Northwest and the Emergency Management Division will continue to examine ways to make the public aware of the name change.

**Motion:** It was moved and seconded to authorize the chair to execute Amendment No. 1 to Resolution No. 293, to effect the name change to Columbia Generating Station in all appropriate places in the SCA.

**Action:** The motion passed unanimously.

### **Dry Cask Storage SCA Amendment**

**Motion:** It was moved and seconded to approve Resolution No. 295 authorizing amendment of the Columbia Generating Station SCA to recognize the spent fuel storage facility as an element of the project in SCA condition I.B.1; and to allow for construction of the facility to proceed subject to the conditions for including the facility in the REMP and Emergency Plans.

**Action:** The motion was approved, with the Military Department abstaining.

Laurie Vigue from the Department of Fish and Wildlife presented a proposal to restore the Rattlesnake Slope Wildlife Mitigation Project. A wildfire in the Hanford area in late June destroyed between 90 to 100 percent of the project. The department has inspected the site and prepared a recommendation reestablish a shrub-steppe habitat as a restoration priority for the Rattlesnake project site.

Ms. Vigue stated that the department is recommending a two-phased restoration approach, with Phase I focusing on planting seed this fall. The immediate need is to purchase the seed that is expected to be in short supply or become more costly because of the fire problems experienced in this and other western states this summer. Funding for Phase I is estimated at \$79,170. The department is proposing that \$18,310 in their current EFSEC contract be reallocated to the restoration project, and that an additional \$40,860 be approved in Energy Northwest funds to purchase and plant the seed this fall. BPA is being asked to supply the remaining \$20,000, needed to complete Phase I. Funding for Phase II activities, including aerial herbicide application, is estimated at \$21,000. Funding for Phase II will be revisited by the Council in the December-January time frame.

Jenene Fenton clarified that in proposing a shrub-steppe habitat restoration approach, the department was not intending to go back to the drip irrigation system. Discussion followed on the responsibility of Energy Northwest to maintain mitigation over the life of the projects. It was pointed that the Fish and Wildlife feels that the shrub-steppe rehabilitation plan will be more cost-effective. Staff will work with the department and Energy Northwest to modify the provisions of Council Resolution No. 238 (Amended), that set out the conditions and plan for protecting and mitigating the impacts of the Energy Northwest Hanford-sited projects on wildlife and wildlife habitat.

**Motion:** It was moved and seconded to authorize Chair Ross to execute an amendment to the FY 2001 Department of Fish and Wildlife contract to provide funding for Phase I to begin restoring the Rattlesnake Slope Wildlife Mitigation Project. The amendment will reallocate \$18,310 from the current contract, and provide an additional \$40,860 in Energy Northwest funding to support Phase I restoration activities. Funding will be used to cover the costs of items A, B, C, D, and Equipment Rental, as identified in Table 1 of the department's September 8, 2000 proposal.

**Action:** The motion passed, with Mr. Ray voting no. The Fish and Wildlife member abstained.

**Item No. 8: Newport Northwest – Wallula Project**

*Status*

*(Allen Fiksdal reporting)*

Newport Northwest has requested a Potential Site Study (PSS). Jones & Stokes Associates (JSA) have been working on a document to determine a possible change to the EFSEC application format. They have suggested a two-part application, part one consisting of an

environmental report and part two being an appendix for all other information required by WAC 463-42. This is an attempt to make the application more user friendly and to have the EIS become a more integral part of the application. It was noted by the Council that part one should also contain all pertinent information on local land-use plans.

Allen Fiksdal asked the Council to consider whether this work be continued with the understanding that the applicant could ask for this type of change formally as an action item for the future.

EFSEC and JSA will coordinate NEPA and SEPA issues with BPA. They will be meeting with BPA to determine how NEPA requirements can be most efficiently integrated into EFSEC's preparation of the Wallula and Starbuck Potential Site Studies. If transmission lines are required, BPA will have to conduct an environmental review. BPA may use some of EFSEC's environmental SEPA review to perform their NEPA analysis. EFSEC staff will review the MOU with BPA for information on cooperative NEPA and SEPA procedures between the two agencies.

Chair Ross asked members of the SEPA committee whether they had met to determine how the proposed SEPA review process would be applied to the Wallula and Starbuck projects. Council members reported that they are waiting for JSA's work plan. Chair Ross urged the proponents and JSA to allow state agencies and other non-governmental organizations to have input on how the potential site study would best work for them.

Public information meetings are being planned in October to inform the public of the potential site study for Wallula. One will be held in Walla Walla and the second will be held close to the proposed site. These meetings are not intended to satisfy the requirement of the public meeting to notify the local residents of the submittal of an application to EFSEC. Council members can attend these information meetings, and are not bound by exparte rules at this time since no adjudicative process has begun.

**Item No. 9: Northwest Power Enterprises – Starbuck Power Project**

<i>Status</i>	<i>(Allen Fiksdal reporting)</i>
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EFSEC has received the \$10,000 fee, due when an application for a potential site study is submitted. Allen Fiksdal reported that NPE has not yet submitted the remainder of full funding required for the study to proceed. NPE is waiting for answers from BPA regarding transmission issues.

**Item No. 10: Siting Task Force/Symposium**

<i>Symposium Oct. 2-3, 2000</i>	<i>(Deborah Ross reporting)</i>
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Invitations to the symposium have been sent to a number of persons, including all Council members. It was suggested that members register either by FAX or on the Web-site. The Task Force work groups are meeting on September 12 and 13. The chair would like to have at least one Council member at each of their sessions.

Chair Ross and Mariah Laamb have been working with WSU's Planning and Conference Services office to set-up the October 2-3 Symposium. The chair would like ratification of her approval of the contract with WSU for those services.

**Motion:** It was moved and seconded to ratify the chair's approval of a contract with WSU to provide conference services for the Task Force Symposium.

**Action:** The motion was approved unanimously.

#### **Item No. 11: Other**

##### **Department of Transportation Council Member:**

Gary Ray announced that this would be his last council meeting. He will be replaced by John Doyle, but will continue to work on the Chehalis and Sumas applications until they are complete. Chair Ross thanked him for his contributions as a member.

##### **New Counsel Appointed by Attorney General's Office:**

Rich Heath introduced Rusty Fallis, Assistant Attorney General, as EFSEC's new counsel. Mr. Heath will continue to represent the Council on the Chehalis and Sumas proceedings.

##### **Staff Recognition:**

Ellen Haars would like the staff to be recognized for their hard work, and would like to have a monetary award given to the staff. She suggested the maximum allowable and Chair Ross stated she would look into the matter further.

#### **Item No. 12: Adjourn**

The meeting was adjourned at 3:38 p.m.