

MINUTES

STATE OF WASHINGTON

ENERGY FACILITY SITE EVALUATION COUNCIL

February 16, 2001 – Special Council Meeting

Whatcom County Courthouse, Council Chambers, Suite 101
311 Grand Avenue, Bellingham, WA 98225

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

Chair	Deborah Ross
Department of Agriculture	Daniel Jemelka
Community, Trade & Economic Development	Heather Ballash
Department of Ecology	Chuck Carelli
Department of Fish & Wildlife	Jenene Fenton
Department of Health	Ellen Haars
Department of Natural Resources	Gayle Rothrock
Department of Transportation	Gary Ray
Utilities and Transportation Commission	Dennis Moss
City of Sumas	Gerald Richmond
Whatcom County	Dan McShane

Others in Attendance

EFSEC Staff and Counsel	
Allen Fiksdal	Irina Makarow
Michelle Elling	Robert Fallis, AAG, EFSEC
Nan Thomas, Administrative Law Judge	

Item 3: Sumas 2 Generation Facility, Application No. 99-1

<i>Consideration of Application for Site Certification Agreement No. 99-1, Order and Recommendation to the Governor</i>	<i>Deborah Ross, EFSEC Chair</i>
---	----------------------------------

I would like to describe the procedure we will be following today. Over the past several months council members have spent many hours considering and discussing the evidence and record before us in this proceeding, including the adjudicative record, the final environmental impact statement that was issued last week, the land use consistency hearings and the public witness sessions. The Council’s deliberations included several full days of meetings, at which many

issues in this case, were discussed exhaustively. The Council members had an opportunity during recent weeks to develop and discuss the proposed order that we will be formally voting on today. Some Council members have also worked individually on concurring opinions. Although deliberative sessions in adjudication are not open to the public, the council does vote in public on whether to issue an order. This is why we are here today.

I will begin today's meeting by briefly summarizing the order. I will then ask for a motion to adopt the proposed order, which if adopted by the Council, will be called order 754, and that is how I will refer to it for the rest of my remarks. After discussion among Council, if any, then we will take a formal roll call vote. If a majority of the Council members vote to enter the proposed order, any member wishing to file a dissenting or concurring opinion will be given the opportunity to do so. After the vote, the meeting will adjourn.

If order 754 is adopted, there will be a ten day period for any party to file a petition for reconsideration. The Council must dispose of any such petition within 20 days.

After the meeting is adjourned, Mr. Fiksdal and I will be available to answer questions about the EFSEC process and very briefly about the order. We will not be discussing the order in any great detail this afternoon. We have about 1000 copies of the Executive Order, a portion of our order that summarizes our recommendation. That will be available on a first come, first serve basis. Please take only one copy per person. The entire order will be available for downloading from our web site at about 8 p.m. this evening. I would request when we have our questioning period you refrain from asking questions about how to interpret the order or the deliberative process Council used to develop it. Since the proposed order is the result of a consensus building process, it is best to have it speak for the council majority if adopted today. Any concurring or dissenting opinion should be left to speak for the individual or individuals who elected to publish them. I believe that the proposed order has been written clearly enough to answer most of your questions. If you have specific questions about where to find discussion of particular items of interest, Mr. Fiksdal or I can help you to find those.

I would like to begin my introduction of this item by expressing my appreciation and gratitude to the thousands of people in the region and the state who have contributed to our process. The list begins with the council members themselves, who have shown an incredible willingness to work hard, to listen patiently and objectively to the evidence, good humor and consideration of each other's opinions. Next I would like to thank our judge, Nan Thomas, for her hard work, good humor and dedication to the process. And our attorney, Mr. Rusty Fallis, who has helped with many legal issues that have arisen over the course of the last several months. I also would like to thank the intervenors, and their witnesses and attorneys for the extremely high level of expertise that was brought to this proceeding. The parties uniformly conducted themselves with courtesy and professionalism. Finally, I thank the thousands of members of the public who took time from their work and families to present their views and testimony to us. Despite the level of emotion that this project has raised, the members of the public were almost without exception courteous to those with opposing viewpoints, extremely well informed, dedicated and persistent. Both our Canadian friends and Washingtonians can be proud to live in countries where the views of the public can be freely, fully and fairly expressed.

Before summarizing the document we will be voting on today, I would like to note for the record, that our decision was not an easy one. The Council spent many days in deliberations, poring over the evidence and carefully considering to all points of view. Throughout the deliberative process, all members of the Council remained acutely aware of the Council's essential mission. This is to balance our regions energy needs against the equally important need to consider the environmental and societal impacts that arise from various types of energy facilities the is Council asked to evaluate.

The final analysis proposed for order 754 finds that this fossil fuel plants design has much to recommend it from an engineering prospective. But significant environmental impacts of the proposed plant cannot be mitigated sufficiently to support a recommendation to allow the proposed facility to be located in Sumas. Accordingly, proposed Order 754 recommends denial of SE2's application for site certification.

I will now spend a few minutes summarizing proposed Order 754 and its conclusions.

The Energy Facility Site Evaluation Council (EFSEC or Council) is the state agency charged with recommending to the governor whether a new energy facility should be sited in the State of Washington. EFSEC must consider a variety of factors in determining whether to recommend that an application to build and operate a new energy facility at a location proposed by the applicant be approved.

The council is acutely aware of the region's need for energy and capacity. We are also mindful of our duty to protect the broad public interest. The council must decide whether this energy facility, at the proposed site, will produce a net benefit after balancing the availability and costs of energy to consumers and the impact to the environment.

Proposed Order 754 determines, upon careful consideration of the state's need for energy at a reasonable cost and the need to minimize environmental impacts, that the environmental costs outweigh the energy benefits that would be provided by this facility as proposed at this location. Sumas Energy 2, the developer of the proposed plant, has not shown that the plant would produce direct energy or economic benefits to consumers or lead to lower energy costs in Washington or in the region.

SE2 proposes to construct and operate a natural gas-fired combined cycle 660-megawatt electric generation facility in the city of Sumas, close to the Canadian border. SE2 proposes to operate the plant as a "merchant plant." This means the electric output of the plant would be sold at market prices wherever the applicant could obtain the best price.

The analysis of environmental impacts and SE2's proposals for mitigation are insufficient to address the environmental impacts of this facility; especially with respect to air quality impacts in the Lower Fraser River Valley, greenhouse gas emissions, oil tanker truck traffic impacts, water quality and quantity impacts at local wells, and risk of increased flood hazard.

This plant would emit more than three tons of pollutants per day. The impacts to air quality in the Lower Fraser River Valley are of particular concern to the council. SE2 was unsuccessful in obtaining any offsets for emissions, most of which would end up in the Lower Fraser River

Valley. Emission levels would be substantially higher on days when the plant would be operating on back up diesel oil fuel. The Lower Fraser River Valley is in a confined air shed. Its topographical and meteorological features act to trap pollutants. This is an already polluted area where residents currently suffer health effects from existing air quality conditions. The area is highly populated and projected for continued rapid growth. Such an increase in emissions would create increased health hazards, particularly to those suffering from asthma and other respiratory ailments.

Concern over air pollution and other environmental impacts led the government of British Columbia, and opposition party members, as well as numerous Canadian local governmental bodies, to express unanimous opposition to the plant. The Council also heard overwhelming public opposition to the plant from witnesses on both sides of the border. Order 754 agrees with their view that this is not an air shed into which three tons a day of new pollutants should be added. The state has the responsibility to protect all people from undue adverse environmental impacts, whether or not they live in Washington State.

For these reasons, proposed Order 754, if adopted, will recommend that the governor deny the applicant's proposal.

At this point I will entertain an order to adopt Order 754.

Motion: To adopt Order 754 to deny the applicant's proposal. Moved and seconded. A role call vote was taken and voting listed as follows:

Chair	Deborah Ross	Yes
Department of Agriculture	Daniel Jemelka	Yes
Community, Trade & Economic Development	Heather Ballash	Yes
Department of Ecology	Chuck Carelli	Deny
certification and will file a concurring opinion expressing disagreement with certain provisions of Order 754.		
Department of Fish & Wildlife	Jenene Fenton	Yes
Department of Health	Ellen Haars	Deny
certification and will file a concurring opinion expressing disagreement with certain provisions of Order 754.		
Department of Natural Resources	Gayle Rothrock	Yes
Department of Transportation	Gary Ray	Deny
certification and will file a concurring opinion expressing disagreement with certain provisions of Order 754.		
Utilities and Transportation Commission	Dennis Moss	Yes
City of Sumas	Gerald Richmond	Yes
Whatcom County	Dan McShane	Yes

Chair Ross announced the motion passed.

Item 4: Adjourn

The meeting was adjourned at 2:13 p.m.