

**MINUTES**

STATE OF WASHINGTON

ENERGY FACILITY SITE EVALUATION COUNCIL

**January 8, 2001 – 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>Community, Trade &amp; Economic Development</b>	Heather Ballash
<b>Department of Ecology</b>	Chuck Carelli
<b>Department of Fish &amp; Wildlife</b>	Jenene Fenton
<b>Department of Health</b>	Ellen Haars
<b>Military Department</b>	Glen Woodbury
<b>Department of Natural Resources</b>	Gayle Rothrock
<b>Department of Transportation</b>	John Doyle

**Others in Attendance**

**EFSEC Staff and Counsel**

Allen Fiksdal	Irina Makarow
Mike Mills	Mariah Laamb
Michelle Elling	Diane Burnett
Robert Fallis, AAG, EFSEC	

**Guests**

Paul Margaritis, Tractebel	Kurt Humphrey, Cogentrix
Darrel Peoples, Newport Northwest	Susan Hoffman, GS-Hydro US Inc.
Bill Kiel, Energy Northwest	Cindy Custer, BPA
Bill Staeger, JSA	Karen McGaffey, Perkins Coie
Rose Spogen, CIC	John Mudge, CIC
Brian Carpenter, Rebound	Otto Herman, Rebound
Steve Saunders, DNR	Gretchen Garcia, DNR-Olympia
Larry White, IBEW Local 77	Randy Thorn
Jeff Soth, Washington State Building & Construction Trade Council	

**Item 3: Approval of Minutes**

The minutes of the December 11, 2000 meeting were adopted as presented.

**Item 4: Adoption of Proposed Agenda**

The Chair moved Chehalis Generation Facility to Item 5. The Native American Heritage Month agenda item will not be presented, as Anna White is unavailable. The Council approved the agenda with these changes.

**Item 5: Chehalis Generation Facility**

<i>Status</i>	<i>Allen Fiksdal, EFSEC Manager reporting</i>
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Mr. Fiksdal reported that EFSEC staff have scheduled a meeting on Friday, January 12<sup>th</sup> in Chehalis, with Chehalis Power and the state and local agencies that are working on the plan review for the Chehalis Generation Facility. Timelines, procedures and review goals will be discussed during the meeting, to get agreement on how the reviews will be conducted.

Mr. Paul Margaritis updated the Council on their negotiations with the Environmental Protection Agency (EPA) on the air permit and the need to complete the review of the site restoration plan. He reported that Chehalis Power met with EPA officials on Dec. 19. Chehalis Power verified with EPA that EFSEC’s determination on the start of construction stands, as a condition of the permit that is currently in place. EPA is still questioning whether a new Best Available Technology (BACT) analysis is needed. If they determine that a new BACT analysis is required, it would delay the start of construction, and Chehalis Power is very concerned about that. Chehalis Power plans further meetings with EPA to work on resolving this issue.

Mr. Margaritis requested the Council consider sending its recommendation forward to the Governor without the PSD portion completed, so that his office could start reviewing the balance of the Order and amended Site Certification Agreement. In their view, that would help maintain the start of construction schedule.

Ms. Heather Ballash, who served as the Presiding Officer for the Chehalis adjudicative proceedings, informed Mr. Margaritis he would need to make his request for a change in process, which differs from the initial Order, in the form of a letter with copies to all parties. Mr. Margaritis agreed to make such a request.

Mr. Fiksdal noted that he had requested from EPA staff, information on potential scenarios for EFSEC processes depending on what EPA may or may not require.

Mr. Margaritis reported that the plan review meeting scheduled for Friday will provide an opportunity for Chehalis Power to review all of the pre-construction plans and discuss any other completeness issues and schedule with the involved state and local agencies. Staff pointed out that each plan will be thoroughly reviewed prior to receiving approval from the Council.

Mr. Margaritis indicated that completing the review of the Initial Site Restoration Plan is a priority. Questions arose regarding the plan and need for bonding or financial assurances.

Chehalis Power believes bonding may not be appropriate for this site. Mr. Margaritas pointed out that there are economic incentives to fulfill their obligations to the site and the community; and not abandoning the project.

Mr. John Mudge of the Critical Issues Council (CIC) commented that he supports bonding as a restoration requirement, because companies can close their business and not have the capability to restore the site to something usable. The CIC wants to be informed on the appropriate time to comment on restoration (bonding) issues. If the BACT analysis would help to reduce NOx emissions, they would be supportive of the process, because the lower the emissions the better. CIC would like to be notified of meetings with local agencies to have the opportunity to attend.

Mrs. Rose Spogen of the CIC had questions regarding the language in the initial Order that was read during the November 2000 Council meeting. Ms. Ballash replied that the CIC, as a party, had a timeframe with which to reply to the Order or ask questions about the Order. Formal comments must be submitted to the Council by the deadline of January 12th.

**Item 6: Starbuck Potential Site Study**

<i>Progress Report</i>	<i>Bill Staeger, Jones &amp; Stokes reporting</i>
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Mr. Bill Staeger reported on Jones and Stokes Associates' (JSA) progress on the Starbuck Potential Site Study (PSS). In December 2000, JSA coordinated contacts with government agencies, the public, and non-governmental organizations (NGO's). Mr. Stager supplied the Council with a draft list of agencies and organizations contacted, and indicated that this information would be included in the PSS report.

Mr. Staeger handed out the preliminary draft of the JSA Environmental Assessment (EA) section of the PSS report. The proponent has also received a copy of this draft EA, and JSA expects to have their comments back prior to completing the final EA. The EA is one of four sections of the Potential Site Study (PSS): report and coordination interaction, environmental assessment, format for the application (outline), and guideline/criteria document.

JSA confirmed that they contacted State Parks regarding potential impacts. The resulting analysis will be included in the EA.

JSA completed 70 % of the criteria document in December, finishing it during early January. The administrative draft of the PSS will be to the Council on or before February 9<sup>th</sup>. The budget for the project went from a conceptual document created by EFSEC to a detailed budget finalized by JSA. It is anticipated that Starbuck will use the PSS report to determine what their application must look like. Starbuck would then submit draft sections of the application to the Council and JSA for review. JSA will need a contract amendment to budget the review of these draft application sections. Chair Ross requested that Council members review the preliminary draft EA with comments returned to EFSEC staff by January 19<sup>th</sup> for transmittal to JSA. Chair Ross requested that JSA provide a time chart for the next steps of work on each active project they are participating in.

**Item 7: Newport Northwest Wallula Potential Site Study**

<b><i>Progress Report</i></b>	<b><i>Bill Staeger, Jones &amp; Stokes reporting</i></b>
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Mr. Staeger reported that JSA is working on a preliminary draft EA, with completion by January 26<sup>th</sup>. Work on the criteria document has been initiated. JSA will request a contract amendment because production of the criteria document is not within the scope of work of the current contract. Nevertheless, JSA has begun work on the criteria document in good faith. JSA and EFSEC staff met with Newport Northwest on Dec. 19<sup>th</sup> to discuss the intended process for completing the Potential Site Study (PSS). That meeting resulted in better coordination between the proponent and JSA.

<b><i>Jones and Stokes Contract Amendment</i></b>	<b><i>Allen Fiksdal, EFSEC Manager reporting</i></b>
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Mr. Fiksdal presented Amendment 7, Task 3, to the JSA contract, to provide an additional \$72,000 to complete the PSS report. This will bring total funding to \$192,000. This amendment is consistent with the contract amendment for the Starbuck project for the same deliverables.

**Motion:** A motion was entered to approve the amendment of the JSA contract to complete the PSS for an additional \$72,000.

**Action:** The motion passed unanimously.

**Item 8: Cogentrix-Mercer Ranch Generation Facility**

<b><i>Status Report</i></b>	<b><i>Allen Fiksdal, EFSEC Manager reporting</i></b>
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Mr. Fiksdal reported that a Request for Proposals (RFP) for the Mercer Ranch Potential Site Study was sent out in mid-December through the Dept. of General Administration to their pre-approved consultant list. Full RFP packets were sent to five firms. Responses to EFSEC are due by January 16, 2001. Mr. Fiksdal suggested that the Council form an interview committee. Volunteers for this committee were requested, with John Doyle, Gayle Rothrock and Ellen Haars accepting. Interviews will be scheduled for the week of January 22<sup>nd</sup>.

**Motion:** It was moved that if the interview panel makes a unanimous recommendation for a consultant, then the Chair is authorized to execute a contract with the vendor. If the recommendation is not unanimous, then action would be taken at a special Council meeting.

**Action:** The motion passed unanimously.

Kurt Humphrey, from Cogentrix, presented a progress report for the Mercer Ranch project. They met with the Benton County planning and public works departments and gave them a project briefing. Benton County is planning a road improvement project in the area, which the project road would travel. They will meet with the Benton County Commissioners in Richland on January 17, 2001 to discuss the scope of the project. Cogentrix plans to hold a public meeting in Patterson by the end of January. Geo-technical work is progressing to study the possibility of a cooling reservoir and finalizing the water quality data and results from the preliminary fisheries study and the drainage adjacent to the project site.

Chair Ross suggested that their discussions with County Commissioners should include informing them of the role of sitting on the Council for the application process, so whom ever decides to take that role will not be to involved with the project prior to being appointed to serve on the Council.

**Item 9: Energy Northwest Columbia Generating Station, WNP-1/4, and Satsop Combustion Turbine (CT) Project**

<i>Columbia Operations</i>	<i>Bill Kiel, Energy Northwest and Mike Mills, EFSEC Staff reporting</i>
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Mr. Bill Kiel reported that Columbia Generating Station has operated at full power all through the month of December, and is currently in its 109<sup>th</sup> day of continuous operation, producing 1150 megawatts of power.

In a letter dated December 14, 2000, Energy Northwest (ENW) outlined changes to the spent fuel dry cask storage facility that was approved by Resolution No. 295 in September 2000. The principal change is a re-alignment of about 50 percent of the cask haul road so it will not pass as close to their hydrogen storage area. The alignment is further east, about the same length, and located over the previously disturbed ground. ENW feels the changes are minor and would not alter the basis for the Councils findings in Resolution No. 295. Staff is reviewing the changes and will report back to the Executive Committee.

Mr. Kiel reported that Energy Northwest is encountering difficulties in receiving radiological samples back from Teledyne, that they contract with for analyzing samples for the Radiological Environmental Monitoring Program. They are working with the lab to resolve the problems. The delays are creating problems in getting reports done on time to present to the Council.

The National Pollutant Discharge Elimination System (NPDES) wastewater discharge permit for Columbia Generating Station is up for renewal. The permits must be renewed every 5 years. The state Department of Ecology has been working with ENW to develop a draft permit and fact sheet, which then will be noticed for a 30-day public comment period. At the close of the review period, the Council will schedule a public hearing in conjunction with a regular meeting, at which time the Council will consider taking action on reissuance of the NPDES permit.

<i>WNP-1/4 Site Restoration</i>	<i>Mike Mills, EFSEC Staff reporting</i>
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The Council approved plans at the December 2000 meeting for Morrison Construction Services to proceed with the removal of asbestos from the WNP-1/4 cooling towers. Fences around the towers are being moved so they do not encompass the power block area. The contractor will close off the construction area to keep the public away from the asbestos removal area.

The last week of December, Mr. Mills attended a meeting between the Department of Energy (DOE), Bonneville Power Administration (BPA) and WNP-1 staff regarding the level of restoration acceptable to the DOE. DOE is preparing to survey all the buildings on the WNP-1/4 site. They are looking to define acceptable levels of restoration later this year.

<b><i>Satsop Combustion Turbine (CT) Project</i></b>	<b><i>Mike Mills, EFSEC Staff reporting</i></b>
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Energy Northwest recently approved the sale of the Satsop CT site to Duke Energy of North America, who wants to build a 630-megawatt combustion turbine project plant on the site. Duke Energy will acquire deed to 22 acres, and construct the project. Energy Northwest will jointly operate the facility with Duke, while retaining an interest in a portion of the facility's output. Duke Energy and ENW plan to meet with staff later in the week to discuss the change in ownership and the process for amending the Site Certification Agreement.

<b><i>Fish &amp; Wildlife Amendment-Rattlesnake Slope Phase 2</i></b>	<b><i>Mike Mills, EFSEC Staff reporting</i></b>
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Mr. Mills presented a letter from the Washington State Department of Fish and Wildlife (WDFW) dated December 2, 2000, requesting funding for Phase 2 work at the Rattlesnake Slope rehabilitation project. Phase 1 has been completed and the department is prepared to begin with Phase 2, which will involve applying an herbicide over the area seeded in Phase 1. Costs for Phase 2 activities are estimated at \$21,656.

EFSEC staff recommends the Council approve a contract amendment for funding Phase 2 in the amount of \$21,656. Energy Northwest has been notified and is in agreement with the additional costs associated with the Phase 2 portion of the wildlife mitigation project.

**Motion:** A motion was entered to approve the contract amendment for funding Fish & Wildlife Rattlesnake Rehabilitation-Phase 2 activities in the amount of \$21,656.

**Action:** The motion passed, with one abstention (Jenene Fenton).

### **Item 10: Legislation**

<b><i>Status Report</i></b>	<b><i>Deborah Ross, EFSEC Chair reporting</i></b>
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Chair Ross reported that Mr. Fiksdal and Ms. Elling will be tracking legislation through this session. Bills related to EFSEC and the state siting process are expected during the session, but none directly impacting the Council have been filed yet.

Chair Ross stated she felt it would be good policy for EFSEC generally not to take a position on any bills during the session. If Mr. Fiksdal or Ms. Ross feel it is necessary, they will come back to the Council for affirmation to take a position. Any position(s) taken by the Council would be independent from those held by the state agencies represented on the Council.

Chair Ross assured members that any bills that might affect EFSEC will be brought forward to Council meetings and requested that agency representatives do the same.

### **Item 11: Rulemaking**

<b><i>Status Report</i></b>	<b><i>Deborah Ross, EFSEC Chair reporting</i></b>
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Chair Ross reported that Mark Anderson has been hired to assist the Council in reviewing some of its rules. He will assist the Council to see if it would be appropriate to conduct an emergency rulemaking and see what other rules might benefit from revision. Mr. Anderson will be working closely on the emergency rulemaking with Chair Ross and Counsel Fallis.

**Item 12: Native American Heritage Month**

Anna White was unable to give her report on the subject.

**Item 13: Other**

Mr. Fiksdal introduced Diane Burnett, former staff person to the Council, who returned on January 1, 2001, and is working as a Secretary Administrative staff in the compliance program with Mike Mills.

**Item 14: Adjourn**

The Council meeting was adjourned at 2:45 pm.