

MINUTES

STATE OF WASHINGTON

ENERGY FACILITY SITE EVALUATION COUNCIL

June 18, 2001 – Special Council Meeting

Rowe Six Conference Center
Building 1
4224 6th 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

Chair	Deborah Ross
Department of Ecology	Chuck Carelli
Community, Trade & Economic Development	Heather Ballash
Department of Fish & Wildlife	Jenene Fenton
Department of Natural Resources	Tony Ifie
Utilities and Transportation Commission	Dick Byers

Others in Attendance

EFSEC Staff and Counsel

Allen Fiksdal	Irina Makarow
Mike Mills	Mariah Laamb
Michelle Elling	Mark Anderson
Robert Fallis, AAG, EFSEC	

Guests

Alan Harger, WSDOT	Brian Carpenter, REBOUND
Darrel Peoples, Newport NW	Gayle Rothrock
Mark Anderson, Shapiro	Cindy Simmons, Clearing Up
John Arbuckle, Energy Northwest	Katy Chaney, URS
Grant Bailey, Jones & Stokes	Mike Torpey, BP Cherry Point
Tony Usibelli, OTED	Curt Leigh, WDFW
Karen McGaffey, Perkins Coie	Mathew Lowe, AGO-WDFW
Mike Sotak, Duke Energy	Laura Schinnell, Energy Northwest
Andrea McNamara, Senate Energy Committee	Ron Levine, AGO-CFE

On behalf of members, Charles Carelli, extended appreciation to Chair Deborah Ross for all the time and effort she has given to the Council as a citizen Chair. This is her last official Council meeting and all the Council members wish to thank her for the work she has done over the past 3-½ years. Her experience in energy matters, along with her legal background and insight into the energy world, have served the Council well. She started in February 1998, and as chair has worked on the Olympic Pipeline hearings, and then guided the termination of the Site Certification Agreement (SCA) for the WNP-3/5 nuclear projects at Satsop. She participated in the application review and hearings for the Sumas Energy 2 project and the Council’s consideration of revisions to the Satsop CT SCA. She played an active role in developing guidelines for studying potential sites and conducting initial application reviews, that will be very helpful as the Council considers new or revised applications that are expected to be filed in the near future. During the past year, she was involved in the Legislative study of the Council that resulted in legislation being adopted modifying the provisions of the EFSEC statute and changing the makeup of the Council. The Council expressed their appreciation of her work and presented her with a commemorative gavel as a thank you for her outstanding contributions as chair of the Council.

Item 3: Approval of Minutes

Jenene Fenton made the following motion:

Motion: To amend the approved minutes of the April 13, 2001, Special Council meeting, with two changes as follows. On page 1, under “Guests”, correct the spelling of Jeff Kopp, EPA Region 10, to “Kopf” and on page 3, first paragraph, line 10, change the word “ammonia” to “nitrogen oxides”.

Chuck Carelli seconded the motion.

Action: It passed unanimously.

Tony Ifie made the following motion:

Motion: To approve the minutes of the May 14, 2001, Regular Council meeting as submitted.

Heather Ballash seconded the motion.

Action: It passed unanimously.

Item 4: Adoption of Proposed Agenda

Chair Ross proposed to move item 5 – Rulemaking, to follow item 10 – Contracts. The agenda was adopted with this change.

Item 5: Rulemaking

<i>Notice of Rulemaking Investigation (CR101)</i>	<i>Deborah Ross, EFSEC Chair and Mark Anderson, EFSEC Staff reporting</i>
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Chair Ross reported that as her last major project, she has reviewed the Council’s rules to assist in initiating a thorough rulemaking investigation. Her review is documented in a “White Paper on EFSEC Rules Review,” that will be available during the review process. She stated that Mr. Mark Anderson has been hired to coordinate the review effort.

Mr. Anderson presented a proposed CR 101 form, which when filed with the Code Reviser’s Office, starts the rulemaking process. The CR 101 form, Preproposal Statement of Inquiry,

along with a Notice of Opportunity to Receive Information and Provide Written Comments, will be distributed to all interested persons. If the Council approves these two forms today, EFSEC staff will file them with the Code Reviser's Office on June 20th, to be published in their July 5, 2001 register. Any substantive formal rulemaking, i.e., filing a CR 102, must wait for 30 days after publication in the register, which would be August 4, 2001.

The cover letter attached to these two forms, will serve to explain to the public that EFSEC has made a filing with the Code Reviser's Office for changes to our rules, and that Deb Ross's white paper will be available on the EFSEC web page. This rulemaking is soliciting written comments with a deadline of 5:00 p.m., July 31, 2001. Through the CR101 and notice, the Council is accepting written comments on how to conduct the rulemaking, i.e., suggestions about procedures, scheduling, subject areas of public workshops. Comments addressing rule content and related issues will be accepted as well, however EFSEC will provide other opportunities to submit substantive comments on rule content at a later date.

A rule development plan will be prepared after gathering the comments from the public. If many rules seem to be interdependent, the proposed plan would be developed with the intent of filing one CR 102. If some of the rules could be grouped together, then more than one CR 102 could be developed and filed on each of those groups of rules. Then, working either consecutively or concurrently, and depending on the complexity of the filings, the Council may be able to proceed more quickly with some rule changes without having to file all the rules proposed for changes together.

Chuck Carelli made the following motion.

Motion: To file the CR 101 with the Code Reviser and prepare a cover letter to accompany the revised white paper to be mailed to a broad list of interested persons and stakeholders. The documents will also be available on the EFSEC website.

Tony Ifie seconded the motion.

Heather Ballash recommended a friendly amendment to the motion. CR 101, page 2, section D, second sentence reads, "EFSEC will schedule workshops as necessary," she suggests changing the text to read, "EFSEC will schedule workshops and/or appoint advisory committees, as necessary."

The friendly amendment was accepted in the motion proposed by Chuck Carelli.

Ms. Ballash and Ms. Fenton both expressed appreciation for the hard work done by Chair Ross in preparing the white paper as a resource to help interested persons comment and provide input during the rules review. Ms. Ballash stated her concern that the Council not get ahead of itself in proceeding without a new chair being appointed. She stated that she expects the new chair will receive some direction or guidance from the Governor on how to improve EFSEC's process. She also expects that the new chair would logically take the lead on any rulemaking efforts. Ms. Ballash indicated she was comfortable with the approach being proposed where the Council will evaluate how to proceed after the first round of comments are received, with the hope that a new chair will be appointed before the Council makes a decision on how to proceed and what issues will be addressed in the rulemaking.

Action: The motion passed unanimously.

Item 6: Sumas Energy 2

<i>Revised Application Review Schedule</i>	<i>Irina Makarow, EFSEC Staff reporting</i>
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Ms. Makarow referred to a letter from Perkins Coie representing Sumas Energy 2, Inc., informing the Council that the applicant will be submitting a second revised application on or about June 29, 2001. Anticipating this submittal, staff has developed a tentative schedule to help the parties and Council members plan for the upcoming review of the application. The schedule tentatively identifies a public meeting for the week of July 16, 2001 and a first pre-hearing conference during the week of July 30, 2001. On June 14, 2001, Sumas Energy 2 responded to the proposed schedule and requested that a pre-hearing conference be held as soon as possible. They also suggested that any public meeting be postponed until the Council further defined the actual review process.

Ms. Makarow will consult with Counsel, Rusty Fallis, and Nan Thomas, Administrative Law Judge for this case, to see about setting dates for the review process. Staff anticipates that official notices would be issued shortly after the Council receives the second revised application.

Item 7: Chehalis Generation Facility

<i>PSD Air Permit Appeals</i>	<i>Irina Makarow, EFSEC Staff reporting</i>
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Ms. Makarow reported that about one month ago, REBOUND appealed the revised Chehalis PSD permit that the Council issued in April. The appeal was brought before the Environmental Appeals Board (EAB) in Washington, D.C. This is a federal appeal court which reviews all permit appeals in which the Environmental Protection Agency (EPA) is involved. On the Council's behalf, Mr. Fallis prepared a ***Response for Summary Dismissal*** that was filed with the EAB on June 13, 2001. Should the EAB decide to proceed to the merits of the case, EFSEC would have to file a brief by July 2, 2001.

<i>Construction Activities</i>	<i>Mike Mills, EFSEC Staff reporting</i>
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Mr. Mills presented a monthly progress report from Chehalis Power summarizing construction activities at the Chehalis Generation Facility for the month of May, 2001. Activities listed in the report include: the start of construction on the first of May; installation of a silt fence around the perimeter; construction of the access road into the site; earthwork to bring the site to grade; preparation of a temporary trailer lay-down area; excavation of the services building area and installing underslab piping and electrical service and beginning concrete and rebar work; and starting excavation of the retention pond. Staff is visiting the site weekly and will provide photos and continue monthly reports to the Council.

Item 8: Satsop Combustion Turbine Project

<i>Initial Site Restoration Plan</i>	<i>Mike Mills, EFSEC Staff reporting</i>
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Mr. Mills updated the Council on activities relating to the Initial Site Restoration Plan since the May Council meeting. The plan was presented to the Council last month, but action was deferred until several changes could be incorporated into the document. Changes to the plan,

and particularly the guaranty form, have now been completed and it is being presented to the Council for approval at today's meeting.

Mr. Mike Sotak, Duke Energy, summarized key elements of the proposed restoration plan. The Initial Site Restoration Plan was prepared by Duke Energy and Energy Northwest and presents their current plan for site restoration in the event of cessation of project activities during construction and/or operations. The plan addresses provisions for funding arrangements to meet the site restoration or management costs. The plan proposed by Duke Energy specifies that Duke Energy North America, LLC, will provide a Corporate Guarantee for \$5 million during the construction period, and through the 6th year of operation. Within 6 years from the commencement of commercial operations, Duke Energy North America will provide EFSEC with a letter of credit or other form of financial guarantee or instrument in the amount of \$5 million, (in 2001 dollars, using a 2.5% inflation factor).

Rusty Fallis recommended one editorial change to the guaranty form, Background Statement paragraph, on the first page, 5th line, to add the words, "and Energy Northwest" after the word "Guarantor". He commented that EFSEC staff are in agreement with Duke Energy and Energy Northwest on the terms of the overall plan and the Limited Guaranty Agreement presented for approval today.

Charles Carelli made the following motion.

Motion: The Initial Site Restoration, together with the Limited Guaranty Agreement document, be approved, with the addition of the three words, "and Energy Northwest", as noted above.

Jenene Fenton seconded the motion.

Action: The motion passed unanimously.

<i>PSD Permit Review</i>	<i>Irina Makarow, EFSEC Staff reporting</i>
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On April 23, 2001, Duke Energy and Energy Northwest jointly submitted an application for a new Prevention of Significant Deterioration (PSD) Permit for the Satsop CT project. The application was reviewed by our permit writer, Alex Piliaris, with Ecology's Air Quality Program. He also circulated a copy of the application to federal land managers and other stakeholders. On May 31, 2001, Mr. Piliaris issued a Completeness Determination stating his determination that the application was not complete.

His review identified two major issues. The first involves how Duke Energy and Energy Northwest (Duke Energy) plan to operate the facility. The application indicated that the two (2) facility's power units would be operating for 8,760 hours each year with each duct burner operating for a maximum of 3,360 hours. However, Mr. Piliaris learned in discussions with Duke Energy that they might want to use duct burners up to 6,760 hours to gain more flexibility in operating the plant. The impact of increasing duct burning is that the project could consume all the allowable emissions (specifically-particulate matter (PM₁₀) and nitrogen oxides (NO_x)) before the annual cycle was completed and be forced to remain idle for up to three months per year. The second issue was the lack of information regarding emissions during start-up and shut-down periods.

Mr. Sotak responded to the issues. For duct burning, they are requesting flexibility in the hours allowed of duct firing and restated their commitment to not exceed the emission limits allowed in the previous permit. However, he stated they would not want to idle the plant; rather they would operate the facility within the constraints of the PSD permit. He added that General Electric, the turbine vendor, will be providing more data for the start-up and shut-down emissions and Duke Energy will provide those to Mr. Piliaris as soon as they receive them.

Mitigation Planning for Satsop Natural Gas Pipeline	Mike Mills, EFSEC Staff reporting
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Curt Leigh, state Department of Fish and Wildlife (WDFW) and Matt Love, counsel for the department, requested clarification on a certificate holder's responsibilities for complying with the conditions of a Site Certification Agreement (SCA), when a situation could exist where a permitted element of a project, i.e., the natural gas pipeline, could be constructed by a third party inconsistent with SCA conditions and outside the jurisdiction of EFSEC. The department became aware that the Northwest Pipeline Corporation/Williams Gas Pipeline (Northwest Pipeline or Williams) has filed an application with the Federal Energy Regulatory Commission (FERC) to construct an approximate 49-mile natural gas pipeline to serve the Satsop CT Project.

The SCA for the Satsop CT Project authorizes construction and operation of a 48-mile natural gas pipeline that would be located in Thurston and Grays Harbor counties. WDFW is concerned that if Northwest Pipeline constructs the pipeline, it may do so in a manner that is not consistent with the construction practices, environmental or location(s) protections, or the mitigation actions required by the SCA. The department would like to understand more about the responsibilities of Duke Energy in complying with the terms and agreements reflected in the Satsop CT Project SCA.

Chair Ross explained the Council has not received any request to amend the SCA, but the Council is also aware that Northwest Pipeline might be interested in constructing a pipeline to the site, as a FERC jurisdictional pipeline. She referred to a letter received from Mr. Leigh, dated June 13, 2001, raising the question if Northwest Pipeline constructs the pipeline to serve the Satsop CT facility, would the Williams-built pipeline need to comply with the terms of the SCA. She proposed that this matter be referred to Mr. Fallis for review, and then be discussed at the next Executive Committee meeting, on Monday, June 25, 2001.

Mr. Leigh expressed an additional concern that as WDFW field staff are being engaged to work with Williams on their permit application, their staff need to know which standards they need to follow - those already in existence in the current SCA or others. Mr. Leigh stated that work on the permit application needed to be completed within 30 days from the date of the submittal to FERC. This places WDFW under some time constraints to get clarity, so they can complete their work accurately and within the time limits allowed.

Chair Ross will bring this question to the Executive Council meeting on Monday, June 25, 2001. Ms. Karen McGaffey, Perkins Coie, legal counsel for Duke Energy and Energy Northwest, indicated she has received a copy of the letter from Mr. Leigh and is preparing a response. She stated the letter may mis-characterize the situation between Duke Energy and Williams and may

not have considered previous discussions with staff and Council regarding the pipeline proposal and how the pipeline could be dealt with relative to the SCA.

Chair Ross requested the response from Duke Energy be sent to Rusty Fallis and EFSEC staff prior to the Council's next Executive Committee meeting, Monday, June 25th.

Item 9: Energy Northwest (ENW) Columbia Generating Station & WNP-1/4

<i>Columbia Operations</i>	<i>John Arbuckle, ENW Staff reporting</i>
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Mr. Arbuckle presented his monthly report on the status of the Columbia Generating Station (Columbia). The R-15 Maintenance and Refueling Outage is nearly complete and the plant has been refueled for a 24-month cycle and will be conducting pre-operational testing this week. Energy Northwest is estimating a restart date of June 21, 2001. Also on June 21, 2001, in Richland, Washington, there will be an NRC public meeting to discuss Columbia performance indicators.

<i>Emergency Preparedness Resolution</i>	<i>Mike Mills, EFSEC Staff reporting</i>
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Mr. Mills presented a proposed amendment to Resolution No. 287, adopted in 1998 that documented a study the Council prepared at that time on the Columbia Emergency Preparedness (EP) Program. When the Council approved the Fiscal Year (FY) 2002 budgets in April 2001, for the state agencies and local agencies that receive funding through the Council in support of the Columbia EP Program, staff intended to bring forward an amendment to document important points for continuing support for the agencies that participate in this program.

Based on this year's review, EFSEC staff has concluded that the agencies have maintained a high level of preparedness as demonstrated in their performance in exercises and drills that are carried out pursuant to federal regulations. In addition, the state and local agencies have managed program activities consistent with program and budget guidelines that were set in the earlier 1997 study.

This resolution reaffirms that the Columbia Offsite EP Program is organized and managed adequately to meet program requirements and to protect the public health and safety. It also establishes the FY 2002 funding amounts as the base level funding through FY 2005.

Jenene Fenton made the following motion.

Motion: To approve Amendment No. 1 to Resolution No. 287.

Heather Ballash seconded the motion.

Action: It was approved unanimously.

<i>WNP-1 Temporary Diesel Generator Project</i>	<i>Mike Mills, EFSEC Staff reporting</i>
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Mr. Arbuckle reported that Energy Northwest sent a letter on June 7, 2001, requesting EFSEC's review and approval for a proposed 30-megawatt temporary diesel electric generation project, to be operated by Energy Northwest, at the WNP-1 site. Mr. Arbuckle stated that Benton Clean Air Authority (BCAA) is the lead regulatory agency because of the requirement for a temporary source air permit, and ENW filed a notice and environmental checklist with them on June 4, 2001.

Charles Carelli made the following motion:

Motion: To approve the proposed temporary diesel generation project by Energy Northwest at the WNP-1 site.

Jenene Fenton seconded the motion.

Action: The motion passed unanimously.

<i>WNP-1 Viability Study</i>	<i>Mike Mills, EFSEC Staff reporting</i>
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Energy Northwest is conducting a viability study to see if it would be feasible to complete WNP-1 as a nuclear power generating station. The study is progressing and they plan to have a report available for all interested parties to use by the end of August.

<i>Proposed Solar Power Facility</i>	<i>Mike Mills, EFSEC Staff reporting</i>
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Mr. Mills informed the Council that in a letter dated June 13, 2001, Energy Northwest was requesting Council review and approval of a proposed 50-kilowatt solar demonstration project. The project is a planned partnership between Energy Northwest, US Department of Energy (through Bonneville Power Administration) and the Bonneville Environmental Foundation. The project involves the installation of photovoltaic panels on existing concrete building slabs at the WNP-1 site. The solar electric generating facility will be connected to the BPA grid through existing equipment.

Staff plans to review this proposal with the Executive Committee at its June 25th meeting. Chair Ross expressed some concerns about activities that may interfere with ultimate site restoration and indicated that the Council may want to take a different approach in considering temporary versus permanent facilities.

Mr. Arbuckle committed to provide a site map, so the Council can better understand where the diesel generation and solar facilities will be located on the WNP-1 site.

Item 10: Contracts

<i>Amendments</i>	<i>Irina Makarow & Mike Mills,</i> <i>EFSEC Staff reporting</i>
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Ecology Air (FY 2002), Chehalis PSD, Amendment # 1 (A)

Mr. Mills presented Amendment #1 (A) to the FY 2002 Ecology-Air Permits Contract, No. S02-52100-001, relating to the Chehalis Prevention of Significant Deterioration (PSD) air permit. The Chehalis PSD permit has been appealed to the federal Environmental Appeals Board and it may be necessary for the department to provide additional support to the Council in preparing for the anticipated hearing(s). Staff would be more comfortable if the budget were increased in the event the services of the department are needed to support the Council's legal involvement in the appeal process.

Staff is recommending that the contract be amended as follows: On page 3, under Certified Projects, add No. 8, which reads, "The CONTRACTOR, as requested by the COUNCIL, shall provide advice and technical information necessary to support legal appeals filed on the PSD

permit(s) for certified projects. On page 6, under 6.0 Compensation, the amount listed for Chehalis CGF is increased from \$2,000 to \$7,000, which increases the total contract amount from \$55,000 to \$60,000.

Heather Ballash made the following motion.

Motion: To approve Amendment No. 1 (A) to the Ecology-Air Permits Contract, No. S02-52100-001.

Jenene Fenton seconded the motion.

Action: The motion was passed with the Department of Ecology abstaining from the vote.

Ecology Air (FY 2002), Sumas 2 PSD Amendment # 2 (B)

Ms. Makarow presented Amendment B to the FY 2002 Ecology Air Permits Contract for Sumas 2, No. S99-52300-002, to extend the time and increase funding. Staff recommends the following amendments: Under Item 5.0, Period of Performance, the date of performance be extended until June 30, 2002. Also, increase funding by \$7,500 to cover any new review that would be required in order to produce a draft and final permit for the second revised application.

Jenene Fenton made the following motion.

Motion: To approve Amendment B to the Ecology-Air Permits Contract, No. S99-52300-002.

Tony Ifie seconded it.

Action: The motion was passed with the Department of Ecology abstaining from the vote.

Jones and Stokes, Sumas Energy 2 Revised Application, Amendment 15

Ms. Makarow reported that with the anticipated filing of the Second Revised Application for the Sumas Energy 2 (SE2) Generation Facility, it would be necessary to amend the Jones and Stokes (JSA) Contract, No. S-99-523-001, to evaluate the significance of changes to the project; determine State Environmental Policy Act (SEPA) requirements; and prepare additional documents, as necessary. To accomplish this, staff will be requesting approval to: 1) Amend the JSA contract's scope of work and budget to reflect the additional work; and 2) Authorize the EFSEC Manager, in consultation with the Executive Committee, to approve the level of funding, based on a two-tiered approach.

Ms. Makarow presented a summary prepared by Jones and Stokes outlining three (3) options on their level of involvement in the review of the SE2 Second Revised Application. All of the options would have the following common elements: 1) SEPA Threshold Determination-to assist the Council and SEPA Responsible Official in determining what SEPA actions will need to be carried out; 2) Open House-an open house will be held in the Bellingham/Suma area after the application is submitted; 3) Application Review-each option includes a technical review of the application, with the Supplemental Environmental Impact Statement (EIS) options requiring a greater level of effort; and 4) Project Management.

Ms. Makarow reviewed each of the options:

Option 1 – Addendum: This option would include an internal draft and a final SEPA Addendum describing projects changes. There would be little or no additional environmental analysis. The addendum would describe the project and any changes made, or new information generated,

since issuance of the FEIS. EFSEC would distribute the completed Addendum to all recipients of the FEIS.

Option 2 – Narrow Scope Supplemental EIS: This option would include a draft and final Supplemental EIS, with internal reviews and revisions, for one or two issues or project changes that were determined to have a bearing on significant adverse impacts. The Supplemental EIS would address 2-3 resources. A Supplemental EIS undergoes the same preparation stages as a regular EIS (draft, public hearing, comment/response, final, etc.), except that it includes a very narrow list of issues – sometimes only one or two.

Option 3 – Wider Scope Supplemental EIS: This option assumes that whatever project changes are made affect 4-6 environmental resources. This budget, like Option 2, includes essentially six documents to be delivered to the Council:
 Preliminary Draft SEIS, Draft SEIS, Preliminary FEIS, FEIS (Pre-Contested Case Hearing), Preliminary Final SEIS (Post Contested Case Hearing), Final SEIS.

The budgets for the three proposals are as follows:

<u>Item</u>	<u>Option 1: Addendum</u>	<u>Option 2: Narrow Scope EIS</u>	<u>Option 3: Wide Scope EIS</u>
Total	\$68,300	\$256,500	\$320,000

Staff believes that the decision on which option to choose can only be made when the second revised application is actually received. Staff recommends that the Council approve funding up to the level of Option 2. This will allow Jones and Stokes to proceed expeditiously with the review, covering the tasks identified in either Option 1 or Option 2. This approach would allow for Jones and Stokes to start work, and if Option 3 were necessary, the Council would then have time to consider any further amendments to the contract.

The Council had questions regarding the final EIS (FEIS) and whether more work will be required from the Applicant, because the original FEIS stated there was insufficient information to determine whether all the adverse effects could be mitigated. Ms. Makarow responded that if the revisions are based on the applicant’s commitments in their motion for reconsideration, staff believes the changes in the project should address many of these issues. She noted, however, that even if the application does not add anymore significant adverse environmental impacts associated with the proposed project, there may still not be enough information to address any or all of the significant adverse impacts identified in the application.

Ms. McGaffey stated that the applicant has not reviewed the proposed JSA contract amendment in depth, but her initial reaction is that the proposed budgets seem high given that they are planning to eliminate a large number of issues with revisions to the project and as described in their Motion for Reconsideration.

Chuck Carelli made the following motion.

Motion: To approve Amendment No. 15 to the Jones and Stokes contract, to include Options 1 and 2 as recommended by staff; and to authorize Mr. Fiksdal, the EFSEC Manager, the ability, in

consultation with the Executive Committee, to determine which option is appropriate based on the application review and SEPA requirements.

Tony Ifie seconded the motion.

Action: The motion passed unanimously.

Shapiro-BP Cherry Point-Schedule Changes, Amendment # 1

Mr. Fiksdal presented Amendment # 1, Task 1, to extend Shapiro’s deadline for filing the draft and final potential site study for the BP Cherry Point project; and he requested authorization to sign the amendment to the contract. Mike Torpey, representing BP Cherry Point, indicated they were aware of the amendment request and approved of this change.

Jenene Fenton made the following motion.

Motion: To authorize extension of the Shapiro’s deadline for filing the draft and final potential site study for the BP Cherry Point project and allow Mr. Fiksdal signature authority on the contract amendment.

Tony Ifie seconded the motion.

Action: The motion passed unanimously.

<i>State Agency Coordination</i>	<i>Allen Fiksdal, EFSEC Manager reporting</i>
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Department of Ecology and Council staff met last week to discuss the relationship between the two agencies in the review of applications potential site studies and compliance monitoring. Ecology is looking to coordinate and consolidate their work with the Council and exploring how they might provide those type of services.

Mr. Fiksdal believes the Council has a good working relationship with the Department of Ecology, and will continue to explore ways to use their expertise in reviewing the issues that come before the Council; and specifically, evaluating applications and providing permit services. He indicated that a Memorandum of Understanding (MOU) or a contract could be used to set out the Council’s relationship with the department.

Mr. Fiksdal stated that staff expressed some reservations about how agencies might participate in the review of applications and studies and the recovery of costs. The issue of an agency working for the Council in the early phases of the review process and then becoming an intervener during the adjudicative phase needs to be carefully examined. Ms. Fenton indicated that Fish and Wildlife is also interested in discussing coordination opportunities with the Council.

Item 11: EFSEC Schedule

<i>Project Status/Rulemaking Activities</i>	<i>Irina Makarow, EFSEC Staff reporting</i>
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Ms. Makarow provided an update of the current project schedules, to include the addition of the Sumas 2 project, rulemaking activities, and the Satsop PSD permit. The schedule is tentative and is provided to help the Council members see all the projects’ timeframes over the next year and how they overlap. Ms. Makarow will create the next schedule update in color and e-mail to all the Council members.

Item 12: Other

Monthly status reports on all ongoing projects are included in the monthly Council packets.

EFSEC staff received a Petition for Declaratory Order on the Everett Delta I and II projects, filed on behalf of FPL Energy Inc. The two projects are immediately adjacent to one another in Everett, Washington, and propose to share some of the same facilities. A declaratory order is being requested from the Council to determine whether they are subject to EFSEC jurisdiction. Mr. Fallis has received a copy of this letter and will advise the Council how to proceed.

Mr. Fiksdal thanked Chair Ross for her 3 years 4 months and 7 days of service. As a part-time position, being chair required a very large and generous commitment of time, talent and energy. During this time, she participated in approximately 38 Council and 68 Executive Committee meetings. She brought a fresh new perspective, and a great concern for the public involvement that has been appreciated. Her extensive background in energy has been a great asset and helped in the Council's understanding of complex energy issues. Deb has been very straightforward and a pleasure to work with.

Chair Ross reported there has not been a new chair appointed yet. The Governor's Office is continuing their search for a successor and candidates are still encouraged to apply. She reported that Chuck Carelli, Department of Ecology, has agreed to take the position of acting chair, effective on July 1, 2001.

Chair Ross expressed her appreciation to all in the room for the time she spent working with Council members and especially EFSEC staff, who all and without exception, are committed, involved and working toward the right goals. She had a hand in hiring all the staff, except Mike Mills. She also thanked the stakeholders who she has worked with over the past years, as they have worked toward the same goals as the Council, even when views differed. She noted there has been a strong commitment to energy issues in Washington State and appreciates all they have put into the process.

Item 13: Adjourn

The meeting was adjourned at 3:45 pm.