

**MINUTES
STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL**

August 12, 2002 - Regular Meeting
4224 6th Avenue S.E., Building 1
Lacey, Washington, 1:30 p.m.

ITEM 1: CALL TO ORDER

CHAIR LUCE: The regular meeting of the Washington Energy Facility Site Evaluation Council for Monday, August 12, 2002, will come to order. I'd like to welcome at the outset a new member, Tim Sweeney, from the Washington Utilities and Transportation Commission. Tim is seated to my right at the end of the table, welcome, Tim.

ITEM 2: ROLL CALL

EFSEC Council Members

Department of Ecology

Chuck Carelli

Department of Fish & Wildlife

Jenene Fenton

Department of Natural Resources

Tony Ifie

Utilities and Transportation Commission

Tim Sweeney

Walla Walla County

Pam Ray – via phone

Chair

Jim Luce

MR. MILLS: And I note the presence of Chair Jim Luce, and there is a quorum.

OTHERS IN ATTENDANCE

EFSEC Staff and Counsel

Mike Mills

Michelle Elling

Irina Makarow

Rusty Fallis - AAG

Mariah Laamb

EFSEC Guests

Tom McKinney, BPA

Mike Lufkin, CFE

Cindy Custer, BPA

Mike Dunning, CFE

Kirk Deal, Carpenter's Union

Alan Harger, WSDOT

Karen McGaffey, Perkins Coie

William Frymire, AGO

Katy Chaney, URS Corp

Mike Sotak, Duke Energy

Chuck Lean, Wallula Power

Mike Torpey, BP Cherry Point

Mark Anderson, OTED

Laura Schinnell, Energy Northwest

Dick Fryhling

ITEM 3: APPROVAL OF MINUTES

CHAIR LUCE: Thank you. We have an action item listed as approval of minutes for July 8 and 23. Mr. Mills, are those ready?

MR. MILLS: No, they're not.

CHAIR LUCE: Then we'll defer to the approval of those minutes until a later time.

ITEM 4: ADOPTION OF PROPOSED AGENDA

CHAIR LUCE: Has Council had an opportunity to review the proposed agenda? Any suggested changes, additions? We will consider then the proposed agenda to have been adopted.

ITEM 5: WALLULA POWER PROJECT

<i>Adoption of Final Environmental Impact Statement</i>	<i>Irina Makarow, EFSEC Staff</i>
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CHAIR LUCE: The first matter is the Wallula Power Project, an action item, the adoption of the Final Environmental Impact Statement. Ms. Makarow.

MS. MAKAROW: I would like to go over the process that the Council and EFSEC staff as well as BPA staff and our mutual consultant, Jones & Stokes, have gone through in the preparation of the Final EIS for the Wallula Power Project.

In February 2002, a Draft EIS was issued for public comment for a period of 45 days and two public comment meetings were held, one in Burbank, Washington and one in McNary, Oregon. At the end of that public comment period, the Council and BPA had received 29 written letters from a number of state, federal organizations, nongovernmental organizations, and private citizens, as well as four oral comments that were received during the public hearings. Based on these letters and oral comments, Jones & Stokes prepared an administrative version of the Final EIS for internal EFSEC and BPA review.

On EFSEC's side, both Council Members and staff had a chance to look at that document and get their comments back to our consultant. That administrative version of the Final EIS included a response to all of the comments changes to text where appropriate. The document is updated with current information as appropriate based on the mitigation that was offered through settlement agreements that the Applicant had entered into with intervenors to the case. It is also based on other information that BPA had received regarding the siting of the transmission lines. Both Council and BPA reviewed the document and submitted comments back to our consultant who then finalized it. The document did not require additional modifications due to information that was presented at the adjudicative hearing because, again, most of the parties settled out and the basis for any additional mitigation was the settlement agreements.

In early June, that document went to BPA's Technical Advisory Committee (TAC) for BPA's approval. BPA's TAC group accepted the document without any additional changes. EFSEC staff submitted the document for printing to the Department of Printing on August 2, and it is currently in the process of being printed. This is the same type of process that is being followed on other environmental impact statements.

To avoid a duplicative special meeting this Friday, staff is recommending that the Council adopt the document today for issuance on Friday, August 16th.

On behalf of Mr. Fiksdal, staff has reviewed the document and has concluded that it meets the requirements of the State Environmental Policy Act and complies with the Washington Administrative Code 463-47, which is the Council's SEPA requirement. And the Washington Administrative Code 197-11, which is the Ecology's SEPA requirements that we've adopted by reference. BPA has requested that the Council proceed with issuance of this document as quickly as possible, so that they can proceed with their Record of Decision on the required transmission line that BPA would have to build. The document, however, does clearly state that should the Governor of Washington not approve this project no additional transmission would have to be built.

So today staff is recommending that the Council act to adopt the Final EIS as to allow staff to issue it publicly on August 16th, which is this Friday, and that public issuance would include mailing out the Final EIS document to all the people who either submitted comments or who received the Draft EIS. We will also mail out a notice of availability to our full mailing list, including BPA's mailing list for this project, place it on our website. We will also get it into the SEPA register on Friday. Do any Council members have any questions?

MS. FENTON: Were there any substantive changes other than those reflected in settlement agreements?

MS. MAKAROW: No. The changes that were brought to the document pursuant to the Council's comments were either updates to the review processes that had been followed. There were some updates to reflect the Draft Notice of Construction and PSD air permits that have been issued for public comment, the Waste Water Review Report that had been issued by our consultants, and factual corrections. There was a comment by our Assistant Attorney General regarding the process through which EFSEC would have jurisdiction to transfer water rights, and there was just some clarification to the greenhouse gas discussion.

MS. FENTON: So the Council has seen all the changes relating to the waste discharge permitting process?

MS. MAKAROW: All the changes that were known to us at the time. Now, of course, during the adjudicative hearing, the Applicant did bring to the Council's attention some concerns that they had. However, we felt that those concerns would not really substantively modify the analysis of those requirements in the Final EIS, and those would be essentially taken care of through the Council's own review and permitting process. The overall mitigation scheme that was presented in that Waste Water Review Report is reflected in the Final EIS to the level of detail that is required there.

MS. FENTON: Thank you.

CHAIR LUCE: Any other comments or questions by Council Members?

MR. IFIE: Just one quick question. Irina, do you have any quick synopsis of the major changes that were caused?

MS. MAKAROW: Beyond the factual corrections regarding dates meetings occurred, additions about descriptions and what additional review process had occurred, which I think is pretty basic, I would say there were just two major changes. The first was that our Assistant Attorney General, Robert Fallis, corroborated that the transfer of the water rights as being proposed by the Applicant and that has been approved by the Department of Ecology is indeed within Council's jurisdiction, and also the description in the Final EIS gives the basis for that conclusion. The other changes were regarding the greenhouse gas section, which is 3.2.4.2, where the consultant had proposed to strike a lot of the information that appeared in the Draft EIS. Comments from the Council indicated that it really wasn't necessary to strike that information because it was still

relevant, so we only had to add the additional information regarding the mitigation that was being offered by the Applicant through a settlement agreement. Those were the two major changes from the document that you had reviewed.

CHAIR LUCE: Pam, do you have questions?

MS. RAY: Is there now another period once this is adopted for comments or there is something else, that comes after this?

MS. MAKAROW: This is the Final Environmental Impact Statement, so should the Council move and adopt this statement today, the only thing that happens is that it's issued to the public. The comment periods are all closed, so it just goes out to the public. And, of course, the Council uses this document as one of their decision-making tools in reaching a decision as to whether they should recommend approval or denial of this project.

MS. RAY: Okay. I knew we had comment periods during the time that would ride concurrently with this process. So everything is closed now as far as public comments.

MS. MAKAROW: That is correct.

MR. CARELLI: What are we looking for at this point in the way of a motion?

CHAIR LUCE: We are looking for a motion to accept the Final Environmental Impact Statement for the Wallula project.

MS. MAKAROW: Yes, and allow staff to issue it on August 16th.

CHAIR LUCE: On Friday, August 16th, concurrently with the issuance of Bonneville Power Administration's EIS?

MS. MAKAROW: Yes.

CHAIR LUCE: Do I have a motion to that effect?

MR. CARELLI: If Council will allow me, I make such a motion.

CHAIR LUCE: Is there a second?

MS. FENTON: Second.

CHAIR LUCE: Discussion among the Council Members? Do I hear a call for the question?

MS. RAY: I will call for the question.

CHAIR LUCE: All right. We've got a call for the question. Roll call.

MR. MILLS: Community, Trade, and Economic Development?
Department of Ecology?

MR. CARELLI: Charles Carelli, aye.

MR. MILLS: Department of Fish and Wildlife?

MS. FENTON: Aye.

MR. MILLS: Department of Natural Resources?

MR. IFIE: Aye.

MR. MILLS: Utilities and Transportation Commission?

MR. SWEENEY: Pass.

MR. MILLS: Walla Walla County?

MS. RAY: Aye.

MR. MILLS: Chair?

CHAIR LUCE: Aye.

MR. MILLS: The motion is approved.

<i>Status Report</i>	<i>Irina Makarow, EFSEC Staff</i>
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CHAIR LUCE: Thank you. The next information item on the Wallula Power Project is a status report also to be provided by Irina Makarow.

MS. MAKAROW: As for status, the public comment period on the Draft Air Emissions Permits closed last Thursday at the hearing. There was one person who presented comments and none of them were really specific to the permits. He was representing the Port and was in favor of the project and commented that he felt that the PSD and NOC permits addressed any issues regarding air impacts that the Port could have conceived. We received five comments in all. The EPA and the Counsel for the Environment did send in some detailed comments, which we'll be getting to all the Council Members very soon. Three citizen comments were also received. We have a whole package of post hearing briefing materials that we're collecting, and so you will be getting those in the next couple of days. We've tasked our PSD permit writing contractor at the Department at Ecology to look at these comments and prepare responses to those comments and a final permit.

On the waste water review side, as I had mentioned at the end of the adjudicative hearings, the Applicant had raised some concerns with the Waste Water Discharge Review Report and had requested that a meeting be held between the Applicant, Counsel for the Environment, and Council staff and the contractors that the Council had used to prepare that report. That meeting has happened and today the Applicant will be submitting their final briefing regarding what they feel that report should say and what the conditions for waste water discharge should be. The Counsel for the Environment will be submitting a response to those documents in ten days. This will complete, one of the two missing pieces at the end of the hearings.

As I mentioned we've been collecting a number of post hearing filings, and we will be getting all of those in a single package out to you in the next couple of days. And I'll be working with our Administrative Law Judge, Don Meath, in preparing a schedule for him to be able to begin working on the order. So, again, by the end of this week we will have some form of schedule out for you. Do you have of any other questions?

CHAIR LUCE: Other Council Members have any questions? Thank you. Any comments from the public? Hearing no comments from the public, we will move onto the next agenda item.

MS. RAY: We have the deliberations to set up and then subsequent to that I assume something else will happen. Irina has my time schedule, I think I am going to be out of town for two weeks. Do we have any idea when the deliberations will occur?

MS. MAKAROW: No. I still have to work on that with our Administrative Judge, Don Meath, and also get in touch with other Council Members to see when they're available or not. Pam, I would like you to just remind me when is it that you're out?

MS. RAY: I will be gone from September 21 through October 5.

MS. MAKAROW: All right. Thank you very much.

MS. RAY: There are some other times in there that I would have a conflict obviously, but you can work with Connie Venti in our office to arrange something.

MS. MAKAROW: We will do that.

MS. RAY: Thank you so much everybody. Talk to you later

ITEM 6: SATSOP COMBUSTION TURBINE PROJECT

<i>Phase I Progress Report</i>	<i>Laura Schinnell, ENW</i>
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CHAIR LUCE: Moving ahead to the next item. The Satsop Combustion Turbine Project is scheduled for an information status report. Phase I progress report, Laura Schinnell is present, and, Laura, would you please come forward and make your report.

MS. SCHINNELL: Thank you, Mr. Chair, Council. Our construction continues to be slightly ahead of schedule with commercial operation remaining scheduled for July 7, 2003. We have slightly over 500 people on site daily. The number varies, give or take a few people. On July 31st that number was 508. We have set the turbines, and they're currently being aligned with the exception of the high pressure, intermediate pressure turbine, which is now on site and should be set the week of August 19th. All the heat recovery steam generator boiler tubes have been installed in the first unit, and we're in the process of installing the tubes in the second unit, and that is expected to be complete this week. We have completed foundations for the electrical transmission towers and the towers are now being erected. We have completed the field-fabricated tanks. That means the raw water tank and the demineralized storage tank, and they have been inspected. We have begun erection of the chiller units. We are working with Grays Harbor Public Development Authority on the Ranney well modifications, and those are underway. Water from the Ranney wells is expected to be deliverable to the site by September 1st. High voltage terminations are in preparation with back feed power now scheduled for October 1st and the cooling tower, it continues to be worked on and fan housing motors have now been installed on top of the towers.

CHAIR LUCE: Thank you. Questions?

MS. FENTON: What's the status of the JARPA permit?

MS. SCHINNELL: The JARPA permit was submitted about two weeks ago. We have formally received the exemption for Grays Harbor County for that application, we meaning, in this case it's the Grays Harbor PDA, it's their application. The Department of Fish and Wildlife, the regional office thought they would be issuing the HPA by the end of last week. I haven't seen it yet today. The Army Corps at this point had no problem with the submittal but haven't reviewed it in detail. Those are the three critical agencies. Then once we receive the HPA and, of course, we also will transmit the exemption from the County to Ecology. Ecology would issue a 401, so they need us to have those two before they can issue the 401 certification.

MS. FENTON: What do you think the time line is?

MS. SCHINNELL: Providing that the Corps can review it in the time frame the individual thought, we are looking at getting that permit probably the week of August 19th.

MS. FENTON: What's the status of the installation of the river gauge?

MS. SCHINNELL: The USGS is in the process of installing that. They encountered some severe vandalism. Fortunately that was before they had the velocity meter installed, so they are working to repair the vandalism and get the meter back out.

MS. FENTON: Where is it being installed?

MS. SCHINNELL: It's actually just upstream of the diffuser location in the Chehalis River. That's a stable area of the river, and after doing some additional research, USGS felt that was still the best location for the station. It is the station that is identified in the water quality regulations as well, that particular location.

MS. FENTON: Why do I remember something about a gauge being located below the Satsop River?

MS. SCHINNELL: This is the gauge that's just below the confluence of the Satsop and Chehalis rivers, and as I said it's a fairly stable area of the river where the channel isn't changing.

MS. FENTON: Great. Thank you.

CHAIR LUCE: Mr. Carelli.

MR. CARELLI: In that regard and in work related to the diffuser, does the company have any intention of taking some temperature readings in the Ranney well?

MS. SCHINNELL: We will be taking temperature readings out of the Ranney well - that is correct, once we begin withdrawing water. The actual initial water will be for Grays Harbor Public Development Authority.

MR. CARELLI: Thank you.

CHAIR LUCE: Other Council Members questions? A follow up question. It seems like an unusual item to be vandalizing. Is there a way in which this device can be protected against future such vandalism or limit potential vandalism?

MS. SCHINNELL: We are certainly going to work with USGS to try that. Some of the thoughts that were had were to put in motion detector security lights. The USGS actually has vandalism occur out on their other river gauge stations as well. That's a problem apparently throughout the region unfortunately.

CHAIR LUCE: Traffic.

MS. SCHINNELL: Traffic. I have not seen any recent numbers, so I am going to turn and defer to Katy to see if she has seen anything recently.

MS. CHANEY: I got a fax of about two weeks worth on Friday, but it's just the raw data. I didn't get a chance to break it down to see what the numbers were. The previous data we had I think went through the Fourth of July week through Friday the 5th of July, and there was a downturn that week. We were down to about 145 vehicles moving through the direction, so the previous week it was higher than that. So I will be interested to see whether the downturn continues, but I haven't seen it.

MS. FENTON: Could we get something from Katy once she has the data?

CHAIR LUCE: I assume Katy would transfer that information to staff and staff would provide it the Council Members.

MS. FENTON: But we're looking at the last report, it was through the Fourth of July week, and we are now close to mid August. How often are you getting the data?

MS. CHANEY: About once a month. I get the data from DOT, and they fax me three or four weeks at a time.

MS. FENTON: When the last report was obtained how many folks were working on the site approximately?

MS. SCHINNELL: There were approximately 400.

MS. FENTON: So we're up 100 people on site.

MS. SCHINNELL: Yes.

MS. FENTON: And they're still turning the wrong way.

MS. SCHINNELL: Well, they actually turn correctly, but what we have observed is then they'll do a U-turn somewhere further up on Keys Road and come back. I have to say though I was working on a Saturday and left at the same time as one of the shifts do and was very pleasantly surprised by the number of people that actually did go all the way to the east as well as myself.

CHAIR LUCE: Is there a sheriff out there?

MS. SCHINNELL: Yes. There is a sheriff that sits out there, and, of course, he does ticket. If it's somebody that's brand new to the area, he's given a couple warnings as well. But in terms of

the U-turn, since there's no prohibition on the U-turn even if the sheriff is sitting there, I've seen them do it right after he goes by the driveway to park off on the side of the road.

CHAIR LUCE: Has the County considered a prohibition against U-turns?

MS. SCHINELL: They have considered that. The problem with that is they pick a little driveway or a wide area of the road, and they felt that you just forever would be trying to put in U-turn signs, so they felt that would not be an effective deterrent.

CHAIR LUCE: I'm not a law enforcement officer, but we have to watch those traffic counts very carefully. So however Grays Harbor PDA and the County and the Company want to structure it so we get the right result that's what we are looking for. Thank you.

MR. IFIE: I have a question about a report that was submitted by Satsop earlier, the greenhouse gas report. This question is mostly for staff. I'm wondering what the plan is to deal with the greenhouse gas report that was submitted dated July 3, 2002? I mean it was submitted, but I hadn't heard anything about it at that time. I was curious what the next action is.

MR. MILLS: I'm not sure that we have a next action plan right now. We have focused on the Chehalis plan, and we did hear a report from the company at the last executive committee. To my knowledge we have not scheduled this for an executive committee meeting yet or any action or review.

CHAIR LUCE: I am going to ask, Tony, first of all, for our Assistant Attorney General, Rusty Fallis, to give the Council, an interpretation of what is required under the existing site certificate agreement for Satsop I. Also at the same time review the proposal of Satsop to advise us with respect to whether that proposal is in concurrence with the contract that we have with the Applicant's site certificate agreement. It seems to me like that would be a reasonable way to begin. Other thoughts on how to begin?

MS. FENTON: Well, the proposal that we got basically dealt with Phase II, and I'm assuming that that will be part of our discussion concerning the Phase II proposal.

CHAIR LUCE: Yes, it will.

MR. IFIE: The report does say Phase I Greenhouse Gas Report.

CHAIR LUCE: Then I think there's an attachment in there, correct me if I am wrong, which also addresses Phase II.

MR. FALLIS: So we have two different reports.

MS. MAKAROW: Two different reports.

CHAIR LUCE: That's what I thought. So with respect to Phase I, if we could get some legal advice with respect to what the company proposes with respect to Phase I, that would be good. And with Phase II, we are going to have some discussions structured for September 6th. Yes Mr. Carelli.

MR. CARELLI: This Phase II is an amendment of their application for site certification, so isn't it appropriate that they both be dealt with at the same time?

CHAIR LUCE: That's one of the issues I want to ask Mr. Fallis to take a look at.

MS. FENTON: And I would suggest strongly that we look at the record that developed Resolution 298.

CHAIR LUCE: That's part and parcel of it. I think there are some legal issues underlying this, and I think that Rusty is the best person at least to give us the get go both on the resolution and the underlying question of whether the application is an amendment and, if so, how that affects what was called for in Phase I, so we will look for that prior to our discussion on Satsop Phase II. Any other suggestions on how to proceed, because I am open to ideas?

MR. CARELLI: Just in a sequential matter we might want to deal with the Chehalis plan first and then move on and deal with the Satsop mitigation plan.

CHAIR LUCE: Okay.

MR. CARELLI: I guess Tony asked a question about Satsop Phase I, and we have been dealing with Chehalis over the last many months actually, and we might want to dispose of that one.

CHAIR LUCE: Well, Chehalis has given us a very clear proposal. Mike, do you have any suggestions?

MR. MILLS: Staff will request that members take a look at the Chehalis submittal and submit any comments back to us in preparation for the first executive committee in September at which time the company will come back and the executive committee will have a chance to review any questions at that time.

CHAIR LUCE: When do we want to schedule this for a decision is another way to look at it? We are going to review the draft report, which I think we probably already have done as individuals, and we will have some discussion at the executive committee meeting or alternatively you could have a special meeting to consider the report and deliberations. What's the sense of the Council?

MS. FENTON: I don't see any reason why we couldn't take action during the regular September meeting. The only other question I have is do the discussions on the greenhouse gas standards play a part in this at all?

CHAIR LUCE: I think the greenhouse gas standard as currently contemplated are prospective in nature. Let's plan to have the Chehalis Generation facility proposed CO2 mitigation package considered for action at the September meeting.

MR. MILLS: Okay.

MR. CARELLI: September Council Executive Committee Meeting would be on Tuesday, September 3rd, is that correct?

MR. MILLS: Yes.

CHAIR LUCE: We will have to note that as a special meeting for the Council to take final action yes or no.

MR. MILLS: On the 9th, the regular meeting?

CHAIR LUCE: Okay. All right. So we'll discuss it to the extent we need to on the 3rd and take final action on the 9th. All right.

MS. FENTON: Are we supposed to send comments to Mike?

MR. MILLS: Yes.

CHAIR LUCE: Okay. That was a good suggestion, Mr. Carelli. The next item under Satsop is the Phase II review process. Michelle.

<i>Phase II Review Process</i>	<i>Michelle Elling, EFSEC Staff</i>
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MS. ELLING: On July 29th, the EFSEC manager issued a tentative decision on the draft air and water permits for the Satsop project. That means they were issued for the 30-day public comment, and that 30-day public comment will result in the public hearing on September 4th in Montesano to hear comments on the project.

Now the process for the air and water permits is pretty similar, and once we get those comments and the comment period ends, then typically we have our consultants respond to those comments and prepare a responsiveness summary and a recommendation for a final permit. The time spent for that is normally about three weeks after the close of the comment period, depending on the scope of the comments that are received. Now the Council had identified issues outside of the

water permit and the air permit that they would like the proponent to address. Duke came up with an informational facts sheet to address some of those concerns. We went ahead and issued that facts sheet with the draft air permit and the draft water permit for public comment, and offered the public an opportunity to comment on that facts sheet at the September 4th hearing. For issues that aren't addressed through that forum, there is going to be a panel discussion at Rowe Six on the morning of September 6th. A subcommittee is going to be getting together tomorrow at EFSEC offices to discuss what the content of the panel discussion will be and what the end result process will be for the Council getting to a recommendation for the Governor.

CHAIR LUCE: Thank you. Comments from the Council, particularly members of the subcommittee?

MS. FENTON: Because at the time that Council met with Counsel for the Environment and the Applicant, we had not yet seen the air or the NPDES permit, we weren't sure if we had additional questions concerning those permits. So the first purpose of tomorrow's meeting is to take a look at those permits and see if there are additional questions and whether or not additional panels need to be established was the primary focus on tomorrow's meeting. And I'm assuming it will get into the whole panel discussion, but that was the primary purpose from my recollection.

CHAIR LUCE: There will be an opportunity for the public to comment after the panels have completed their presentations.

MS. FENTON: That's my understanding as to how the meeting is set up.

MR. MILLS: I believe that's the Council's desire that the public have a chance to comment.

MS. ELLING: And when we noticed it we did indicate that.

CHAIR LUCE: Other comments from Council Members? Comments from the public? Hearing no comments, with respect to Satsop Phase II review, Chehalis Generation Facility.

ITEM 7: CHEHALIS GENERATION FACILITY

<i>Progress Report</i>	<i>Mike Mills, EFSEC Staff</i>
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CHAIR LUCE: Is Tom Schneider here?

MR. MILLS: Tom Schneider will not be here. I can report that I spoke with him this morning, and they believe the project is proceeding a bit ahead of schedule. They're currently at 64 percent complete overall with construction at 32 percent complete. They have a work force presently just under 400 at 395 construction workers on site, and they are proceeding again in accordance with the schedule, and they believe they're making good progress.

CHAIR LUCE: Have you been down to visit the site recently?

MR. MILLS: Not recently. I'm going to try to get to the site later this week.

CHAIR LUCE: Any other comments, questions, audience, public? Hearing none, we will move onto an information item on Sumas 2 Generation Facility.

ITEM 8: SUMAS 2 GENERATION FACILITY

<i>Status Report</i>	<i>Irina Makarow, EFSEC Staff</i>
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CHAIR LUCE: Ms. Makarow, do you have a report to make in respect to Sumas 2?

MS. MAKAROW: The only status report we can give is that the Council's recommendation is still before the Governor and theoretically he has until August 23rd to act.

CHAIR LUCE: Thank you. Any questions from the Council? Comments from the public? Hearing none, we will move onto the next matter.

ITEM 9: BP CHERRY POINT

<i>Status Report</i>	<i>Michelle Elling, EFSEC Staff</i>
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CHAIR LUCE: BP Cherry Point status report, Ms. Elling.

MS. ELLING: Our independent consultant, Shapiro, has completed their initial review of the application for site certification, and we are going to be meeting with the proponent, Mike Torpey, on Thursday to discuss those comments that they received from our independent consultant and BP's response to them. Also last Friday, August 9th, was the end of the scoping period for the EIS. We received 12 written comments in addition to the oral comments from the public meeting held July 9th. Our independent consultant is going to be looking at those comments and issuing a scoping report towards the end of this month. The comments were predominantly related to air emissions and wetlands. I think the independent consultant has good direction for developing the EIS. One additional thing that I need to bring up, at the public meeting we had some concerns about electrical transmission hookup, and at that time the best information available was a report by BPA that said that there would be no significant impacts because the project could connect directly with no additional lines being installed. That was a little bit premature. So BPA is going to be doing a systems impact analysis and looking at this a little more closely.

MS. FENTON: So what kind of time frame are we looking at?

MS. ELLING: Right now they're projecting that the system facility study should be done by late this fall.

MS. FENTON: How does that impact the development of the EIS?

MS. ELLING: Well, we are going to be talking about that this Thursday. We are not really sure at this point. A lot is going to depend on when the application is complete and right now we're not projecting there be a big piece of the EIS dedicated to the transmission because we had anticipated no impacts. But if there are, then that would definitely change the schedule of the EIS.

CHAIR LUCE: Okay. Keep us advised sooner rather than later. Any other questions? Comments?

ITEM 10: ENERGY NORTHWEST COLUMBIA GENERATING STATION & WNP 1/4

<i>Columbia Operations</i>	<i>Mike Mills, EFSEC Staff</i>
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CHAIR LUCE: We will move onto issues concerning Energy Northwest Columbia Generating Station and WNP 1 and 4. Mr. Mills.

MR. MILLS: I believe there's a handout in your packets. John Arbuckle has submitted a written report on Columbia Generating status. The plant's been on line for 169 consecutive days and is currently operating at 100 percent power. The plant remains at a heightened level of security. They are on track to meet the federally mandated security upgrades as of August 31st, and I believe John is planning to come over to the September Council meeting and brief the full

Council to the degree he can on the security upgrades that have occurred. I am also planning to visit the site this week, and we will try to provide first-hand information back to the Council.

<i>WNP-1/4 Site Restoration</i>	<i>Jim Luce, EFSEC Chair</i>
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CHAIR LUCE: Great. Thank you. WNP 1 and 4 site restoration. Bonneville is continuing to work with EFSEC, and I've shared some information on the Bonneville proposal. I wouldn't characterize it exactly as a proposal but Bonneville's thinking with all the Council Members. I want to seek some guidance from the Governor's office with respect to the adequacy of the proposed restoration initiative, and then I will be sharing that in turn with the Council Members, and we'll see what comes out. As you're all aware Bonneville is under very significant financial pressure, and we want to work with them to mitigate any impact on this rate case that will be forthcoming. Any other comments from the Council Members on the materials you had to review? Any comments from anybody in the public? All right.

ITEM 11: CHAIR'S REPORT

<i>Standards Group</i>	<i>Jim Luce, EFSEC Chair</i>
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CHAIR LUCE: On the next item, Chair's Report, Standards Group completed its eight-month stakeholder initiative last Thursday, and I think that a lot of good work was done. We didn't achieve as much consensus as we had hoped for, but we certainly improved the lines of communication among all the different parties. We are now going to work with our Assistant Attorney General, Rusty Fallis, to put together a time line on how we go forward into rule making and to address the question of what SEPA process should be utilized. I'd hoped to bring that to the Council in some sort of a draft form at least for discussion purposes. Maybe Rusty and Irina and myself, certainly the two of you, could get together and draw out a time line in terms of how we can proceed. Is it reasonable to have that sort of time line to discuss informally at the September Council meeting?

MS. MAKAROW: I believe so. Also once Allen comes back we will involve him.

CHAIR LUCE: Yes, absolutely. Allen will be certainly be very much involved in this effort. Yes, Jenene.

MS. FENTON: I was just curious because we had talked about potentially going forward with preferred alternatives if you were thinking about having some kind of subcommittee to work on those? And, if so, when should that start? I'm assuming there are several participants that are going to be submitting additional alternatives for our consideration.

CHAIR LUCE: Right. That's very good thinking. Do I have volunteers to meet on the preferred alternatives?

MS. FENTON: Yes.

CHAIR LUCE: I thought I might have.

MS. FENTON: But my question is I don't remember what the exact time line was for when some of the folks were going to have their other drafts in.

MS. McGAFFEY: I think they're due August 26th. Does that sound right?

CHAIR LUCE: That's right. Because it was after Labor Day was the time frame. So maybe the subcommittee could get together.

MS. FENTON: Starting in September sometime?

CHAIR LUCE: Yes. I hear your interest in meeting on that.

MS. FENTON: Yes. I'm assuming that Mr. Carelli probably also has an interest.

CHAIR LUCE: We may have a committee of the whole subcommittee, depends upon how much interest there is.

MS. FENTON: You might have to ask Rusty if we can have a subcommittee of the whole committee.

CHAIR LUCE: I'm assuming we can have it as long as we note it for the public. Is that fair, Rusty?

MR. FALLIS: Yes.

CHAIR LUCE: If anybody wants to be included on the Standards discussion on the preferred alternative I don't want to exclude them simply because we have to note it for public comment. In fact, it's probably pretty healthy to note it for public comment.

ITEM 12: OTHER

CHAIR LUCE: I guess the only other item that's not mentioned on the agenda is I'm attending the Washington State Energy Strategy meetings. I'm attending that in my capacity as chair. If any of the Council Members have particular issues they would like raised with respect to the Washington State Energy Strategy, either, what it should be or what it shouldn't be. I think there's goals and then there's long-term issues and short-term issues, but it's all on the CTED website under energy policy. So if you would like to take a look at that and give me any thoughts you have in terms of what message we should be conveying to the broader group, I would love to have your thoughts.

MS. FENTON: Is it just a one-day meeting?

CHAIR LUCE: It's an ongoing thing, but it's not as intensive as the last energy strategy update. It's four or five different meetings?

MR. ANDERSON: Yes. I'm actually not working closely with that process. It is not the extensive eight-month process that was gone through last time.

CHAIR LUCE: There's a presentation tomorrow by Jake Fey and Nancy Hirsch from the Northwest Energy Coalition on conservation and renewables. The only comments I've been planning on making at this point in time probably relate to there were a number of commenters who said we need energy standards for siting power plants, and I was going play the hallelujah choir role and endorse that. So take a look at the CTED site, Office of Energy Policies, it's all laid out there, and. give me your feedback. That's it unless there are other items that anyone wants to talk about. Again, Tim, welcome.

MS. JENENE: I was curious what the status of the Starbuck project was.

CHAIR LUCE: Starbuck insofar as I know is still inactive, and I have heard no indication that it is going to be active in the reasonably foreseeable future. But if anybody has any information to the contrary, I would love to hear it.

MS. MAKAROW: Staff was intending to contact the proponent in mid August to have them come and give us some sort of update in September because they did have a six-month window in which they had to come back to us and tell us what was going to happen, and that's coming up in September.

MS. FENTON: I just remember when the Applicant was here last time he said that there was a window he was going to be working with and one way or another he was going to get back to us was in about that time frame.

ITEM NO 13: ADJOURN

CHAIR LUCE: Anything else? We are adjourned.

(Council meeting adjourned at 2:26 p.m.)