



STATE OF WASHINGTON

ENERGY FACILITY SITE EVALUATION COUNCIL

PO Box 43172 • Olympia, Washington 98504-3172

May 9, 2006 Monthly Meeting Minutes

**1. CALL TO ORDER**

Acting Chair Dick Fryhling called the May 9, 2006 monthly meeting to order at 925 Plum Street S.E., Building 4, Room 308, at 1:30 p.m.

**2. ROLL CALL**

**Council members present were:**

Dick Fryhling (Acting Chair)	Community, Trade & Economic Development
Hedia Adelsman (excused)	Department of Ecology
Chris Towne	Department of Fish and Wildlife
Judy Wilson	Department of Natural Resources
Dick Byers (substitute)	Utilities and Transportation Commission
Jim Luce (call in)	Chair

**Staff in attendance were:**

Allen Fiksdal – EFSEC Manager, Mike Mills – Compliance Manager, Irina Makarow – Siting Manager, Mariah Laamb – Council Secretary

**Guests in attendance were:**

Mot Hedges, Jeff Powers & Bill Kiel – Energy Northwest, James Hurson – Kittitas County, Karen McGaffey – Perkins Coie, Scott Williams – Puget Sound Energy, Darrel Peeples – Attorney for Horizon Wind Energy, Gary Sprague – Washington State Department of Fish & Wildlife, Jim LaSpina – Washington State Department of Ecology

**Guests attending via phone:**

Ed Garrett – Residents Opposed to Kittitas Turbines, Dave Bricklin – Bricklin, Newman, Dold, LLP, Robert Kruse – Friends of Wildlife and Wind Power, Darrel Piercy – Kittitas County, Mike Robertson – Residents Opposed to Kittitas Turbines, Mike Tribble – Counsel for the Environment, Charles Martin – NESCO

**3. ADOPTION OF PROPOSED AGENDA**

The agenda was presented to the Council for amendments or additions. The agenda was adopted as proposed.

**4. MINUTES**

Staff presented the following minutes for approval: April 11, 2006 monthly meeting.

**MOTION – Council member Chris Towne made a motion to approve the minutes of the April 11, 2006 meeting as presented with minor technical amendments. Council member Dick Byers seconded the motion. The Council voted on the motion and it passed unanimously.**

**5. PROJECT UPDATES**

**Columbia Generating Station**

<i>Operations</i>	<i>Mot Hedges, Energy Northwest</i>
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Mr. Hedges reported that the plant is operating at 100 % power during the day and cycling down to 85 % in the evenings and weekends due to the heavy snow pack and large amounts of runoff. It is estimated that this may last for a few months, weather dependent. The plant could cycle down to 60 % power, but BPA has only requested they cycle down to the easiest level, which is 85 %, at this time.

**WNP-1**

<i>Site Restoration</i>	<i>Mike Mills, EFSEC Staff</i>
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Mr. Mills reported on the near-term site restoration work at WNP-1/4 sites. In a letter dated January 16, 2006, Energy Northwest documented all of the near-term health, safety and environmental restoration activities at WNP-1/4 that had been completed and requested the Council acknowledge that the requirements of Resolution No. 302 had been met. Mr. Mills noted that the Council had been closely monitoring WNP-1/4 site restoration activities for two years and it was staff’s finding that the work completed by Energy Northwest satisfied the requirements of Resolution No. 302 for completing the level 3-D Demolish and Seal (with the exception of removing the turbine pedestal(s)) restoration work consistent with the approved Site Restoration Plan (Plan) for the 1 and 4 projects. Mr. Mills recommended that a motion be made to acknowledge the completion of the near-term restoration work in accordance with Resolution No. 302, recognizing that the work , under the leadership of 1/4 Site Manager Doug Culver, was completed in accordance with the Plan and that a number of final restoration tasks had been completed ahead of schedule.

**MOTION – To acknowledge the completion of the near-term site restoration work at the WNP-1/4 project sites in accordance with the requirements of Council Resolution No. 302, and to recognize the leadership of Mr. Doug Culver in completing the near-term work and some of the final restoration tasks.**

**Ms. Towne made the motion and Mr. Byers seconded it. The Council voted on the motion and it passed unanimously.**

Mr. Mills stated that the Council will now move forward in working with Energy Northwest to amend the WNP-1/4 Site Certification Agreement to reflect the current status of the projects and the remaining restoration requirements.

### **Wild Horse Wind Power Project**

<i>Construction update and TAC</i>	<i>Irina Makarow, EFSEC Staff</i>
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Ms. Makarow provided the Council with information about the establishment of the Wild Horse Technical Advisory Committee (TAC), as required by the Site Certification Agreement (SCA). She stated she is in the process of confirming the agency representatives prior to the first TAC meeting, which is required to be held 60 days prior to beginning of project Commercial Operation. Council members were also informed that the packet included a request from Robert Kruse of Friends of Wildlife and Windpower to be granted membership on the TAC. Ms. Makarow requested the Council review the information provided, as they would be requested to take final action regarding the TAC membership at the scheduled June monthly Council meeting.

EFSEC staff also provided Council members with a copy of the most recent quarterly construction report for the project. Mr. Williams of Puget Sound Energy spoke to the safety report for the last quarters' activities at the construction site. Council asked for more information on the 23 "near miss" accidents reported during that time period. Mr. Williams explained that these were infractions such as not wearing a seat belt or not wearing a hard hat on site. RES Americas, PSE's construction subcontractor, has very strict safety guidelines they follow, so most of the reported near misses were prevention checks to keep staff aware of safety at all times.

### **PUBLIC HEARING – 1:45 p.m.**

*(The public hearing portions only of this meeting are presented in a transcription style format.)*

### **Columbia Generating Station**

<i>NPDES Permit Renewal</i>	<i>Mike Mills, EFSEC Staff</i>
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**Acting Chair Dick Fryhling** – Good afternoon, my name is Dick Fryhling and I am the acting Chair of the Council for today's hearing at 1:45 p.m. at the Council's office on Tuesday, May, 9, 2006. This is a public hearing before the Washington State Energy Facility Site Evaluation Council. The purpose of this hearing is to receive oral public testimony regarding the Council's wastewater discharge permit or the National Pollutant Discharge Elimination System (NPDES) wastewater discharge permit for the Columbia Generating Station. The Columbia Generating Station is an operating nuclear plant, owned and operated by Energy Northwest, located on the U. S. Department of Energy Hanford Site, in Benton County, about 12 miles north of Richland, Washington.

The procedure for today's hearing will be as follows: First, Council staff will provide an overview of the review process and describe any written comments that have been received. Next, we will take oral statements from any persons desiring to testify on the Council's tentative decision to renew Columbia Generating Station's NPDES permit. Mike Mills will review the process to date and describe written comments received. Mike.

**Mr. Mills** – Thank you. We are requesting the Council consider renewal of the wastewater discharge permit at the Columbia Generating Station. Energy Northwest submitted their application for renewal in October, which was 6 months prior to the expiration date, which is required. The permit does remain in effect until the Council takes action on it. Public notice was made in the month of March and copies of the proposed permit and the fact sheet were directly mailed to over 15 individuals or groups. It was posted in the libraries and at certain local government offices. We also published notice in the Tri-City Herald on March 27<sup>th</sup> and notice was sent to over 300 organizations and parties that the notice of the permit and fact sheet were available for review. The Council also entered into a contract with the Department of Ecology – Water Quality section and they provided a permit writer. Jim LaSpina is that person and he is here today. He wrote the permit and worked with staff and Energy Northwest in developing this permit that you will be considering today. Jim, could you brief the Council on the permit.

**Mr. LaSpina** – I brought some documentation. My job in this process was to evaluate the existing permit and evaluate the compliance of the permittee and update the existing permit into a new permit, taking into account the information that was received from the permittee and any changes in water quality regulations and other considerations. During reassessment of the permit, Ecology staff had some concerns about the outdated nature of some of the methodologies used in the previous permits, because there have been advances in science and also water quality standards have been revised since the last permit issuance. Therefore the proposed permit has some requirements of the permittee to do some studies, some ground water and surface water monitoring, to use more modern methodologies and to verify compliance with the State's water quality standards. That's a summary of what I did with the permit.

Then we received comments on the draft permit from the Nez Perce tribe and from the Columbia River Keeper and Environmental Organization. However, none of those comments resulted in any modifications of the proposed permit.

**Acting Chair Fryhling** – Questions?

**Ms. Towne** – Question for Ms. Makarow. Are our rules current with the water quality standards that have just been referenced? Are we up to date? Ecology uses the current EPA standards I assume? Are our rules consistent?

**Ms. Makarow** – Our rules are consistent as of late 2004. At the time they were developed in 2004, they were brought into a parallel with the federal requirements and mirror what the Department of Ecology does.

**Ms. Towne** – Then, my question is, particularly as to the copper methodology, is that pre 2004 or more recent and our rules are out of sync?

**Ms. Makarow** – You would have to ask Jim LaSpina about that.

**Mr. LaSpina** – Specifically about the copper, the effluent limits were developed using what is called the lottery effects ratio process, it is basically a methodology to develop site-specific water quality criteria for copper. While we were reviewing the previous water effects ratio study, it was pointed out to me that both EPA and the State had revised that methodology in the late 90's, so that is why the permit requires the permittee to re-evaluate that methodology.

**Ms. Towne** – So presumably what you are telling them to do is not inconsistent with our regulations, our WAC?

**Mr. LaSpina** – That is correct.

**Ms. Towne** – Thank you.

**Acting Chair Fryhling** – Any additional questions?

**Mr. Fiksdal** – The comments were pretty extensive by the Nez Perce and the Columbia River Keeper and Environmental Organization, so in your opinion, those suggestions that they provided didn't warrant any significant change in the draft?

**Mr. LaSpina** – No sir.

**Ms. Towne** – Is there a reply to the commentors?

**Mr. Fiksdal** – We have a response to comments Jim prepared and it was sent to Council members late last week. Last Friday, we sent a draft that has been updated a little bit. Mr. Mills has some suggestions and minor changes but the basic comments would stay the same. They were four (4) editorial changes, strictly edits. Those are the responses the Council would issue to those comments concerning this permit.

**Mr. Byers** – Would the responses to the comments become part of the formal record associated with the permit?

**Mr. Mills** – Yes, and they will be provided to a number of agencies directly when we send the permit out.

**Mr. Fiksdal** – I believe the permit, fact sheet and response to comments, if approved today, with a cover letter, will be sent to those who commented and the key resource organizations.

**Acting Chair Fryhling** – Any other questions? The hearing is now open for public comment. Is there anyone here who would like to speak to this permit during the hearing?

**Mr. Mills** – I would note for the record that parties were asked to submit in writing if they were going to participate in today's hearing by April 28<sup>th</sup> and we received no such interest.

**Ms. Towne** – I have one more question and it goes to the EFSEC WAC. The face of the permit cites to chapter 90.48, 80.50 and the federal Water Pollution Control Act. It doesn't cite to EFSEC regs. Should it? Since that is our authority for regulating?

**Mr. Mills** – We could certainly add it. I think if we did that, we would certainly want to also add some of the Ecology regulations.

**Ms. Towne** – Well, if you feel the statutory reference directing us to adopt rules suffices, that is fine.

**Mr. Mills** – Give me an opportunity to consult with Ecology. Mr. LaSpina, do you have any comments on this.

**Mr. LaSpina** – On page 3 of the fact sheet, I cited WAC 463-76, which is the EFSEC WAC. I wasn't sure how to incorporate that in the permit. I cited 80.50, which states EFSEC can adopt regs.

**Mr. Mills** – I think we can certainly add those references.

**Mr. LaSpina** – Can I add something that might help the Council understand the comments?

**Acting Chair Fryhling** – Please do.

**Mr. LaSpina** – The environmental communities and the Indian tribes recently have been very unhappy with the existing water quality standards to the extent where they've even just put out a notice of intent to sue EPA for Ecology not being real stringent about their water quality standards. The tribes and the environmentalists basically don't like the fundamental policies of our existing water quality standards. They are especially upset about the ideas of mixing zones and some of the water quality criteria. As I stated in the response to comments, until the state revises those standards and until EPA approves them, we're more or less stuck with what we have. So that is the context for my response to comments.

**Ms. Wilson** – However your permit requires new studies with newer methodologies.

**Mr. LaSpina** – Newer methodologies in the context of the new standards, yes.

**Acting Chair Fryhling** – Any other questions from the Council? Does the staff have a recommendation for the Council?

**Mr. Mills** – We do. The proposed final permit meets state and federal water quality standards for the discharge of wastewater in accordance with EFSEC and Ecology rules and regulations. Staff recommends that the Council renew Columbia Generating Station’s NPDES permit. It would be for a five-year period.

**MOTION – The Council renew the Columbia Generating Station’s NPDES permit for the next five-year period. Ms. Wilson made the motion and Ms. Towne seconded the motion.**

**Mr. Fiksdal** – Ms. Adelsman was planning to call in to participate in this portion of the meeting, if possible. Ms. Adelsman, are you on the line? I guess not.

**Acting Chair Fryhling** – Any discussion? We have a motion and a second. Do we need a roll call for a vote?

**Mr. Byers** – Are we still under discussion? I would like to add that the additional EFSEC and Ecology references be added to the permit.

**Acting Chair Fryhling** – Yes, they will be added. Are we ready for a vote? All in favor say Aye, all opposed say Nay.

**All members present – Aye. (Unanimous)**

**Acting Chair Fryhling – The motion passed.**

**Mr. Mills** – I would like to recognize the work Jim LaSpina did on this permit. He produced an excellent product and we appreciate that. You will see later that we are going to try to have the Department of Ecology continue to provide water quality support services.

**Mr. LaSpina** – It has been a pleasure working with the Council and your staff. Thank you.

**Acting Chair Fryhling** – Thank you. That concludes this public hearing.

**Acting Chair Fryhling** - The next item on our agenda is going to be Kittitas County Wind Power Project, Irina.

## **PROJECT UPDATES, CONT.**

### **Kittitas Valley Wind Power Project**

<i>Update on project schedule</i>	<i>Irina Makarow, EFSEC Staff and Jim Hurson, Kittitas County</i>
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Ms. Makarow provided to all Council members a copy of the Notice of Pre-Hearing Conference scheduled for May 30, 2006 and a copy of the pre-hearing conference order that was issued as a result of the Pre-Hearing Conference held April 24, 2006.

Mr. Hurson, Kittitas County Deputy Prosecuting Attorney provided a report on the County’s review of the Development Activities Application submitted by Horizon Wind (Applicant). Mr. Hurson was present at the Council’s meeting to request the Council’s assistance in having the Applicant return to the discussion table with the County. On May 3<sup>rd</sup> the Kittitas Board of County Commissioners (BOCC) conducted a public meeting to consider a draft Development Agreement submitted by Horizon Wind; the BOCC raised concerns with the setbacks being offered by the Applicant. Mr. Hurson explained that the BOCC was not satisfied with the proposed 1,000 feet set back, and the BOCC did not receive additional information on the record as to why an additional set back of 2,500 to 3,000 feet could not be established. The Applicant stated at the BOCC meeting that larger setbacks would render the project economically un-

viable. There were no further comments from the Applicant on the issue, and the BOCC tentatively moved to deny the project application.

The BOCC has continued their consideration of the project until their next meeting scheduled for May 31, 2006. Mr. Hurson expressed hope that the Applicant would return to the table. Mr. Hurson expressed the option that “good faith” requires more discussion of the issues, rather than a position of no response. As the issue stands, Mr. Hurson explained that the BOCC did not finalize their consideration of setbacks, and a variance process remains possible. He hoped that the Applicant would respond to these issues and continue to work with the County through the May 31<sup>st</sup> meeting.

Council member Towne sought clarification regarding the setbacks proposed by the Applicant and requested by the BOCC, and whether the measurement was from a residential structure. Mr. Hurson responded that he felt the BOCC was at the beginning of a discussion that the Applicant did not want to pursue. EFSEC’s regulation requires a good faith effort, and the County is waiting at the discussion table.

In response to Council member Towne and EFSEC Manager Fiksdal, Mr. Hurson explained that procedurally, the BOCC has tentatively turned down the application for a development agreement, and has directed County staff to draft a final decision document. However, it is not a forgone conclusion that the project would be turned down. The BOCC could decide to table the decision documents at their next meeting.

Mr. Peebles, representing Horizon Wind, replied that he was not prepared for Mr. Hurson’s request. He believed that his client acted appropriately in the context of the proceedings, which by their nature create problems with communication. He indicated he did not know how his client would respond to Mr. Hurson’s request, and committed to consulting with Horizon Wind.

Finally, Mr. Hurson clarified that he was not expecting the Council to take formal action at the May 31 meeting. He was confident that he achieved his purpose of delivering the message to the Applicant and the Council.

Acting Chair Fryhling took a five-minute break prior to the start of the next Public Hearing portion of the meeting.

**PUBLIC HEARING – 2:30 p.m.**

*(The public hearing portions only of this meeting are presented in a transcription style format.)*

**Sumas 2 Generation Facility**

<b><i>Request to Terminate SCA</i></b>	<b><i>Irina Makarow, EFSEC Staff</i></b>
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**Acting Chair Fryhling** – We reconvene today’s Council meeting at 2:30 p.m., to consider Sumas Energy 2’s (SE2) request for termination of the Site Certification Agreement (SCA) for the Sumas 2 Generation Facility (S2GF) project. As Council members may recall, on March 28 of this year, NESCO, representing SE2, submitted a written request to EFSEC to terminate the S2GF SCA. NESCO cited the high cost of natural gas, the weak long-term market for power generation, and difficulties in receiving permits for required transmission lines as reasons for terminating the project. Let’s proceed with the hearing on the request to terminate the Sumas 2 Generation Facility Site Certification Agreement.

This hearing is required by EFSEC rules for the termination of the site certification agreement. Here is how we will proceed. First, we’ll get a report from the staff. Next, we’ll

hear from those wishing to comment. After receiving any comments, the Council will consider and act on NESCO's request. Irina, will you give us a report.

**Ms. Makarow** – Certainly, in your packets you have a copy of the April 15<sup>th</sup> notice that is provided to the minutes and agenda mailing list and the SE2 interested person's mailing list. It is also posted on our website. This notice notified people of today's hearing and also notified persons that they could submit comments in writing. We received four (4) written submittals which are attached to the notice in front of you. Three were from citizens who are all in favor of terminating the site certificate agreement and the last one was from Barry Penner, Minister of the Environment of Province of British Columbia and John Van Dongen, Minister for State Intergovernmental Relations, who also support the proposed termination of the project.

**Acting Chair Fryhling** – Is there anyone on the phone who would like to comment on this termination? Is there anybody in the audience who would like to comment on the termination?

**Mr. Fiksdal** – Mr. Chair, you may ask those persons who are on the phone to identify themselves for the record.

**Acting Chair Fryhling** – Would those persons on the phone, please identify yourselves

**Mr. Bricklin** – This is David Bricklin, representing the province of British Columbia.

**Acting Chair Fryhling** – Thank you Dave.

**Mr. Martin** – This is Chuck Martin, from NESCO, representing SE2.

**Mr. Luce** – I wasn't here at the beginning of the meeting; do we need to call the roll again?

**Mr. Fiksdal** – We will note for the record your attendance at this time in the meeting also. In your packets, Council members, you have copies of the Council's SEPA determination. As the SEPA official for the Council, I have issued a checklist that notes that there will be no environmental impacts from this action if the Council does act to terminate the SCA. Also, a determination of non-significance (DNS) according to SEPA states there will be no significant environmental impacts from this action. Those two SEPA documents will reside within our files, as we are not required to send them out to parties, so we have issued them to our files. They are on our websites and so are available to anyone who wants to view them. Also in your packet, staff has drafted a resolution for you to consider. It is draft Resolution No. 316, that outlines the nature of the action and as Dick Fryhling, our acting chair noted, the request was made by letter on March 28, 2006, to terminate the site certification agreement (SCA) for the Sumas 2 Generation Facility. The proposed action is in accordance with Chapter 463-66, for amending and terminating site certification agreements. There is a background section that gives a brief description of the project. As it notes, there was no construction on the project. There was no site clearing, as far as I know, the site is the same as when the Council approved it.

Again, according to your rules, termination can be by its own terms, amendment to the agreement, or by request. Today, you are holding a hearing; the Council has accorded the opportunity for a person to comment. You saw the three Earlier, the transcript said four letters that expressed support for termination and in April as the SEPA official, I issued the determination of non-significance and checklist and the conclusion is that SE2 has not proceeded with the construction of the project and pursuant to your rules would accept the request and approve the termination of the site certification agreement. Staff recommends that you adopt this resolution and terminate the S2GF SCA.

**Ms. Towne** – Move the adoption of Resolution No. 316 and termination of the S2GF SCA.

**Ms. Wilson** – Second.

**Acting Chair Fryhling** – Any discussion?

**Ms. Wilson** – This is a big process to go thru to terminate and we should look at our rules.

**Mr. Fiksdal** – For someone asking to terminate a project that hasn't been constructed, I would agree. Had construction begun or something else was going on, we would want a process to cover all situations and we try to have that in our rules.

**Acting Chair Fryhling** – Ready for a vote? A motion has been made and seconded, all those in favor of the termination of the site certification agreement for S2GF, signify by saying aye.

**Council members** – Aye. (Unanimous)

**Acting Chair Fryhling** - Jim Luce voted aye by phone. So done.

**Ms. Towne** – Mr. Fiksdal, apropos of the subject of Judy's concern on termination, my suggestion would be that you add it to the list of rules that need to be scrutinized. It looks like an easy remedy. It says termination of the SCA, except pursuant to its own terms, is an amendment of the agreement. And we could put in the SCA that if nothing ever happens on the site, and you want to make it go away, you can do it without going thru this lengthy process.

**Mr. Fiksdal** – OK, so we will finalize Resolution No. 316 and with the SCA terminated, from this date forward, we will not be adding charges to the company, however there will be some outstanding charges and costs that will come in over the next few months based on past expenditures that we will be charging. And we will be finalizing the final billing to SE2/NESCO at the end of this quarter.

**Acting Chair Fryhling** – Thank you. That concludes this public hearing

**Acting Chair Fryhling** – OK, on to BP Cherry Point Co-generation project. Karen.

## **PROJECT UPDATES, CONT.**

### **BP Cherry Point**

<b><i>Project Update</i></b>	<b><i>Karen McGaffey, Perkins Coie</i></b>
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Ms. McGaffey, representing the BP refinery, briefed the Council that BP intends to propose an amendment to the Cherry Point Cogeneration Project Site Certification Agreement (SCA) in the next month or two. BP would request to build the project in phases. The original design was a 3 on 1 configuration, 720 megawatt facility. They will request a 2 on 1 phase to start. She expects the company will have the application submitted by the June Council meeting.

The company has spoken to EFSEC and Ecology staff about what information needs to be included in the request. It will require an amendment of the PSD permit as well as an amendment to the SCA. The application information will explain all the differences between the original application and this amendment request.

BP expects that some changes will be needed to accommodate operation of the new boilers at the refinery. With a 3 on 1 configuration, at least one turbine had to be operated in order to generate enough steam. With a 2 on 1 configuration, a backup boiler will be needed to cover the refinery steam load. Overall emissions however are expected to be lower.

BP plans to move forward with bids on EPC contracts this summer and they are working on putting together the various construction plans that need to be submitted to EFSEC. The proposed construction timeframe is for spring 2007.

Mr. Fiksdal clarified that the changes the company will submit are not expected to increase emissions from the plant over the original plans. Ms. McGaffey confirmed that and stated the project will remain on the same footprint and other environmental parameters would be

decreased from the first submission, with less water consumed for example. They are reviewing the potential air emissions very carefully because slightly different equipment is being used. There is a possibility that the VOC emissions may be slightly higher than under the original permit, but still well below the permanent thresholds. The PSD permit will need to be modified. BP will work with staff to coordinate the processes as closely as possible to avoid duplication of meetings.

**Chehalis Generating Facility**

<i>Greenhouse Gas Emissions Report, 2005</i>	<i>Irina Makarow, EFSEC Staff</i>
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Ms. Makarow presented a summary report on the Greenhouse Gas emissions from the Chehalis Generating Facility over the past three calendar years.

In March 2001, Governor Locke approved an amendment to the Chehalis Generation Facility (CGF) Site Certification Agreement (SCA), allowing an increase in generating capacity from 460 MW to 520 MW, a change to a dry cooling system and associated water supply and discharge modifications, and allowing the facility to operate as a "merchant plant". This amendment also required the project to provide a plan for mitigation of the total increase (8%) in greenhouse gas emissions from the CGF that would result from this amendment.

In early 2002, CGF submitted to EFSEC a proposed Greenhouse Gas Offset Strategy and Plan. EFSEC approved the final version of this plan in September 2002. The plan requires the CGF to report its greenhouse gas emissions yearly. If emissions exceed a 1.8 million ton/year baseline, CGF is required to provide mitigation for those emissions in excess of the baseline. If mitigation is required in any particular year, CGF is also required to report on the status of projects or payments fulfilling the mitigation.

Ms. Makarow stated the CGF has complied with the reporting requirements of the Greenhouse Gas Offset Strategy and Plan since the project began operation in 2003. The greenhouse gas emissions from the project have not exceeded the baseline requiring mitigation. Therefore the CGF has not been required to implement any mitigation projects, nor report on the status of such projects.

**6. CONTRACTS**

<i>Compliance Monitoring Contracts</i>	<i>Mike Mills, EFSEC Staff</i>
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Mr. Mills presented for renewal, proposed contracts for FY 2007 with the following state agencies, Department of Ecology, Washington State Patrol, Department of Fish and Wildlife and the Southwest Clean Air Agency. These contracts provide environmental monitoring and technical services for EFSEC projects. The Council also has a contract with the Department of Fish and Wildlife to provide application/EIS technical review services for the Kittitas Valley Wind Power Project. The project services and amounts are as follows.

**Ecology – Task Order 1 ENW Audit - totaling \$16,442**, consisting of Columbia Audits for \$10,478, Columbia NPDES for \$5,000 and WNP-1/4 Audits for \$964.

**Ecology – Task Order 2 Air Permitting - totaling \$20,000**, consisting of Satsop CT for \$5,000, BP Cherry Point for \$10,000, and Chehalis for \$5,000.

**WA State Patrol, Fire Marshal’s Office, ENW Fire Inspections - totaling \$4,500**, consisting of Columbia for \$3,000 and WNP-1 for \$1,500.

**Fish and Wildlife, Audit/Mitigation - totaling \$15,600**, consisting of Columbia for \$2,000, Satsop CT for \$2,000, Chehalis for \$2,000, BP Cherry Point for \$4,600 and Wild Horse for \$5,000.

**Fish and Wildlife, Technical Services for Kittitas County not to exceed \$5,000.**

There was discussion on the Fish and Wildlife Audit/Mitigation contract with Chehalis concerning the need for additional cleanup after the transformer fire and cleanup efforts mounted last month. It was noted that there would be no need for additional costs as all cleanup was contained on site and did not affect the habitat of the area.

**Motion – Council approve the renewal of the monitoring contracts listed, not to exceed the amounts specified for the Department of Ecology, Washington State Patrol and Southwest Clean Air Agency, with the amounts clarified today, with the one change to Ecology’s Columbia NPDES from \$15,000 reduced to \$5,000 as modified by staff. The motion was made by Council member Judy Wilson and seconded by Council member Chris Towne. The motion was passed unanimously.**

**Motion – Council approve the renewal of the contract with the Department of Fish and Wildlife, for auditing/mitigation & technical services, with one change to the Technical Services Kittitas Valley contract from \$2,500 to \$5,000, as modified by staff. The motion was made by Council member Judy Wilson and seconded by Council member Dick Byers. Council member Chris Towne recused herself from the vote. The motion passed.**

## **7. CHAIR’S REPORT**

Chair Jim Luce did not have a report for the Council today.

## **8. OTHER**

No other agenda items were presented to the Council today.

## **9. ADJOURN**

The meeting was adjourned at 2:57 p.m.