



STATE OF WASHINGTON

ENERGY FACILITY SITE EVALUATION COUNCIL

PO Box 43172 • Olympia, Washington 98504-3172

August 8, 2007 Meeting Minutes

**1. CALL TO ORDER**

Chair Jim Luce called the August 8, 2007 meeting to order at 925 Plum Street S.E., Building 4, Room 308, at 10:33 a.m.

**2. ROLL CALL**

**Council members present were:**

Jim Luce	EFSEC Chair
Dick Fryhling	Community, Trade & Economic Development
Hedia Adelsman (excused)	Department of Ecology
Jeff Tayer	Department of Fish and Wildlife (PMEC)
Chris Towne	Department of Fish and Wildlife (Kittitas Valley Wind Project)
Judy Wilson	Department of Natural Resources
Tim Sweeney	Utilities and Transportation Commission
Vern Eaton	Cowlitz County Representative
Justin Ericson (via phone)	City of Kalama Representative
Bruce Rader (via phone)	Port of Kalama Representative
Patti Johnson (via phone)	Kittitas County Representative

**Staff in attendance were:**

Allen Fiksdal – EFSEC Manager, Mike Mills – Compliance Manager, Stephen Posner – EFS Specialist, Tammy Talburt – Administrative Assistant

**Guests in attendance were:**

Tom Krueger – Energy Northwest, Ted Beatty – Energy Northwest, Liz Thomas - Attorney, Dana Peck – Horizon Energy, Eric Anderson – Horizon Energy, Carrie Dolwick – NWECC, Curt Leigh – WDFW, Mark Anderson – CTED Energy Policy

TVW recorded this meeting

**Guests attending via phone:**

Darryl Piercy – Kittitas County, Neil Caulkins – Kittitas County, Ed Garrett – ROKT, Linda Schantz – ROKT, Katy Cheney – URS, Darrel Peoples – Attorney, Tim McMahan – Attorney, Steve Ernst – Clearing UP, Nancy Holbrook – Snohomish PUD, Rick Yard – BPA, Katy Chaney – URS

### 3. ADOPTION OF PROPOSED AGENDA

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

### 4. KITTTITAS VALLEY WIND POWER PROJECT

<i>Consideration of Governor's Remand</i>	<i>Jim Luce, Chair</i>
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Chair Luce briefly summarized the background associated with the request from the Governor to reconsider the setback criteria contained in the Kittitas Valley Draft Site Certification Agreement (SCA). By Order 826, the Council recommended that the Governor approve the Kittitas Valley Wind Power Project. In a letter dated June 22, 2007, the Governor remanded the recommendation back to the Council for consideration of whether additional setbacks beyond the four times the tip height requirement for non-participating landowners are achievable while allowing the project to remain economically.

Chair Luce noted that the Council held meetings in Ellensburg on July 17, 2007, where parties to the adjudicative proceeding testified and 39 citizens testified including 4 persons who would be directly affected. He stated that the Council members had deliberated and reviewed the testimony from the July 17<sup>th</sup> meeting and the record from the adjudicative hearings. Chair Luce stated the Council members had concluded that moving the turbines beyond the distance recommended to the Governor would not resolve the objections of the non-participating landowners. The Council members had also decided not to reopen the adjudication, but a majority of the members were in favor of amending the SCA reflect that, where possible, the location of individual turbines should give consideration of the impact on non-participating landowners' existing residences. The proposed amendment would give highest priority to increasing the distance of the turbines from the non-participating landowners' existing residences to further mitigate and minimize any impacts on those residences. Council member Wilson noted that an assessment of the project's economic viability was beyond EFSEC's ability and legal authority. These findings are set out in draft Order No. 831.

Chair Luce noted that once the Governor receives EFSEC's recommendation she will have 60 days to approve or deny the application.

**Motion: Council member Chris Towne moved to authorize the Chair to issue Order No. 831 that set forth the Council's recommendation on modification of the Kittitas Valley project Site Certification Agreement. The motion was seconded by Council member Judy Wilson. The motion passed on a 5 to 1 vote.**

### 5. PACIFIC MOUNTAIN ENERGY CENTER

<i>Consideration of Start of Adjudicative Proceeding</i>	<i>Jim Luce, EFSEC Chair</i>
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Chair Luce stated that ESSB 6001 required certain energy facilities to have sequestration plans and that the Pacific Mountain Energy Center (PMEC) had recently submitted its Greenhouse Gas Reduction Plan to EFSEC. Energy Northwest has asked EFSEC to accept the Plan and initiate the adjudicative proceeding for PMEC.

Chair Luce disclosed that he had had a conversation with Mr. Jack Baker, Vice President of Energy Business Services with Energy Northwest, relating to the PMEC project. Chair Luce said that he had told Mr. Baker that after reading the application and the Greenhouse Gas Reduction Plan, it was his opinion that the application may need amendments and the Council may what to look at legal issues associated with the adequacy of the Greenhouse Reduction Plan in terms of meeting the requirements of ESSB 6001.

Chair Luce noted that he had questions he would address to the applicant and interveners, assuming the Council would approve the initiation of the adjudicative proceeding for the PMEC

project. First, does the PMEC Application and Greenhouse Gas Reduction Plan meet the requirements of ESSB 6001 and, if not, what additional information is needed to meet those requirements? A related question is whether the application is complete enough for the Council to authorize construction of the project, and what further Council action and permits related to ESSB 6001 would need to be approved before operation could commence?

Ms. Liz Thomas, representing Energy Northwest, expressed her view that the task before the Council is to review the plan and determine if it is sufficient or if there is a need to fill information gaps. She noted that the roles of EFSEC and the Department of Ecology are clearly set out in the law and that EFSEC is required to determine the adequacy of the plan in an adjudicative proceeding and incorporate the findings in its recommendation to the Governor. Ms. Thomas said that Energy Northwest tried to address the provisions of ESSB 6001 that express a preference for geologic sequestration with the fact that geologic sequestration is not technically available at this time. She said preparing the plan was difficult because sequestration is not required until 5 years after the start of plant operations and it would be at least 5 years until the plant would start operating. Ms. Thomas said Energy Northwest could take advantage of the time to see what developments would be made during that 10 year period. She reviewed the plan for the Council. Generally Energy Northwest would obtain emission reduction through the western interconnection area, have the plant carbon capture ready, and evaluate the site for geologic sequestration if that becomes feasible in the future with a substantial amount of funds to accomplish these tasks.

Ms. Carrie Dolwick representing the Northwest Energy Coalition said they have reviewed the Greenhouse Gas Reduction Plan and have concerns that the plan does not meet the intent of ESSB 6001 and that EFSEC should not move forward with it review until there is an adequate plan. She noted that ESSB 6001 required a sequestration plan and the PMEC Greenhouse Gas Reduction Plan does not have a sequestration plan that meets the law. A supplemental EIS should be prepared once an adequate plan is submitted. Ms. Dolwick urged the Council not to initiate the adjudicative process until an adequate plan was submitted. She added that the Northwest Energy Coalition had submitted more detailed comments in their letter to EFSEC.

Chair Luce indicated that he was prepared to offer a proposal for the Council to consider. He recommended that the Council acknowledge receipt of the PMEC Greenhouse Gas Reduction Plan, but not approve the plan, and initiate the adjudicative process and issue a notice for intervention. Chair Luce suggested the Council divide the hearing so that the sequestration issue is addressed prior to other adjudicative matters. He also noted there were several questions and legal issues related to the plan and ESSB 6001 that need to be answered and that those questions should be addressed in the parties' briefs. A prehearing conference on intervention should be held and a briefing schedule could be established at that time.

**Motion: Council member Tim Sweeny moved to accept the PMEC Greenhouse Gas Reduction Plan and initiate a divided adjudicative proceeding. The motion was seconded by Council member Dick Fryhling. The motion was unanimously approved.**

## 6. WNP-1/4

<i>Consideration of Mitigation Funds</i>	<i>Mike Mills, Staff</i>
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Mr. Mike Mills reported that there was \$100,000 remaining from the WNP-1/4 mitigation funds committed to the Hofer Dam Project that had not been expended. He indicated that the Council had received requests from three projects to utilize the unexpended \$100,000. Staff has reviewed the proposals and is recommending that the Council support the proposal from the Department of Transportation, in conjunction with the Tapteal Greenway Association, to obtain additional property in the Amon Creek Basin within Benton County. Council members recommended that a timeline be

placed on the use of the funds, and if those funds were not used, then they should be awarded to another project.

**Motion: Council member Dick Fryhling moved to accept the staff's recommendation and provide the Department of Transportation the \$100,000 to support the Tapteal Greenway Association's efforts to obtain property in the Amon Creek Basin, and that WDOT conduct the appraisal of the property, with a timeline developed by staff, and if the funds are not expended then staff will return to the Council with a second recommendation. The motion was seconded by Council member Jeff Tayer. The motion was unanimously approved.**

#### **8. ADJOURN**

The meeting was adjourned at 11:36 a.m.