



STATE OF WASHINGTON

ENERGY FACILITY SITE EVALUATION COUNCIL

PO Box 43172 • Olympia, Washington 98504-3172

September 11, 2007 Meeting Minutes

1. CALL TO ORDER

Chair Jim Luce called the September 11, 2007 monthly meeting to order at 905 Plum Street S.E., Room 301, at 1:35 p.m.

2. ROLL CALL

Council members present were:

Jim Luce	EFSEC Chair
Dick Fryhling	Community, Trade & Economic Development
Hedia Adelsman	Department of Ecology
Jeff Tayer	Department of Fish and Wildlife
Judy Wilson	Department of Natural Resources
Tim Sweeney (excused)	Utilities and Transportation Commission
Justin Ericson (via phone)	City of Kalama
Vern Eaton	Cowlitz County
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, Kyle Crews – AAG

Guests in attendance were:

Ted Beatty – Energy Northwest, Doug Coleman – Energy Northwest, Robert Nielson – Energy Northwest, Karen McGaffey – Attorney, David Steeb – Desert Claim, Scott Williams – PSE, Tom Donovan – Grays Harbor Energy, Kevin Warner – Grays Harbor Energy, Robert Kruse - Friends of Wildlife and Windpower, Katy Chaney – URS, Liz Thomas – Attorney, Darrel Peeples – Attorney, Mike Tribble – Counsel for the Environment, Mark Anderson – CTED Energy Policy

Guests attending via phone:

Dave Bricklin – Friends of Wildlife and Windpower, Gordon Kruse – Friends of Wildlife and Windpower, Bob Crado – BPA

3. ADOPTION OF PROPOSED AGENDA

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

4. MINUTES

Consideration of the June 12, 2007 special meeting minutes was postponed until next the October meeting.

5. PROJECT UPDATES

Wallula IGCC

<i>Potential Site Study</i>	<i>Darrel Peeples, Attorney</i>
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Mr. Darrel Peeples, attorney for Wallula, reported that a request for a Potential Site Study will be filed with EFSEC next month for the proposed Wallula IGCC. A projected date to file an application is December 2007 or January 2008. The proposed coal gasification project, with geologic sequestration of CO₂, will be located near Wallula in Walla Walla County.

Pacific Mountain Energy Center

<i>Request for Extension of Permitting Timeline</i>	<i>Stephen Posner, Staff</i>
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Mr. Stephen Posner, EFSEC staff, reported the Council received a letter from Jack Baker, Vice President of Energy Business Services with Energy Northwest, requesting an extension of the 12 month application review time under RCW 80.50.100(1). Ted Beatty, PMEC Project Manager requested a 6 month extension of the siting process. Mr. Posner indicated that staff was supportive of the extension request.

Motion: Council member Dick Fryhling moved that EFSEC's review of the PMEC application be extended for 6 months. The motion was seconded by Council member Hedia Adelsman. The motion was unanimously approved.

<i>Adjudicative Proceeding</i>	<i>Stephen Posner, Staff</i>
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Mr. Stephen Posner reported the order initiating the adjudication was issued last month and the closing date for filing for intervention is September 13, 2007, with a prehearing conference and public meeting for the Greenhouse Gas Reduction Plan scheduled for September 20, 2007 in Kalama. Mr. Posner recommended the Council set a deadline of October 30th for accepting commenting on the Greenhouse Gas Reduction Plan. The Council concurred with the October 30, 2007 deadline for public comments on the PMEC Greenhouse Gas Reduction Plan.

Desert Claim Wind Power Project

<i>Project Update</i>	<i>David Steeb, enXco</i>
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Mr. David Steeb, Project Manager, reported that Desert Claim has had its consultants out looking at the project setbacks based on the Kittitas Valley Wind project decision of 4 times the tip height. He said Desert Claim will be working the supplemental EIS information and expect to provide it to EFSEC in October.

Wild Horse Wind Power Project

<i>Project Update</i>	<i>Scott Williams, PSE</i>
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Mr. Scott Williams from Puget Sound Energy reported that the Wild Horse project generated 52,950 megawatts hours for a total capacity factor of 30.9% in August. The solar project construction will be completed on October 10, 2007, and the Visitor Center is planned to open at the end of September.

Mr. Williams noted that that Horizon and PSE had committed to a conservation easement on private lands that are part Wild Horse project. He said that a final decision hasn't been made on who

will hold the easement. He also reported that PSE has voluntarily participated in activities in support of wildlife and wildlife habitat in and around the Wild Horse Wind Power site.

Council member Jeff Tayer noted there are two criteria for the conservation easement, -first there must be a creditable easement document, and second, the holder of the easement should be a credible organization.

Mr. David Bricklin stated he was looking forward to working with the parties on the conservation easement issue.

Kittitas Valley Wind Power Project

<i>Governor's Remand Status</i>	<i>Jim Luce, Chair</i>
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Chair Luce indicated that he has heard no news from the Governor's Office on the Kittitas Valley project. The Governor has until October 14, 2007 to make a decision on EFSEC's recommendation on the remand request.

BP Cherry Point Cogeneration Project

<i>Project Status</i>	<i>Stephen Posner, Staff</i>
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Mr. Posner reported that on August 2nd there was a meeting with BP, Whatcom County, US Army Corps of Engineers, Department of Ecology and EFSEC staff to discuss BP's prospective plans to change the amount of wetlands impacted based on other activities at the Cherry Point Refinery. If implemented, these agencies would need to review those changes. Mr. Posner also reported that EFSEC staff has not received the signed PSD from the US Environmental Protection Agency. It is reported that EPA is looking at responding to a public comment regarding CO2 in relation to the PSD permit. An EPA signature is needed to finalize the PSD permit.

Satsop Combustion Turbine Project

<i>Project Update</i>	<i>Tom Donovan, Grays Harbor Energy</i>
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Mr. Tom Donovan and Kevin Warner, Grays Harbor Energy, reported they submitted their quarterly report for the Council's review. The project is on schedule for first fire of the combustion turbines on December 1st, with commercial operation expected during the 1st quarter of next year. Mr. Warner reported they have submitted their waste water treatment operations maintenance manual, and later in the month they will be submitting the operations storm water pollution control manual. Security issues have not resurfaced.

Columbia Generating Station

<i>Project Update</i>	<i>Robert Nielson, Energy Northwest</i>
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Mr. Neilson, Environmental and Regulatory Programs Supervisor for Energy Northwest, reported the Columbia Generating Station was in its 38th day of operation after their refueling outage. He reported that the Department of Ecology had conducted a hazardous waste inspection of both the Columbia Generating Station and then WNP-1 sites. A number of issues were identified by Ecology pertaining to waste management and training. Energy Northwest is aggressively pursuing correcting the issues identified. Mr. Fiksdal noted that ESFEC staff is tracking the hazardous waste findings and will be involved with the ongoing review of this issue.

Mr. Doug Coleman, Manager of Regulatory Programs, informed the Council of Energy Northwest's 50th Anniversary celebration to be held on September 14, and invited Council members to attend. Chair Luce noted that Council member Fryhling and Mike Mills from the EFSEC staff would be attending and congratulated Energy Northwest on all of its achievements throughout the years.

Pipeline Capacity Study

Project Status

Jim Luce, Chair

Chair Luce reported that EFSEC had contracted with ICF International to conduct a review of corridor capacity in southwest Washington. A stakeholder meeting was being scheduled for mid-October.

6. ADMINISTRATIVE RULES

Allen Fiksdal, Manager

Mercury: Mr. Fiksdal reported that EFSEC and the Department of Ecology are continuing to work on rules that would regulate the emissions of mercury. Ecology is not yet ready to issue a CR102 but intends to do so before too long. Mr. Fiksdal noted that the Council has already approved issuing a CR102 when Ecology issues its CR102.

Greenhouse Gas (ESSB 6001): Mr. Fiksdal reported that Ecology and EFSEC are starting work on developing rules for ESSB 6001 and stakeholder meetings are being started.

Transmission Siting: Mr. Fiksdal reminded the Council that the Legislature appropriated funds to conduct rulemaking to implement HB 1037 giving EFSEC jurisdiction over certain transmission lines and implementing a preapplication process. He requested the Council authorize the manager to issue a CR101 to initiate the rulemaking on this subject.

Motion: Council member Dick Fryhling moved that staff be directed to issue a CR101 for the transmission rules. The motion was seconded by Council member Judy Wilson. The motion was unanimously approved.

7. OTHER

Jim Luce, Chair

Regional Compacts: Chair Luce summarized the effort related to HB 1038 that authorized the state to work with other states on a possible regional compact for siting of transmission lines.

October EFSEC meeting: Mr. Fiksdal announced that the October EFSEC meeting would be held at a different location because of scheduling conflicts with the conference room in EFSEC's new office location.

8. ADJOURN

The meeting was adjourned at 2:25 pm.