



## STATE OF WASHINGTON

ENERGY FACILITY SITE EVALUATION COUNCIL  
*PO Box 43172 • Olympia, Washington 98504-3172*

### April 8, 2008 Monthly Meeting Minutes

#### 1. CALL TO ORDER

Chair Jim Luce called the April 8, 2008 monthly meeting to order at 905 Plum Street S.E., Room 301, at 1:30 p.m.

#### 2. ROLL CALL

##### Council members present were:

Jim Luce	Chair
Dick Fryhling	Community, Trade & Economic Development
Hedia Adelsman (via phone)	Department of Ecology
Jeff Tayer	Department of Fish and Wildlife
Judy Wilson	Department of Natural Resources
Dick Byers	Utilities and Transportation Commission
Patti Johnson (via phone)	Kittitas County

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Bruce Rader (excused)	Port of Kalama
Vern Eaton (excused)	Cowlitz County
Justin Ericson (excused)	City of Kalama

##### Staff in attendance were:

Allen Fiksdal - EFSEC Manager, Stephen Posner - Compliance Manager, Jim LaSpina - EFS Specialist, Tammy Talburt - Administrative Assistant, Kyle Crews - AAG, AGO

##### Guests in attendance were:

Darrel Peeples - Attorney, Travis Nelson - WDFW, Tom Donovan - Grays Harbor Energy, Joseph Long - Grays Harbor Energy, Kevin Warner - Grays Harbor Energy, Michael Goldstein - Grays Harbor Energy, Sean Clark - The Climate Trust, Kirk Deal - NW Carpenters and Mark Anderson - CTED Energy Policy.

##### Guests attending via phone:

Ted Beatty - Energy Northwest, Robert Nielson - Energy Northwest, Karen McGaffey - Perkins Coie.

#### 3. ADOPTION OF PROPOSED AGENDA

The agenda was presented to the Council for amendments or additions. The agenda was adopted with the staff recommendation to the change of project order.

#### 4. MINUTES

The March 11, 2008 monthly meeting and March 31, 2008 special meeting minutes were presented for approval.

Motion: Council member Judy Wilson moved the Council approve the March 11, 2008 monthly meeting and March 31, 2008 special meeting minutes as presented. The motion was seconded by Council member Dick Fryhling. The motion was approved.

## 5. PROJECT UPDATES

### Wild Horse Wind Power Project

<i>Project Update</i>	<i>Jennifer Diaz, PSE</i>
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Ms. Jennifer Diaz (via phone) from Puget Sound Energy reported the following information:

The 2008 year-to-date Capacity Factor is 35.2% and the 2008 year-to-date production is 189,049 megawatt hours. April's capacity factor is 12,288 megawatt hours for a 32% capacity. The Solar Demonstration Project generated approximately 58,427 kilowatt hours over the past month. The 1st quarter 2008 traffic monitoring report was submitted to EFSEC and Kittitas County last week. The site was closed to the public during this quarter due to winter weather conditions. Therefore, traffic counts were low and consisted primarily of operations-related traffic. The grand opening of the Renewable Energy Center (visitor center) was April 1st. Visitors are now welcome to drive up to the center 7 days per week from 9am - 5:30pm through November 30th when the site will close again for the winter. The site is also now open for public transit and recreation, including hunting, in accordance with the Access by Written Permission Program. The site remains in compliance with the NPDES permit and Operations Storm Water Pollution Prevention Plan. Council member Judy Wilson inquired if the production from the solar plant is what was expected. Ms. Diaz reported that she would gather the information for the council.

### Satsop Combustion Turbine Project

<i>Project Update</i>	<i>Tom Donovan, Grays Harbor Energy</i>
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Mr. Tom Donovan reported that construction is 99% complete. He also reported: Both the combustion turbines have been tuned for emissions. The steam turbine was rolled out at 11:27 am the morning of April 8<sup>th</sup>, and was synchronized the afternoon of the 8<sup>th</sup>. During the week of April 14<sup>th</sup>, the combustion turbine selective catalyst reduction (CT SCR) equipment for Nitrogen Oxide (NOx) emissions will be commissioned. Stack testing is scheduled for the week of April 21<sup>st</sup>. Final paving is scheduled for April 11<sup>th</sup>, with the complete site grading on April 18<sup>th</sup>. JR Kelly, the construction crew is demobilizing and there are less than 100 workers on-site.

Mr. Joe Long, plant operations manager, reported that both gas turbines have been synchronized and have reached base load. To date there have been 12,500 MWH of test power generated. On an environmental side note there was a failure of a hydraulic line last month that resulted in the spillage of approximately one gallon of fluid that was cleaned up and disposed of and all the reports were made as required.

<i>NPDES Permit</i>	<i>Jim LaSpina, Staff</i>
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Mr. Jim LaSpina reported that the public hearing for the National Pollutant Discharge Elimination System (NPDES) permit is scheduled for 7:00 p.m. April 16, 2008 in Montesano. Staff has arranged a site visit on the afternoon of the 16<sup>th</sup> prior to the scheduled hearing.

<i>CO2 Mitigation</i>	<i>Allen Fiksdal, EFSEC Manager</i>
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Mr. Allen Fiksdal reported that the Site Certification Agreement (SCA) for the Satsop project requires that the project mitigate Carbon Dioxide emissions. The project has been working with the Climate Trust to provide those mitigation services. At the March Council meeting members requested more information from the Climate Trust regarding how they select projects to fund and if any of those projects could be in Washington State.

Mr. Sean Clark, with the Climate Trust summarized a memo that outlined the information requested by the Council. He noted that the Climate Trust's acquisition process focuses mainly on environmental integrity and cost effectiveness, that they have had success in implementation of state specific projects, and there would be projects could be identified and acquired in Washington.

Council member Wilson asked why the funds wouldn't be saved to be combined with another chunk of funds. Mr. Clark explained that with the rise of carbon prices it is best to get the money into the market as soon as possible.

**Motion:** Council member Judy Wilson moved that the Council approve Invenergy's investment payment to the Climate Trust as satisfying the requirements of the Site Certification Agreement. The motion was seconded by Council member Dick Byers. The motion was approved.

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

<b>Plan Review</b>	<b><i>Stephen Posner, Staff</i></b>
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Mr. Stephen Posner, Compliance Manager, reported that the RFP for consulting services for Environmental Monitoring closed on April 3. There have been 4 proposals received: from Ecology and Environment; Phoinix Corporation; Conestoga Rovers and KBA Inc. Staff will review the proposals and hope to have a decision next week.

Mr. Kyle Crews, Assistant Attorney General, EFSEC Counsel, reported that the Supreme Court issued a letter on March 28, 2008, directing the parties to proceed on an accelerated calendar as follows: the Petitioners brief is due April 17<sup>th</sup>, Respondent's brief is due May 14<sup>th</sup> and following Petitioners reply brief is due June 4<sup>th</sup>. Mr. Crews said oral arguments are to be heard on June 26, 2008, the last day of the spring session.

#### **Pacific Mountain Energy Center**

<b>Project Update</b>	<b><i>Stephen Posner, Staff</i></b>
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Mr. Stephen Posner reported there have been no changes in the status of the project. Mr. Ted Beatty (via phone) Energy Northwest, reported that there have been no changes in the project status. The applicant is monitoring the rule making process of 6001 and still looking at sequestration options and still looking at natural gas.

#### **Columbia Generating Station**

<b>Project Update</b>	<b><i>Robert Nielson, Energy Northwest</i></b>
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Mr. Robert Nielson, Energy Northwest (ENW) reported that Columbia Generating Station is operating at 100% Power (1182 MW gross) on the 249<sup>th</sup> day on line.

Beginning the week of February 18, 2008, the plant launched the third Independent Spent Fuel Storage Installation (ISFSI) cask loading campaign. The 13 week campaign involves the loading and movement of 12 casks each containing 68 spent fuel bundles. Fuel bundles are moved from the spent fuel pool inside the plant to the outside cask storage area adjacent to the plant. The project is going well and is continuing on schedule.

As previously reported, on February 7 and 8, 2008, high winds caused damage to the exterior of the Reactor and Turbine Buildings, tearing off sections of sheet metal siding from the south and west sides. Although the damage to the exterior of the Reactor Building was significant, there was no threat to nuclear safety. No injuries resulted from the falling sheet metal and flying debris. Work to stabilize the remaining siding and to provide additional structural support was completed, and permanent repairs are underway as part of a project.

Completed 10/31/07 and 11/30/07 submittals required by the administrative orders. Energy Northwest staff is working with Ecology to close the orders via letter. ENW met with Ecology on March 6, 2008 to discuss our application for relief from penalty and associated supplement. We are waiting for a response regarding disposition, but Ecology indicated they may desire to meet again this week. ENW received informal notification that Ecology has approved the revised Dangerous Waste Training Plan (SWP-ENV-03, Att. 8.7). The associated transmittal package is expected this week. Implementation has already begun.

Notice of Incident (NOI) - Air permitting review of past Paint Shop operations was completed and submitted to EFSEC on 12/31/07. The Data Quality Objectives (DQO) Summary Report for the sanitary sewer system was submitted to EFSEC on February 29, 2008. EFSEC and Ecology were

involved as stakeholders throughout the development of the DQO. Energy Northwest is preparing a Sampling and Analysis Plan for EFSEC submittal that implements recommended actions from the DQO Summary Report. On March 31, 2008, Energy Northwest submitted to EFSEC revised procedures regarding chemical discharges to the sanitary sewer system. The submittal described revisions made to General Employee Training, the Chemical Hygiene Plan, and Chemical Permits.

Notice of Non-Compliance for the EPA Toxic Substances Control Act (TSCA) Inspection initiated on July 20, 2007 was received February 26, 2008. The notice cites three violations of TSCA regulations, requires four corrective actions to be taken, and notes the potential of a \$12,246 penalty. All corrective actions required by the notice have been completed, and a response documenting these actions was submitted to EPA Region X on March 14, 2008 as required by the notice.

ISO 14001 Re-Certification Audit - During the week of February 25, 2008, Energy Northwest was subjected to an independent, rigorous external audit to re-certify our Environmental Management System (EMS) to the ISO-14001 standard. The Re-Registration Audit Team completed their audit with a recommendation that Energy Northwest's EMS be re-certified for another three years. The Re-Certification of Registration to the ISO-14001 standard was subsequently issued on March 19, 2008.

Mr. Posner requested that the Council close the NOI, all the documents required to close this incident have been submitted. Staff will issue a letter to ENW stating that there is no further follow up at this time and that EFSEC will continue to monitor Columbia.

**Motion: Council member Dick Byers moved that the Council close the Notice of Incident, Energy Northwest has complied with all the requirements of the Notice of Incident and no further action is necessary. The motion was seconded by Council member Judy Wilson. The motion was approved.**

**Chehalis Power Generating**

<i>Project Status</i>	<i>Jim LaSpina, Staff</i>
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Mr. Jim LaSpina informed Council that the Chehalis operating report is in their packets. Mr. Fiksdal suggested that for future meeting reports be included in the packet and if there was anything of significance to report a representative from the facility would be present to report on the item. Council agreed with that proposal.

**Wallula IGCC**

<i>Potential Site Study</i>	<i>Jim LaSpina, Staff</i>
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Mr. Jim LaSpina reported that on March 25, 2008 staff received a letter from the project proponents withdrawing the request for a potential site study. Mr. Darrel Peebles reported that the withdrawal is due to the delay of a sequestration test study and drilling. The project proponent intends to wait for the drilling and study to be completed before continuing with the potential site study or submitting an application for site certification.

**Rule Making**

<i>CO<sub>2</sub></i>	<i>Allen Fiksdal, EFSEC Manager</i>
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Mr. Fiksdal reported that EFSEC and the Department of Ecology will be holding a joint public comment hearing for the proposed rule making the evening of April 8 in Lacey and April 10 in Spokane. The new rules that are under consideration are new chapter - 463-80 and 463-85 of the Washington Administrative Code.

<i>Transmission Line Siting</i>	<i>Allen Fiksdal, EFSEC Manager</i>
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Mr. Fiksdal reported that staff has been working on a rule to implement the authority the legislature gave EFSEC to site transmission lines. Draft language has been sent out to the stakeholder group, and staff is working to incorporate the stakeholder comments into the rules. The second draft was sent to the work group for further comments. Mr. Fiksdal hopes that a CR-102 could be issued by next month's meeting.

Chair Luce reported that on Thursday April 10, 2008, the Northern Lights Transmission group will be making a presentation regarding their proposed transmission lines from Canada to Oregon. The presentation will be in Olympia at the Community, Trade and Economic Development building, at 9<sup>th</sup> & Columbia, in the 1<sup>st</sup> floor conference room.

**6. ADJOURN**

The meeting was adjourned at 2:17 pm.