



STATE OF WASHINGTON

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

July 8, 2008 Monthly Meeting Minutes

1. CALL TO ORDER

Chair Jim Luce called the July 8, 2008 monthly meeting to order at 905 Plum Street S.E., Room 301, at 1:33 p.m.

2. ROLL CALL

Council members present were:

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

Staff in attendance were:

Allen Fiksdal - EFSEC Manager, Jim LaSpina - EFS Specialist, Tammy Talburt - Administrative Assistant and Kyle Crews, AAG AGO.

Guests in attendance were:

Darrel Peeples - Attorney, Scott Williams - Puget Sound Energy Wild Horse, Joseph Long - Grays Harbor Energy, Michael Goldstein - Grays Harbor Energy, Mark Anderson - Community, Trade & Economic Development Energy Policy, and Mike Gwyther - Chehalis Power Generation.

Guests attending via phone:

Robert Nielson - Energy Northwest, Jennifer Diaz - Puget Sound Energy Wild Horse, and Karen McGaffey - Perkins Coie.

3. ADOPTION OF PROPOSED AGENDA

The agenda was presented to the Council for amendments or additions. An additional "Other" item was added to the agenda and the agenda was adopted as modified.

4. MINUTES

The June 10, 2008 monthly meeting minutes, as well as, June 3 and June 24 special meeting minutes were presented for approval.

Motion: Council member Dick Byers moved the Council approve the June 3, June 10, and June 24, 2008 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 (PSE) reported that Wild Horse generated it's One Millionth megawatt hour on Independence Day between 9:20 and 9:30pm. June Production was 63,021 MWh for a capacity factor of 38.3%. The Solar Demonstration Project generated approximately 87,448 kilowatt hours over the past month. Ms. Diaz said the site remains in compliance with the NPDES permit and Operations Storm Water Pollution Prevention Plan. Ms. Diaz noted that since the Grand Opening of the Renewable Energy Center (visitor center) the site has received approximately 6,400 visitors.

<i>SCA Amendment Request</i>	<i>Allen Fiksdal, EFSEC Manager</i>
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Mr. Allen Fiksdal, EFSEC Manager reported to the Council that PSE had requested a Site Certification Agreement (SCA) Amendment that would add 26 turbines and 1,280 acres to the existing footprint for the Wild Horse Wind Power Project.

Mr. Scott Williams, PSE, reported that PSE has requested an SCA amendment for the expansion which will add 1,280 acres to the 8,600 acres of the original site for a total of 9,880 acres. The 26 new turbines will add up to 54 megawatts (MW) to the 127 existing turbines (229 MW). Mr. Williams said that both the number of turbines and the maximum megawatts of generation do not exceed the amounts allowed in the SCA. He noted that the Wild Horse SCA allows a maximum of 158 turbines generating up to 312 MW. Mr. Williams referred to the diagrams in the amendment request which illustrated the proposed locations of turbine corridors and other related and supporting facilities. He said the expansion would be tied into the existing substation and transmission lines.

Mr. Fiksdal requested that the Council schedule the date of the public hearing for the SCA Amendment. The Council agreed to hold the public hearing for the SCA on August 6, 2008 at 7 pm at a site to be determined in Ellensburg, Washington. The Council directed staff to process the notice and make all arrangements for the hearing.

Kittitas Valley Wind Power Project

<i>Update</i>	<i>Jim LaSpina, Staff</i>
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Mr. Jim LaSpina, EFSEC Specialist, reported that EFSEC staff had received some pre-construction submittals required by the SCA. He also reported that contracts for plan review by other agencies are being finalized.

Columbia Generating Station

<i>Project Update</i>	<i>Robert Nielson, Energy Northwest</i>
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Mr. Robert Nielson, Energy Northwest (ENW) reported that Columbia Generating Station is operating at 99.5% power on the 339th day of continuous operation. Permanent repairs to the Reactor and Turbine Building siding damaged by high winds continues with design, rebar scanning, and scaffold (mast climbers) erection. Mr. Nielson said the reactor is being down-powered due to economic dispatch at the request of BPA.

Mr. Nielson noted that on October 31, 2007 and November 30, 2007 ENW submitted the information to the Department of Ecology required by the Administrative Orders for the Columbia Generating Station and the Industrial Development Complex (IDC). An Ecology close-out inspection of the IDC initiated on June 5, 2008 concluded on June 11, 2008. No compliance issues were identified, and Ecology is expected to formally close-out the IDC Administrative Order following an inspection close-out meeting on July 23, 2008. Ecology expects to conduct a similar closeout inspection of the Columbia Generating Station during the week of August 11, 2008.

With regard to Energy Northwest's appeal of Ecology's fine associated with the Order, a Pre-Hearing Conference between the parties was held on June 10, 2008, during which the hearing dates were changed to February 24-25, 2009.

Satsop Combustion Turbine Project

Project Update

Joe Long, Grays Harbor Energy

Mr. Joe Long, Grays Harbor Energy, reported that there were no reportable accidents or injuries in the month of June; however, there was an on-site injury during the first week of July. The employee is back at work and the details will be reported at the next council meeting. Mr. Long said the plant construction is complete, all emissions testing have been completed and the reports are being prepared for submittal. To date the plant has generated approximately 103,347 Mw hrs of power, and the plant operated combustion turbine unit 2 on June 27th and June 30th for testing, giving a 1.5% capacity factor for the month of June. The plant entered commercial operations as of July 1st.

Mr. Long reported there have been no wastewater discharge violations, but an oil spill of approximately 5 gallons occurred when a contractor's man-lift experienced a failure of a hydraulic hose. The spill was contained and cleaned up with no oil reaching the stormwater system. Reports were made as required.

Mr. Long noted that the Governor is expected to attend a dedication ceremony which has been scheduled for August 23rd. Council and staff invitations are forthcoming. Mr. Long introduced Mr. Todd Gatewood who is the new Plant Manager. Mr. Long has taken a new assignment and will be departing the project on July 14th.

Rule Making

Transmission Siting

Allen Fiksdal, EFSEC Manager

Mr. Allen Fiksdal, EFSEC Manager directed the Council members to a July 2nd draft of Chapter 463-61 Electrical Transmission Facilities rules. Council member Dick Byers, UTC offered some edits to the draft rule, as presented to the Council. Mr. Fiksdal said that with the edits suggested by Council member Byers the draft would be updated at the Order Typing Service (OTS) which is part of the Code Revisers Office, in order for the CR-102 to be issued in August.

6. OTHER

Mr. Fiksdal explained the State Auditor's Office conducted an audit beginning in 2006. The auditor assessed funds owed to state agencies and the collection of that debt. The Department of Community, Trade and Economic Development (CTED) was one of the agencies that was reviewed. The Auditor reviewed fiscal year 2006 the period between July 2005 and June 2006. For that period the Auditor found that best accounting practices were not followed for the billings of EFSEC expenses. The Auditor found there was no policy in place for past due accounts and other accounting issues. The report is scheduled to be released in August. Mr. Fiksdal said that the Auditors noted in the report that the issues noted in the findings have been corrected. Mr. Fiksdal noted that now within CTED there is a policy in place and that the best accounting practices have been implemented.

7. ADJOURN

The meeting was adjourned at 2:05 pm.