



STATE OF WASHINGTON

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

April 14, 2009 Monthly Meeting Minutes

1. CALL TO ORDER

Chair Jim Luce called the April 14, 2009 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
Mary McDonald	Department of Natural Resources
Jeff Tayer	Department of Fish and Wildlife
Dick Byers	Utilities and Transportation Commission
Hedia Adelsman	Department of Ecology
Patti Johnson (via phone)	Kittitas County
Judy Wilson	Skamania County

Staff in attendance were:

Allen Fiksdal – EFSEC Manager, Stephen Posner – Compliance Manager, Jim La Spina – EFS Specialist, Mike Mills – EFS Specialist, Kyle Crews - AAG AGO, and Tammy Talburt - Administrative Assistant.

Guests in attendance were:

Mark A Miller – PacifiCorp Chehalis, Travis Nelson - WDFW, Darrel Peoples – Attorney, Todd Gatewood – Grays Harbor Energy, Bob Wallis – ALJ, and Steve Hall – Point Environmental, INC.

Guests attending via phone:

Jennifer Diaz – PSE, Bruce Marvin – Counsel for the Environment, Mel Walters – PSE, Karen McGaffey – Perkins Coie, and Tim McMahon – Stoel Rives.

3. ADOPTION OF PROPOSED AGENDA

The agenda was presented to the Council for amendments or additions; the agenda was approved as presented.

4. MINUTES

Staff presented the March 10, 2009 monthly meeting minutes for the Council's approval.

Motion: Council member Byers moved the Council approve the March 10, 2009 meeting minutes with edits from the Council. The motion was seconded by Council member Adelsman. The motion was approved.

5. PROJECT UPDATES

Desert Claim Wind Power Project

<i>Project Update</i>	<i>Stephen Posner, EFSEC Staff</i>
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Mr. Stephen Posner, EFSEC Compliance Manager reported to the Council that an Order Commencing Adjudicative Proceeding was issued on March 25, 2009. Along with the Order of Commencement, a notice for Petitions for Intervention was issued and the pre-hearing conference has been scheduled for April 23, 2009. The closing date for filing petitions for Intervention is April 17, 2009. Following the pre-hearing conference will be a site tour at 3:00 pm. A public meeting will be held on the evening of the April 23, 2009, to receive public comments on the Draft Supplemental Environmental Impact Statement (DSEIS). The public comment period for the DSEIS ends at 5pm on May 4, 2009. Mr. Allen Fiksdal, Council Manager, reminded the Council that the rules for the Site tour is that there will not be any discussion of the project, there will be facts presented during the site tour. The tour is expected to take about 2 hours.

Mr. Bob Wallis, Administrative Law Judge, stated that the pre-hearing conference is scheduled for 1:30 pm. The pre-hearing conference is an opportunity of the parties, the statutory parties and any intervenors, to take a look at the process the Council will be going through for the hearing and/or any objects to petitions for intervention to be argued before the Council. Chair Luce inquired if there had been any petitions for intervention filed. Mr. Fiksdal said that so far, one petition for intervention by Kittitas County, and a Notice of appearance by Bruce Marvin, Counsel for the Environment have been filed.

Chehalis Generating Station

<i>Project Update</i>	<i>Mark Miller, Chehalis Power</i>
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Mr. Mark Miller, Chehalis Power, reported that there has not been a lost time accident at the facility in 2367 days and that Chehalis Power has maintained an effective safety program through a behavioral-based approach.

Mr. Miller reported that On March 5, 2009 the Plant submitted an application for the installation of the auxiliary boiler system to the Council. The preliminary engineering has been initiated and we are developing a request for proposal to be issued once an approval of the permit application is received by PacifiCorp. The final required compliance test, a filterable and condensable particulate matter test was completed on Friday March 13, 2009. A report has not been issued as of today. Air Pollution Testing will begin the third in a series of four required greenhouse gas (GHG) sampling of the combustion turbines, today April 14, 2009. This current set of sampling will be completed by Friday April 17, 2009. There were no storm water exceedances in the previous twelve months. The Plant site continues to be maintained in excellent condition.

Authorized plant staffing level is currently 18 with all 18 positions filled. The plant operated at a capacity factor of 44.8% during the month of March, generating 180,379 megawatt-hours.

The Plant continues to prepare for an outage this summer to inspect and perform maintenance on the steam turbine generator and combustion turbine #1. A significant effort is being expended on activities related to preparing for meeting the North American Electric Reliability Corporation (NERC) Critical Infrastructure Protection standards (CIPS). The Chehalis Power Plant has been identified by PacifiCorp as a critical asset and therefore must comply.

The Plant received one complaint from a member of the public regarding plant operating noise. This complaint was phoned in on March 23, 2009. It is the first one noted since 2006. Investigation of the event led Chehalis Power to conclude that the increased noise was related to a plant upset causing the steam turbine intermediate pressure sky vent to open for a brief period. Additionally, a contributing factor was steam leaking from a cold-reheat valve stem that had been damaged during normal operation. As of last Friday April 10th, this valve has been repaired and is operating as designed. Plant operations personnel continue to conduct daily noise monitoring on-site and weekly noise monitoring off-site.

Whistling Ridge Energy

<i>Project Update</i>	<i>Jim La Spina, EFSEC Staff</i>
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Mr. Jim La Spina, EFS Specialist, reported to the Council that the staff received an application for site certification from Whistling Ridge Energy on March 10, 2009. EFSEC has issued a Notice for SEPA Scoping, Public Information Meeting, and Land Use Hearing to be held in Stevenson, WA on May 6th. The public comment period will end at 5 pm on May 11th. Staff will work with Council members to arrange the necessary travel logistics for the Stevenson meetings.

Mr. Posner reported that the RFP for independent consulting services has been issued. The closing date for submittal of proposals is April 24, 2009. Proposals will be evaluated by EFSEC staff. Staff hopes to have a consultant under contract by June 1, 2009.

Columbia Generating Station

<i>Operational/Activity Updates</i>	<i>Dave Nylander, Energy Northwest</i>
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Mr. Dave Nylander was unable to attend the meeting and submitted the attached report for the Councils review.

Satsop Combustion Turbine Project

<i>Project Update</i>	<i>Todd Gatewood, Grays Harbor Energy</i>
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Mr. Todd Gatewood, Grays Harbor Energy (GHE) reported that the plant has had no reportable accidents during the past month. The facility had the following exceedances on Outfall 001-Process Wastewater in March.

One - chloride exceedances

These parameters are monitored on a weekly basis. The process cycles the chlorides up. The raw water has a higher level than anticipated and the permit limit is lower than the predicted level. The facility will be performing an engineering study of the ground water and process water as a

requirement of the recently revised permit.

One – Iron exceedances

This as at the discharge of the oil water separator. This collects all floor drains and is due to corrosion in the underground collection piping.

Modifications to the NPDES Permit are in the draft stage. During the March run we completed quarterly sulfur testing and CGA Linearity checks on both gas turbines.

To date the plant has generated approximately 868,079 Mw hrs. The unit operated for 2 days in March. The monthly capacity factor (CF) was 5.6% with an YTD of 2%. The plant started a scheduled two week outage yesterday April 13, 2009.

Noise monitoring stations are arriving the week of April 20th for setup and installation by our noise consultant. A monitoring plan was submitted to EFSEC Staff last week. Mr. La Spina reported that he will be present when the Project’s sound consultant sites the monitoring equipment.

Wild Horse Wind Power Project

<i>Project Update</i>	<i>Jennifer Diaz, Puget Sound Energy</i>
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Ms. Jennifer Diaz, Puget Sound Energy (PSE), reported that the March Wind Production totaled 63,934 MWh with a capacity factor of 39.6%. The Solar Demonstration Project generated approximately 68,957 KWh over the past month. No lost-time accidents or safety incidents to report for March. The monthly Discharge Monitoring Report (DMR) for March was submitted to Ecology and EFSEC. Warmer spring temperatures toward the end of March caused winter snows to melt throughout the site. In accordance with the Operations Stormwater Pollution Prevention Plan a semi-annual or spring stormwater inspection was completed. As a result, stormwater BMPs were maintained and additional BMPs were installed in areas to address snow melt conditions. The site remains in compliance with the Operations SWPPP and Ecology is scheduled to complete a stormwater inspection next Monday. PSE staff met with representatives from the Kittitas County Noxious Weed Board to discuss plans for treatment of noxious weeds and cheat grass in 2009.

The entire site is closed to hunting and recreation this year due to safety considerations during construction of the Expansion Project. Public access is allowed up to the Renewable Energy Visitor Center. Beyond the visitor center public access is restricted until major construction activities are complete.

<i>Expansion Update</i>	<i>Jim La Spina, EFSEC Staff</i>
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Mr. Jim La Spina informed the Council that EFSEC staff has issued NPDES General Permit coverage for Stormwater and Sand & Gravel activities for the project expansion site. Staff has also issued an approval letter for all plans required by the SCA prior to the beginning of construction.

Mr. Stephen Posner, Compliance Manager stated the Technical Advisory Committee (TAC) is recommending the installation of 5 raptor perch discouragers. This recommendation is a deviation from the requirements of the SCA (by reference to the FEIS). Therefore staff is requesting the Council to approve this recommendation.

Ms. Diaz reported to the Council that Council Resolution No. 315 require the installation of raptor perch discouragers on all overhead transmission line structures to avoid predation of sage-grouse that may potentially be wintering in the area. This requirement was based on a recommendation by WDFW with the assumption or theory that predatory birds have more success obtaining prey species like sage-grouse when they are able to perch on transmission structures. However, to date there have been no scientific studies completed to support this assumption or theory.

The Wild Horse TAC is responsible for making determinations about the effectiveness of perch discouragers and can make recommendations to fully or partially implement the use of perch discouragers based on new scientific findings and/or the nature of the impact.

On Oct. 25, 2007 Mel Walters, PSE's Avian Protection Program Manager and Avian Power line Interaction Committee member gave a presentation to the TAC on how perch discouragers or anti-perching devices are used in association with transmission and distribution lines. Mel also presented results from three scientific studies that discuss the effectiveness of using perch discouragers to totally prevent perching. Mr. Walters' presentation suggested the installation of perch discouragers or anti-perching devices on all overhead transmission line poles at Wild Horse may not be effective in achieving the original intent of the SCA requirement.

TAC members agreed that an adaptive plan which reduced the number of perch discouragers required by the SCA based on site specific conditions, including location of potential sage-grouse wintering habitat, was more appropriate than installing discouragers on ALL transmission line structures.

Mr. Posner, the EFSEC TAC representative requested that Mr. Brent Renfrow from WDFW and PSE representatives meet to identify "higher risk" structures and report this information to the TAC for consideration at their next meeting. At the next TAC meeting on May 28, 2008 WDFW and PSE recommended to the TAC that 5 out of the 29 transmission line structures located in the most sensitive sage-grouse wintering habitat be installed with perch discouragers. TAC members unanimously voted that perch discouragers be installed on 5 transmission line structures as recommended by WDFW and PSE, with further studies to be conducted by PSE site staff to evaluate their effectiveness in discouraging raptors from perching in the area.

Mr. Posner requested the Council approve the recommendation from the TAC. Instead, the Council deferred action on this matter and requested a letter from the chair of the TAC and/or PSE recommending approval for the installation of the 5 perch discouragers.

<i>Other</i>	<i>Jim La Spina, EFSEC Staff</i>
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Mr. Jim La Spina, EFS Specialist reported to the Council that the EFSEC staff recently instituted a system of quarterly compliance reports for all facilities with SCAs. Actual site inspections will occur twice per year. Reports will be based upon the results of site inspections, evaluation of required submittals, and additional factors.

6. CONTRACTS

<i>Compliance Monitoring Contracts</i>	<i>Mike Mills, EFSEC Staff</i>
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Mr. Mike Mills, EFS Specialist, requested that the Council approve the renewal of Council contracts for FYs 2010 and 2011 with the state and local agencies identified below that provide environmental monitoring and technical services for EFSEC projects. Monitoring at approved projects is administered by the Council through the contracts with the agencies that have specific technical expertise to evaluate the impacts of construction and operational activities. The agencies under contract work with Council and certificate holder staff to monitor operations; perform on-site inspections; conduct technical reviews and data analysis; evaluate compliance with laws and regulations; prepare reports to the Council; and provide general support and advice to the Council on compliance issues. Two agencies, Ecology and Fish and Wildlife, also provide technical and consulting services in the review of Applications for Site Certification filed for new projects.

Motion: Council member Fryhling moved the Council approve the Ecology Master Agreement, Task Orders 1-6 & 9. The motion was seconded by Council member Byers. The motion was approved, Council member Adelsman abstained.

Motion: Council member Fryhling moved the Council approve the Fish and Wildlife Agreement, Audit/Mitigation and Technical Services for Desert Claim, P MEC and Whistling Ridge. The motion was seconded by Council member Byers. The motion was approved, Council member Tayer abstained.

Motion: Council member Fryhling moved the Council approve the Washington State Patrol, Olympic Region Clean Air Agency, Southwest Clean Air Agency and the Department of Health agreements. The motion was seconded by Council member Adelsman. The motion was approved unanimously.

<i>Rule Making</i>	<i>Jim Luce, Chair</i>
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Chair Luce noted that in January EFSEC had issued a Pre-proposal Statement of Inquiry (CR 101) for developing rules for alternative energy facilities. He noted that after several conversations with people having a wide range of interest in this rulemaking it was premature and requested that the Council retract the CR 101.

Motion: Council member Fryhling moved the Council retract the previously issued CR 101. The motion was seconded by Council member Tayer. The motion was approved unanimously.

7. ADJOURN

The meeting was adjourned at 2:55 pm.

Energy Northwest
Columbia Generation Station Operational Status
EFSEC Council Meeting
April 14, 2009
(Robert Nielson)

I. Plant Status

Columbia Generating Station is operating at 95% power (~1,112 megawatts – gross) and has been on line for 60 days with 25 days remaining until the scheduled R-19 refueling and maintenance outage. Toward the end of each 23 month generating cycle, the core's reactivity begins to decrease resulting in a gradual decrease in generation. Currently, we are in a coast down mode where there is approximately half a percent reduction in power every day until we reach the outage. This is normal for plant operation and indicates that we have reached the designed end of cycle.

II. Plant Activities

R-19 Refueling Outage

The outage is scheduled for 34 days duration and starts on May 9th. Approximately 1,450 to 1,650 temporary contract personnel will be on-site to assist with the outage. Workers will replace 252 of the 764 fuel assemblies during the outage, the nineteenth since Columbia Generating Station began commercial operation in 1984. Work will also involve preparing for condenser replacement during the R-20 outage, and maintenance and repair of critical station components and equipment.

III. Ecology RCRA Inspection

During the last Council meeting, it was reported that during September and November 2008 Ecology conducted a close-out inspection for the Administrative Order Ecology issued to Columbia Generating Station in October 2007. No issues were identified during the inspection. Recently, Ecology indicated that another inspection will be conducted in 2009 to verify compliance with requirements of the order and the Dangerous Waste Regulations before the order can be closed out. To date, Ecology has not indicated when the final inspection will occur.