



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

December 8, 2009 Monthly Meeting Minutes

1. CALL TO ORDER

Chair Jim Luce called the December 8, 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	Department of Commerce
Jeff Tayer	Department of Fish and Wildlife
Dick Byers	Utilities and Transportation Commission
Hedia Adelman (Excused)	Department of Ecology
Mary McDonald	Department of Natural Resources
Judy Wilson (Excused)	Skamania County Representative

Staff in attendance were:

Allen Fiksdal – EFSEC Manager, Stephen Posner – Compliance Manager, Jim La Spina – EFS Specialist, Tammy Talburt – Commerce Specialist, Kyle Crews - AAG and C. Robert Wallis – Administrative Law Judge.

Guests in attendance were:

Travis Nelson – Washington State Fish and Wildlife, Todd Gatewood – GHEC Satsop, Darrel Peebles – Attorney, and Jim Amador – Port of Olympia.

Guests in attendance via phone:

Don Coody - Energy Northwest, Jennifer Diaz – PSE, Josh Mathis - Horizon Wind Energy, Brett Oakleaf – Invenergy and Karen McGaffey – Perkins Coie.

3. ADOPTION OF PROPOSED AGENDA

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

4. MINUTES

Staff presented the November 16, 2009 special meeting minutes and November 10, 2009 monthly meeting minutes for the Council's approval.

Motion: Council member Fryhling moved the Council approve both sets of minutes. The motion was seconded by Council member Byers. The motion was approved.

5. PROJECT UPDATES

Chehalis Generating Facility

<i>Project Update</i>	<i>Mark Miller, PacifiCorp</i>
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Due to some sensitive equipment at the plant freezing over the night Mr. Mark Miller submitted the following report via email:

There were no incidents this reporting period and the plant staff has achieved 2605 days (>7 years) without a Lost Time Accident.

The Chehalis Power plant will be submitting a proposal for establishing emission factors that were developed as a result of the 4 sets of green house gas stack sampling and testing projects completed in the last year. This information will be reviewed with EFSEC staff, Department of Ecology and the Southwest Clean Air Agency for concurrence on 2009 reporting.

The Plant site continues to be maintained in excellent condition. Storm water and waste water discharge monitoring results are in compliance with the permit limits. Authorized plant staffing level is currently 18 with all 18 positions filled.

November: The plant operated at capacity factor of 32.2 %. Generation for the month was 132,087 megawatt-hours. Year to date the plant has generated 1,528,618 megawatt-hours. Cyber and physical security projects implementing new standards as required by NERC and the WECC are nearing completion in order to meet the compliance date of December 31, 2009.

Sound monitoring: There were no complaints noted during this operating period.

Kittitas Valley Wind Project

<i>Project Update</i>	<i>Josh Mathis, Horizon Wind Energy</i>
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Mr. Josh Mathis, Horizon Wind Energy reported to the Council that Joy Potter of Horizon Wind has sent updated SCA submittals to Jim LaSpina and will continue to work with him on all SCA requirements.

Current construction activity consists of building the access road and the first phase of the laydown area. Horizon is anticipating rocking the laydown yard and road this week and will conduct a final inspection of Best Management Practices. As construction work finishes in one area and moves to the next, hydro-seeding will take place in accordance with the approved weed plan.

Horizon collaborated with Department of Natural Resources to temporarily relocate fencing on the agency's land. The fencing will be replaced to its permanent location after construction is completed next year.

Satsop – Grays Harbor

<i>Site Certification Agreement Amendment</i>	<i>Allen Fiksdal, EFSEC Manager</i>
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Mr. Allen Fiksdal, Council Manager, reported to the Council that EFSEC has received a letter from Grays Harbor County stating that the proposed project is consistent with the land use zoning. He noted that the Council will receive a copy of the letter at the Land Use Hearing scheduled for December 15, 2009 in Montesano.

Mr. Fiksdal referred the Council members to a July 19, 2002 memo included in the Council's packet that reviewed the process the Council considered for the 2002 project expansion. Mr. Fiksdal noted that the Council's 2002 process could provide good background for the current SCA amendment process. Mr. Fiksdal reminded the Council that a Land use hearing will be held in conjunction with a public informational meeting on December 15th in Montesano. He also reminded

the Council the public comment period will be held open until December 18, 2009. Mr. Fiksdal said that following the close of the comment period, he, as the State Environmental Policy Act (SEPA) Official, will make a SEPA Threshold Determination of the environmental impacts. This decision will be based on whether there are non-significant environmental impacts and whether those impacts may be mitigated to a level of non-significance (DNS or MDNS). The SEPA Threshold Determination will guide the Council's approval or denial of the applicant's request for EFSEC's expedited processing.

<i>Project Update</i>	<i>Todd Gatewood, Grays Harbor Energy</i>
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Mr. Todd Gatewood, Grays Harbor Energy reported that there were no reportable accidents or injuries in 2009. Grays Harbor Energy has conducted OSHA Electrical Worker Training.

- The facility had the following exceedances on Outfall 001-Process Wastewater
 - Four - 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.
 - Zero – 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.

Grays Harbor Energy has submitted the October Stormwater Report, and modifications to the NPDES Permit are in the draft stage. Two samples taken in July were analyzed for priority pollutants. The results of those samples were sent to EFSEC Staff on Monday, October 12, 2009. The unit operated for 5 days in November. The plant generated 58,497 MWh for a capacity factor of 12.7%. The YTD capacity factor is of 30%. The final report was submitted to EFSEC on November 17th.

<i>Noise Report</i>	<i>Allen Fiksdal, EFSEC Manager</i>
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Mr. Fiksdal reported that Grays Harbor Energy submitted an analysis of noise emissions produced during startup, baseload, and shutdown operations of the Satsop-Grays Harbor Combustion Turbine Project. He noted that the report basically stated that noise did not exceed the levels required by WAC 173-60 except for times when steam was released through safety valves during a plant upsets. The report noted that WAC 173-60 allows for noise above a certain level for safety related activity and that Grays Harbor Energy considers the steam release during a plant upset a safety condition. Mr. Fiksdal asked Mr. Gatewood if the plant upsets and steam release were actually standard operation procedures. Mr. Gatewood responded that the steam release were part of an automatic procedure to insure safe operating conditions during an unplanned plant shutdown and that the steam release ends once the plant can be shut down safely. EFSEC staff will post the report on its website and will send the report to several of the neighbors and the county.

Mr. Fiksdal reported that staff is looking into hiring an independent consultant to review the noise study submitted by Grays Harbor Energy. He also noted that the staff was working with the Department of Fish and Wildlife to assess potential fish & wildlife impacts from this expansion proposal.

The Council discussed with Mr. Gatewood noise issues and project operation and whether there have been regular upset conditions producing increased noise levels. Mr. Gatewood responded that he believed there had been only 3 or 4 during the 4,500 hours the plant has operated. The Council discussed issuance of a letter to Grays Harbor Energy acknowledging receipt of the report but leaving a judgment of whether the project had met the noise criteria until after review by an independent consultant.

Desert Claim Wind Power Project

<i>Project Update</i>	<i>Stephen Posner, EFSEC Staff</i>
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Mr. Stephen Posner reported to the Council that a Public Meeting was held on 11/16/09- Ellensburg, to announce the decision on a recommendation to Governor. The package recommending approval was sent to Governor on 12/4/09. Within 60 days of receipt of the packet the Governor may:

- Approve and sign the Site Certification Agreement (SCA)
- Reject the application
- Direct council to reconsider certain aspects of the proposed SCA.

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-Wild Horse, reported to the Council that the 22 new wind turbines in the expansion project went into commercial operation on November 9th. November wind production for the entire project totaled 55,568 MWh for an average capacity factor of 28.5%. The Solar Demonstration Project generated 38,220 KWh in November. There have been no lost-time accidents or safety incidents to report for November.

In accordance with Article IV.F.10 of the SCA the Habitat Mitigation Parcel was fenced to exclude future livestock grazing. The fence design was coordinated with and approved by WDFW to promote the safety of big game animals passing through the area.

In accordance with the mitigation measures as modified by amendment No. 5 to the SCA for the expansion area, certain areas within the existing Wild Horse facility are being reseeded where native seeds have not germinated and are not expected to germinate over time. These areas were selected in consultation with WDFW and qualified restoration specialists. Work is expected to be completed this week. Revisions to the Operations Stormwater Pollution Prevention Plan and the Spill Prevention, Control and Countermeasures Plan were submitted to EFSEC to include the expansion area turbines.

The Technical Advisory Committee (TAC) held a conference call on November 9th to review the proposed 2010 avian and bat monitoring protocols. Research biologists from Western Ecosystems Technology were on the call to address concerns and answer questions from TAC members. Only one minor change was made to the protocols at the recommendation from a member of Kittitas Audubon. This change consisted of moving the location one search plot turbine pair in the expansion area. TAC members on the call, including representatives from WDFW and USFWS, unanimously recommended approval of the protocols with the change

recommended by Kittitas Audubon. WEST is scheduled to begin monitoring on March 15, 2010 and continue through December 15, 2010.

Mr. Stephen Posner, EFSEC Compliance Manager directed the Council to the packet for three documents regarding the avian and bat monitoring: TAC meeting minutes from the November 9, 2009 conference call meeting, a letter from Friends of Wind and Wildlife (Friends), and the Avian and Bat Monitoring Plan. The concerns presented by Friends in its December 3, 2009 letter were addressed during the conference call meeting held on November 9th. Friends did not participate in the conference call. Brent Renfrow from Department of Fish and Wildlife expressed similar concerns, which were addressed to his satisfaction. The TAC unanimously approved the plan at the November 9 meeting. Based on TAC approval of the plan, staff recommends the Council approve the Avian and Bat Monitoring Plan.

Motion: Council member Tayer moved that the Council approve the 2nd year avian and bat monitoring plan for the Wild Horse Wind Power Project, as approved by the TAC. Council member Fryhling seconded the motion. The Council approved the motion unanimously.

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 staff is working with the applicant and EFSEC's consultant to prepare the Draft Environmental Impact Statement (DEIS), as well as the completion of the application review. Staff met with the Applicant and the Department of Fish and Wildlife earlier on December 8th to discuss wildlife issues. The Applicant has submitted several avian and bat studies. The Consultant anticipates that the Preliminary DEIS should be ready for internal review by the week of February 4, 2010.

Columbia Generating Station

<i>Project Update</i>	<i>Don Coody, Energy Northwest</i>
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Mr. Don Coody, Columbia Generating Station, reported to the Council that Columbia Generating Station is currently operating at 100 percent power, producing 1,174 megawatts gross. The plant has been on line for 25 days following a manual plant shutdown on November 7th. The shutdown was due to a hydraulic fluid leak caused by an o-ring failure in a piping joint. The o-ring was replaced and the pipe joint was inspected. As part of the root cause analysis, corrective actions were identified and implemented to avoid similar problems in the future.

NPDES Permit Noncompliance - December 4, 2008 the final Energy Northwest action for this issue was preparation of an NPDES Operations and Maintenance Plan. The plan was submitted to EFSEC for approval on September 14, 2009, and based on a recommendation from Ecology, has been approved. EFSEC staff will send a letter to Energy Northwest closing this issue by the end of 2009.

WNP-1/4

<i>Site Certification Agreement Amendment</i>	<i>Stephen Posner, EFSEC Staff</i>
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Mr. Stephen Posner, EFSEC Staff updated the Council stating the meeting originally scheduled for December 17 with Energy Northwest, Ecology, and EFSEC staff has to be rescheduled as Ecology is unavailable on the 17th. The purpose of the meeting is to discuss options for obtaining water for WNP 1/4 to support Site Reuse.

Bonneville Power Administration (BPA)

<i>I-5 Corridor Reinforcement</i>	<i>Jim Luce, EFSEC Chair</i>
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Chair Luce reported to the Council that he, Mr. Fiksdal and Mr. Crews will be in Portland on December 10, 2009 to meet with BPA legal staff about National Environmental Protection Act (NEPA) scoping matters.

6. ADJOURN

The meeting was adjourned at 2:52 p.m.