



## STATE OF WASHINGTON

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

### March 10, 2009 Monthly Meeting Minutes

#### 1. CALL TO ORDER

Chair Jim Luce called the March 10, 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:

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| Jim Luce                  | Chair                                   |
| Dick Fryhling (via phone) | Community, Trade & Economic Development |
| Judy Wilson               | 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                         |

##### 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, Karen McGaffey – Perkins Coie, Travis Nelson – WDFW, David Steeb – Desert Claim Wind Power, Kirk Deal – PNWRCC, Mark Anderson – Community Trade & Economic Development, Scott Williams – PSE, Darrel Peeples – Attorney, John Ashley – NRP, Todd Gatewood – Grays Harbor Energy, Jason Spadaro – SDS Lumber Co, Bruce Marvin – CFE/AGO, Bob Wallis – ALJ, Michael Goldstein – Grays Harbor Energy, Bill Caudle – Grays Harbor Energy, Katy Chaney – URS, Joe Gesting – Hilliard Energy and Tim McMahon – Stoel Rives.

##### Guests attending via phone:

Jennifer Diaz – PSE, and Don Coody – Energy Northwest.

#### 3. ADOPTION OF PROPOSED AGENDA

The agenda was presented to the Council for amendments or additions; the agenda was approved with additions of Council member recognition and the addition of the Whistling Ridge Energy project after Desert Claim on the agenda.

#### 4. MINUTES

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

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

#### 5. PROJECT UPDATES

##### Desert Claim Wind Power Project

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| <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 a Preliminary Draft Supplemental Environmental Impact Statement (PDSEIS) and Revised Application for Site Certification (ASC) were submitted February 6, 2009. A review of documents submitted by enXco has been completed by EFSEC's independent consultant, the final report from the consultant is expected on 3/13. EFSEC staff will be having a conference call later this week with enXco to discuss the comments received from EFSEC's consultant. It is anticipated that the DSEIS will be sent out by the end of March. The DSEIS will then have a 30 day comment period with a public comment meeting to be scheduled in Ellensburg near the end of the comment period. The initiation of the adjudication would begin about the same time; and the prehearing conference may be held the last week in April, the first part of May.

##### Whistling Ridge Energy

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| <i>Project Update</i> | <i>Jason Spadaro, SDS Lumber Co</i> |
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Mr. Jason Spadaro, President S.D.S. Lumber Company reported to the Council that today, March 10, 2009, he presented to staff the Application for Site Certification (ASC) for the Whistling Ridge Energy Project. S.D.S. Lumber Company is a 63 year old wood products company located in Bingen Washington. Whistling Ridge Energy LLC, a limited liability corporation operating in the state of Washington, seeks a Site Certification Agreement to construct and operate the approximately 75-megawatt (MW) Whistling Ridge Energy Project to generate electricity using wind turbine technology.

The project would be constructed in south-central Washington on an approximately 1,152-site about 7 miles northwest of the City of White Salmon in Skamania County, Washington. The project would be located on commercial forest land owned by S.D.S. Co., LLC and Broughton Lumber Company in an unincorporated area of Skamania County, outside of the Columbia Gorge National Scenic Area. S.D.S. practices sustainable forestry on its lands and operates a biomass energy plant at the sawmill in Bingen. Mr. Spadaro stated that the Whistling Ridge project is a natural extension of the company's work in renewable resources and they are eager to showcase how to integrate wind power with sustainable forest management practices, while enhancing the economy of the local host community, Skamania County. Over the past 5-years, S.D.S. has conducted independent studies of its property to research the possibility of developing this wind farm. After analyzing the wind and the availability of transmission, surveying wildlife and avian species, and

characterizing other potential environmental impacts the company is convinced that the Whistling Ridge Energy Project will be a model wind farm.

Mr. Spadora said that the decision to come to EFSEC was made after observing how hard it has been for Skamania County to redefine its zoning code in order to prepare for processing wind farm applications. He continued that it is now evident to the S.D.S. processing their application would impose administrative burdens on a county that already faces enormous fiscal, operational, and legal challenges.

Mr. Spadaro noted he had followed the progress of the three wind farms EFSEC has reviewed. He is impressed with the transparency and professionalism of the EFSEC process and how well EFSEC facilitates robust public participation in the Council's evaluations. The fact that the statute offers a time certainty to the Council's review is important to S.D.S. as well.

He said that when it comes to developing renewable resources given the importance to the environment and to national security, there is no time to lose. The President had put it well on February 5, 2009, when he said that "Inaction is not an option that is acceptable to me and a certainly not acceptable to the American people, not on energy, not on the economy and not at this critical moment."

Mr. Fiksdal reviewed the EFSEC's process from this point forward noting the need to hold an initial public meeting, develop an environmental impact statement, and conducts an adjudicative proceeding prior to making a recommendation to the Governor.

#### **Chehalis Generating Station**

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| <b><i>Project Update</i></b> | <b><i>Mark Miller, Chehalis Power</i></b> |
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Mr. Mark Miller, Chehalis Power, reported that there has not been a lost time accident at the facility in 2332 days and that Chehalis Power has maintained an effective safety program through a behavioral-based approach.

Mr. Miller reported that the second of four sets of Green House Gas testing was completed during the week of February 3, 2009. The test results have been sent to Southwest Clean Air Agency (SWCAA) and EFSEC. Relative Accuracy Test Audit (RATA) and biennial Compliance tests were conducted the week of February 3, 2009. Preliminary data indicate no issues, but Chehalis Power is waiting for the actual results. Particulate testing will occur in March 2009. The contractor for the final required compliance test, which is for filterable and condensable particulate matter, has mobilized to the plant and will begin testing tomorrow, Wednesday March 11, 2009. There were no storm water exceedances in the past year.

The site remains in excellent shape. Currently, the plant is fully staffed at 18 employees. Operators and technicians are in the process of attending various training seminars for gas turbine control system function, continuous emission monitor performance reporting, specialized maintenance techniques and NFPA training on arc flash. This is a continuous improvement process to ensure safe and reliable operation.

The generation for February 2009 was 230,023 megawatts which equates to a capacity factor of 65%. PacifiCorp is preparing for an outage this summer

to inspect and perform maintenance on the steam turbine generator and combustion turbine #1.

Mr. Miller added that public concern regarding plant noise has greatly diminished in the past two years and Chehalis Power has received no complaints about the noise in over a year. Plant personnel continue to conduct routine daily noise tests on-site and weekly off-site, as required by the Site Certification Agreement.

Mr. Jim La Spina reported to the Council that as part of the SCA amendment that approved the transfer of the Chehalis Generating Facility to PacifiCorp, PacifiCorp agreed to install an auxiliary boiler to reduce the emission of greenhouse gases. EFSEC staff have been meeting with Ecology and Southwest Clean Air Agency (SWCAA) staff to discuss permitting of the auxiliary boiler. Based on Ecology's recommendation, EFSEC will permit the boiler through the Notice of Construction (NOC) process. Under contract, Ecology staff will draft the NOC permit with the assistance of SWCAA staff. EFSEC will issue a notice for public comments when a draft permit is developed

#### **Columbia Generating Station**

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| <b><i>Operational/Activity Updates</i></b> | <b><i>Don Coody, Energy Northwest</i></b> |
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Mr. Don Coody, Energy Northwest (ENW), reported to the Council that Columbia Generating Station is operating at 100% power (~1,162 megawatts – gross) and has been on line for 25 days. As reported during the February 2009 Council meeting, the station automatically shutdown on February 8<sup>th</sup> when monitoring equipment indicated problems with a system that regulates steam flow across the blades of the main turbine which drives the plant's generator to produce electricity. The shutdown was caused by a pressure drop due to air in a hydraulic line during testing of a replaced valve. The facility was off-line in a safe, stable shutdown condition for six days before coming back on-line.

A Hostile Action Drill is being conducted on today, March 10, 2009, in which the Columbia Generating Station is conducting its first-ever hostile action-based drill under the new, more stringent industry guidance currently being implemented. In addition to Energy Northwest staff, participants will include Benton County, Franklin County, Department of Energy - Hanford site, Federal Emergency Management Agency (FEMA), Washington and Oregon States, and observers from the Nuclear Energy Institute (NEI), the Nuclear Regulatory Commission (NRC), and other industry utilities.

Over the last three years, the NEI and nuclear industry working groups, in consultation with the NRC and FEMA, developed an industry-wide program to demonstrate effective emergency response to threat-based events. They developed implementation guidance for the preparation and conduct of drills and for the evaluation of emergency response organizations in response to a simulated threat-based event.

Columbia Generating Station has been preparing for this drill for more than a year and working with offsite agencies for more than nine months to prepare both the site and the surrounding community for this drill.

Regarding the Administrative Order Ecology issued to Columbia Generating Station in October 2007, a close-out inspection was conducted in September and

November 2008 with no issues identified. Ecology has 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.

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| <b><i>NPDES Permit</i></b> | <b><i>Jim La Spina, EFSEC Staff</i></b> |
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Mr. Jim La Spina, EFS Specialist reported EFSEC has received a formal recommendation from its compliance contractor, Ecology’s Richland staff, that recommends Energy Northwest submit to EFSEC a comprehensive description of its operations and maintenance procedures for the circulating cooling water system as a result of the incident of NPDES noncompliance that occurred on December 4, 2008. EFSEC will have Ecology staff engineers review the operations and maintenance procedures. Once Ecology staff recommends approval of the procedures, EFSEC staff will recommend to the Council that no formal enforcement action be taken and the incident be closed.

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| <b><i>Emergency Preparedness – Contract Renewals</i></b> | <b><i>Stephen Posner, EFSEC Staff</i></b> |
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Mr. Stephen Posner, EFSEC Compliance Manager, noted that state and federal requirements require ENW to maintain the CGS Emergency Plan in cooperation with state, local and federal agencies. The purpose of the plan is to ensure public health and safety in the event of a radiological emergency at the plant. The offsite Energy Preparedness (EP) program is organized to ensure that key state and local agencies (within the 10 and 50 mile planning zones) maintain plans and a demonstrated response capability. Ten state and county agencies receive direct funding, through EFSEC approved contracts to support CGS emergency response activities. They are: Military Department (EMD); DOH; Agriculture; WSP; and Adams, Benton, Franklin, Grant, Walla Walla and Yakima counties.

Staff recommended the Council approve draft Resolution No. 327 authorizing contracts with 10 state and local agencies. Mr. Posner noted that approval of this resolution also reaffirms that the CGS offsite EP program is organized and managed adequately to meet program requirements and to protect public health and safety. The budget proposal had been presented to Energy Northwest and Mr. Coody indicated that they had no comments.

**Motion:** Council member Tayer moved the Council approve Resolution No. 327 authorizing contracts with 10 state and local agencies. The motion was seconded by Council member Byers. The motion was approved unanimously.

**Satsop Combustion Turbine Project**

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| <b><i>Project Update</i></b> | <b><i>Todd Gatewood, Grays Harbor Energy</i></b> |
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Mr. Todd Gatewood, Grays Harbor Energy (GHE) reported that the plant has had no reportable accidents during the past month. He noted that the facility did have the exceedances on Outfall 001-Process Wastewater in November. They were:

- o Two 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.

- o Two iron exceedances – These exceedances occur at the discharge of the oil water separator. This discharge collects all floor drains Exceedances are caused by corrosion in the underground collection piping.

The ongoing chloride and iron exceedances reflect errors in the current NPDES permit and do not constitute a threat to the environment. These errors will be corrected in a permit modification due to occur in the next few months.

To date the plant has generated approximately 841,936 Mw hrs, the unit operated for zero (0) days in February. GHE has not operated in 2009 due to unfavorable market conditions. However, the facility has been requested to start the plant tonight, March 10, 2009.

Noise: One monitoring unit has been received. GHE is waiting for shipment of the other unit from Europe. They are currently drafting a monitoring plan to present to EFSEC Staff in the next two weeks.

Mr. La Spina reported that the Council received a comprehensive public disclosure request (PDR) from the Farr Family, a neighbor of the project. The Farr's have frequently complained of the noise and odors generated by the facility. In response to the public records request, EFSEC staff sent approximately 1,600 electronic documents to the Farris.

#### **Wild Horse Wind Power Project**

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| <i>Project Update</i> | <i>Jennifer Diaz, Puget Sound Energy</i> |
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Ms. Jennifer Diaz, Puget Sound Energy (PSE), reported that February Wind Production totaled 30,698 MWh with a capacity factor of 20.0%. The Solar Demonstration Project generated approximately 43,428 KWh over the past month. There have been no lost-time accidents or safety incidents to report for February. The monthly Discharge Monitoring Report (DMR) for February was submitted to Ecology and EFSEC. There were no qualifying stormwater events in February and the site remains in compliance with the Operations SWPPP. The Wild Horse Technical Advisory Committee (TAC) had a conference call on February 17th to review the Addendum to the Post-Construction Restoration Plan for the Expansion Project. Overall, TAC members were very pleased with the plan.

Mr. Jim La Spina informed the Council that EFSEC is conducting public notice to extend coverage of the NPDES Construction Stormwater General Permit to the Expansion area. Public comment will be accepted until 5 pm on March 30, 2009.

Mr. La Spina reported that Article III.H of the Wild Horse SCA requires PSE to submit an Initial Site Restoration Plan (ISRP) to the Council for its review and approval. PSE has submitted an amended ISRP to EFSEC staff to include the expansion area approved by EFSEC in January. EFSEC staff has reviewed the plan and recommends the Council approve the amended plan.

**Motion: Council member Wilson moved the Council approve the Initial Site Restoration Plan for the expansion. The motion was seconded by Council member Adelsman. The motion was approved unanimously.**

Council member Byers clarified that for this vote, he was voting in his capacity as a member of EFSEC, not in his capacity as a Utilities and Transportation Commission (UTC) employee, and that his vote does not hold the UTC to any obligation in this matter.

## **6. OTHER**

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| <b><i>Memorandum of Agreement (MOA)</i></b> | <b><i>Hedia Adelsman, Council Member</i></b> |
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Ms. Hedia Adelsman, representative to the Council from Ecology stated that Ecology is requesting Ecology and EFSEC enter into a Memorandum of Agreement (MOA) for Underground Injection Control. The MOA states that EFSEC will require that a Certificate holder meet the Chapter 173-218 Washington Administrative Code which governs the underground injection wells. Council member Adelsman recommended that the Council approve the MOA.

**Motion: Council member Tayer moved the Council approve the Memorandum of Agreement between EFSEC and Ecology for Underground Injection Control. The motion was seconded by Council member Wilson. The motion was approved unanimously.**

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| <b><i>Legislation</i></b> | <b><i>Jim Luce, Chair</i></b> |
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Chair Luce discussed legislation still being considered by the state legislature. HB 2002, concerning the generation of electricity in carbonless energy parks and would require an amendment to the Energy Northwest Site Certification Agreement for the Columbia Generating Station is still in the house finance committee and probably dead. SB 5840, modifying the energy independence act, is not on the floor calendar.

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| <b><i>Council Member Recognition</i></b> | <b><i>Jim Luce, EFSEC Chair</i></b> |
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Chair Luce noted that this Council meeting would be Council Member Judy Wilson's last meeting. He recognized her years of as an EFSEC member representing the Department of Natural Resources from 2005 to the present. He said that Ms. Wilson's input has been invaluable and brought a good dose of common sense to the Council.

Ms. Adelsman said that she appreciated the work and service that Ms. Wilson put forth on behalf of the Council. Mr. Fryhling thanked Ms. Wilson for her knowledge of the local government and how they would receive the work of the Council.

Mr. Fiksdal presented Ms. Wilson with a plaque honoring her years of service. Ms. Wilson said that she has learned a great deal and she appreciated the efforts of the staff and the Council for her edification.

## **7. ADJOURN**

The meeting was adjourned at 2:39 pm.