



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

November 10, 2009 Monthly Meeting Minutes

**1. CALL TO ORDER**

Chair Jim Luce called the November 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:**

Jim Luce	Chair
Dick Fryhling	Department of Commerce
Jeff Tayer	Department of Fish and Wildlife
Dick Byers	Utilities and Transportation Commission
Hedia Adelsman	Department of Ecology
Mary McDonald	Department of Natural Resources
Judy Wilson (via phone)	Skamania County Representative
Ian Elliot (via phone)	Kittitas County Representative

**Staff in attendance were:**

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

**Guests in attendance were:**

Karen McGaffey – Perkins Coie, Travis Nelson – Washington State Fish and Wildlife, Mark Miller – Chehalis PacifiCorp, Katy Channey – URS, Brett Oakleaf – Inverenergy, Tim McMahan – Stoel Rives, Mark Anderson – Energy Policy Department of Commerce, and Mike Price – Energy Northwest.

**Guests in attendance via phone:**

Steve Vaughn - Energy Northwest, Jennifer Diaz – PSE, and Joy Potter – Horizon Wind Energy.

**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 September 30, 2009 special meeting minutes, September 30, 2009 Site Tour Minutes and October 13, 2009 monthly meeting minutes for the Council's approval.

**Motion:** Council member Fryhling moved the Council approve the September 30, 2009 Site Tour Special meeting minutes with edits from the Council. The motion was seconded by Council member Byers. Council members Adelsman, Tayer and Luce recused themselves as they did not attend this meeting. The motion was approved.

**Motion:** Council member Fryhling moved the Council approve the September 30, 2009 Special meeting minutes with edits from the Council. The motion was seconded by Council member Byers. Council member Adelsman recused herself as she did not attend this meeting. The motion was approved.

**Motion:** Council member Fryhling moved the Council approve the October 13, 2009 Monthly meeting minutes with edits from the Council. The motion was seconded by Council member Adelsman. The motion was approved.

#### 5. PROJECT UPDATES

##### Satsop – Grays Harbor

<i>Site Certification Agreement Amendment</i>	<i>Karen McGaffey, Perkins Coie &amp; Brett Oakleaf, Invenergy</i>
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Mr. Brent Oakleaf, Invenergy, reported to the Council that Invenergy requested an amendment to the Site Certification Agreement (SCA) for the Grays Harbor facility to add an additional 650 Megawatts for a total of 1300 megawatts. To accomplish the increase, Invenergy is requesting that two new gas turbines and one new steam turbine be added to the project. This addition will be duplicating the existing two in one combined cycle units currently at Grays Harbor.

Ms. Karen McGaffey, Perkins Coie, stated that a letter had been presented to Council staff along with a State Environmental Protection Act (SEPA) checklist requesting that the Council use the Expedited Processing procedure authorized by RCW 80.50.075 and outlined in the Council Rules (WAC Chapter 463-43) to evaluate the requested amendment. Grays Harbor believes the requested amendment complies with the criteria for Expedited Processing set forth in WAC 463-43-030.

Mr. Allen Fiksdal, Council Manager, reviewed the Council's Expedited Process the applicant is requesting. Within this process the Council can hire an independent consultant if it wishes the Council would hold hearings for further examination of the request for amendment to the Site Certification Agreement (SCA). He noted that the Expedited process is structured in the law for a new application and that because this request is for an amendment to the SCA the Council can adopt a process and procedure for how it wants to review the amendment request.

Council member Adelsman asked if the plant was going to double in size and noted that at a quick glance there didn't appear to be any greenhouse gas addressed in the amendment request. Ms. McGaffey stated that the issue of greenhouse gas is addressed in the amendment request. Mr. Fiksdal stated there are several issues that need to be reviewed with regard to the amendment request such as noise, water use, and water discharge. These specific issues will be covered under the air and water permits. Traffic was an issue with the previous

construction; however the road has been adapted. The Council has experience with the first project to know what the issues will be.

Chair Luce inquired about the most recent SEPA document. Mr. Fiksdal responded that Bonneville Power Administration issued an Environmental Impact Statement in 1995. Mr. Fiksdal said the SCA has a long history beginning with a nuclear power plant. Since the nuclear power plant there hasn't been a new application, only amendments to the SCA. Mr. Fiksdal said that the Council should consider the expedited process after it has had time to review the amendment request.

Mr. Fiksdal explained that whichever process the Council chooses to follow a public meeting is required. Along with the requirement for a public meeting a land use consistency is required in the expedited process. The Council requested that the meeting be set for the week of December 14, 2009. Council members with questions should forward them to Mr. Fiksdal to combine and forward to the Applicant.

<b><i>Project Update</i></b>	<b><i>Report submitted to Council</i></b>
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Mr. Todd Gatewood, Grays Harbor Energy Plant Manager, submitted a monthly report to the Council which is included in the Council Packet.

Mr. Jim La Spina, EFS Specialist reported to the Council that Grays Harbor Energy has supplied the data for the NPDES Permit and the existing permit is undergoing revision at this time. Grays Harbor will also submit the final noise report next week.

#### **Desert Claim Wind Power Project**

<b><i>Project Update</i></b>	<b><i>Stephen Posner, EFSEC Staff</i></b>
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Mr. Stephen Posner reported that the Council issued the Final Supplemental Environmental Impact Statement on November 6, 2009. There is a public meeting scheduled for the Council at the Hal Holmes Center in Ellensburg on Monday November 16, 2009 at 5:30 pm. The purpose of the meeting is to announce the Council's decision on a recommendation to the Governor regarding the Desert Claim project.

#### **Whistling Ridge Energy Project**

<b><i>Revised Application</i></b>	<b><i>Jim La Spina, EFSEC Staff</i></b>
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Mr. Jim La Spina, EFS Specialist, staff is working with the applicant and Bonneville Power Administration on the beginning stages of the Draft Environmental Impact Statement.

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

<b><i>Project Update</i></b>	<b><i>Jennifer Diaz, Puget Sound Energy</i></b>
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Ms. Jennifer Diaz, Puget Sound Energy, Wild Horse, reported October's wind production totaled 45,117 MWh for an average capacity factor of 26.5%. The average daily wind speed was 7.6 meters per second and there was one planned outage in October which was associated with the expansion construction. The Solar Demonstration Project generated 40,219 KWh over the past month. Installation of the 50 kW solar modules produced by Silicon Energy of Arlington was completed at the Renewable Energy Center. No lost-time accidents or safety incidents to report for October. The Technical Advisory Committee (TAC) held a conference call yesterday to review and recommend approval of the 2010 avian and bat monitoring protocols. The protocols will be distributed to the council members for review prior

to the December EFSEC meeting. The spike elk hunting season ended on November 8<sup>th</sup>. Nearly 420 Hunters traveled through Wild Horse this year to access wildlife areas surrounding the wind farm. The wind farm, including the Renewable Energy Center will closed to the public on December 1<sup>st</sup> for the winter season.

<b><i>Expansion Update</i></b>
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<b><i>Jennifer Diaz, Puget Sound Energy</i></b>
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Ms. Diaz reported that the expansion is completed and the additional 22 turbines went into commercial production yesterday, November 9, 2009. Mr. Fiksdal reported to the Council that the packet included the press release about the expansion from Puget Sound Energy.

### **Columbia Generating Station**

<b><i>Project Update</i></b>
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<b><i>Steven Vaughn, Energy Northwest</i></b>
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Mr. Steven Vaughn, Columbia Generating Station, reported to the Council that Columbia Generating Station is currently shut down. While implementing a scheduled power-down for planned maintenance and required valve testing hydraulic leak occurred requiring a manual shutdown of the plant on Saturday November 7, 2009. There were no complications and the plant was safely shutdown. Initial investigation has found that "O" ring failure causes the fluid leak, the planned maintenance are being completed and investigation into the fluid leak and the repair are also underway. Preparations for powering up the reactor are planned for Wednesday November 11, 2009. The expectation is to be at full power by Thursday, November 12, 2009.

Plant Activities – The Nuclear Regulatory Commission (NRC) completed a baseline triennial inspection of Columbia’s fire protection program. The inspection team consisted of five members from NRC Region 4 and another from NRC headquarters. The inspection began with the information gathering trip September 1<sup>st</sup> and lasted five weeks with the formal management exit taking place on October 8. Numerous program aspects were reviewed, but the major focus was the plant’s ability to achieve and maintain post-fire safe shutdown. The overall inspection result was “No findings of significance.”

Operations Initial License Class – Energy Northwest have just received word from NRC Region 4 that all eight candidates have passed all areas of the NRC license Examination for new reactor operators and senior reactor operators at Columbia Generating Station. This culminates a 22-month course which consisted of generic fundamentals training and NRC testing, system training, on-the-job trainings, and simulator training.

During each phase, the candidates received training concerning normal, abnormal, and emergency operations and procedure use. Included in this mix were many exams, quizzes, oral boards, and much scrutiny by their shift manager mentors, license class instructors and senior management. The candidates all succeeded with a 100 percent pass rate. This class represents the third consecutive initial license class where we have achieved 100 percent pass rate. This level of success is above industry norms.

Status of the NPDES Noncompliance on 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. Mr. La Spina reported to the Council that the plan was reviewed by Ecology’s Richland office, which recommended approval of the plan.

Ecology RCRA Inspection – On November 2, 2009 Energy Northwest received letters from Ecology closing the two Administrative Orders issued after the July 2007 compliance inspections at Columbia and WNP-1 (Industrial Complex). The closure letters noted that Energy Northwest had met the conditions and completed all actions required by the Orders. The closure letters also noted that Energy Northwest had significantly improved dangerous waste management at the two facilities.

#### **WNP-1/4**

<b><i>Site Certification Agreement Amendment</i></b>	<b><i>Stephen Posner, EFSEC Staff</i></b>
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Mr. Stephen Posner, EFSEC Staff summarized and updated the Council on what actions have been taken so far concerning the SCA amendment request. The Request for Amendment was received on July 13, 2009; there was a site tour and public meeting on September 30, 2009; the public comment period closed on October 12, 2009; three comment letters were received from Ecology; all the letters mentioned concerns related to water rights and/or authorizations; there will be discussions with Ecology and Energy Northwest over the next several weeks; there will be a report prepared for the Council's December meeting which may request council action.

Mr. Mike Price ENW presented the following information: In 2002 a four party agreement was enacted, the Four Party Agreement is between ENW, Bonneville Power Administration (BPA), Department of Energy and EFSEC. The Four Party Agreement framed where ENW is going with the site. ENW's executive board developed a 5 principal value plan. The most important thing in the plan is public health and safety. Phase I of site restoration has been completed on time. ENW is in position to accomplish Phase II, with completion expected in 2026. ENW does not want the SCA amendment request to negatively impact the Columbia Generating Station (CGS). ENW has interlaced emergency response procedures for WNP-1 with CGS to ensure that CGS stays operational during WNP-1/4 site restoration. The third principal of the value plan is to achieve cost reductions for the rate payers of the Northwest. To do this, ENW sought out assets to reduce the cost of managing the unused sites. Over the course of 6 to 7 years ENW has accomplished around \$4 Million to \$4.5 Million in assets sales. There are paying tenants at the site, with .20 cents of each dollar from leasing going to BPA, with this money BPA continues to invest for continuity of infrastructure and economic development.

The value plan also provides opportunity to sustain jobs, along with the creation of economic development. The leasing of the site provides approximately \$1 Million a year, of that BPA receives \$160,000. There is a strong partnership with BPA that they will then reinvest those funds into facility infrastructure; heating, air conditioning, road repair, maintenance of a potable water system, and electrical system, so that the leasing opportunities will continue to grow.

The last point of the value plan is to preserve the site for future power generation. The infrastructure and the location in relationship to the grid make this site a great location for future power production. White Bluff Solar facility is located out on the site now, and ENW plans to expand the facility with some generation projects very soon. ENW is looking at the site as becoming a renewable energy park in conjunction with the Port of Benton and PNL.

ENW has met all of the commitments, accomplished more than was expected all at less cost than anticipated earlier. There is a plan in place, which is reviewed every year, to align with ENW's strategic plan as well as the business plan. Having

access to water is key to a successful redevelopment plan for the Access to water is necessary to allow for economic development of the site along with Phase II restoration at the appropriate time. In talking with staff, ENW would like to propose that representatives from ENW, Department of Ecology, and EFSEC staff meet to discuss the alternatives for accessing water onsite. Information from this meeting may serve as a basis for a future recommendation to the Council.

Mr. Posner requested that the Council review the three comment letters from Ecology as all three letters touch on the water rights issues. Department of Ecology states that EFSEC does not have the authority to issue water rights unless there is a power plant involved. Council member Adelsman stated that she believes there are no water rights associated with the ground water but there is some authorization in the SCA.

Mr. Posner confirmed that there is a limited work authorization which authorized the construction of two wells onsite, issued by the Nuclear Regulatory Commission in 1975. The Department of Ecology hasn't been able to locate any other documentation that the wells are registered or that there is water right for the withdrawal of water. The understanding at this point is that the wells were put in under the NRC authorization. There are no existing water rights for the use of that water. The original SCA for WNP 1/4 included allowing for a withdrawal from the Columbia River, under an EFSEC issued water authorization. As part of the SCA amendment request, the water authorization would be replaced with an EFSEC authorization to withdrawal ground water from existing wells.

Council member Adelsman asked about the SCA that is in existence today and whether it refers to the use of ground water. Mr. Posner said the SCA makes no mention of ground water but does include an EFSEC authorization for withdrawal from the Columbia River.

Ms. Adelsman clarified that there is a request for ground water withdrawals for activities which are not associated with an energy facility. Ms. Adelsman said Ecology has the following concerns:

1. The ground water is not addressed in the SCA;
2. The new sites are not energy sites so EFSEC has no authorization to issue water withdrawal authorizations.

Ms. Adelsman said she thinks the proposed meeting between EFSEC, ENW and Ecology is a good idea. Ms. Adelsman has concerns over where this leaves the amendment request, since the SCA doesn't address ground water. Mr. Posner clarified that the issues concerning water basically put the amendment request on hold, until the issues can be resolved. Mr. Posner said he would report back to the Council in December with an update on this matter.

### **Chehalis Generating Facility**

***Project Update***

***Mark Miller, PacifiCorp***

Mr. Mark Miller, Chehalis Power, reported to the Council that the plant staff has achieved 2578 days without a lost time accident. The PacifiCorp Energy Industrial Hygienist completed a site industrial hygiene survey this period. The survey included noise dosimeter monitoring of operations personnel an inventory of all chemicals and hazardous materials in the facility and a review of the hazard communication program. This survey will be used to develop a plan to implement health management programs and specific technical programs to address general and site-specific needs in compliance with regulations and industry practice.

Environment: The Chehalis Power plant received the results from the fourth in a series of four green house gas stack sampling and testing projects. The results

are in line with the previous tests and have been forwarded to EFSEC and the Southwest Clean Air Agency for review. 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.

Operations and Maintenance Activities: October: The plant operated at capacity factor of 56.5 %. Generation for the month was 209,491 megawatt-hours. Year to date the plant has generated 1,396,532 megawatt-hours.

Regulatory/Compliance: 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. The continuous sound monitoring device installed and in operation at the plant boundary nearest residential homes will be linked to the plant distributed control system historian and recording data by this Thursday November 12th. This will enable discrete times and plant conditions to be specific and identifiable in the event any new noise complaints are received either by EFSEC or the plant.

**Kittitas Valley Wind Project**

<b><i>Project Update</i></b>	<b><i>Joy Potter, Horizon Wind Energy</i></b>
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Ms. Joy Potter, Horizon Wind Energy reported to the Council that Horizon Wind has received the LCIA from Bonneville Power Administration (BPA). BPA is planning on mobilizing in March of 2010 for the substation construction, which construction beginning in April depending on weather. The Federal Aviation Administration (FAA) has issued all the Determination of No Hazard Certificates for the final layout. Ms. Potter has forwarded the documents to EFSEC staff. Fall construction is nearly complete; there have been some delays due to weather. The contractor is completing the rocking of the road, all rocking should be completed this week, and next week will be final clean up. November 23, 2009 there will be a walk-through by EFSEC staff and Department of Ecology monitor. Concerning spring construction, the Houston office is reviewing bids to hire the general contractor.

**Bonneville Power Administration (BPA)**

<b><i>I-5 Corridor Reinforcement</i></b>	<b><i>Jim Luce, EFSEC Chair</i></b>
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Chair Luce reported to the Council that he and Mr. Fiksdal had attended public meetings where many 100's of members of the public attended. BPA is proposing that it will take three and half years for the Environmental Impact Statement (EIS). There hasn't been a decision made yet on which route will be taken and that there are several proposed routes several of which go over state land. Chair Luce has encouraged BPA to expedite the EIS, because three and half year's is too long. He also encouraged BPA to reduce the number of routes to just a few instead of so many proposed routes.

**Department of Commerce**

<b><i>Legislative Report</i></b>	<b><i>Allen Fiksdal, EFSEC Manager</i></b>
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Mr. Fiksdal reported to the Council that the Commerce Report to the Legislature reflects changes for EFSEC, which is currently supported by Department of Commerce. He noted that on Page 18 of the report (included in the Council packet) shows that EFSEC is recommend to be moved to the Utilities,

Transportation Commission (UTC), but that move would require legislative action to move EFSEC to UTC.

**6. ADJOURN**

The meeting was adjourned at 2:43 p.m.