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

October 13, 2009 Monthly Meeting Minutes

1. CALL TO ORDER

Chair Jim Luce called the October 13, 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 (via phone)	Department of Ecology
Mary McDonald	Department of Natural Resources
Judy Wilson	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 (via phone).

Guests in attendance were:

Darrel Peoples – Attorney, Karen McGaffey – Perkins Coie, Travis Nelson – Washington State Fish and Wildlife, Todd Gatewood – Grays Harbor Energy, Mark Miller – Chehalis PacifiCorp Katy Channey – URS, Brett Oakleaf – Inverenergy, Scott Richards – Legislative Staff, Alan Bogner – Office of Regulatory Assistance, Teresa Eturaspe – Washington Fish and Wildlife, Janet Ballen – Department of Natural Resources, Jonathon Belmont – Mason, Bruce and Grard, Lauren Nichols-Kines – Bonneville Power Administration, Liz Klumpp – Bonneville Power Administration, Nancy Wittenpenn – Bonneville Power Administration, Mark Korsness – Bonneville Power Administration, Jason Spadaro – Whistling Ridge, Tim McMahan – Stoel Rives, Mark Anderson – Energy Policy Department of Commerce, Janet Ballew – Department of Natural Resources, Patricia Betts – Department of Natural Resources, Simon Kihia – Department of Natural Resources, and Stephen Saunders – Department of Natural Resources.

Guests in attendance via phone:

Rob Swedo – Bonneville Power Administration 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 as submitted.

4. MINUTES

Staff presented the September 1, 2009 special meeting minutes and September 8, 2009 monthly meeting minutes for the Council’s approval.

Motion: Council member Byers moved the Council approve the September 1, 2009 Special meeting minutes with edits from the Council. The motion was seconded by Council member Fryhling. The motion was approved.

Motion: Council member Byers moved the Council approve the September 8, 2009 monthly meeting minutes with edits from the Council. The motion was seconded by Council member Fryhling. The motion was approved.

5. PROJECT UPDATES

Satsop – Grays Harbor

<i>Project Expansion</i>	<i>Brent Oakleaf, Invenergy</i>
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Mr. Brent Oakleaf, Invenergy, reported to the Council that Invenergy is intending to amend the current Site Certification Agreement (SCA) for the Grays Harbor facility by adding an additional 650 Megawatts for a total of 1300 megawatts. To accomplish the increase, Invenergy is requesting an amendment to the SCA to add two new gas turbines and one new steam turbine. This addition will be duplicating the existing two in one combined cycle units currently at Grays Harbor. The new units will be incorporated into the existing 22 acres site, Invenergy is proposing to add an additional 10 acres to incorporate a laydown area for the construction of the expansion.

Additional proposed changes to the SCA are a name change from Satsop CT project to the Grays Harbor Energy project, the approval of an additional Prevention of Significant Deterioration (PSD) Permit for the new units, and increasing the total water usage from 9.2 to 16 cubic feet per second (CFS). The water would be obtained through the existing infrastructure, rainy well and through the PDA or the City of Aberdeen. Mr. Oakleaf noted that there may be impacts in the areas of air, water, and noise. Invenergy will be addressing these issues as the amendment request progresses. Mr. Oakleaf said that the benefits of the amendment request are the existing infrastructure, gas and water transmission, and the expansion is ideal for Invenergy at this time as it will provide a large opportunity for clean dispatchable power. Job creation and taxes for the community are additional benefits to the expansion at this time.

Ms. Karen McGaffey, Perkins Coie, reviewed possible process steps on how the Council may proceed with the amendment request, more of a hybrid of process, more expedited process. A previous plan has been developed when Duke Energy the previous owner of the Satsop Project had proposed a similar SCA amendment. That plan was to hold a public meeting in the local community and then the Council would hold a Council meeting that would involve paneled discussions of experts addressing particular issues of the project. This hybrid would meet the needs of the Council for expert information but would not be an adjudicatory process.

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Mr. Oakleaf said that the SCA amendment request would be filed by the end of October.

<i>Project Update</i>	<i>Todd Gatewood, Grays Harbor Energy</i>
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Mr. Todd Gatewood, Grays Harbor Energy Plant Manager reported there have been no reportable accidents or injuries in 2009. The month of August 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.

Two - Iron exceedances

This is 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. Two samples were taken in July for priority pollutants scans. The results of those samples were sent to EFSEC Staff on Monday, October 12, 2009. Grays Harbor staff collected the seasonal storm water sample. The unit operated for 30 days in September. The plant generated 401,000 Mw for a capacity factor of 88%. The YTD capacity factor is of 28%. The draft sound report was received on September 30th. We plan to get the final report to EFSEC by October 23rd.

Mr. Allen Fiksdal, Council Manager, directed the Council to their packets to a noise complaint that has been received from Scott and Patti-Jo Farr.

Whistling Ridge Energy Project

<i>Revised Application</i>	<i>Jason Spadaro, Whistling Ridge</i>
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Mr. Jason Spadaro, Whistling Ridge Energy Project, reported to the Council that Whistling Ridge has submitted an amendment to Application 2009-01 for Site Certification for construction of the Whistling Ridge Energy Project. The primary revision is the change in site access. Whistling Ridge is no longer proposing to use forest service road CG 2930 through the Columbia River Gorge National Scenic Area (CRGNSA). Instead site access is proposed from SR 14 to Cook-Underwood Road, to Willard Road, and then to West Pit Road. West Pit Road is an existing forest road that connects to the western boundary of the project site. West Pit Road is located entirely outside of the CRGNSA and would require some widening. Construction impacts are similar to those already described in the application for project access. No roadway improvements would be required to roads within the CRGNSA.

In addition to the change in road access description and associated roadway lengths, Whistling Ridge has proposed 5 minor changes to the application:

- The size of the maintenance and operations yard has been increased from 2 acres to approximately 5 acres.
- A second alternative location has been included for the maintenance and operations yard along the new access road.
- The construction schedule in Section 2.12 has been updated to reflect a possible later decision date by the Governor, and therefore a later start to construction and operation.

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- The zoning for the southern portion of turbine string A has been corrected from R-10 to For/Ag-20 based on testimony from Skamania County during the land use hearing.
- The recreation section has been corrected to add the location of two national trails the Lewis and Clark National Historical Trail and the Oregon Pioneer National Historic Trail. As pointed out by the National Park Service in their EIS Comment letter, both are located within five miles of the proposed facility. These trails roughly follow Highway 14 and Interstate 84, respectively.

Wild Horse Wind Power Project

<i>Project Update</i>	<i>Report Submitted</i>
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Ms. Jennifer Diaz, Puget Sound Energy, Wild Horse, submitted a report for the Council’s review. September’s wind production totaled 30,661 MWh for an average capacity factor of 18.6%. The Solar Demonstration Project generated 53,966 KWh over the past month. The Expansion Area Construction all 22 turbines are commissioned. Site restoration is underway, work continues at the substation, and commercial operation is expected by the end of November.

Columbia Generating Station

<i>Project Update</i>	<i>Report Submitted</i>
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Mr. Don Coody, Columbia Generating Station, submitted a lengthy report for the Council’s review. Highlights from the report include that the plant resumed operation after a 27 day outage due to a fault in an electrical bus which caused a short, on September 1, 2009. On September 23, Columbia staff found that the insulating boots covering two of the flexible links of the repaired electrical bus had opened creating a loss of insulating properties. On September 25, power was reduced to 10% to 15% and repairs were made.

September 27, 2009 during routine Main Steam Isolation Valve (MSIV) stroke testing, one of the MSIV’s did not return to full open and the reactor protection system did not reset. The plant was shut-down on September 28, and repairs were completed. A mode 2 Start-up was entered October 1, 2009 with synchronization of the main generator to the grid on October 4, 2009.

The Nuclear Regulatory Commission (NRC) Special Inspection Team conducted a special inspection on the electrical bus fault event that caused a fire and led to the plant shutdown, it was declared an “unusual event” the lowest emergency classification. Subsequent off-site reviews and risk assessments were performed by the NRC and a formal exit meeting via conference call was scheduled for October 15, 2009 with an inspection report to follow within 45 days.

NRC indicate two “Green” Non-Cited Violations have been identified:

1. Failure of preventive maintenance to require checks of torque values for the electrical bus insulators and flexible links.
2. Two examples of not performing adequate reviews of plant design changes.

NRC Evaluated Security Exercise during the week of August 31, 2009, Columbia Generating Station satisfactorily completed a multi-week triennial security evaluation by the NRC. The NRC conducted three performance-based graded Force-on-Force (FOF) exercises to assess Columbia’s physical protective systems and security organization. Performance during the exercises was outstanding with the adversaries neutralized well outside the power block.

WNP-1/4

Site Certification Agreement Amendment	Stephen Posner, EFSEC Staff
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Mr. Stephen Posner, EFSEC staff, reported to the Council that the Council held public meetings and a site tour on September 30, 2009. The public comment period closed on October 12, 2009. Staff noted that the Council could take action on this matter at the November meeting if they had sufficient information regarding the SCA amendment request.

Chehalis Generating Facility

Project Update	Mark Miller, PacifiCorp
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Mr. Mark Miller, Chehalis Power, reported to the Council that the plant staff has achieved 2550 days without a lost time accident. Chehalis Power continues to maintain an effective safety program implementing additional processes as a proactive measure utilizing PacifiCorp's/Mid-American collective resources. The plant staff has completed the production of a safety training video to be used to orient contractors and visitors to the inherent hazards of a power plant and safety policies and procedures unique to the Chehalis plant.

The plant has completed the fourth in a series of four green house gas stack sampling and testing. Air Pollution Testing is preparing the last report for issuance. These four tests and resulting reports were required the Washington Administrative Code WAC 463-85 when PacifiCorp purchased the plant. The basis was new ownership interest and the plans to operated the facility as a base load generation plant (CF>60%). The results will be the basis for demonstrating compliance for greenhouse gas emissions.

PacifiCorp has awarded the contract for supply of the new auxiliary boiler. The manufacture selected is C-B Nebraska Boiler, Lincoln NE. There were three bidders. Detailed engineering for the auxiliary boiler installation is nearing completion and the engineering, procurement and construction contract will be issued during the month of October 2009.

Sound Monitoring – There has been one complaint reported to EFSEC staff from a resident in the City of Chehalis. The complaint was non-specific in nature stating that they could hear a "slight humming noise" and that "over the past 12 months this noise has intensified". The complaint was filed on September 15, 2009. The last complaint was filed with the Chehalis plant on March 23, 2009 and was attributable to a plant upset condition. Upon receiving this recent notification, the Chehalis Plant staff began recording, in addition to the regular daily and weekly sound readings, measurements from 7 different points in a one mile radius from the plant including points at the plant entrance road, the intersection of Maurin and Rush roads and at a location near the residence, 1870 Fair Avenue, from which the complaint originated. These readings were taken at 3 different operating conditions at 5 different time periods during the day. In addition, the plant had a continuous monitor recording decibel measurements every 5 minutes during start up and shut down operations at the property line of the plant near the closes residence. There were no instances where sound measurements reached 65 decibels. Plant management has responded to the individual making the complaint and has not had a response back.

Plant personnel remains at 18 with all 18 positions filled. September: The plant operated at capacity factor of 58.3%. Generation for the month was 204,337 megawatt-hours.

Desert Claim Wind Power Project

<i>Project Update</i>	<i>Stephen Posner, EFSEC Staff</i>
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Mr. Stephen Posner reported that the Council members had deliberated on September 22, 2009, and that they will be having a second deliberative session at some point in the near future.

Kittitas Valley Wind Project

<i>Project Update</i>	<i>Jim La Spina, EFSEC Staff</i>
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Mr. Jim La Spina, EFSEC Specialist, reported to the Council that Horizon Wind has a limited amount of road building going on at this point.

Cherry Point Cogeneration 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 there is a requirement in the Site Certification Agreement (SCA) that requires the certificate holder to report to the Council its intention to continue with the Cogeneration Project if the project hasn't started construction within five years of issuance of the SCA. Mr. Posner reported that the Council received a letter on September 30, 2009 from BP that stated the Project is currently in deferred status, that the Certificate Holder remains optimistic about beginning construction before the SCA expires in 2014 and its desire to maintain the SCA in full force. Prior to beginning construction, the Certificate Holder will provide the Council with the certifications required by the SCA provision quoted above and will request authorization from the Council to proceed.

Bonneville Power Administration

<i>Work Plan</i>	<i>Jim Luce, EFSEC Chair</i>
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Chair Luce requested that the Council give him authorization to sign the Central Ferry – Lower Monumental Transmission Line work plan agreement with Bonneville Power Administration.

Motion: Council member Jeff Tayer, WDFW, moved that the Council authorize Chair Luce to sign the work plan agreement with Bonneville Power Administration for the Central Ferry – Lower Monumental Transmission Line Project. Council member Mary McDonald, DNR, seconded the motion. The Motion was unanimously approved.

Bonneville Power Administration

<i>I-5 Corridor Reinforcement</i>	<i>Liz Klumpp, Bonneville Power Administration</i>
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Ms. Liz Klumpp, Bonneville Power Administration (BPA), introduced the project team working on the I-5 Corridor Reinforcement, Lauren Nichols-Kines, Nancy Wittpenn, and Mark Korsness Ms. Nichols-Kines presented to the Council a brief overview of the I-5 Corridor Reinforcement Project which would be a new 500-kilovolt transmission line that would run between Castle Rock, Washington and Troutdale, Oregon. Chair Luce noted that EFSEC expects to be a cooperating agency with BPA as with the Big Eddy and Lower Monumental projects.

6. ADJOURN

The meeting was adjourned at 3:20 p.m.