WASHINGTON STATE
ENERGY FACILITY SITE EVALUATION COUNCIL
Richard Hemstad Building
1300 South Evergreen Park Drive Southwest
Conference Room 206
Olympia, Washington
July 18, 2017
1:31 p.m.

MONTHLY COUNCIL MEETING
Verbatim Transcript of Proceeding

REPORTED BY:  ANITA W. SELF, RPR, CCR #3032
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Councilmembers Present:

Bill Lynch, Chair
Jaime Rossman, Department of Commerce
Cullen Stephenson, Department of Ecology
Joe Stohr, Department of Fish and Wildlife
Dennis Moss, Utilities and Transportation Commission
Dan Siemann, Department of Natural Resources (via phone)

Local Government and Optional State Agencies:

Larry Paulson, Port of Vancouver (via phone)

Assistant Attorney General:

Ann Essko, Senior Counsel

Staff in Attendance:

Stephen Posner
Jim LaSpina
Tammy Mastro
Sonia Bumpus
Joan Aitken
Ami Kidder
Christina Potis

Guests in Attendance:

Rich Downen, Grays Harbor Energy
Mark Miller, PacifiCorp Chehalis Generation Facility
Phyllis Barney, Attorney General's Office
Steve Eberl, Department of Ecology
Gary Lee, Department of Ecology
Dan Shafar, BergerABAM

Guests in Attendance via Phone:

Shannon Khounnala, Energy Northwest
Debbie Knaub, Energy Northwest
Jennifer Diaz, Puget Sound Energy
Eric Melbards, EDP Renewables
APPEARANCES (continued)

Guests in Attendance via Phone:

Randy Utley, Department of Health
Jeff Ayres, Department of Ecology
Connie Sue Martin, Port of Vancouver
Janette Brimmer, Columbia Riverkeeper

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OLYMPIA, WASHINGTON; JULY 18, 2017

1:31 P.M.

PROCEEDINGS

CHAIR LYNCH: Good afternoon. Today is Tuesday, July 18th, and it is the monthly meeting for the Energy Facility Site Evaluation Council. I'm just going to have the Council just take a quick look at the agenda to see if they have any suggested changes before we call the roll.

Not hearing any, we'll have the clerk call the roll.

MS MASTRO: Department of Commerce?

MR. ROSSMAN: Jaime Rossman is here.

MS. MASTRO: Department of Ecology?

MR. STEPHENSON: Cullen Stephenson, here.

MS. MASTRO: Fish and Wildlife?

MR. STOHR: Joe Stohr is here.

MS. MASTRO: Department of Natural Resources?

MR. SIEMANN (via phone): Dan Siemann is -- (Bridge line beeping.)

MS. MASTRO: Utilities and Transportation Commission?
MR. MOSS: Dennis Moss is here.

MS. MASTRO: Local governments and optional State agencies. For the Tesoro Savage project, Department of Transportation?

CHAIR LYNCH: Councilmember Stone is excused.

MS. MASTRO: City of Vancouver?

CHAIR LYNCH: Councilmember Snodgrass is excused.

MS. MASTRO: Clark County?

CHAIR LYNCH: Councilmember Shafer is excused.

MS. MASTRO: Port of Vancouver?

MR. PAULSON (via phone): Larry Paulson's on the phone.

MS. MASTRO: Chair, there is a quorum for the EFSEC regular Council and for the Tesoro project Council.

CHAIR LYNCH: Thank you.

And if we could have councilmembers take a -- actually, before I have us look through the minutes -- actually, councilmembers can start looking through the minutes to see if they have any proposed changes.

But at this time, I'm going to have people
who are on the phone who wish to identify themselves to please do so now, though you're not required to.

MR. AYRES (via phone): This is Jeff Ayres, Department of Ecology Nuclear Waste Program in Richland.


MS MARTIN (via phone): Connie Sue Martin for the Port of Vancouver.


MS. BRIMMER (via phone): Janette Brimmer, Earthjustice, on behalf of Columbia Riverkeeper and associated parties.


CHAIR LYNCH: Anybody else? So let's go ahead and turn to the proposed -- the minutes as they were submitted for the June 20th meeting. I'd like to point out one small change, and that's on page 16, and that's lines -- on line 13, instead of the word "enact," it's going to be the word "on" and then the acronym "NACT," N-A-C-T. So it would read, "...and we had a class on NACT 299."
Any other proposed changes?

MR. ROSSMAN: Yes. I have one on page 21, line 19. The second word there is "can't," and I believe it should be "can," c-a-n.

CHAIR LYNCH: I think that's correct. So it would be where the Council and the applicant "can" agree to an extension of the time frame for processing the application. So good catch, Councilman Rossman. So the word "can" is substituted for "can't."

Any other proposed changes? Hearing none, I'd entertain a motion for the approval of the minutes as amended.

MR. STEPHENSON: I'll so move.

CHAIR LYNCH: Do we have a second?

MR. ROSSMAN: Second.

CHAIR LYNCH: It's been moved and seconded that the Council minutes for June 20th, 2017, as amended, be approved.

All those in favor, say "aye."

MULTIPLE SPEAKERS: Aye.

CHAIR LYNCH: Opposed? Motion carries. A ringing endorsement. We're getting a little feedback over here.

And now let's turn to the updates for our various projects. Some people who are on the phone
might choose to mute their phone because we're getting some very odd noises coming through over here.

So Kittitas Valley Wind Project,

Mr. Melbardis.

MR. MELBARDIS: Good afternoon, EFSEC Council. This is Eric Melbardis with EDP Renewables for the Kittitas Valley Wind Power Project.

We have nothing nonroutine to report for the period.

CHAIR LYNCH: Any questions for Mr. Melbardis? Very good. Thank you.

Let's turn to Jennifer Diaz, Ms. Diaz, Puget Sound Energy, with the Wild Horse Wind Power Project.

MS. DIAZ: Yes. Thank you, Chair Lynch and councilmembers. As Mr. Lynch said, Jennifer Diaz, Puget Sound Energy, Wild Horse Wind Project, and I also have nothing nonroutine to report for this monthly update.

CHAIR LYNCH: Any questions for Ms. Diaz?

Thank you, Ms. Diaz.

Now we'll turn to the Columbia Generating Station. And Ms. Khounnala, did you want to go first or did you want to introduce Ms. Knaub?

MS. KHOUNNALA: Certainly. Thank you, Chair Lynch. Yes, this is Shannon Khounnala with Energy Northwest, and I have with me Debbie Knaub who is a new
addition to our department and will be taking over the process of providing Council updates. And Debbie is going to take her stab at providing the first update today.

MS. KNAUB: Thank you, Shannon. And again, my name is Debbie Knaub, and I'm with Energy Northwest, and I have a few things to report.

The Columbia Generating Station last week hosted EFSEC, Department of Health and Ecology regulatory representatives for our audit and several other meetings, and we definitely appreciated the opportunity to discuss these things and to get agency input. And thanks to Jim LaSpina of EFSEC for coordinating and facilitating what we viewed as a very successful meeting and audit.

At one of the sessions, our consultants presented a scope for our upcoming groundwater study in the area of our cooling towers, which is a requirement of our NPDES permit. And we were very pleased that the agency commenters [sic] were satisfied with the scope of the study, and we will be proceeding with finalizing that scope.

We recently completed our refueling and maintenance outage at the end of June and reconnected to the power grid on June 19th. We were pleased that we
were able to complete the outage two and a half days early.

Another matter we -- due to last winter's unusually high precipitation levels and cooler spring temperatures, our evaporation ponds, which receive stormwater runoff and wastewater from the stations, are higher than they normally are, and we will be installing aerators in one or two of these ponds to increase evaporation rates. We've found that the addition of the aerators will not result in any exceedance of any limits that we have. Ecology and DOH have reviewed the proposal and concur with our determination.

We also -- another report is we also have a new lease with the Department of Energy for WNP 1/4, and that went into effect on July 1 this year, and we started the planning and some field work on the water distribution system project.

And that is the end of our items.

CHAIR LYNCH: Thank you, Ms. Knaub. And I'm going to have Mr. LaSpina -- I'm going to ask him if he has anything to add regarding the evaporation ponds.

MR. LASPINA: Yes, Chair Lynch. Energy Northwest furnished an analysis of the aerators to radionuclides emissions to be sure that we are not exceeding any emission limits in order -- in the order,
and that regulates those emission limits.

The Department of Health reviewed the analysis and determined that there would be -- that the limits facilitated the -- the -- the use of the aerators. And we have Mr. Randy Utley of Department of Health available on the phone if the Council has any questions.

Also, the Department of Ecology reviewed the proposal and also had no concerns about the use of the aerators. And it should be noted that both the approved -- the EFSEC approved O&M manual and the order, the addition of aerators is consistent with both of those regulatory documents. So actually, Energy Northwest doesn't need an approval. This is more of a notification.

CHAIR LYNCH: And Mr. Utley, do you have anything to add to what Mr. LaSpina said?

MR. UTLEY: I would just back up what he said, yeah. We concur, we did a review of Energy Northwest's request. We did that in comparison with the Order 84 [sic], and yes, all of the limits are in compliance with that review.

CHAIR LYNCH: Do any councilmembers have any questions for either Ms. Knaub, Mr. LaSpina or Mr. Utley? Councilmember Moss.
MR. MOSS: Just for the clarity of the record, there was a reference to an order. I'm thinking the number was 874, not 84. Is that correct, or is that an order that I don't know about?

CHAIR LYNCH: In the sheet that we have, it says number 874. Is that the correct number?

MR. LASPINA: Yes, sir, that is correct, yes.

MR. UTLEY: I'm sorry. This is Randy Utley, and I did verify that, that is Order 874. Sorry. That is a correction.

CHAIR LYNCH: Thank you. Councilmember Stephenson.

MR. STEPHENSON: Thank you, Chair Lynch. I heard that Jeff Ayres from Ecology's Nuclear Waste department -- division is on the line. I wanted to ask him if he has any further comments.

MR. AYRES: This is Jeff Ayres. We went through -- we reviewed the design that they wanted to use for the type of aerators. At first we had some concerns, but when we found that these were aerators that are the same type that is existing within the system, and when I noticed in the -- looked through the approved O&M plan that the design is in there to allow for additional aerators for -- as a contingency for when
the pond gets full, therefore, we have no -- we had no
issues with the additional aerators going in.

CHAIR LYNCH: Thank you, Mr. Ayres.

Any other councilmember questions? Thank you, Ms. Khounnala. We will miss you, at least for a couple days anyway. And Ms. Knaub, it's nice to be introduced to you.

MS. KNAUB: Thank you. Good to meet everyone over the phone.

CHAIR LYNCH: Now, Mr. Miller, with the Chehalis Generation Facility.

MR. MILLER: Thank you, Chair Lynch. Good afternoon, Chair and members of Staff. I'm Mark Miller, the manager at the PacifiCorp Chehalis Generation Facility. I have two nonroutine comments to provide.

The Company received from EFSEC staff the report for the 2017 Title VI annual inspection, and that noted that there -- the inspection reviewed both documents -- filings on site -- and the physical site inspection. There were no -- no nonconformances noted.

Also, I just wanted to inform the Council that PacifiCorp just recently received additional verifiable emission reduction greenhouse gas credits from the national climate trust. If you recall, these contracted purchases were part of the carbon offset
requirement per Order 836, which were conditions for the certificate transfer to PacifiCorp.

So these are 2016 vintage year credits from the Linden Farm project. And right now we've received 42,815 tons versus the contracted 70,000 tons, so about 61 percent. So they're a little bit ahead of their delivery, and that's a good thing.

Are there any questions?

CHAIR LYNCH: Any questions for Mr. Miller?

No. Very good. Thank you.

MR. MILLER: Thank you.

CHAIR LYNCH: Mr. Downen, Grays Harbor Energy.

MR. DOWNEN: Good afternoon, Chair Lynch, Council staff. My name is Rich Downen. I'm the plant manager -- acting plant manager at Grays Harbor Energy.

The only -- I don't really have anything nonroutine to report, but there are a few things I would point out in the report in your packets.

Item 2.3, this was related to -- it was a few months ago, we had high turbidity in a stormwater ditch, so we did a full site inspection on all of our stormwater equipment, I guess, the drainage equipment, and we brought in a contractor and did a bunch of maintenance on that. So we did maintenance and
installed some equipment in that -- in that ditch, which
is in the -- kind of that lay-down area, which is set
aside for phase two, if that were ever to occur.

And then we fixed a cracked storm drain, and
then we replaced all the silt fencing on site and
actually made it more robust, so we're in better shape
now than we've ever been as far as stormwater runoff.

2.4 is just the notification went out to
EFSEC and ORCAA that we're going to be doing our RATA
testing, our stack testing, that's annual testing that
will take place next month.

And then item 2.6 is just another update.
We're doing regular samples of our stormwater -- or of
our outfall of the cooling tower blowdown, and those
arsenic and mercury levels continue to drop, so
they're -- actually, they're below the levels now that
AECOM predicted that we would get to with the cooling
tower replacement.

So they're still dropping, but we're
intending at this point to start the series of tests,
about -- probably pull 20 samples and get data over a
few months' period, and we'll start that in August,
which is kind of the formal post-AKART installation of
the cooling tower. We're just wanting to get things to
stabilize, and that's -- every sample has been more
promising, so that's good news.

And then the only other thing that would be different is -- item 5.1 is we had the Invenergy Regional Safety Manager come out and kind of do an audit and check the site, and he didn't have any discrepancies, so that was a good visit.

That's all I have to report.

CHAIR LYNCH: Very good. Any questions for Mr. Downen? Yes, Councilmember Stephenson.

MR. STEPHENSON: Just for the minutes for next month, could you please define RATA?

MR. DOWNEN: Yes. Yes, I could. I think it's in there. It's in that sentence, the Relative Accuracy Test Assessment, RATA test, scheduled for the week of August 7th. So that's in item 2.4.

MR. STEPHENSON: Thank you.

CHAIR LYNCH: Thank you, Mr. Downen.

And at this point, just so councilmembers know, a reminder, we have two actions items on our agenda today. The first is to put the Draft Industrial Stormwater Permit for Tesoro out for public comment, and the second would be to start the rulemaking process for a couple of water quality rules that update our current regs.

So if we could start off with an update
about the Tesoro project from Ms. Bumpus.

MS. BUMPUS: Thank you. Good afternoon, Chair Lynch and Councilmembers.

I'll start with the SEPA update. Staff are currently making final edits to several sections of the FEIS. However, there are some remaining issues we're still working on with the applicant.

One of them, which I mentioned in the last update last month, was related to the air quality revisions. We're still working with them and we are requesting some additional information. Once we get that, we hope to incorporate it into the FEIS. And once it's all in there, we'll do what we're kind of calling a final review of the affected sections of the FEIS where this will kind of ripple through the document.

So I'll keep you posted on -- you know, primarily it's going to be the air quality revisions that we're working on in the coming weeks.

CHAIR LYNCH: And didn't you have additional seismic information come in, or it was about to come in?

MS. BUMPUS: We have had correspondence related to -- primarily to the seismic mitigation, that it would be in Earth Resources in 3.1 of the FEIS, and we do have some correspondence that we're still having with the applicant on that, and we are waiting on a
submittal from the applicant to answer a couple of
questions for us so that we can pin down that seismic
mitigation.

CHAIR LYNCH: Any questions for Ms. Bumpus?

Okay. Very good.

Let's go ahead and turn to the NPDES
Industrial Stormwater Permit, and I'll just stay with
you, Ms. Bumpus. Did you want to hit highlights, or how
do you want to proceed on this?

MS. BUMPUS: Sure, Chair Lynch. I was going
to ask if you wanted me to do that, and so I can just
touch on a few of the changes that were made since the
May council meeting when Council first was looking at
this draft permit and fact sheet.

So in the fact sheet, I'll just start there
with some of the revisions. Pages 8 through 13
contained a location map, facility layout and Terminal 4
drainage systems and Terminal 5 drainage systems, and
those figures were blurry and difficult to read and the
labels weren't all there, and so we replaced those, and
now you can see the legend and the labelling very
clearly. That was -- that was a concern expressed in
the May council meeting.

We also on -- I think it started on page 9,
quite a bit. It was difficult to provide that and track changes, but, in short, it's much clearer where wastewater is going at the facility. Based off Councilmember Stone's comments, it was clear that we needed to revise that a little bit and clarify that discussion, so I think that that's improved.

Let's see. What else? Well, I think that that's -- those are the highlights for the fact sheet. I'm going to move to the permit.

For the permit, page 7 of your version received on July 10th, in the Special Conditions, Monitoring Schedule table, there's been quite a bit of editing there just -- I can slow down if councilmembers want me to -- okay.

So the sampling of effluents, we added "i," which connects the timing of the sampling with the start of the first fall storm event, so that sampling will occur within the first 12 hours of the storm event.

For the priority pollutant scans, which are towards the bottom of the table, we added "g," which states that the priority pollutant scans will occur -- well, rather, we edited it, and changed the occurrence to quarterly basis. The draft that councilmembers reviewed in May had an annual schedule. So that's been changed to quarterly, and this will occur for the first
two years of operation, and then after that would change
to annually.

We also added "h," which explains when the
first fall storm event is each year. And so we, you
know, provide that clarification for the permittee.

And so those are sort of the highlights I
had listed to go over with councilmembers. And I also
wanted to say that I have Phyllis Barney here from the
AG's office who's done the legal review of the permit
both back in May and more recently. Gary Lee and Steve
Eberl are here from the Ecology Industrial Permit
section to answer questions. And in the back, we have
Dan Shafar from BergerABAM who's with the applicant to
answer technical questions about the engineering report
or permit.

CHAIR LYNCH: Thank you, Ms. Bumpus. I
would just note that I participated in a meeting with
Councilmember Stone and Ms. Bumpus and Mr. Posner and
some Ecology staff, and we went through the changes,
because Mr. Stone had a number of concerns about the
proposed permit when we brought this up initially in
May. And the thing he was most interested in was tying
the stormwater -- the sampling to a stormwater event, so
that's just clarified in this version of the permit, and
he seemed satisfied with the other changes that were
made.

And so with that, I will ask if
councilmembers have any questions for Ms. Bumpus or
Mr. Lee or Mr. Eberl or, I'm sorry, the gentleman from
BergerABAM as well.

MS. BUMPUS:  Dan Shafar.

CHAIR LYNCH:  Mr. Shafar as well.  Any
questions?

I would say that this permit has -- and the
fact sheet do have more detail than what was brought up
in front of the Council before, so I think that should
make it a document that will be easier for the public to
follow.

Any -- let's see.  So at this point in time,
I will entertain a motion for the -- putting this Draft
Industrial Stormwater Permit out for public comment.

MR. STEPHENSON: Chair Lynch, I'll move that
we -- the Council put this out for draft public comment.

CHAIR LYNCH:  Do we have a second?

MR. ROSSMAN:  I'll second it.

CHAIR LYNCH:  It's been moved and seconded
that the Council put the Draft Industrial Stormwater
Permit for the Tesoro -- proposed Tesoro facility out
for public comment.  All those in favor, say "aye."

MULTIPLE SPEAKERS:  Aye.
CHAIR LYNCH: Opposed? Motion carries.

I would just note that I was able to have some correspondence with Councilmember Shafer about the proposed permit, and he also supports it in its current form.

MR. MOSS: May I?

CHAIR LYNCH: Yes, Councilmember Moss.

MR. MOSS: Chair Lynch, I would just like to express to the Staff our appreciation for the efforts they made to address the concerns that we raised at the last meeting when this came up, and I think you've done an admirable job of addressing those concerns, so thank you.

MS. BUMPUS: Thank you.

CHAIR LYNCH: Thank you. They did put a lot of -- thank you, Councilmember Moss. They did put in an extra amount of time, as did the Ecology people as well. We thank you for your assistance to us and for being here today in case there were questions.

MR. EBERL: Thank you. Sure.

CHAIR LYNCH: So let's turn to the proposed rulemaking, and these were proposed rules that I had sent out to councilmembers previously. And what these have to do -- are -- has to do with compliance -- schedules of compliance with NPDES permits.
And I'll just start with 463-76-054. The schedule of compliance in our reg currently talks in terms of not exceeding nine months when Ecology's rule actually says one year. And actually, furthermore, the federal regulation says one year. So we are not in -- currently consistent with either Ecology or the federal regulation about compliance schedules. And you might remember this came up about a year ago or so. It related to Grays Harbor Energy, so we would like to update that.

The second one is 463-76-062, which has to do with modifications of NPDES permits, and Ecology currently has a regulation that is more flexible than EFSEC's regulation. It allows for a minor modification versus a major modification for purposes of providing notice. And under EFSEC's current regulation, if we wanted to do some -- even a modest change, we'd have to open up the whole permit, and that's just not in anybody's interest to do that.

So these were the two most significant changes that I -- when I went through the proposed rule adoptions for updating our water quality laws to make -- our water quality regulations to make them consistent with Ecology's, we had a bunch of small things that we are kind of holding off for now, but these were the two
more significant ones that I'd like to put in front of the Council.

And Mr. LaSpina or Ms. Barney, do you have anything to add? Councilmembers, do they have any questions? Consistency is good, is right, and flexibility is good.

And so with that, I'd entertain a motion for putting these two -- oh, I should back up a little bit. We had been doing expedited rulemaking for a lot of our rulemaking -- actually, for all of our rulemaking, I think, since we've been here, but these are just slightly different than what I think might be allowed to go through for expedited rulemaking. And rather than take the chance, and we've got some time, I just thought we'd just use the regular rulemaking process.

So at this point, I'll entertain a motion for starting the CR-101 process.

MR. MOSS: Chair Lynch, I would move that the Council approve Staff filing the CR-101 put before us today concerning the proposal to amend two subsections of Chapter 463-76 WAC.

CHAIR LYNCH: Do we have a second?

MR. STEPHENSON: I'll second.

CHAIR LYNCH: It's been moved and seconded that the Council direct the Staff to begin the CR-101
process for making these two rule changes.

All those in favor, say "aye."

MULTIPLE SPEAKERS: Aye.

CHAIR LYNCH: Opposed? Motion carries.

And Mr. Posner is going to enthrall us with the first quarter cost allocation numbers.

MR. POSNER: Good afternoon, Chair Lynch, councilmembers. In your packets, there's a green document that outlines the Non Direct Cost Allocations for the first quarter, fiscal year 2018.

We do this at the beginning of every quarter. We look at our past costs for the last quarter, and then look ahead and then recalculate the percentages that are charged to our projects.

So for this -- this first quarter, fiscal year 2018, July 1st through September 30th, I'll go ahead and read the percentages off for the benefit of those on the phone. Excuse me.

Kittitas Valley Wind Power Project is 6 percent; Wild Horse Wind Project is 8 percent; Columbia Generating Station, 19 percent; the WNP-1 project is 3 percent; Whistling Ridge Energy Project is 3 percent; Grays Harbor 1&2 is 10 percent; Chehalis Generation is 9 percent; Desert Claim is 3 percent; Grays Harbor Energy 3&4 is 3 percent; and Tesoro/Savage
is 36 percent.

That's all I have, and I'm happy to answer any questions councilmembers may have.

CHAIR LYNCH: Any questions for Mr. Posner regarding the cost allocations?

And with that, I just wanted again to thank councilmembers and Staff for hanging in there. I mean, this has been a long, long last few years, and it's a lot of work, and a lot of times it's thankless work, and I just appreciate your attention to the proposed Tesoro/Savage project.

And as you know, there's been a lot of other work that we do on top of that, so to get all that work accomplished and still moving forward, I want to thank everybody for your efforts, as well as the assistance that we get from the AG's office and the assistance that we get from various agencies.

And with that, we are adjourned. Thank you.

(Meeting concluded at 2:04 p.m.)
CERTIFICATE

STATE OF WASHINGTON )
) ss.
COUNTY OF KING )

I, ANITA W. SELF, a Certified Shorthand Reporter in and for the State of Washington, do hereby certify that the foregoing transcript is true and accurate to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 27th day of July, 2017.

______________________________
ANITA W. SELF, RPR, CCR #3032

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