



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

MITIGATED DETERMINATION OF NONSIGNIFICANCE

Pursuant to Chapter 463-47 WAC, WAC 197-11-350 and WAC 197-11-660

For the

SATSOP COMBUSTION TURBINE PROJECT (Phase II)

REQUEST FOR AMENDMENT NO. 4 TO SITE CERTIFICATION AGREEMENT

Description of current proposal: Duke Energy Grays Harbor, LLC, and Energy Northwest (referred to collectively as Duke) are proposing to expand the certified Satsop Combustion Turbine (CT) Project, referred to as Phase I, by constructing and operating a second phase similar to the approved Phase I facility. Duke is applying to EFSEC for an amendment to the existing Phase I Site Certification Agreement (SCA) to allow construction and operation of the proposed Phase II project. This amendment would be the fourth amendment to the SCA that was originally issued for the now terminated Satsop nuclear power plants.

As with Phase I, Phase II will consist of a combined-cycle electric generating plant that will generate approximately 650 MW. The major components for Phase II are two General Electric Frame 7FA combustion turbines with dry low NOx burners, two Heat Recovery Steam Generators (HRSG) with selective catalytic reduction (SCR), a steam turbine generator with duct firing, a ten-cell evaporative cooling structure, and two 200 foot high exhaust stacks.

Phase II would be located within the previously permitted site, on land that has already been disturbed and developed for industrial use. The project would be fueled only by natural gas. No backup fuel source is proposed for the generation of electricity. Phase II would utilize the natural gas pipeline being installed for Phase I. No new gas pipeline would be required for Phase II.

Power produced by Phase II would be routed through transmission lines that are being installed as part of the Phase I project that will connect to the Bonneville Power Administration (BPA) system at their Satsop substation. No new transmission lines would be required to serve Phase II.

Proponent: Duke Energy Grays Harbor LLC and Energy Northwest
P.O. Box 26
Satsop, Washington 98583
Phone: 360-482-7700

Address and location of proposal: 401 Keys Road, Satsop, Washington. The 22-acre site is located approximately 0.5 miles southwest of the Chehalis River near the town of Elma. The 1600-acre Satsop Development Park surrounds the site on all four sides. Fuller Creek is approximately 0.5 mile to the east, and Workman Creek is located approximately 2 miles to the east.

Duke is currently constructing Phase I of the Satsop Combustion Turbine Project at the site. A 17-acre site located on the west side of Keys Road, previously used for the nuclear power plant construction storage, is currently being used for Phase I construction laydown, storage, parking and offices. This area will continue to be used through construction of Phase II for the same purpose. To the south and east, respectively, are the BPA transmission line right-of-way and a strip of forested land. A fire water tank and pump house are located near the northeast corner of the site.

Titles of documents that have been previously adopted: The lead agency has previously adopted documents relevant to the Satsop Combustion Turbine Project. These are:

- ❑ Resource Contingency Program – Washington Final Environmental Impact Statement Volumes 1 and 2, Bonneville Power Administration, DOE/EI-0230, November 1995;
- ❑ Final Environmental Impact Statement (Business Plan), Bonneville Power Administration, DOE/EIS-0183, June 1995; and
- ❑ Final Environmental Impact Statement (Resource Programs), Bonneville Power Administration, February 1993.

The lead agency also recognizes its April 6, 2001, Addendum to Adoption Notice (attached) for previous changes to the Satsop Combustion Turbine Project.

Previously Adopted documents are available for inspection at: Energy Facility Site Evaluation Council, 925 Plum Street NE, Olympia, Washington, 98504-32172, Monday through Friday (excluding state holidays), from 8 am to 5 pm.

Mitigated Determination of Nonsignificance: This threshold determination is based on the information contained in the following documents and other information on file with the lead agency:

- Application for Amendment 4 to the Site Certification Agreement for the Satsop Combustion Turbine Project, Application No. 01-03, November 2001; (available for inspection at www.efsec.wa.gov/satsop.html or the EFSEC office);
- Satsop Combustion Turbine Project Phase II SEPA Expanded Environmental Checklist, December 19, 2001; (The Checklist only is attached. The Supplemental Sections to the Checklist are available for inspection at www.efsec.wa.gov/satsop.html or the EFSEC office);
- Application Review and Threshold Analysis, March 6, 2002 (available for inspection at the EFSEC office); and
- Satsop Combustion Turbine Project Phase II Environmental Report, April 19, 2002 (attached).

The following supersedes or supplements information contained in the November 2001 Application for Amendment No. 4 and provides mitigation so that this proposal will not have a probable significant adverse impact on the environment.

- The amount of material to be excavated, graded or filled will be reduced from 80,000 cubic yards to 55,000 cubic yards.
- Additional air quality modeling was performed using higher natural gas sulfur concentrations based on current data and understanding of the sulfur content of the natural gas to be burned as fuel. Results of the study and modeling show that impacts to National Ambient Air Quality Standards, Prevention of Significant Deterioration (PSD) increment standards, and Class I area visibility criteria remain below the significance levels.

- Duke will meet all requirements of the PSD program, and both State and Federal New Source Review standards for all regulated air emissions.
- Duke will meet National Pollutant Discharge Elimination System (NPDES) standards both for water quality and temperature at the end of the discharge pipe where it connects to the blowdown line. No mixing zone in the Chehalis River will be used.
- Phase II water supply will be purchased from the Grays Harbor Public Development Authority.
- The temperature of the Phase II discharge water temperature will meet the NPDES temperature limit of less than 18 degrees C.
- Prior to project operation, an engineering evaluation will be prepared on the discharge water piping and outfall and an incremental field test conducted to demonstrate that the piping and outfall are capable of sustained operation.
- Prior to commercial operation, an evaluation will be prepared to identify whether the levels of mercury, cadmium, copper, selenium, zinc, and lead require any treatment prior to discharge to the blowdown line and into the Chehalis River.
- Construction traffic will be redirected from Keys Road to the Wakefield-Lambert corridor to reduce construction traffic impacts to Keys Road and the SR 12 interchange. Working with Grays Harbor County and the Washington Department of Transportation, Duke will implement a stepped approach of increasingly stringent measures of company efforts and law enforcement to ensure redirection of traffic.
- Prior to Phase II operation, Duke will study and report to EFSEC on possible salt drift impacts to wildlife, wildlife habitat and/or agricultural areas near the project site.

Lead agency action: Action on this proposal will be consistent with Chapter 463-36 WAC. At a minimum, future public hearings will be held regarding the PSD and NPDES permits. Because this amendment will substantively alter provisions of the Site Certification Agreement, EFSEC expects to hold public hearings regarding this amendment request prior to making a recommendation to the Governor. If EFSEC recommends approval of this amendment, it will be effective upon the signature of the Governor. No EFSEC recommendation is expected for at least two months.

Public Comment: This MDNS is issued under WAC 463-47-080 and WAC 197-11-350. The public is invited to comments on this MDNS by submitting written comments to the lead agency no later than **June 7, 2002**.

Lead agency: Energy Facility Site Evaluation Council
 925 Plum Street SE, Building 4
 P.O. Box 43172
 Olympia, Washington 98504-3172

Responsible Official: Allen J. Fiksdal, EFSEC Manager

Signature: _____

Date: _____

Contact person: Allen J. Fiksdal
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