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BEFORE THE STATE OF WASHINGTON  
ENERGY FACILITY SITE EVALUATION COUNCIL

IN RE APPLICATION NO. 99-1

EXHIBIT \_\_\_\_\_ (DJ-RT)

SUMAS ENERGY 2 GENERATION  
FACILITY

**APPLICANT'S PREFILED REBUTTAL TESTIMONY**

**WITNESS : DARRELL JONES**

**Q. Please reintroduce yourself to the Council.**

A. My name is Darrell Jones. I am the President of Sumas Energy 2, Inc.

**Q. Which testimony are you responding to with this rebuttal?**

A. I have been asked to address primarily issues concerning the need for power and the availability of transmission. In particular, I will be responding to portions of the testimony filed by of Richard Watson (CFE), Jim Lazar (CTED), Anthony White (BPA), and Nancy Hirsh (NWEC). I will also address some of the issues raised in the testimony of Peter Sagert (Abbotsford) and Connie Hoag (Abbotsford). Finally, I will address some additional measures SE2 is willing to implement in light of some of the concerns raised in the intervenors' testimony.

EXHIBIT \_\_\_\_ (DJ-RT)  
DARRELL JONES'  
PREFILED REBUTTAL TESTIMONY - 1

[31742-0001/Darrell Jones Rebuttal.doc]

**PERKINS COIE LLP**  
1201 Third Avenue, Suite 4800  
Seattle, Washington 98101-3099  
(206) 583-8888

**Need for Power**

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3 **Q. A few witnesses have questioned whether there is really a need for more power.**  
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5 **What is your response to them?**

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7 A. Based on my years of experience in the power business, my review of trade  
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9 publications, and my general familiarity with the results of various studies and  
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11 forecasts such as the BPA White Book and the recent NWPPC study, I am convinced  
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13 that there is a need for more generating capacity in the Northwest. The population in  
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15 western Washington, the Pacific Northwest, and British Columbia's lower mainland is  
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17 growing, and with that population growth comes more demand for electricity.  
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19 According to the BPA White Book, we already have a deficit of approximately 2,600  
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21 MWa and that deficit will grow to more than 3,600 MWa by 2008. The recent  
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23 NWPPC study concludes that we have a 24% chance that the system will be unable to  
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25 satisfy loads during the winter months and that we need to develop approximately  
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27 3000 MW of new resources to reduce that risk to an acceptable level. Newspapers  
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29 and trade publications are filled with articles reflecting the need for more generating  
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31 capacity. The Sunday Seattle Times published an article with the headline "Puget  
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33 Sound Region on Brink of Blackouts." (Exhibit \_\_\_\_ (DJ-3)). A trade journal  
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35 described BPA's emergency efforts to prevent a blackout when Energy Northwest's  
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37 1100 MW nuclear facility went down in late June. It quoted a BPA official saying  
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39 "[t]his is exactly what BPA's White Book said could happen." (Exhibit \_\_\_\_ (DJ-5)).  
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43 In these proceedings, Richard Watson of the NWPPC testified that "it took almost  
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45 3000 megawatts to bring the probability of inadequate power supplies down to 5  
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47 percent" and he referred to the existing situation as one with "problems" and "needs"

1 that could be met by the SE2 project. Tony Usibelli of CTED's Energy Division  
2 testified that "there is a reasonable likelihood that the Northwest and Washington State  
3 will need new generating resources," and Dave Warren of CTED testified that "both  
4 demand and supply resources should be promoted to meet the growing needs of the  
5 region."  
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12 I am not suggesting that the region is going to experience blackouts every day if the  
13 Council does not permit the SE2 project. What I am saying is that more generation  
14 capacity is necessary if we are going to have reliable and reasonably priced power  
15 available in the region. Without additional capacity, occasional blackouts will become  
16 more likely, curtailments will occur, and electricity prices will rise. In fact, in his  
17 testimony, Dave Warren referred to possible curtailments and plant closures by  
18 Vanalco Aluminum and Kaiser Aluminum because electricity is too expensive.  
19 Likewise, there was an article in the paper last week reporting that Georgia Pacific  
20 was temporarily closing its Bellingham mill and laying off 600 workers because  
21 electricity prices were too high. (Exhibit \_\_\_\_ (DJ-4.)) Articles also appeared in a  
22 trade publication about 1250 workers being temporarily laid off as Bellingham  
23 businesses curtailed operations due to high electricity prices. (Exhibit \_\_\_\_ (DJ-5))  
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39 I don't think it is a coincidence that after several years of little activity in Washington  
40 state, EFSEC now finds itself considering SE2's application, a proposed amendment  
41 regarding the Chehalis project, and an initial site investigation for a possible Starbuck  
42 project. People in the industry recognize that there is a need for additional generating  
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1 capacity in the Northwest, and that there will be a market if developers are able to  
2 produce that electricity at a competitive price.  
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6 **Q. In her testimony, Ms. Hoag stated that there are "4 power plants in Whatcom**  
7 **County capable of producing 675 MW, while the consumption in Whatcom**  
8 **County is only 370 MW." Is Ms. Hoag correct that no additional generation**  
9 **capacity is necessary?**  
10

11 **A.** No. Initially, her statistics about the load-resource balance in Whatcom County are  
12 inaccurate. Ms. Hoag has apparently chosen to ignore the several hundred megawatt  
13 load of the Alcoa Intalco plant located in Ferndale, although she mentions the  
14 aluminum smelter later in her testimony. According to Tom Anderson of the  
15 Whatcom County PUD, when all electricity users in the County are considered,  
16 Whatcom County is a net importer of power. Indeed, it was the Georgia Pacific and  
17 the Bellingham Cold Storage facilities in Whatcom County that announced shutdowns  
18 last week because of electricity problems.  
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21 More importantly, however, it does not make sense to look at electric power supply  
22 on a county-by-county basis. Whatcom County is not isolated from the rest of the  
23 state. It is part of power system for the Pacific Northwest region, and therefore, you  
24 must consider the power needs for the regional generally. Electricity demand in  
25 Western Washington, Washington State, and the Pacific Northwest generally is  
26 growing. Additional generating capacity will be necessary to meet this growing  
27 demand. For the many reasons explained in both my direct and rebuttal testimony, as  
28 well as the testimony of other witnesses, the Sumas location we've selected is a good  
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1 location for additional generating capacity. It would be a good location even if Ms.  
2 Hoag were correct that Whatcom County produced more power than it used.  
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6 **Q. Mr. Lazar has testified that "The Northwest Power Planning Council maintains**  
7 **a list of proposed power plants, and the current list exceeds 30,000 megawatts of**  
8 **capacity. Of that amount, more than 20,000 megawatts is proposed to be**  
9 **constructed in Washington state." If Mr. Lazar is correct that all of this**  
10 **additional capacity has been proposed, does that mean Washington State does**  
11 **not need the SE2 project?**  
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18 **A.** No. First of all, the list of "active proposals" that Mr. Lazar has attached to his  
19 testimony (Exhibit JL-2) is misleading. The term "active proposal" is not defined, but  
20 it apparently includes project ideas that have never been permitted or designed. The  
21 list also contains projects that were "proposed" many years ago, but have been  
22 abandoned. To give you an idea of the reliability of this list, it includes a 236 MW  
23 National Energy Systems Company (NESCO) project at Black Diamond, which was  
24 an idea we briefly considered in the early 1990s and abandoned long ago.  
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34 Although Mr. Lazar's list of proposed projects greatly exaggerates the number of  
35 power plants being seriously considered, it is true that the pressing need for power in  
36 the region has led to serious consideration of several power projects. We believe the  
37 SE2 project is better than the other projects being considered. The SE2 project is  
38 located near existing natural gas pipelines, interconnections to the electric grid, and  
39 areas of increasing power demand. The project has a high efficiency design, and the  
40 company has access to Canadian natural gas reserves from an affiliated company.  
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1 These factors will help the facility produce low cost power that will be able to  
2 compete in the market. By incorporating more sophisticated emission control  
3 technology and minimizing and mitigating environmental impacts, the SE2 project is  
4 also more environmentally desirable than other projects on Mr. Lazar's list.  
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10 **Q. For the sake of argument, what if we assume that all of the predictions about**  
11 **additional needed capacity prove to be incorrect. What if after EFSEC has**  
12 **certified the project and you build it but when you are ready to go into**  
13 **operation, it turns out that additional capacity is not needed. Who would pay**  
14 **the price for that mistake?**  
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20 A. SE2 and the banks that provide financing for the project will pay the price. SE2 is not  
21 a regulated utility that would be able to pass along the "stranded" costs to ratepayers.  
22 If SE2 is not a low cost producer of power, then no one will buy power from SE2 and  
23 the power plant won't operate. There would be an idle power plant in Sumas, but  
24 there wouldn't be any adverse consequences for Washington citizens. On the other  
25 hand, if we succeed in becoming a low cost producer and there is excess capacity, then  
26 our power would be purchased instead of power produced by other power plants.  
27 Since SE2 proposes to operate at higher efficiency and lower emissions than other  
28 power plants, SE2's operation would result in a decrease in air emissions and  
29 greenhouse gas emissions, which is good for Washington.  
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42 **Q. Acknowledging that there is a need for additional power resources, Mr. Watson**  
43 **of the NWPPC and Mr. Warren of CTED's Energy Division have testified that**  
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1                   **additional "baseload" facilities like SE2 are not needed to meet this need. Do**  
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3                   **you agree?**

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5           A.     No. First of all, I think it is important to look at exactly what they've said. They both  
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7           drew a distinction between "baseload" and "peaking" capacity. Baseload capacity is  
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9           made up of generating facilities that are intended to operate all of the time to satisfy  
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11           the constant demand or "base load." Peaking facilities, in contrast, are designed not to  
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13           operate constantly, but instead to come on line during peak power demand periods.  
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15           Although the SE2 project is capable of providing either peaking or baseload power,  
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17           we hope and intend to produce power at a competitive price such that there will be  
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19           demand for the facility to operate most of the time.

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22           Mr. Watson acknowledged that adding baseload capacity would be helpful and that the  
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24           SE2 project "represents one method of generation that could meet the needs identified  
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26           in the [NWPPC] report," but he also testified that single cycle gas turbines would be  
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28           more likely to satisfy peak needs because they have lower capital costs than combined  
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30           cycle units such as SE2. Mr. Warren testified that "[b]uilding baseload capacity, such  
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32           a the one proposed by the applicant, to address the need for power caused by such  
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34           events would, in all likelihood, be a waste of money." Neither Mr. Watson nor Mr.  
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36           Warren dispute that the SE2 would help solve the energy capacity problem, they  
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38           merely suggest that it could be solved with less expense by increasing conservation  
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40           and building single cycle peaking units. I agree that conservation is a good idea. In  
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42           fact, the market is already encouraging conservation. But as Mr. Watson, Mr. Warren  
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44           and Mr. Usibelli concede, conservation alone will not be enough. The single cycle  
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46           peaking units that Mr. Watson and Mr. Warren mention may be cheaper to build, but  
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1 they are more expensive to operate, less efficient and therefore, result in greater  
2 emissions per kilowatt hour of power produced. Mr. Watson's and Mr. Warren's  
3 testimony is consistent with a regulated public utility mentality. Today, with the  
4 competitive wholesale power market, the fact that a single cycle plant may be cheaper  
5 to build does not necessarily benefit Washington residents in the form of cheaper  
6 electric rates. Capital costs are paid by private developers like SE2, and recouped  
7 only to the extent that they can produce low cost power that can compete in the  
8 marketplace. Single cycle plants are not as economical on a price per kilowatt basis,  
9 so those facilities will have difficulty competing with combined cycle facilities like the  
10 SE2 project.  
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### Sumas Location

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25 **Q. In his testimony, Mr. Sagert questions the decision to site the proposed project**  
26 **in Sumas, Washington, rather than closer to "load centres" such as Alberta or**  
27 **Seattle. Can you explain why Sumas is a good location for this project?**  
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31 A. There are several reasons:

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33 (1) Sumas is well situated near two areas of growing electricity demand: Western  
34 Washington and the lower mainland of British Columbia.  
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37 (2) Sumas is located near B.C. Hydro's Clayburn station. The transmission line  
38 necessary to interconnect with the transmission grid will, therefore, be only about 6  
39 miles long.  
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43 (3) Sumas is located near a main natural gas transmission pipeline. The pipeline  
44 delivering natural gas to the facility will, therefore, be need to be about 4 ½ miles long.  
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46 This contrasts with facilities that EFSEC has approved in the past which required  
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1 longer pipelines to deliver fuel (e.g., Satsop CT – 48-mile pipeline). The location near  
2 the U.S.-Canadian border also minimizes fuel acquisition and transportation costs,  
3 particularly in light of the substantial Canadian natural gas reserves owned by an SE2-  
4 affiliated company.  
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9 (4) Industrial-zoned land is available for the project in Sumas, and SE2 has secured  
10 easements along an existing pipeline right-of-way.  
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13 (5) The City of Sumas possesses substantial water rights and was willing to provide  
14 water to the facility. We appreciate Mr. Sagert's suggestion that SE2 could save  
15 money by finding another location with even more water available, but more water is  
16 not necessary. With a wet/dry cooling system at the facility, the water available from  
17 the City is more than enough to meet the project's needs.  
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23 (6) The City of Sumas and much of the community supports the project. The project  
24 has received widespread endorsement by Sumas residents and community  
25 organizations, although a vocal minority opposes the project. The NESCO family of  
26 companies has enjoyed operating businesses in Sumas for almost a decade. In addition  
27 to providing economic opportunities and a larger tax base, NESCO companies have  
28 tried to be a good neighbor, contributing to community causes and responding to  
29 concerns. This positive working relationship with the City and the community was an  
30 important factor in selecting Sumas as a location for the project.  
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41 **Q. Mr. Sagert also contends that siting power plants near "load centres" makes**  
42 **more sense because they might offer opportunities for "cogeneration" with an**  
43 **adjacent industrial facility. Do you agree with Mr. Sagert?**  
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1 A. No. Cogeneration opportunities are not unique to the sort of urban centers that Mr.  
2 Sagert refers to as "load centres." There is, for example, already a cogeneration  
3 facility in Sumas. The Sumas Cogeneration Company produces 125 MW of power  
4 and supplies steam to the adjacent SOCCO lumber facility. Although SE2 has not  
5 proposed to make SE2 a cogeneration facility, SE2 will certainly consider any such  
6 opportunities that arise.  
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15 **Transmission Constraints**

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17 **Q. Mr. Watson testified that "one would need to look at how the proposed**  
18 **generating capacity would bring its energy into the transmission grid and the**  
19 **grid's ability to move it." Has SE2 considered these transmission issues?**  
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23 A. Yes. Again, I think it is important to understand how the SE2 project fits into the  
24 whole picture of power supply. SE2 will be a merchant plant – a wholesale power  
25 generator selling its power on the open market. SE2 proposes to build a 230 kV  
26 transmission line from the facility to B.C. Hydro's Clayburn Station north of  
27 Abbotsford in British Columbia. The Clayburn Station is the nearest interconnection  
28 to the grid – that system of high voltage power lines that runs throughout the West,  
29 including British Columbia and Alberta. B.C. Hydro has already performed a  
30 preliminary feasibility study and determined that "[t]here are no major transmission  
31 constraints in the B.C. Hydro system to integrate the 710 MW of generation from  
32 Sumas Energy 2 Inc. plant into the B.C. Hydro system at Clayburn." A copy of the  
33 B.C. Hydro study is attached as Exhibit \_\_\_\_ (DJ-6). Once SE2 delivers its power to  
34 the grid, it will be the responsibility of purchasers of SE2 power to purchase whatever  
35 transmission rights they will need to bring the power from Clayburn to their  
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1 destination. Just as there is a very active commodity market in power, there is also a  
2 very active market for transmission rights. It may be possible to purchase existing  
3 capacity on the B.C. Hydro or BPA systems, or to purchase transmission rights from  
4 brokers or others who have already purchased transmission rights on those systems.  
5 The purchase of transmission rights may or may not require upgrades to transmission  
6 systems, but if they do, the purchasers of those rights typically have to pay for those  
7 upgrades through contractual arrangements with the transmission system owners.  
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16 **Q. You have just testified that purchasers of SE2 power will have to arrange for**  
17 **their own transmission, but hasn't SE2 also filed an application for firm**  
18 **transmission rights on the BPA system?**  
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22 **A.** Yes. Let me explain what we've done because it is obviously the source of some  
23 confusion. As another investment opportunity, SE2 decided to file an application for  
24 firm transmission rights on the BPA system from the U.S.-Canada border at Blaine to  
25 the Big Eddy and John Day stations. Filing the application resulted in BPA  
26 performing a System Impact Study, at SE2's expense, to determine whether firm  
27 transmission was available and on what terms BPA would sell it. If selling the firm  
28 transmission rights would require BPA to upgrade its system, then BPA would pass  
29 along the cost of those upgrades to the applicant. At SE2, we thought that, depending  
30 upon the cost, purchasing transmission rights on the BPA system might be a good  
31 business opportunity. We might be able to package those transmission rights with  
32 power from the SE2 facility as a way to improve the marketability of SE2 power, or  
33 we might be able to sell those transmission rights for a profit on the open market. In  
34 either case, we look at those transmission rights as a possible enhancement to  
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1 marketing power from SE2. We are still waiting to see how much it would cost to  
2 purchase firm transmission from BPA. When we find out, we will have to make a  
3 business decision about whether we want to make this commitment. However, the  
4 point to emphasize is that we do not need firm transmission rights to sell power from  
5 the SE2 facility – in fact, it would be much more typical of a merchant power plant to  
6 simply deliver power to the grid and leave it to the purchasers of that power to arrange  
7 for their own transmission paths.  
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16 **Q. Ms. Hirsh testified about the preliminary results of the BPA's System Impact**  
17 **Study, and she interpreted that the preliminary report as indicating**  
18 **transmission capacity is not available. Do you agree with that interpretation?**  
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22 **A.** No. As I read the study, BPA is in the process of upgrading its system to address  
23 capacity constraints on the Northern Intertie. At this point, BPA cannot sell SE2 firm  
24 transmission rights without making some upgrades, which presumably BPA would ask  
25 SE2 to pay for. As I said, we have not decided whether to purchase firm transmission  
26 rights, and having those rights is not necessary to the SE2 project.  
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34 **Q. In his testimony, Anthony White of BPA expresses concern about the SE2**  
35 **project interfering with BPA's ability to return what is often referred to as the**  
36 **"Canadian Entitlement" or the "downstream benefits" that BPA is required to**  
37 **return to Canada under the Treaty. Do you think Mr. White's concern is**  
38 **justified?**  
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44 **A.** No. His testimony does not conclude that the SE2 project would interfere with the  
45 return of "downstream benefits" to Canada, or even explain why it might. Rather, Mr.  
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1 White originally wrote testimony before BPA released the preliminary draft of its  
2 System Impact Study, and he suggested the issue be investigated. BPA has since  
3 issued a preliminary draft of the System Impact Study which investigates that issue.  
4 Although the System Impact Study is preliminary, it states quite clearly that "[w]ith  
5 the proposed SE2 interconnection at Clayburn in Canada, SE2 causes no benefit or  
6 detriment to the DSB return transmission capability in the Northwest." I have spoken  
7 directly with Mr. White and he has similarly indicated to me that he is not aware of any  
8 reason why the SE2 project would interfere with BPA's ability to return the  
9 downstream benefits.  
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21 Furthermore, to the extent that BPA has any concern about its ability to return  
22 downstream benefits to Canada, the SE2 project could be part of the answer to its  
23 concern. Because SE2 is already planning to deliver power in Canada, BPA could  
24 consider purchasing power from SE2 or trading power with SE2 as a means of  
25 delivering a portion of the downstream benefits to Canada.  
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32 Finally, I should point out that BPA always has the option of purchasing firm  
33 transmission on the BPA system to guarantee that it has the transmission needed to  
34 return the Canadian entitlement. The issue is really whether the Power Business Line  
35 (PBL) part of BPA is willing to pay the Transmission Business Line (TBL) part of  
36 BPA for the guaranteed (or "firm") transmission to return the downstream benefits,  
37 just as any other purchaser of transmission would do so.  
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**Back-up Fuel**

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**Q. Ms. Hirsh testified that EFSEC should clarify the limits regarding annual back-up fuel oil usage. What is your intention with respect to the back-up fuel?**

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A. We intend to use low-sulfur (less than .05%) distillate fuel oil. We have asked to be permitted to use distillate up to 15 days per year, but we have also agreed in discussions with Canadian officials that we will not use distillate for more than an average of 10 days per year over a 10 year period. We are willing to have that commitment incorporated in the Site Certification Agreement, so that it will be enforceable by EFSEC. As I have explained before, however, we view the ability to operate on a back up power supply to be an important a public policy matter. During a cold snap SE2's natural gas supply will be needed for residential heating needs and it will also be necessary to continue operating the facility to satisfy heightened electrical demands.

**NESCO and Affiliated Companies**

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**Q. In her testimony, Ms. Hoag is highly critical of you personally, and of NESCO and its affiliated companies. Would you like to respond to her testimony?**

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A. Yes. Ms. Hoag has been an outspoken opponent of development in the Sumas area since the Sumas Cogeneration Facility was first proposed. Unfortunately, as in this instance, Ms Hoag has made public statements about me, the NESCO company and the SE2 project that are inaccurate, misleading or unsupported. I do not agree with her account of the circumstances surrounding permitting the Cogeneration facility, but I also do not believe that they are relevant to the SE2 project proposal. I believe that,

1 as indicated by Mr. Davidson's testimony, for the vast majority people living in and  
2 around Sumas, the NESCO companies have demonstrated that we are good neighbors.  
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6 I strongly disagree and object to Ms. Hoag's accusations that SE2 is "deliberately  
7 disseminating misleading information," engaging in "scare tactics," and being "less than  
8 forthcoming." It has never been our intent to be anything other than forthright in  
9 describing the project and its anticipated impacts. We have never done anything  
10 intentionally to misstate, mischaracterize or mislead. On the contrary, we have gone  
11 to great lengths to provide accurate information to the public about the proposed  
12 project. We've held public meetings; we've participated in community meetings  
13 sponsored by others, we've distributed fact sheets; we've responded to questions called  
14 in on a local Sumas phone number we established for that purpose; we've met with  
15 numerous public officials and groups, we've been willing to meet with anyone who  
16 wanted to discuss the project; and we've frequently made our experts and consultants  
17 available to meet with anyone wishing to discuss the technical details of the project.  
18 We have always endeavored to provide accurate and updated information about the  
19 project. With all of these discussions, meetings, presentations, publications, media  
20 interviews and newspaper articles, have we made any mistakes? I suppose we  
21 probably have, but I have found that no matter how hard you try, when you are  
22 dealing with a large team of people, an enormous amount of information, and a project  
23 that's evolving to respond to people's concerns, mistakes are sometimes made, and  
24 people are sometimes misunderstood or misquoted. However, we have tried to  
25 correct mistakes we discovered and to provide any information about the project that  
26 anyone has requested.  
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**Additional Mitigation Measures**

**Q. Finally, having read the testimony submitted by intervenors, is SE2 prepared to commit to any additional mitigation measures to address concerns raised in the testimony?**

A. Yes. During the past two years, we have made numerous modifications to the project to address concerns raised by interested parties and we have proposed numerous additional mitigation measures. Those modifications and measures have been outlined in the testimony of others. We believe that the measures that we have already taken and proposed fully address the issues raised by the intervenors. Nonetheless, we are prepared to make a few additional commitments at this point. In particular,

(1) Wetland mitigation. As outlined in John Wong's testimony, we have prepared an expanded wetland mitigation proposal. The new proposal would create, enhance and/or preserve almost 20 acres of wetland. We believe the wetland mitigation area will more than mitigate the project's impact to wetlands by replacing relatively low value, agriculturally disturbed wetland areas, with higher quality wetland habitat.

(2) Noise. As explained in the Application and testimony of Eric Hansen, we have already incorporated numerous sound attenuation features in the project design. A couple of witnesses have focused on about the possibility of low frequency noise. Although I understand that there are no regulatory requirements governing low frequency noise and that the sound attenuation measures we've already incorporated in the project design are likely to address noise at all frequencies, SE2 is willing to look more closely at this issue during the facility design stage and determine whether any additional sound attenuation measures would be reasonable and appropriate to address

1 the possibility of low frequency noise. In Calvin Jager's testimony, he also made a  
2 specific request that SE2 plant trees along the north end of the project site to provide a  
3 buffer between the facility and Mr. Jager's farm on Moe Hill, and SE2 is willing to  
4 plant some trees in that area.  
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8 (3) Canadian air impacts. The air emissions modeling performed by MFG, Inc. has  
9 demonstrated the minimal impact of the project's air emissions. Nonetheless, we have  
10 been working with the British Columbia Ministry of Environment, Lands and Parks  
11 (MELP) to address any concerns regarding the impact of SE2 air emissions on  
12 Canadian air quality. As outlined in Chuck Martin's testimony, we have already made  
13 several commitments to the B.C. Ministry and have proposed several other measures  
14 to address air concerns. In particular, we are now working with Canadian authorities  
15 to finalize an arrangement that would result in particulate emission reductions in  
16 airshed that would more than offset the emissions from the SE2 facility. We are  
17 continuing to work on this issue directly with the B.C. Ministry and Canadian  
18 authorities.  
19

20 In sum, we have tried hard to address concerns that have been identified and to design  
21 the project in a way that will minimize impacts on the environment. By doing so, we  
22 believe we've proposed a project that will be good for the region, the State of  
23 Washington, and the local Sumas community.  
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41 **END OF TESTIMONY**  
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