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State of Washington  
DEPARTMENT OF FISH AND WILDLIFE  
ENERGY FACILITY SITE  
EVALUATION COUNCIL

Main Office Location: Natural Resources Building • 1111 Washington Street SE • Olympia, WA

June 7, 2001

Ms. Michelle Elling  
Washington State Energy Facility Site Evaluation Council  
Post Office Box 43172  
Olympia, Washington 98504-3172

**SUBJECT: BP Cherry Point Cogeneration Project Initial Issues List**

Dear Ms Elling:

The Department of Fish and Wildlife (WDFW) appreciates the opportunity to participate in the Potential Site Study process for the BP Cherry Point Cogeneration Project. Department staff also participated in a recent tour and meeting at the BP Cherry Point Refinery Headquarters.

According to the material we have received, BP proposes to construct a 750 MW gas turbine cogeneration project on twenty-five undeveloped acres adjacent to the Cherry Point Refinery. They propose to use excess thermal energy from the turbines in the adjacent refinery. Water use at the combined generation and refinery facility will increase by 5-8 cubic feet per second. Water is supplied by the Whatcom PUD, and the proposed increase is within the refinery's existing water right.

Enclosed is an initial WDFW issues list in outline form, which we encourage you to address during the development of the Potential Site Study Report. Thank you for the opportunity to provide input at this point in the process. We hope you find our comments helpful.

Sincerely,

A handwritten signature in black ink that reads "Curt Leigh".

Curt Leigh  
Major Projects Division  
Habitat Program  
Attachment

CL:bt  
Enclosure

cc: David Mudd, WDFW

WDFW INITIAL LIST OF ISSUES ASSOCIATED WITH THE PROPOSED BP CHERRY  
POINT COGENERATION PROJECT  
May 2001

Habitat Loss

- Wetlands
- Riparian forest
- Old fields

Wildlife Loss

- Habitat loss directly and negatively impacts fish and wildlife.
- Protection of Priority Habitats and Species

Water use

- Change in use, and increased quantity.
- Storm water control facilities and methods

Water Quality

- Outfall temperature and toxicity

Construction

- Methods and timing
- Erosion control
- Disturbance from additional employees/vehicles

Mitigation Phasing

- Avoid, Minimize, Restore, Replace, Compensate

Mitigation Planning

- Specific measures and timing
- Monitoring with contingencies and oversight funding



July 26, 2001

Michelle Elling  
EFSEC EFS Specialist  
PO Box 43172  
Olympia, WA 98504-3172

Subject: **BP Cherry Point Cogeneration Project**

Dear Ms. Elling:

This is to respond to EFSEC's request for agencies' issues and concerns related to the proposed Cherry Point Cogeneration Project. We understand that information gathered at this scoping stage will be used in the creation of a draft Environmental Impact Statement (DEIS).

The Department first reviews projects for any direct impact to the trust lands it manages for income to various public trusts. The BP Cherry Point proposal would occur on land within a mile of a DNR-managed Common School trust parcel; however, it does not involve and is not adjacent to, this parcel (the DNR parcel is within Sections 16 and 17, Township 39 North, Range 1 East, W. M.).

The Department does, however, have regulatory jurisdiction over any forest practices that result from project construction and any surface mining reclamation that occurs as part of a project. We are also concerned about the potential for accidental fire during project construction and operation, and potential hazards in case of earthquake.

It appears that trees would be cut as part of the construction of the power plant and the new power line. The proponent should be aware that a forest practices application would be required for any tree removal planned to take place. Since removal of trees would be permanent, the forest practices activity would be classified by DNR as a conversion forest practice, or a Class IV-General conversion. Conversion forest practices are subject to SEPA review with the local government (in this case, Whatcom County) acting as lead agency. Under this scenario, the local government's regulatory requirements would apply along with DNR's forest practices regulatory requirements. The protection of natural and public resources by local government regulation as well as the forest practices standards, under Chapter 76.09 RCW and Title 222 WAC, must be evaluated in the DEIS.

Construction of the project would likely require a grading permit, among others, from Whatcom County. It is assumed that the construction of the power generation facility would be considered permanent. It is unlikely that the site excavation, even if it

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exceeded 3 acres, would require a DNR surface mining permit and reclamation plan. DNR's authority to regulate surface mine reclamation is given in Chapter 78.44 RCW, and the rules that implement it are in Chapter 332-18 WAC. The DEIS should explain the local government requirements, and, if any, the DNR requirements for the excavation/grading of the construction site(s).

The potential for fire and fire safety precautions on unimproved and forested lands needs to be assessed in the DEIS. The proposed construction and resulting land uses must comply with Chapter 76.04 RCW and Chapter 332-24 WAC.

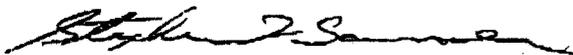
The DEIS must include an analysis of the geology of the area, particularly from nearby suspected active faults, the potential for earthquake in the area, and plans for mitigation in case of earthquake.

Any questions about DNR's regulatory permitting, fire safety, and geology and seismic activity may be directed to the following staff:

Forest practices – Nancy Joseph, NW Region (360) 856-3500  
Surface mine reclamation – Garth Anderson, NW Region (360) 856-3500  
Fire safety - Bill Schmidt, NW Region (360) 856-3500  
Geology and seismic activity – Tim Walsh, Geology and Earth Resources  
Division, (360) 902-1432

You may also call me at (360) 902-1488, or Gretchen Robinson at (360) 902-1705, with any other issues of concern to the Department of Natural Resources.

Sincerely,



Stephen L. Saunders, Manager  
Environmental Quality and Compliance Division

SS:GR

cc: Bill Wallace, DNR Northwest Region Manager  
Nancy Joseph, DNR Northwest Assistant Region Manager

-----Original Message-----

From: Jolly, Bill [1]  
Sent: Friday, June 08, 2001 9:13 AM  
To: 'efsec@ep.cted.wa.gov'  
Cc: Birch Bay State Park; Smith, Ted; Hess, Alana; Ellis, Jim  
Subject: BP Cogeneration Project

Following receipt of the Council's information mailing about this project, and its request for comments, I solicited same from appropriate State Parks staff. The issues which our Manager at Birch Bay State Park identified and which the EFSEC evaluation should address are:

1. What will be the effects on air quality downwind of the proposed facility?
2. Will there be an increase in noise pollution from refinery operations? and
3. Will the project impact the fish in Terrell Creek and adversely impact future salmon runs in that system?

I appreciate, also, being contacted by Betsy Minden of EFSEC's consultant on the EIS, Shapiro and Associates, to solicit State Parks' comments. If you need a FAXed version of these comments, please advise. Otherwise I will assume this e-mail is sufficient.

Thank you for your consideration.



STATE OF WASHINGTON

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250  
(360) 664-1160 • TTY (360) 585-8203

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JUN 12 2001

June 11, 2001

ENERGY FACILITY SITE  
EVALUATION COUNCIL

Mr. Allen J. Fiksdal  
Manager  
Energy Facility Site Evaluation Council  
PO Box 43172  
Olympia, Washington 98504-3172

**Re: Comment of WUTC for the BP Cherry Point Cogeneration Project**

Dear Mr. Fiksdal:

The Washington Utilities and Transportation Commission ("WUTC" or "Commission") wishes to provide the following comments on the potential site study for the BP Cherry Point Cogeneration Project ("Project"). We understand that the Council is accepting agency input on this project in order to focus the scope of the site study and environmental impact statement that will be prepared as part of the siting process. The scope of our comments focuses on two areas: gas safety and transmission issues.

The WUTC is responsible for enforcement of pipeline safety rules pertaining to construction, maintenance, and operation of pipelines that transport natural gas in the state of Washington as authorized under RCW 80.28. The Commission has adopted the Code of Regulations ("CFR") Title 49, Part 192 and the Washington Administrative Code ("WAC") 480-93 as governing natural gas pipelines in this state. The WUTC is also the agency in Washington responsible for regulating the rates, terms and conditions for retail electricity service provided by three investor-owned utilities: Puget Sound Energy (PSE), Avista Corporation, and PacifiCorp. These three utilities serve roughly 40 percent of Washington's retail electricity customers. The rates these customers pay for electricity service, and the reliability with which that service is delivered, are inevitably affected by operation of the bulk power transmission grid over which native load, competitive, and federal power must flow. Our statutory responsibility is to exercise our regulatory authority broadly in the public interest. To that end, we are often involved in matters such as the formation of transmission management institutions, that go beyond, but nonetheless affect, the interests of the customers of the three utilities falling under our jurisdiction.



### **Gas Safety Issues**

As described, the Project is planned to supply natural gas through an existing privately owned gas pipeline. Pursuant to its responsibility and authority regarding pipeline safety matters, the WUTC's interests include, but are not limited to, the following two issues.

The project proponent should provide sufficient details that establish the operating pressure for this line that transports natural gas from Sumas to the refinery. The operation of this natural gas pipeline is covered by 49 CFR 192, Subpart L. The project proponent should be required to confirm the establishment of the maximum allowable operating pressure ("MAOP") for this pipeline is in compliance with 49 CFR 192.619.

In addition to the MAOP mentioned above, if the Project's natural gas line is operated above the current maximum operating pressure (MOP) of 550 pounds per square inch gauge ("psig"), the proponent must comply with WAC 480-93-020 governing proximity considerations. If the existing natural gas line is to be operated at pressures exceeding the existing MOP, the line should be required to follow uprating procedures as specified in 49 CFR 192, Subpart K as necessary and/or file for approval to operate as required by WAC 480-93-020. The proponent should describe in the project summary the route that the existing gas line follows and how the proponent has considered any increase in pipeline pressure which could affect people, buildings, and property along the route. The proponent should identify the high-consequence areas and provide procedures and standards on how the Project will ensure pipeline integrity in these areas, giving due consideration to the possibility of future development of the area.

### **Transmission Issues**

The Project Summary states that electrical power from the Project would be carried through a new 230 kv transmission line, which would be routed to an interconnection point approximately one mile east of the Project, across refinery-owned property, to an existing 230 kv Bonneville radial line which runs from the Custer substation to Alcoa Intalco Works.

The Project Summary focuses only on the proposed interconnection linking the Project to the regional power grid. The WUTC encourages the EFSEC to broaden the required scope of the evaluation of transmission issues to include not only the new 230 kv transmission line linking the Project to the regional grid, but also the effects of the Project on reliability or transfer capabilities of the transmission grid beyond the interconnection point in northwest Washington and Southwestern British Columbia. Adverse effects on transfer capability or reliability may affect electrical service to every customer in Western Washington and beyond. It is insufficient to limit any examination of transmission effects to those involving only the paths by which the proposed project will interconnect with the grid. There are socioeconomic effects associated with adverse reliability conditions and with the need to build additional transfer capability.

The WUTC is not suggesting here that the magnitude, or even the direction, of potential grid consequences is known; only that examination of this issue properly falls within the scope of necessary review. If the proposed project is found to add to presently existing transmission

congestion, or if it is found to cause an adverse effect on grid reliability, these factors need to be considered before any conclusion can be drawn that new generation at the proposed site makes a net positive contribution to regional generation adequacy, or that it is otherwise in the public interest.

Finally, we note that this siting proceeding occurs at the same time elaborate discussions continue in the Northwest and throughout the western interconnection to establish new governance structures for operation of the bulk transmission system. In response to FERC Order 2000, transmission-owning utilities north and south of the Canadian border are working with many parties to develop a Northwest Regional Transmission Organization (NWRTO). Several years ago the Northwest Regional Transmission Association (NWRTA) was formed, again in response to FERC direction, to facilitate transmission access for parties including merchant plants like the proposed project. In all of these discussions the authority of the states to consider the effects of facility siting has been affirmed and preserved. The reliable and efficient operation of the transmission grid will fall to the NWRTO, or to whatever transmission management entity is ultimately formed. But the state siting process is expected to examine the way any particular transmission or generation project may affect the public interest. The exercise of this state authority is the primary, if not the only, venue for considering the full range of impacts a proposal entails. If the scope of Washington state siting review is limited and does not consider broader grid effects, then public interests in these effects will either go unexamined, or will fall to some as-yet-unanticipated new venue. We don't believe the first outcome is acceptable. Regarding venue, we believe it would be preferable to keep these issues in state jurisdiction and to set the scope of EFSEC evaluations appropriately to consider all relevant impacts.

We hope EFSEC will consider our comments to be constructive and respond by compiling the information necessary to evaluate gas safety issues as well the effect the proposed project may have for transmission grid transfer capability and reliability.

Sincerely,



 CAROLE J. WASHBURN  
Executive Secretary