

AGENDA
“BRAINSTORMING” SESSION ON EFSEC STANDARDS
December 13, 2002
9:00 a.m. – 11:30 a.m.
Seattle, Washington
The Westin Building – 26th Floor

- 1. Introductions**
 - EFSEC representatives
- 2. Background Information**
 - Charlie Earl Report of April 20, 2001 to Governor Locke
 - Governor’s PUD Speech and Instruction to state agencies
- 3. Purpose of Meeting – Brainstorming ideas on standards development**
 - Ideas about current system – What works well? What’s broken?
 - Suggestions about standards – Other states: Oregon, California, Massachusetts. Possible templates?
 - Suggestions about process
- 4. Work Groups**
 - What areas
 - Who will participate?
 - Work products – Report on standards to EFSEC for potential rule-making
- 5. Next steps**
 - Work plan and schedule
 - Other?

December 13, 2001

EFSEC Standards Development Group

Meeting Minutes

Seattle, Washington

Jim Luce opened the meeting and asked for introductions from those in attendance. Mr. Luce explained that the genesis of the project is Governor Locke's desire to make EFSEC work better for all interested parties. In particular, the Governor wants more certainty in the process of siting energy facilities. He wants clear, quantifiable standards for siting thermal plants.

Bud Krogh asked the group to start the discussion with examples of what works in the Washington scheme. Danielle Dixon volunteered that the statutory provision for the Counsel for the Environment is very important.

Tom Foley asked to get more background for this group's effort. Mr. Luce explained that there was an EFSEC task force in the 2000 legislative session. Governor Locke asked Charlie Earl, former manager of Snohomish PUD and current president of Everett Community College, to assist the Governor in finding possible changes to the EFSEC process. Chuck Blumenfeld added that one of the Governor's concerns was whether the process was fast enough. Mr. Luce agreed, saying that one repeated concern is that the process should work to advise a developer, early on, whether or not a particular project is likely to get a permit. The Governor believes standards should be adopted, but with a process and input from stakeholders and a strong environmental component.

Tony Usibelli said that EFSEC has not evolved with the power industry. Some of the regulations seem more suited to siting nuclear power plants than the combustion turbine projects most likely to be sited today. Technical standards are needed. One possibility is to consider different standards in different parts of the state, taking into account different geography, weather, population densities, and so forth. Karen McGaffey said that the current process works well for addressing site-specific matters, but not broader issues like overall energy policy. The adoption of standards will make the process more efficient and cut down on hearing time arguing over what the relevant standards are, or should be.

The group discussed whether the adopted standards should be a floor, as they are now, or a ceiling. Many stated that "latest best proven technology" is not a workable standard, because "proven" is susceptible to too many meanings.

Brian Carpenter noted that the public process component of the scheme works well; there is ample opportunity to be heard.

The group discussed the interplay between the local permitting processes and the EFSEC process, as well as with the SEPA process, and agreed that overlapping matters could be better orchestrated. Specifically, it is not clear whether a SEPA process decision trumps an EFSEC process decision or whether it should. There is no megawatt (MW)

threshold triggering the SEPA process, unlike the 350 MW threshold for EFSEC review. Often, the SEPA and EFSEC processes are duplicative.

Mr. Usibelli stated his concern that Washington should not become an energy farm for California. Richard Lovely and Darrel Peeples engaged the group in a discussion of the need for transmission to relieve bottlenecks in the Western Interconnection, with the understanding that this is primarily a federal matter for Bonneville and some of the investor-owned utilities with a lot of high voltage transmission in the region.

Some noted that there are no “build windows” in the EFSEC statute or rules. A developer does not know how long his permit will last. There should be some discussion of how many plants should be built simultaneously throughout the state.

The group agreed that it is important for it to focus on the things it can change and affect. For example, EFSEC does not set policy or direct Bonneville. The focus of the group should be on setting standards for EFSEC and not to re-do the work of the 2000 EFSEC task force.

Mr. Krogh asked, “What are the areas this group should focus on?” The group discussed this at length and came up with the following two lists:

MATTERS LINKED TO EXISTING STANDARDS

- Air quality
- Water quality
- Noise
- Wetlands and sensitive areas
- Cultural resources identified by local land use plans
- Construction

OTHER MATTERS

- Need for the project
- Water supply and quantity
- Low-frequency noise
- Carbon dioxide emissions
- Power supply security
- Seismic standards
- Sensitive areas (not covered by existing standards)
- Fish and wildlife
- Scenic and aesthetic matters
- Recreation
- Socio-economic impacts
- Soil conditions
- De-commissioning plans

The EFSEC process should be limited to whether or not an applicant meets identified standards, with ample opportunity to bring up other, relevant matters.

Mr. Krogh asked if it would be helpful to study other states’ energy siting statutes and regulations. The group generally agreed that it would be helpful; the group will try

Exhibit B(1)—Report to Jim Luce, Chair, Washington Energy Facility Site Evaluation Council

December 13, 2001 EFSEC Standards Development Group Meeting Materials

to get Gordon Blumquist, from Washington State University, to share his research on the comparison of different state regulatory schemes. Mr. Lovely suggested that it may make sense to have different types of regulations for different types of plants, coal, gas, wind, nuclear, and so on. The different types of plants present very different siting considerations, not always related solely to their size, as measured in megawatts. One idea might be to have general standards for non-coal, non-nuclear plants and add on more standards for coal and nuclear. Gas combustion turbines are the most likely plants to be built at this time.

The group agreed to invite Margaret Kirkpatrick and Peter West to its next meeting to describe the Oregon EFSEC process (what works well and what does not) and to get other input on the development of standards for Washington's EFSEC.

Bud asked, "What should the work product of this group be?" Some agreed that starting with the easy matters, those on which consensus can be reached relatively easily, could give the group momentum. On the other hand, Ms. Dixon cautioned against stopping with that step and a rather slim work product. Mr. Carpenter and others discussed hashing out and presenting a philosophical discussion of whether or not any adopted standards should be inspirational, or something less.

The group agreed to meet next on January 11, 2001, in Tacoma. Mr. Carpenter volunteered meeting space and will distribute the address and directions. Stephany Watson will send the URL to the Oregon statute and regulations to the group. Mr. Blumenfeld will try to provide Mr. Blumquist's materials before the next meeting. Jeff Leppo will invite Ms. Kirkpatrick to the meeting and Mr. Krogh will invite Mr. West. The meeting adjourned at 11:30 a.m.

Dec. 13, 2001
EFSEC Standards Development Group
Meeting
Attendance

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