News Release

EFSEC

Washington State
Energy Facility Site Evaluation Council
PO Box 43172
Olympia, WA 98504-3172

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CONTACT ALLEN FIKSDAL
(360) 956-2152

EFSEC recommends Governor Locke deny the Sumas Energy 2 Generation Facility

The state Energy Facility Site Evaluation Council is recommending to Governor Locke that the Sumas Energy 2 Inc. application to build a natural gas-fired electric generation facility in Sumas, Wash. be denied.

The Energy Facility Site Evaluation Council, or EFSEC, is the state agency charged with making a recommendation to the governor as to whether a new energy facility should be sited in Washington. EFSEC must consider a variety of factors in determining its recommendation.

Deborah Ross, EFSEC's Chair said: "The Council is acutely aware of the region's need for energy and capacity. We are also mindful of our duty to protect the broad public interest. The Council had to decide whether this energy facility, at the proposed site, will produce a net benefit after balancing the availability and costs of energy to consumers and the impact to the environment."

EFSEC determined, after careful consideration of the state's need for energy at a reasonable cost and the need to minimize environmental impacts, that the environmental costs outweigh the energy benefits that would be provided by this facility as proposed at this location. "Sumas Energy 2 Inc. has not shown that the plant would produce direct energy or economic benefits to consumers or lead to lower energy costs in Washington or in the region," EFSEC stated in its ruling.

Sumas Energy 2 proposed to construct and operate a natural gas-fired 660-megawatt electric generation facility in the City of Sumas close to the Canadian border. Sumas Energy 2 Inc. proposed to operate the plant as a "merchant plant." This means the electric output of the plant would be sold at market prices wherever the Applicant could obtain the best price.

EFSEC determined that the analysis of environmental impacts and Sumas Energy 2 Inc.'s proposals for mitigation were insufficient to address the environmental impacts of the facility, especially air quality impacts in the Lower Fraser River Valley, greenhouse gas emissions, oil tanker truck traffic impacts, water quality and quantity impacts at local wells, and risk of increased flood hazard.

EFSEC noted the following facts about the proposed facility in its order recommending denial of the Sumas Energy 2 Inc. application: "This plant would emit more than three tons of pollutants per day. The impacts to air quality in the Lower Fraser River Valley are of particular concern to the council. Sumas Energy 2 Inc. was unsuccessful in obtaining any offsets for emissions, most of which would end up in the Lower Fraser River Valley. Emission levels would be substantially higher on days when the plant would be operating on back up diesel oil fuel. The Lower Fraser River Valley is in a confined air shed. Its topographical and meteorological features act to trap pollutants. This is an already polluted area where residents currently suffer health effects from existing air quality conditions. The area is highly populated and projected for continued rapid growth. Such an increase in emissions would create increased health hazards, particularly to those suffering from asthma and other respiratory ailments."

"Concern over air pollution and other environmental impacts led the government of British Columbia, and opposition party members, as well as many Canadian local governmental bodies, to express unanimous opposition to the plant", said Allen Fiksdal, EFSEC's Manager. EFSEC heard overwhelming public opposition to the plant from witnesses on both sides of the border. EFSEC agreed with their view that this is not an air shed into which three tons a day of new pollutants should be added. "The state has the responsibility to protect all people from undue adverse environmental impacts, whether or not they live in Washington State," EFSEC concluded.

EFSEC is expected to forward its recommendation to Governor Gary Locke on Monday, February 19, 2001.

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