

**ADDENDUM TO SEPA MDNS for the SATSOP COMBUSTION TURBINE PROJECT (Phase II) -  
REQUEST FOR AMENDMENT NO. 5 TO SITE CERTIFICATION AGREEMENT**

Pursuant to Chapter 463-47 WAC,  
WAC 197-11-600 (3)(b), and (4)(c) and WAC 197-11-625

Addendum to the **SEPA MDNS for the Satsop Combustion Turbine Project (Phase II)** issued by the Energy Facility Site Evaluation Council (EFSEC); in response to a request to amend the Site Certification Agreement(SCA) for the Grays Harbor Energy Center (GHE) to extend to 2028 the deadline for commencing construction of Units 3 and 4, which the Council and the Governor authorized by SCA Amendment 5.

**Date of Addendum:** November 17, 2020

**Date of original MDNS:** 2/12/2010

**Description of New Information:**

- The EFSEC Staff Memorandum (November 17,2020) evaluates the Certificate Holder’s request to extend to 2028, the deadline for commencing construction of Units 3 and 4 and is incorporated by reference to this Addendum. The following is a summary of the new information discussed in the Staff Memo.
  - Mitigation was identified in the 2010 MDNS for Earth, Air Water, Plants, Animals, Noise, Light and Glare, and Transportation. No additional mitigation beyond the 2010 mitigation was identified in the Staff Memo for those environmental topics.
  - SCA Amendment No. 5 currently requires the certificate holder to provide mitigation for twenty percent of the carbon dioxide emissions that would be produced by Units 3 and 4, consistent with RCW 80.70.020(4) and WAC 463-80-050(4). Ecology is currently creating new rules (see Governor’s directive 19-18) to address Greenhouse Gas (GHG) impacts and mitigation with an overall goal of no net increase in greenhouse gas emissions attributable to the project. The rules are due to be in place in September 2021. If an extension is granted as requested, it is not entirely clear whether EFSEC will be able to revisit its SEPA review of Units 3 and 4 (and the question of adequate greenhouse gas mitigation) when Grays Harbor Energy submits a request to commence construction of Units 3 and 4 under SCA Amendment No. 5, Art. II.B.2. Therefore, if the Council grants the extension request, it should consider expressly reserving the right to update its SEPA analysis at the time the certificate holder submits its request to commence construction, including without limitation the right to require the same greenhouse gas mitigation that would be required if EFSEC received a new application for site certification for a fossil-fuel generating facility at that time.
  - There were no concerns identified for other environmental topics.
  - EFSEC considered the potential cumulative effects of this request to extend the deadline for commencing construction of Units 3 and 4 together with the request to upgrade Units 1 and 2 with a Gas Path package. Both the upgrades to Units 1 and 2 and the construction of Units 3 and 4 do have an effect on water use out of the Chehalis River, and air emissions during operation. However, the operational water and air effects of the upgrade to Units 1 and 2 are very small, both activities have had mitigation applied, and/or are within existing permit requirements. Additionally, if EFSEC either denies the request, or reserves its right to review the project anew

under SEPA, Units 3 and 4 will be subject to SEPA analysis for greenhouse gas emissions at the time of construction. Cumulative effects would be minor.

- All background documents listed in part A of the EFSEC staff memorandum supporting this review are also incorporated by reference in this Addendum.

**Proponent:** Grays Harbor Energy LLC

**Location of proposal:** 401 Keys Road, Elma, WA 98541. The site is located in Grays Harbor County, Washington on a 22-acre site within the 1,600-acre Satsop Development Park.

The site is located south of the Chehalis River near the town of Elma. The 1600-acre Satsop Development Park Surrounds the site on all four sides. The site is located approximately 0.5 mile southwest of the river.

**Mitigation:** No mitigation has been identified.

**Purpose of Addendum:**

Background: The existing natural-gas fired combined cycle generating facility (Combustion Turbine Project, including Combustion Turbine Units 1 and 2) was authorized to be constructed in 1996 in the Site Certification Agreement (SCA) Amendment No. 2 (between the State of Washington and Grays Harbor Energy LLC) and was put into operation in April 2008. EFSEC currently regulates the facility.

In 2010, GHE submitted a request to add two more natural gas combustion turbine units (Units 3 and 4) and received approval from EFSEC in December 2010 (SCA Amendment No 5).

Present: In 2020, GHE submitted a request for an amendment to the SCA for GHE to extend to 2028 the deadline for commencing construction of Units 3 and 4<sup>1</sup>. This amendment is subject to review under the State Environmental Policy (SEPA). EFSEC considered other environmental information generated since the original SEPA review for construction of Units 3 and 4 in 2010: August 2020 SEPA checklist, and data requests 1 and 2. EFSEC reviewed the new information and analyzed whether there was new information indicating likely significant adverse environmental impacts not covered by the impacts and mitigation analyzed in the existing SEPA document.

Consistent with WAC 197-11-600 (3)(b)(i) and (ii) concerning when a proposal has been changed or there is new information following completion of SEPA review, EFSEC has determined that the current action (SCA amendment to extend the deadline to commence construction of Units 3 and 4) triggering SEPA review involves minor changes to the proposal and that the new information collected and reviewed as part of this SEPA review does not substantially change the analysis of significant impacts

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<sup>1</sup> The Certificate Holder submitted one request for an amendment to the SCA to: 1) upgrade Units 1 and 2 with the gas path package and 2) extend the deadline for commencing construction of Units 3 and 4 to 2028. EFSEC is separating the SEPA review for upgrading Units 1 and 2 from the request to extend the deadline for Units 3 and 4. This SEPA review applies to extending the deadline for commencing construction for Units 3 and 4. SEPA review for upgrading Units 1 and 2 will occur separately. Please see further discussion in the Staff Memorandum, **Part C**.

**Applicable SEPA Rules.**

and alternatives in the existing environmental documents. Consistent with WAC 197-11-600 (4)(c), an addendum is appropriate for documenting this environmental review under SEPA.

**Comment period:** No comment period is required for an addendum.

**The GHE Units 3 and 4 Deadline for Construction Extension SEPA Addendum and supporting documentation can be found on EFSEC's website:** <https://www.efsec.wa.gov/energy-facilities/grays-harbor-energy-center/grays-harbor-energy-center-sca>

**Name of agency:** Energy Facility Site Evaluation Council  
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**Responsible Official:** Sonia E. Bumpus, EFSEC Manager

**Signature:** 

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**Attachment:** 11/17/2020 EFSEC staff memorandum to Sonia Bumpus from Amí Kidder