



Washington State Energy Facility Site Evaluation Council AGENDA

REVISED AGENDA

MONTHLY MEETING
Tuesday, April 19, 2016
1:30 PM

1300 S Evergreen Park Drive SW
Olympia, WA 98504
Hearing Room 206

- 1. Call to Order Bill Lynch, EFSEC Chair
- 2. Roll Call Tammy Mastro, EFSEC Staff
- 3. Proposed Agenda Bill Lynch, EFSEC Chair
- 4. Minutes **Meeting Minutes**..... Bill Lynch, EFSEC Chair
 - March 25, 2016
- 5. Projects
 - a. Kittitas Valley Wind Project
 - Operational Update.....Eric Melbardis, EDP Renewables
 - b. Wild Horse Wind Power Project
 - Operational Update.....Jennifer Diaz, Puget Sound Energy
 - c. Columbia Generating Station
 - Operational Update.....Shannon Khounnala, Energy Northwest
 - d. WNP - 1/4
 - Non-Operational Update.....Shannon Khounnala, Energy Northwest
 - e. Chehalis Generation Facility
 - Operational Update.....Mark Miller, Chehalis Generation Staff
 - f. Grays Harbor Energy Center
 - Operational Update.....Pete Valinske, Grays Harbor Energy
 - NPDES Permit Update.....Jim LaSpina, EFSEC Staff

*The Council may consider and take **FINAL ACTION** on issuance of Order Number 876 which will modify the compliance schedule for the NPDES permit.*
 - g. Tesoro/Savage Vancouver Energy Distribution Terminal
 - Project Update.....Sonia Bumpus, EFSEC Staff
 - Extension of Application Processing Time Request....Stephen Posner, EFSEC Staff

*The Council may consider and take **FINAL ACTION** on the Tesoro/Savage request to extend the time for processing Application 2013-01.*
- 6. Other
 - a. EFSEC Council
 - 4th Quarter Cost Allocations.....Stephen Posner, EFSEC Staff
- 7. Adjourn Bill Lynch, EFSEC Chair

Note: "FINAL ACTION" means a collective positive or negative decision, or an actual vote by a majority of the members of a governing body when sitting as a body or entity, upon a motion, proposal, resolution, order, or ordinance. RCW 42.30.02

WASHINGTON STATE
 ENERGY FACILITY SITE EVALUATION COUNCIL
 Richard Hemstad Building
 1300 South Evergreen Park Drive Southwest
 Conference Room 206
 Olympia, Washington
 March 25, 2016
 1:33 p.m.

MONTHLY COUNCIL MEETING
 Verbatim Transcript of Proceeding

REPORTED BY: ANITA W. SELF, RPR, CCR #3032

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A P P E A R A N C E S (continued)

Guests in Attendance Via Phone:

Mark A. Miller, PacificCorp Chehalis Generation Facility
 Kristen Boyles, Earthjustice
 Karen McGaffey, Perkins Coie
 Jennifer Diaz, Puget Sound Energy
 Eric Melbardis, EOP Renewables
 Brooks Johnson, The Columbian

A P P E A R A N C E S

Councilmembers Present:

Bill Lynch, Chair
 Cullen Stephenson, Department of Ecology
 Joe Stohr, Department of Fish and Wildlife
 Jaime Rossmann, Department of Commerce
 (via the bridge line)
 Dan Siemann, Department of Natural Resources
 (via the bridge line)

Local Government and Optional State Agency:

Larry Paulson, Port of Vancouver
 Ken Stone, Department of Transportation
 Greg Shafer, Clark County

Assistant Attorney General:

Ann Essko, Senior Counsel

Staff in Attendance:

Stephen Posner
 Jim LaSpina
 Jammy Mastro
 Sonia Bumpus
 Cassandra Noble
 Kali Vraspir
 Joan Aitken

Guests in Attendance

Pete Valinski, Grays Harbor Energy

OLYMPIA, WASHINGTON; MARCH 25, 2016

1:33 P.M.

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CHAIR LYNCH: Good afternoon. It is Friday,
 March 25th, and it is the monthly meeting for the Energy
 Facilities Site Evaluation Council.

Could we please have the Staff call the
 roll.

MS. MASTRO: Department of Commerce?

MR. ROSSMAN (via the bridge line): Jaime

Rossmann present by phone.

MS. MASTRO: Department of Ecology?

MR. STEPHENSON: Cullen Stephenson here.

MS. MASTRO: Fish and Wildlife?

MR. STOHR: Joe Stohr here.

MS. MASTRO: Department of Natural
 Resources?

Utilities and Transportation Commission?

Local Government and Optional State

Agencies; Department of Transportation?

MR. STONE: Ken Stone is here.

MS. MASTRO: City of Vancouver?

CHAIR LYNCH: Oh, Mr. Snodgrass is excused.

MS. MASTRO: Thank you.

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1 Clark County?
 2 MR. SHAFER: Greg Shafer present.
 3 MS. MASTRO: Port of Vancouver?
 4 MR. PAULSON: Larry Paulson here.
 5 MS. MASTRO: Chair, there is a quorum for
 6 the regular Council and a quorum for Tesoro Savage
 7 Project Council.
 8 CHAIR LYNCH: Thank you. And I believe that
 9 Mr. Siemann for DNR will be joining us a little later by
 10 telephone.
 11 And could we just have the councilmembers
 12 review the proposed agenda for today quickly to see if
 13 they have any proposed changes?
 14 Hearing none, let's go ahead and proceed.
 15 And at this point in time, I would like to have those
 16 people on the phone who choose to identify themselves,
 17 and you're not required to, to do so now.
 18 MR. MILLER (via the bridge line): This is
 19 Mark Miller from the Chehalis Generation facility.
 20 MS. MCGAFFEY (via the bridge line): Karen
 21 McGaffey, Perkins Coie.
 22 MS. DIAZ (via the bridge line): Jennifer
 23 Diaz, Puget Sound Energy.
 24 MR. MELBARDIS (via the bridge line): Eric
 25 Melbardis, EDP Renewables.

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1 MR. JOHNSON: Brooks Johnson, The Columbian,
 2 Vancouver.
 3 CHAIR LYNCH: Anyone else?
 4 MS. BOYLES: Kristin Boyles with
 5 Earthjustice.
 6 CHAIR LYNCH: And Mr. LaSpina, I understand
 7 that you'll be providing the update for Energy Northwest
 8 today; is that correct?
 9 MR. LASPINA: Yes, Chair Lynch.
 10 CHAIR LYNCH: Okay. So let's go ahead and
 11 take a look at the meeting minutes for the February 16th
 12 meeting and see if there's any proposed changes to
 13 those. I had a chance to look at them and nothing
 14 jumped out at me.
 15 MR. STONE: Chair Lynch?
 16 CHAIR LYNCH: Yes, Mr. Stone.
 17 MR. STONE: On page 7 of the minutes, line
 18 7, it indicates that I stated "Aye," in terms of
 19 approving minutes from the previous meeting, which is
 20 not possible because I was not at that meeting.
 21 CHAIR LYNCH: See, that's why you should
 22 come to all the meetings, Mr. Stone.
 23 MR. STONE: I was excused.
 24 CHAIR LYNCH: So you're just -- so for page,
 25 7, line 7, we should just delete any reference to you at

Page 7

1 all, just strike all of line 7?
 2 MR. STONE: Correct.
 3 CHAIR LYNCH: Okay. And yes, you were
 4 excused.
 5 Any other proposed changes?
 6 MR. ROSSMAN: Yes. This is Jaime Rossman
 7 from Commerce on the phone, and I think on -- starting
 8 on page 7 and then on page 8 -- page 7, line 16, there's
 9 a back and forth between Councilmember Paulson and
 10 yourself, and I think that was me, Councilmember
 11 Rossman.
 12 CHAIR LYNCH: Yes, I believe you're right
 13 about that, Mr. Rossman.
 14 And that's your recollection, too,
 15 Mr. Paulson?
 16 MR. PAULSON: Yes.
 17 CHAIR LYNCH: Okay. So instead of
 18 "Paulson," it should say "Rossman," R-o-s-s-m-a-n. So
 19 that's line --
 20 MR. ROSSMAN: And that's on lines 16, 21, 24
 21 and 25 of page 7, and then on line 2 of page 8.
 22 CHAIR LYNCH: Okay. And the court reporter,
 23 you have all those changes? What we're doing is making
 24 the changes now.
 25 MS. NOBLE: Chair Lynch, I didn't mean to

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1 interrupt.
 2 CHAIR LYNCH: Yes, please.
 3 MS. NOBLE: Not being a councilmember, I
 4 wondered if it was okay to point out one change that
 5 should be made in the presentation I made last time.
 6 CHAIR LYNCH: Certainly.
 7 MS. NOBLE: This is Cassandra Noble, ALJ for
 8 EFSEC.
 9 On page 21, line 25, it should be "TVW," not
 10 "TBW."
 11 CHAIR LYNCH: Oh, yes.
 12 MS. NOBLE: Thank you.
 13 CHAIR LYNCH: Any other proposed
 14 corrections?
 15 MR. PAULSON: Chair Lynch, I'd just go back
 16 to --
 17 MR. SIEMANN (via the bridge line):
 18 Chair Lynch, this is Dan Siemann --
 19 CHAIR LYNCH: Excuse me. Excuse me,
 20 Mr. Rossman [sic], we've got Mr. Paulson talking right
 21 at this moment, and I'll recognize you when he's
 22 through.
 23 MR. PAULSON: Page 8, line 21, said that I
 24 voted. I cannot, so I assume that line is stricken.
 25 Mr. Rossman's vote is noted below on line 23.

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1 CHAIR LYNCH: And Mr. Paulson, this is
 2 page --
 3 MR. PAULSON: Eight.
 4 CHAIR LYNCH: Oh, I see it. I see it.
 5 Right. So it should be -- and you have -- you do have
 6 Mr. Rossman below, so we will just strike all of page 8,
 7 line 21.
 8 MR. PAULSON: Thank you.
 9 CHAIR LYNCH: And Mr. Rossman, you had
 10 something additional?
 11 MR. ROSSMAN: No, I believe that was
 12 somebody else.
 13 CHAIR LYNCH: Oh, I'm sorry. Oh,
 14 Mr. Siemann?
 15 MR. SIEMANN (via the bridge line): This is
 16 Dan Siemann. I just wanted to note that I am on the
 17 phone for DNR.
 18 CHAIR LYNCH: Thank you, Mr. Siemann.
 19 Are there any proposed changes to the
 20 minutes for our meeting on February 16th?
 21 MR. ROSSMAN: This is Mr. Rossman again for
 22 Commerce. I also think Mr. Shafer probably wouldn't
 23 have voted on that item.
 24 CHAIR LYNCH: So that was Mr. Rossman
 25 pointing out that Mr. Shafer probably would not have

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1 voted on --
 2 MR. STEPHENSON: Page 8, line 22.
 3 CHAIR LYNCH: Page 8, line 22. I think
 4 Mr. -- this had to do with the minutes.
 5 MR. ROSSMAN: Oh, I'm sorry. My apologies.
 6 Never mind. Sorry.
 7 CHAIR LYNCH: And Mr. Rossman, your
 8 hostility toward Mr. Shafer is noted.
 9 Are there any other proposed changes?
 10 Hearing none at this point in time, I would entertain a
 11 motion for adopting the minutes from February 16th as
 12 amended.
 13 MR. STOHR: So moved.
 14 CHAIR LYNCH: Mr. Stohr has moved that the
 15 minutes be approved as amended.
 16 Do we have a second?
 17 MR. STEPHENSON: I'll second.
 18 CHAIR LYNCH: It's been moved and seconded
 19 that we approve the minutes from the February 16th
 20 meeting as amended.
 21 All those in favor, say "Aye."
 22 MULTIPLE SPEAKERS: "Aye."
 23 CHAIR LYNCH: Opposed? Motion carries.
 24 Okay. Let's go ahead and turn to our -- we
 25 do have -- just for the Council's information, we do

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1 have one proposed action item which we'll take up
 2 towards the end of the meeting today, but before then,
 3 we'll go ahead and hear from our facilities with their
 4 project updates.
 5 And first we'll hear from Mr. Melbardis from
 6 the Kittitas Valley Wind Project.
 7 MR. MELBARDIS: Good afternoon, Chair Lynch,
 8 EFSEC Council. This is Eric Melbardis with EDP
 9 Renewables for the Kittitas Valley Wind Power Project.
 10 The project doesn't have anything nonroutine
 11 to report at this time.
 12 CHAIR LYNCH: Are there any questions for
 13 Mr. Melbardis? There is nothing unusual or out of sorts
 14 to report from Kittitas Valley Wind Project.
 15 Hearing none, thank you, Mr. Melbardis.
 16 Let's go ahead and move to Ms. Diaz with
 17 Puget Sound Energy for the Wild Horse Wind Power
 18 Project.
 19 MS. DIAZ: Thank you, Chair Lynch,
 20 councilmembers. For the record, my name is Jennifer
 21 Diaz. I'm the project manager for Puget Sound Energy at
 22 the Wild Horse Wind facility.
 23 And I also have nothing nonroutine to report
 24 for the month of February.
 25 CHAIR LYNCH: Very good.

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1 Any questions for Ms. Diaz regarding the
 2 Wild Horse Wind Power Project?
 3 Thank you, Ms. Diaz.
 4 And in person, we've got Mr. Valinski for
 5 the Grays Harbor Energy Center. Welcome.
 6 MR. VALINSKI: Hi. Good afternoon,
 7 Chair Lynch, Council, EFSEC Staff.
 8 You should have our reports in your folder,
 9 and I, too, have nothing additional to report.
 10 CHAIR LYNCH: Very good, Mr. Valinski.
 11 Are there any questions of councilmembers
 12 regarding the Grays Harbor Energy Center?
 13 Thank you for coming today.
 14 MR. VALINSKI: Thank you.
 15 CHAIR LYNCH: Let's turn to Mr. Miller for
 16 the Chehalis Generation Facility.
 17 MR. MILLER: Good afternoon, Chair Lynch,
 18 Councilmembers and Staff. I'm Mark Miller, the plant
 19 manager at the PacifiCorp Chehalis Generation Facility.
 20 And thankfully, I have no nonroutine
 21 comments to add.
 22 Are there any questions?
 23 CHAIR LYNCH: And as Mr. Miller has
 24 indicated, there are no issues that have been indicated
 25 in their report.

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1 Are there any questions for Mr. Miller?
 2 Thank you, Mr. Miller.
 3 Now, let's turn to Mr. LaSpina who will be
 4 providing the updates for the Columbia Generating
 5 Station and WNP 1/4 on behalf of Ms. Khounnala from
 6 Energy Northwest.
 7 MR. LASPINA: Thank you, Chair Lynch.
 8 Nothing nonroutine to report for the
 9 Columbia Generating Station; however, there is a note
 10 concerning the WNP 1/4 water rights.
 11 The Department of Energy and Energy
 12 Northwest have finalized the scope and budget to
 13 complete the NEPA environmental assessment for WNP 1.
 14 Work on the W -- work on the NEPA environmental
 15 assessment is expected to begin in April.
 16 Following completion of the environmental
 17 assessment, a new lease will be signed between Energy
 18 Northwest and the Department of Energy. The new lease
 19 will allow for use of water rights obtained in
 20 January 2015.
 21 CHAIR LYNCH: Any questions for Mr. LaSpina
 22 regarding either Columbia Generating Station or WNP 1/4?
 23 Very good. Thank you.
 24 Now, if we can hear from our very own Sonia
 25 Bumpus regarding the Tesoro Savage Vancouver Energy

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1 energy distribution terminal.
 2 MS. BUMPUS: Thank you. Good afternoon,
 3 Chair Lynch and Councilmembers.
 4 The effort to -- this is the update on SEPA.
 5 The effort to inventory the 250,000 public comments
 6 EFSEC received on the Draft Environmental Impact
 7 Statement is ongoing.
 8 In my weekly check-ins with EFSEC's
 9 consultant, they have reported that they are making
 10 steady progress to integrate all of the comments into a
 11 single comment management database system.
 12 Although we anticipate this could take up to
 13 several more weeks to complete, once it is finished, it
 14 will allow both our consultant and EFSEC staff to manage
 15 and sort the volume of submissions that we have. It
 16 also has several other capabilities that I won't go into
 17 in detail now, but I will keep you informed on our
 18 progress in that area as we move forward.
 19 Also, on the SEPA side of this review, at
 20 the same time EFSEC staff -- this includes Ms. Betts,
 21 Mr. Posner and myself -- along with our consultant have
 22 been reviewing the public comment submissions.
 23 Several topics have been raised for us to
 24 discuss, and we have already had several preliminary
 25 discussions with our consultant and will continue to do

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1 so. We've scheduled multiple discussions, preliminary
 2 discussions that we're having throughout the month of
 3 April with our consultant to talk about these topics.
 4 Before I move on to an update on permits,
 5 are there any questions?
 6 CHAIR LYNCH: Any questions by
 7 councilmembers of Staff regarding SEPA?
 8 Okay. Please proceed.
 9 Oh, excuse me, Mr. Stohr.
 10 MR. STOHR: Yeah. Ms. Bumpus, as we get
 11 together and talk about the EIS, what do you need from
 12 us? I mean, what do those discussions look like?
 13 Should we just be identifying issues, thoughts that we
 14 have, concerns we have around the document itself, or --
 15 MR. POSNER: What would be helpful is, first
 16 of all, we will give you a Staff update, basically sort
 17 of a briefing on the document. And then if you have any
 18 questions or concerns, we'd like to hear about them. We
 19 can talk about the -- you know, the analysis that was
 20 done in the EIS, and talk about reasons why certain
 21 things were done.
 22 MR. STOHR: Okay. Great. Thank you.
 23 CHAIR LYNCH: Any further questions?
 24 Thank you. Go ahead and proceed,
 25 Ms. Bumpus.

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1 MS. BUMPUS: Okay. So for the permits --
 2 for the Notice of Construction Air Operating Permit, or
 3 NOC, EFSEC is coordinating with our Agency air permit
 4 contractors. More recently, we prepared a list of
 5 technical questions that we need the Applicant to
 6 address. Once we get those responses, we'll continue
 7 that review and work towards developing a Draft Air
 8 Permit. So I don't have a target date from the
 9 Applicant on that submittal, but once we get that, we
 10 will be picking that work back up, and I'll keep you
 11 informed about that.
 12 The wastewater permits both for the
 13 stormwater NPDES, industrial and construction permit are
 14 also under review. We're continuing to coordinate with
 15 the Applicant and the Agency permit contractors that are
 16 involved in developing those particular permits, and we
 17 are also identifying where additional information is
 18 needed and requesting some information from the
 19 Applicant relative to those permits as well.
 20 And so when we get that information, we'll
 21 be updating -- particularly, the last letter that went
 22 out was specific to the industrial permit, so I'll keep
 23 you updated on the development of those permits as well.
 24 CHAIR LYNCH: Now, Ms. Bumpus, can you
 25 remind me where we are on the 401 certification?

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1 MS. BUMPUS: For the 401 certification --
 2 yeah, I'm sorry. I hadn't gotten to that one. For the
 3 401, we did get a response from the Applicant. I
 4 believe that was received this month. And our 401
 5 permit -- or sorry, not permit -- but contractor at the
 6 Department of Ecology is reviewing that information now.
 7 CHAIR LYNCH: Okay. And so everything -- as
 8 far as you know, things are moving right along in terms
 9 of all the permits?
 10 MS. BUMPUS: Yes.
 11 CHAIR LYNCH: Okay. Any questions for
 12 Ms. Bumpus regarding permits?
 13 And did you have anything else, Ms. Bumpus?
 14 MS. BUMPUS: I think that with the 401
 15 update, that's all I had.
 16 CHAIR LYNCH: Any questions for Ms. Bumpus
 17 at all?
 18 Very good. Thank you.
 19 At this point in time, I would like to take
 20 a look -- or have the councilmembers consider Policy
 21 16-01, which you received by e-mail earlier.
 22 And what Policy 16-01 would do is, it would
 23 delegate certain plan approvals to the EFSEC manager.
 24 And you can see we've got an extensive laundry list of
 25 plans that would be -- just require the EFSEC manager

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1 approval, and there would be some plans or actions that
 2 would require full Council approval.
 3 And just to hone in on it, these documents
 4 tend to be very technical in nature, and I would like to
 5 point out the second full paragraph above -- this would
 6 be on page two, so before the plans are listed. The
 7 sentence starts off with, Approval of Plans by the EFSEC
 8 Manager. Note that they can only occur after the EFSEC
 9 staff and the contractors, which would often be State
 10 agencies, but could be a local agency, have identified
 11 and the certificate holder has addressed any areas of
 12 concern.
 13 And as a prerequisite for one of these plans
 14 being approved, the EFSEC staff would have to obtain
 15 written verification from the appropriate agency that
 16 documents that the review has taken place, and to ensure
 17 that all of these plans -- or that the plan is compliant
 18 with applicable requirements.
 19 And so just to let you know, these aren't
 20 plans that would just come to Ms. Bumpus or Mr. Posner
 21 and they'd all be stacking up on their desk and they're
 22 going, gosh, this is a lot of information. We'll be
 23 working with our contracting agencies to make sure that
 24 all the technical aspects of these are correct.
 25 And this is a way of -- so this actually

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1 follows past practice by the Council. And you might
 2 have heard me from time to time at a council meeting
 3 saying, oh, well, you just heard someone reference a
 4 particular plan being issued, and that's not the type of
 5 plan that normally comes in front of the Council.
 6 But I think it's important to just provide
 7 better guidance to not only us, but everybody else out
 8 there as to how we do business. And so this is more
 9 transparent to see the types of things that we will just
 10 have Staff take care of, and other things that rise to
 11 the level of Council review.
 12 And I'll just give you an example. Just
 13 looking down the list here is "Plans Subject to EFSEC
 14 Manager Approval" about halfway down, it says,
 15 "Construction Stormwater Pollution Prevention Plan," and
 16 those are frequently referred to as SWPPs.
 17 Well, those are not things that are --
 18 Ecology requires entities to do them, but they don't --
 19 even Ecology doesn't approve a SWPP. You're required --
 20 they can under certain circumstances, but they require
 21 the regulated entity to have a SWPP on place -- on-site
 22 and so when they -- Ecology inspectors come to do an
 23 inspection, they can see what best management practices
 24 have been employed to deal with the stormwater runoff on
 25 the site, and to make sure that, first of all, the --

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1 that the stormwater best management practices have been
 2 employed, and then that they're actually working.
 3 So that's the sort of thing that the Council
 4 even really doesn't need to be voting on. But let me
 5 flag, in particular, Forest Practices Applications.
 6 Forest Practices Applications under number II -- number
 7 III and IV, those are actually permits that are required
 8 by DNR, so -- and they are appealable to the Pollution
 9 Control Hearings Board and then further on onto Superior
 10 Court.
 11 And those -- the Class I Forest Practices,
 12 the entity doesn't even need to notify DNR. Class II
 13 Forest Practices, all they do is notify DNR that they're
 14 taking certain actions, and that's all that's needed.
 15 But there's more environmental aspects for Class III and
 16 IV Forest Practices, so that's the sort of thing that we
 17 would want the Council to be -- in a way, akin to us
 18 issuing an NPDES permit for a facility, except this
 19 would be for Forest Practices.
 20 So it looks more like -- I see us as
 21 standing in the shoes of our sister agencies. So if
 22 it's something that looks more like a permit that would
 23 issue by that agency, then that's the sort of thing that
 24 we would reserve for full Council approval.
 25 And I'll let Mr. Posner add -- I'm sure I've

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1 missed something along the lines in my description, but
 2 let you fill in the blanks.
 3 MR. POSNER: I think you hit on just about
 4 every point that I had written down, so I don't have a
 5 whole lot to add, but just a few things.
 6 As you said, Chair Lynch, this is consistent
 7 with past practices. The Council has, on other
 8 projects, delegated plan approval, but from project to
 9 project. So basically, when a project -- if a project
 10 is approved, an SCA is issued, and then the plans
 11 start -- or before the plans start coming in, the
 12 Council has delegated the delegation approval process to
 13 the EFSEC manager on a project-by-project basis.
 14 So we have -- to date, we haven't had a
 15 formal policy that sort of memorializes that and puts --
 16 puts, you know, something in writing that lays out in
 17 writing all of the plans that -- basically, for the most
 18 part, most of these plans are required of all of our
 19 projects, although some of them are specific to, like,
 20 wind facilities.
 21 So -- and another thing to consider, it's
 22 consistent with, you know, our statute that requires the
 23 Council to make sure that decisions are made in a timely
 24 manner, and our rules give the Council the -- you know,
 25 basically give EFSEC, the Council, the authority to

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1 delegate responsibilities. So it is consistent with our
 2 statute and our rules.
 3 And just -- you know, my own experience,
 4 working as a project manager on projects, I know that
 5 when -- oftentimes when approval is granted for these
 6 projects, they're on a tight time schedule. Oftentimes,
 7 they have windows of opportunity where they can do
 8 certain construction activities. And because the
 9 Council only meets once a month, there could be delays,
 10 unnecessary delays if we had to wait every month to have
 11 the Council approve plans.
 12 So I think that's pretty much it. And I
 13 think -- also, as Chair Lynch said, there are -- there
 14 are plans that will still come before the Council. Any
 15 plans associated with an SCA amendment, for instance,
 16 which is where we have to do SEPA, or any plans on your
 17 own that might trigger having to make a SEPA threshold
 18 determination would involve the Council.
 19 That's all I have to add.
 20 CHAIR LYNCH: Any questions for Mr. Posner?
 21 I think this is -- this is another step that
 22 we're taking forward to just fill in with policies
 23 where -- I think it's just good to memorialize some of
 24 our practices so that people know that -- how we do
 25 business here. So this is really not a major document

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1 in a way that we're establishing anything new, but it's
 2 a good way to -- I think to do business.
 3 And if there's no further discussion, I
 4 would entertain a motion for the adoption of Policy No.
 5 16-01.
 6 MR. STOHR: Mr. Chair, I would move to adopt
 7 Policy 16-01.
 8 CHAIR LYNCH: Do we have a second?
 9 MR. STEPHENSON: I will second.
 10 CHAIR LYNCH: It's been moved and seconded
 11 that Policy No. 16-01 be adopted by the Council.
 12 All those in favor, say "Aye."
 13 MULTIPLE SPEAKERS: "Aye."
 14 CHAIR LYNCH: Opposed?
 15 Very good. We have another piece in place.
 16 Thank you.
 17 And before we adjourn today, I think
 18 Mr. Shafer might have an announcement he wants to make,
 19 or we want him to make.
 20 MR. SHAFER: A second beautiful little
 21 granddaughter in our family. We're well off the pace of
 22 Larry here, but we're trying to catch up. So this is
 23 number two for us.
 24 CHAIR LYNCH: Very good. Congratulations.
 25 MR. SHAFER: Yeah, 3:00 yesterday. Healthy

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1 little girl.
 2 CHAIR LYNCH: Good. Thank you.
 3 MR. SHAFER: Thank you.
 4 CHAIR LYNCH: And is there any further
 5 business before the Council?
 6 Hearing none, we're adjourned. Thank you.
 7 (Hearing concluded at 2:00 p.m.)
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Kittitas Valley Wind Power Project

Monthly Project Update

April 19, 2016

Project Status Update

March Production Summary:

Power generated: 17,350 MWh
Wind speed: 5.9 m/s or 13.2 mph
Capacity Factor: 23.2%

Safety:

No incidents

Compliance:

Project is in compliance as of April 18, 2016.

Sound:

No complaints

Shadow Flicker:

No complaints

Environmental:

No incidents

Wild Horse Wind Facility

Wind Production: March generation totaled 76,520 MWh for an average capacity factor of 37.73%.

Safety: No lost-time accidents or safety injury/illnesses to report in March.

Compliance/Environmental:

In accordance with the Storm Water Pollution Prevention Plan (SWPPP) a storm water inspection was completed following spring snow melt. Maintenance was completed on some stormwater BMPs. Overall the site responded very well to the snow melt and is in compliance with SWPPP.

In accordance with Article VII.F of the SCA, the site was opened to the public for access and recreational use on April 1st. The Renewable Energy Center (visitor center) also opened to visitors on April 1st.

Energy Northwest
EFSEC Council Meeting
April 18, 2016

I. Columbia Generating Station Operational Status

Columbia is online at 100% power and producing 1141 MWs. The plant has been online for 19 days following a plant SCRAM on March 28, 2016.

Columbia Generating Station operators safely shut down the reactor following an indication of the loss of reactor closed cooling, which provides cooling to equipment in the plant. All systems needed to safely shut down the plant operated as expected.

The event investigation review board concluded that the cause of the reactor scram was related to a human performance error during a post maintenance test. The plant was brought back online on March 31.

There are no other events, safety incidents, or regulatory issues to report.

II. WNP 1/4 Water Rights

Site Injury

On April 9, 2016, a team of employees were troubleshooting a loss of power at the WNP 1 site. One employee troubleshooting the issue approached the switch gear cubicle. Residual energy in the system resulted in a shock to their index finger. The employee was transported to a local hospital and observed overnight as a precautionary measure. The individual returned to work the following day, with no restrictions or injuries.

Washington State Department of Labor and Industries (L&I) completed a site inspection on April 13, 2016. Further communications with L&I are expected this month.

NEPA/Leasing

The Department of Energy and Energy Northwest have begun work on the NEPA Environmental Assessment (EA) for WNP 1/4. The NEPA process is expected to continue through the fall of 2016. Following completion of the EA, a new lease will be signed between EN and the Department of Energy. The new lease will allow for use of the water rights obtained in January 2015.

Chehalis Generation Facility----Monthly Plant Report – March 2016

Washington Energy Facility Site Evaluation Council

04-14-2016

Safety:

- There were no recordable incidents this reporting period and the plant staff has achieved 4883 days without a Lost Time Accident.

Environment:

- There were no air emissions or stormwater deviations or spills during the month of March 2016.
- Wastewater and Stormwater monitoring results were in compliance with the permit limits for the month of March 2016.

Personnel:

- Authorized plant staffing level is currently 19 with 19 positions filled.

Operations and Maintenance Activities:

- The Plant generated 112,002 MWhrs in March 2016 for a total YTD capacity factor of 19.4%.
- Repair of the unit #2 combustion turbine was completed and the unit returned to service on March 2, 2016 at 21:50.

Regulatory/Compliance:

- The Chehalis plant submitted the 2015 Annual Emissions Inventory on March 15th for review by EFSEC and the Southwest Clean Air Agency. All Title V Air Operating Permit, permit #: EFSEC/06-01 AOP Rev. 1, R6., and WAC 173-400-105, conditions were met and in compliance for EU #1, EU #2 and EU #3 for the 2015 calendar year.
- The Chehalis plant submitted the 2015 Washington State Greenhouse Gas Report to Ecology on March 21st.
- The Southwest Clean Air Agency conducted an annual Title V Inspection of the Chehalis plant site on March 29th and the Agency also observed emissions compliance testing being conducted by a third party contractor. There were no other inspections or issues this period.
- The 2016 annual Relative Accuracy Test Audit (RATA) of the performance of the continuous emission monitors was conducted during this operating period. The preliminary results of the audit indicate that the emission monitors are performing within compliance requirements.



Sound monitoring:

- There were no noise complaints to report.

Carbon Offset Mitigation

- There are no updates on the carbon offset mitigation projects this reporting period.

Respectfully,

A handwritten signature in black ink, appearing to read "Mark A. Miller".

Mark A. Miller
Manager, Gas Plant

EFSEC Monthly Operational Report

March, 2016

1. Safety and Training

- 1.1. There were no accidents or injuries during the month of March.
- 1.2. Conducted scheduled and required monthly training.
- 1.3. Conducted the scheduled safety committee meeting.
- 1.4. Two employees recertified as plume evaluators and two employees completed initial plume evaluation certification for EPA Method 9 stack evaluations.

2. Environmental

- 2.1. Submitted the February Discharge Monitor Report (DMR) to WebDMR.
- 2.2. Submitted the 2015 annual emissions inventory report to Olympic Region Clean Air Authority (ORCAA).
- 2.3. Submitted the 2015 Greenhouse Gas (GHG) report to EPA and Ecology.
- 2.4. Submitted additional documents to EPA, at their request, to help with decision on the applicability of 40 CFR 60 Subpart GG vs. KKKK to support Amendment 4 to our PSD.

3. Operations & Maintenance

- 3.1. Grays Harbor Energy (GHE) operated 12 days and generated 129,416 MWh during the month of March.
- 3.2. The capacity factor (CF) was 28.1% in March, and 56.2% YTD.
- 3.3. The availability factor (AF) was 98.5% in March, and 99.5% YTD.

4. Noise and/or Odor

- 4.1. There were no complaints made to the site during the month of March.

5. Site Visits

- 5.1. A group from the Washington Utilities and Transportation Commission visited the site in March. Their purpose was to get acquainted with combined cycle power plants.

6. Other

- 6.1. Grays Harbor is staffed with 21 personnel. We have one open position for the Operations Manager that we plan to fill with an internal candidate.



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47600 • Olympia, WA 98504-7600 • 360-407-6000
711 for Washington Relay Service • Persons with a speech disability can call 877-833-6341

April 1, 2016

Mr. Stephen Posner
Energy Facility Site Evaluation Council, Manager
PO Box 43172
Olympia, WA 98504

Re: NPDES Permit No. WA002496-1 - Request for Compliance Schedule Extension

Dear Mr. Posner:

The Department of Ecology (Ecology) has reviewed Grays Harbor Energy, LLC (GHE) letter that Jim La Spina forwarded to Aziz Mahar, dated February 23, 2016. This letter requests an extension to the current compliance schedule which is stated in the Energy Facility Site Evaluation Council's (EFSEC) letter of October 27, 2015. The October EFSEC letter requires GHE to implement the final engineering report by August 1, 2016 and meet the applicable surface water quality standards. In the engineering report of August 2015, GHE stated that the major source of the high concentration of arsenic in the process water is cooling tower structure. GHE is proposing to replace all treated wood timbers in the cooling tower structure with FRP.

GHE is requesting to delay the current engineering report implementation deadline of August 1, 2016. GHE is requesting an extension of the deadline for submitting the supplemental engineering report to EFSEC by December 31, 2017. GHE states in their letter that the proposed extension request will give GHE adequate time to secure financing for the replacement of all treated wood timbers in the cooling tower structure while minimizing the plant down-time by having the work coincide with a scheduled, extended turbine maintenance outage. Ecology concurs with this request. Please contact Aziz Mahar at (360) 407-6290 or azizullah.mahar@ecy.wa.gov, if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "S. Eberl".

Steven G. Eberl, P.E.
Industrial Operations Unit Supervisor
Southwest Regional Office
Water Quality Program



Grays Harbor Energy LLC

Grays Harbor Energy Center

April 11, 2016
GHE253

Stephen Posner
Energy Facility Site Evaluation Council
PO Box 43172
Olympia, WA 98504-3172

RE: NPDES Permit No. WA-002496-1 Condition S5.C – Request for Extension of Schedule of Compliance

Dear Mr. Posner,

Grays Harbor Energy (GHE) received a letter from the Energy Facility Site Evaluation Council (EFSEC), dated October 28, 2015, approving our proposed revision of the schedule of compliance as presented in the draft engineering report dated August 24, 2015.

Subsequent to that letter, GHE met with EFSEC, Ecology and AECOM to discuss Ecology's comments on the draft engineering report. During that meeting it was agreed that replacing only the lower cooling tower structure would not comply with All Known And Reasonable Treatment (AKART). Furthermore, complete replacement of the cooling tower timbers is a necessary step to fulfillment of AKART. This approach is expected to result in lower and more consistent concentrations of arsenic in the discharge.

GHE considered replacing the entire cooling tower structure in 2016. However, that option was not feasible due to budgeting constraints and the availability of materials with such a short lead time. The option of replacing the lower timbers in 2016, per the schedule of compliance, then replacing the remainder of the timbers in 2017 was also considered. However, the additional time and expense for this two-step approach made it a less sensible option.

The best solution is to replace the entire cooling tower structure in 2017. This option will allow time to adequately finance and plan this major project while minimizing plant down time by having the work coincide with a scheduled, extended turbine maintenance outage.

GHE requests that our schedule of compliance be revised as shown below.

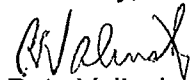
Grays Harbor Energy LLC

Grays Harbor Energy Center

Task	Proposed Completion Date
Replace all treated wood timbers in the cooling tower structure with Fiber Reinforced Plastic (FRP).	September 1, 2017
Submit Engineering Report Addendum	December 31, 2017

Taking the extra measure of replacing the entire cooling tower structure will remove GHE's major source of arsenic in its waste water and drastically reduce the plant's contribution of arsenic to the Chehalis River.

Sincerely,



Pete Valinske
Plant Manager

cc: Jim LaSpina, EFSEC
Milos Stefanovic, Invenergy



STATE OF WASHINGTON

ENERGY FACILITY SITE EVALUATION COUNCIL

PO Box 43172 • Olympia, Washington 98504-3172

MEMO

To: Energy Facility Site Evaluation Council (EFSEC)

From: EFSEC Staff

Date: April 19, 2016

Subject: Grays Harbor Energy Center National Pollutant Discharge Elimination System (NPDES) Permit WA-002496-1: Proposed Administrative Order to Revise Condition S5.B - Schedule of Compliance

Proposal Statement

EFSEC Staff requests Council approval of Order 876 which modifies the schedule of compliance in the Grays Harbor Energy Center NPDES Permit. The proposed modification would allow the permittee, Grays Harbor Energy, LLC (GHE), additional time to implement all known, available and reasonable methods of prevention, control and treatment (AKART) and demonstrate compliance with the water quality standards.

Background

EFSEC issued the current NPDES Permit No. WA-002496-1 to GHE for its Grays Harbor Energy Center facility on May 13, 2008. The facility discharges cooling water to the Chehalis River near Satsop, Washington.

EFSEC staff and its compliance contractor, the Department of Ecology (Ecology), have been working with GHE on an engineering report to demonstrate compliance with technology and water quality-based standards contained in state and federal laws. State and federal standards are encompassed in Chapter 173-201A, the National Toxics Rule, and Chapter 463-76 Washington Administrative Code (WAC). Over the past several years EFSEC, Ecology and GHE have collaborated to reduce and/or eliminate several sources of pollutants from the facility's discharge. The remaining anthropogenic sources of pollutants are the wood timbers providing structural support for the cooling towers. The wood timbers are treated with chromium, copper and arsenic (CCA) that leach into the cooling water, which is discharged to the river.

GHE's discharge must comply with two state discharge standards: 1) the technology-based requirement to apply AKART to the discharge, and 2) compliance with all applicable water quality standards. Dischargers must fulfill the requirements of AKART prior to being authorized mixing zones in the receiving water. WAC 173-201A-400(2). AKART is determined on a case-by-case basis in an engineering report.

GHE has agreed to replace all cooling tower timbers, recharacterize the discharge, and finalize the engineering report. Approval of this extension to the schedule of compliance will provide the time to do so.

EFSEC issued a permit modification on November 1, 2010 to correct technical errors. EFSEC also approved revisions to the schedule of compliance in 2012 and 2014. GHE requested these revisions because the plant was not generating electricity due to poor market demand for its power. The permit requires the facility to be operating normally to allow representative sampling of the discharge.

EFSEC approved the current schedule of compliance on April 4, 2014 and is as follows:

Current Schedule of Compliance

Task	Deadlines
Submit Engineering Report	November 1, 2014
Treatment Plant Design (if applicable)	August 1, 2015
Construction Completion (if applicable)	August 1, 2016

Proposed Action

In a letter dated February 23, 2016, GHE requests revision of the current deadline for replacement of timbers in the cooling towers (or completion of construction) to July 1, 2017. In a letter dated April 11, 2016, GHE subsequently revised its estimated date of completion of construction to September 1, 2017. After completion of construction GHE must recharacterize the discharge and other tasks to verify compliance with state water quality standards so that the engineering report can be approved. The proposed revision requires GHE to submit the final engineering report no later than December 31, 2017.

Proposed Schedule of Compliance

Task	Deadlines
Construction Completion (if applicable)	September 1, 2017
Submit Engineering Report	December 31, 2017

Ecology has reviewed and recommended approval of the proposed modifications to the schedule of compliance. Replacement of Grays Harbor Energy Center's cooling tower timbers is expected to significantly reduce concentrations of chromium, copper and arsenic in the discharge to the Chehalis River throughout the life-cycle of the facility.

Staff Recommendation

EFSEC staff recommends Council approval of Council Order No. 876, which addresses revisions to the schedule of compliance in NPDES Permit No. WA-002496-1.

STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL
P. O. BOX 43172
OLYMPIA, WASHINGTON 98504-3172

In the Matter of:

GRAYS HARBOR ENERGY CENTER

COUNCIL ORDER No. 876

**Order to Revise the Schedule of
Compliance in National Pollutant
Discharge Elimination System (NPDES)
Permit No. WA-002496-1**

Regulatory Authority:

Pursuant to the Revised Code of Washington (RCW) 90.48.160, 90.48.262(2), Chapter 80.50 RCW, and Washington Administrative Code (WAC) 463-76-054, 463-76-065(6)(a) the Energy Facility Site Evaluation Council (EFSEC) now finds the following:

Findings:

1. Grays Harbor Energy, LLC, (GHE) is the operator of the Grays Harbor Energy Center, an electric generating plant located near Satsop in Grays Harbor County, Washington.
2. EFSEC issued the current NPDES Permit No. WA-002496-1 to GHE for its Grays Harbor Energy Center facility on May 13, 2008. EFSEC issued a permit modification on November 1, 2010 to correct technical errors.
3. The permit authorizes discharge of cooling water through Outfall 001 to the Chehalis River at River Mile 19.7 and stormwater through Outfall 002 to the Grays Harbor Public Development Authority pond immediately west of Keys Road.
4. Permit condition S5 contains a schedule of compliance that requires GHE to demonstrate application of all known, available and reasonable methods of prevention, control and treatment (AKART) and compliance with applicable water quality standards to all discharges to the environment. Demonstration of compliance will be accomplished through completion of an engineering report. The existing schedule of compliance was approved by EFSEC on April 4, 2014 and requires compliance with AKART and water quality standards by August 1, 2016.
5. On March 1, 2016, EFSEC received a request for extension of the schedule of compliance from GHE to allow additional time to implement AKART and to demonstrate compliance with the water quality standards. GHE requests extension of the schedule of compliance to December 31, 2017.
6. The request for extension is based on the time required to conduct source control for pollutants, recharacterize the discharge, and issue the engineering report incorporating the source removal and new discharge characterization.

7. Permit condition S5.C provides for extension of the schedule of compliance through an administrative order.
8. EFSEC's NPDES compliance contractor, the state Department of Ecology, has recommended approval of GHE's request for extension of the schedule of compliance.

Order:

THEREFORE, IT IS ORDERED by EFSEC that the schedule of compliance approved by EFSEC on April 4, 2014 be replaced with the following schedule of compliance:

Task	Proposed Completion Date
Replace all treated wood timbers in the cooling tower structure with FRP	September 1, 2017
Submit engineering report addendum	December 31, 2017

3.0 APPROVAL ORDER AND RESTRICTIONS

Any application form, report, or compliance certification submitted pursuant to this Order shall contain certification by a responsible official of truth, accuracy, and completeness.

Nothing in this Order alters the facility's obligation to comply with other permit conditions, laws or statutes, including water quality and regulations. Any violation of such laws, statutes, regulations, or of the terms of this Order or the permit shall be subject to the sanctions provided in RCW 80.50.

Reconsideration of this Order may be sought by petitioning the Council within ten (10) days of issuance.

This Order is subject to judicial review pursuant to the Administrative Procedure Act, Chapter 34.05 RCW, EFSEC rules, EFSEC policies, or as otherwise provided by law. The Administrative Procedure Act can be found on-line at: <http://apps.leg.wa.gov/rcw/default.aspx?cite=34.05>.

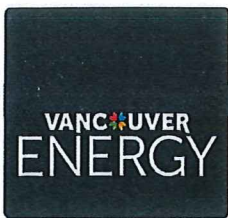
DATED at Olympia, Washington this _____ day of _____, ____.

FOR THE WASHINGTON STATE ENERGY FACILITY SITE EVALUATION COUNCIL.

William Lynch
EFSEC Chairman

ATTEST:

Stephen Posner
EFSEC Manager



COMMITTED TO ENERGY INDEPENDENCE



April 14, 2016

Stephen Posner, Manager
Energy Facility Site Evaluation Council
Utilities & Transportation Commission
1300 S. Evergreen Park Dr. SW
P.O. Box 43172
Olympia, Washington 98504-3172

Re: Tesoro Savage Vancouver Energy Distribution Terminal
Project No. 2013-01– Request to Extend Statutory Deadline

Dear Mr. Posner,

Tesoro Savage Petroleum Terminal LLC dba Vancouver Energy (“Applicant”) submitted its application for site certification for the referenced terminal facility on August 29, 2013. State law provides that EFSEC “shall report to the governor its recommendation as to the approval or rejection of an application for certification within twelve months of receipt by the council of such an application, or such later time as mutually agreed by the Council and the Applicant.” Based on the time then expected to complete the EFSEC process, the Applicant requested on August 6, 2014 a six-month extension for completion, to March 2, 2015, and the Council granted that extension at its regular meeting on August 19, 2014. The Applicant requested on February 5, 2015 a second six-month extension for completion, to November 1, 2015, and the Council granted that extension at its regular meeting on February 27, 2015. The Applicant requested on October 16, 2015 a third six-month extension for completion, to May 1, 2016, and the Council granted that extension at its regular meeting on October 20, 2015.

The latest extension will expire on May 1, 2016, and it is now apparent that date cannot be met, and that a further extension is required. At this time, the only information Applicant has from EFSEC staff regarding the expected schedule to complete EFSEC’s review is the adjudication scheduling order issued by Administrative Law Judge Cassandra Noble. That Order indicates the adjudication will be completed by the end of July 2016. Applicant has no information from EFSEC staff regarding the expected schedule for the permits or the expected schedule for the Final EIS. Based on this limited schedule information, Applicant requests another extension for six months, to November 1, 2016.

Energy Facility Site Evaluation Council

April 14, 2016

Page 2

Thank you for your consideration of this extension.

Sincerely,



Kelly J. Flint

cc: Jared Larrabee, Tesoro Savage Petroleum Terminal LLC
Jay Derr, Van Ness Feldman
Irina Makarow, BergerABAM


Energy Facility Site Evaluation Council

Non Direct Cost Allocation for 4th Quarter FY 2016 April 1, 2016 – June 30, 2016

The EFSEC Cost Allocation Plan (Plan) was approved by the Energy Facility Site Evaluation Council in September 2004. The Plan directed review of the past quarter's percentage of EFSEC technical staff's average FTE's, charged to EFSEC projects. This information is used as the basis for determining the non-direct cost percentage charge, for each EFSEC project. In addition, the Plan allows for adjustment due to anticipated work load and the addition of new projects.

Based on the levels of work during the 3rd quarter of FY 2016, using the procedures for developing cost allocation, and allowance for new projects, the following percentages shall be used to allocate EFSEC's non direct costs for the 4th quarter of FY 2016:

Kittitas Valley Wind Power Project	7%
Wild Horse Wind Power Project	7%
Columbia Generating Station	16%
WNP-1	4%
Whistling Ridge Energy Project	3%
Grays Harbor 1&2	7%
Chehalis Generation Project	7%
Desert Claim Wind Power Project	3%
Grays Harbor Energy 3&4	3%
Tesoro Savage	43%



Stephen Posner, EFSEC Manager

Date: 4/12/16