



Washington State Energy Facility Site Evaluation Council AGENDA

MONTHLY MEETING
Tuesday, August 16, 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
 - June 14, 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
 - g. Tesoro/Savage Vancouver Energy Distribution Terminal
 - Project Update..... Sonia Bumpus, EFSEC Staff
- 6. Other
 - a. Council
 - Petition For Declaratory Order.....Stephen Posner, EFSEC Staff
Staff will provide an update on a request for a declaratory order concerning Northwest Innovation Works, a proposed methanol production facility in Cowlitz County.
- 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

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WASHINGTON STATE
ENERGY FACILITY SITE EVALUATION COUNCIL
Richard Hemstad Building
1300 South Evergreen Park Drive Southwest
Conference Room 206
Olympia, Washington
June 14, 2016
1:30 p.m.

MONTHLY COUNCIL MEETING
Verbatim Transcript of Proceeding

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1 APPEARANCES
2 Councilmembers Present:
3 Bill Lynch, Chair
4 Joe Stohr, Department of Fish and Wildlife
5 Dennis Moss, Utilities and Transportation Commission
6 Dan Siemann, Department of Natural Resources
7 Local Government and Optional State Agencies:
8 Ken Stone, Department of Transportation
9 Bryan Snodgrass, City of Vancouver (by phone)
10 Greg Shafer, Clark County
11 Assistant Attorney General:
12 Ann Essko, Senior Counsel
13 Staff in Attendance:
14 Stephen Posner
15 Jim LaSpina
16 Tammy Mastro
17 Sonia Bumpus
18 Cassandra Noble
19 Kali Wraspir
20 Joan Aitken
21 Ami Kidder
22 Paige Doyle, UTC
23 Kara Denny, UTC
24 Guests in Attendance:
25 Pete Valinski, Grays Harbor Energy
Mark A. Miller, PacificCorp Chehalis Generation Facility
Jennifer Diaz, Puget Sound Energy
Dan Rottler, Puget Sound Energy
26 Guests in Attendance Via Phone:
27 Shannon Khounnala, Columbia Generating & WNP 1/4
28 Kristen Boyles, Earthjustice
29 Bronson Potter, City of Vancouver
30 *****

1 OLYMPIA, WASHINGTON, JUNE 14, 2016
2 1:30 P.M.
3 --o0o--
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5 CHAIR LYNCH: Good afternoon. It is a rainy
6 Tuesday, June 14th, 2016, and it is the monthly meeting
7 of the Energy Facility Site Evaluation Council.
8 Could we please have the Staff call the
9 roll.

10 MS. MASTRO: Department of Commerce?
11 CHAIR LYNCH: Mr. Rossman was going to try
12 to call in if he had cell phone reception.

13 MS. MASTRO: Department of Ecology?
14 CHAIR LYNCH: And Mr. Stephenson is excused.

15 MS. MASTRO: Thank you, Chair.
16 Fish and Wildlife?

17 MR. STOHR: Joe Stohr is here.

18 MS. MASTRO: Department of Natural
19 Resources?

20 MR. SIEMANN: Dan Siemann is here.

21 MS. MASTRO: Utilities and Transportation
22 Commission?

23 MR. MOSS: Dennis Moss is here.

24 MS. MASTRO: Local government and optional
25 state agencies; for the Tesoro project, Department of

1 Transportation?

2 MR. STONE: Ken Stone is here.

3 MS. MASTRO: City of Vancouver?

4 MR. SNODGRASS (by phone): Brian Snodgrass
5 is on the phone.

6 MS. MASTRO: Clark County?

7 MR. SHAFER (by phone): Greg Shafer on the
8 phone.

9 MS. MASTRO: And Port of Vancouver?
10 Mr. Paulson is excused.

11 Chair, there is a quorum for the regular
12 council and the Tesoro council.

13 CHAIR LYNCH: Thank you. And if we could
14 please have the councilmembers take a look at the
15 proposed agenda and see if they have any suggested
16 changes.

17 There are not going to be any action items
18 today.

19 Okay. Let's go ahead and move forward with
20 the approval of the minutes from the May 17th council
21 hearing. I went through the minutes and didn't see any
22 corrections that needed to be done.

23 Does anybody have any suggested changes?

24 MR. MOSS: Chair Lynch, I'm prepared to
25 accept your careful review as adequate for the needs of

1 the Council, and I will move that we approve the minutes
 2 as transcribed.

3 CHAIR LYNCH: Do we have a second?
 4 MR. STOHR: I'll second.

5 CHAIR LYNCH: It's been moved and seconded
 6 that the Council minutes from the May 17th be approved
 7 as submitted.

8 All those in favor, say "Aye."
 9 MULTIPLE SPEAKERS: Aye.

10 CHAIR LYNCH: Motion carries.
 11 And with that, I'm going to -- before we get
 12 into the updates from the proposed projects, could
 13 Mr. Posner introduce our new staff people with us today?

14 MR. POSNER: Yes. Good afternoon,
 15 Chair Lynch, councilmembers. I'd just like to let you
 16 know we do have some new staff people.

17 We're very fortunate to have hired Ami
 18 Kidder. Ami is sitting right up front here. She is a
 19 new siting specialist. She's helping us with the
 20 Vancouver Energy project, so very happy to have her.
 21 She's been here for about three or four weeks now.

22 And we also have on loan from our
 23 administrative law division Paige Doyle. Paige, please
 24 stand up. She's in the back.

25 MS. DOYLE: Hi.

1 MR. POSNER: And next to her is Kara Denny.
 2 They're both legal assistants, and they work in the
 3 administrative law division. And they will be assisting
 4 us also with the Tesoro project and other legal matters.
 5 So very, very fortunate and very happy to have them on
 6 helping us.

7 CHAIR LYNCH: And we normally have new staff
 8 people come up to the microphone and sing their high
 9 school alma mater, and I don't know if anyone told you
 10 that before today's meeting. I see that we're a little
 11 short on time, so we're going to skip that for today.

12 So let's go ahead and have updates from our
 13 facilities. And normally we'd start with Mr. Melbardis,
 14 but today we have Ms. Diaz here in person with
 15 Mr. Rottler, the plant manager, so we'll start with
 16 them.

17 MS. DIAZ: All right. Thank you. Do you
 18 have to turn it on?

19 MS. MASTRO: Do you have a red light?
 20 MS. DIAZ: No. Oh, there, excellent.

21 Thank you, Chair Lynch and councilmembers
 22 and Staff. For the record, my name is Jennifer Diaz.
 23 I'm the project manager for Puget Sound Energy at the
 24 Wild Horse Wind Facility. And I'm happy to introduce to
 25 my left here the plant manager for Wild Horse, Dan

1 Rottler. He's going to provide a couple of project
 2 updates after my very brief update as well.

3 So not a lot of nonroutine updates for you
 4 this month. Site staff did complete the annual review
 5 of the Site Emergency Response Plan. And coming this
 6 Thursday, we're going to be having an emergency response
 7 drill in cooperation with the Kittitas Valley
 8 Fire & Rescue, and with Kittcom and Vestas and PSE, so
 9 we're looking forward to that.

10 Go ahead, Dan.

11 MR. ROTTLER: Well, thank you. We are
 12 celebrating our ten-year anniversary this year at Wild
 13 Horse. The first turbine went up July 18th, so it
 14 seemed appropriate to come visit with you and share a
 15 few details of what we've done this year so far to
 16 maintain the site.

17 One in particular is, we have new gas
 18 monitoring on our three substation banks. That was
 19 upgraded, so now we're monitoring eight gases on each of
 20 those substation banks to reduce the risk of loss there.

21 We also just redid the roads from the
 22 highway up to the visitor's center with chipseal, and so
 23 the next time you visit, our roads are in tip-top shape.

24 So thanks for your hospitality here. And
 25 any questions about anything for Wild Horse?

1 CHAIR LYNCH: Any questions for Mr. Rottler
 2 or Ms. Diaz? We appreciate you coming to visit with us
 3 today. You're always welcome.

4 MR. ROTTLER: Perfect. Thank you.

5 MS. DIAZ: Thank you.

6 CHAIR LYNCH: And before I hear from
 7 Mr. Melbardis, I'm going to -- I forgot to ask if
 8 there's anybody on the phone who would like to identify
 9 themselves -- and you're not required to -- who have
 10 already not identified themselves.

11 I guess nobody's listening in today. Either
 12 that or they're shy.

13 MS. KHOUNNALA (by phone): Shannon Khounnala
 14 with Energy Northwest.

15 CHAIR LYNCH: And who has just joined us?
 16 Is it somebody who would like to identify themselves?

17 MR. POTTER (by phone): Hi. It's Bronson
 18 Potter from Vancouver.

19 CHAIR LYNCH: Thank you.

20 MS. BOYLES: Kristin Boyles with
 21 Earthjustice.

22 CHAIR LYNCH: Okay. At this point in time,
 23 Mr. Melbardis is going to update us about the Kittitas
 24 Valley Wind Project. Excuse me, Mr. LaSpina.

25 MR. LASPINA: Chair Lynch, Mr. Melbardis is

1 not able to meet with us today; however, there are no
 2 nonroutine issues to report, and his report is on the
 3 green paper in your packet.
 4 CHAIR LYNCH: Right. And by looking at
 5 this, we can see that there are no incidents and no
 6 complaints.
 7 So we'll just go ahead and move right along
 8 to the Columbia Generating Station and then WNP 1/4 by
 9 Ms. Khounnala, Energy Northwest.
 10 MS. KHOUNNALA: Yes. Good afternoon.
 11 Regarding Columbia Generating Station, we
 12 have no nonroutine items to report.
 13 Moving on to WNP 1/4, a brief update on the
 14 site injury report that we originally discussed in the
 15 April council meeting related to a shock to one of our
 16 employee's index fingers.
 17 We did have a closeout inspection with the
 18 Department of Labor & Industries on May 18th. We were
 19 informed that Energy Northwest will be cited for one
 20 violation of the Washington Administrative Code. With
 21 that will be -- will come a fine as well as some
 22 mitigation in the form of some retraining requirements.
 23 Energy Northwest has already put into place
 24 some of those retraining requirements in advance of
 25 actually receiving the final letter from Department of

1 sewer line were disturbed by construction activities.
 2 Impacts from these activities included vegetation
 3 removal, soil compaction and soil disturbance.
 4 The City has partnered with EFSEC,
 5 Department of Transportation and Wildlands,
 6 Incorporated, to revegetate and restore the disturbed
 7 areas. And during the last fall and winter, the City
 8 and its contractor reseeded and replanted the disturbed
 9 areas. Some of the City's -- some photos of the City's
 10 work are included in your meeting packets. And
 11 yesterday, EFSEC staff verified with the Department of
 12 Transportation revegetation specialists that the
 13 plantings appeared to go well.
 14 And I can answer any questions you have.
 15 CHAIR LYNCH: Any questions for Mr. LaSpina
 16 regarding the Amon Creek mitigation site?
 17 Well, thank you very much.
 18 Mr. Miller with the Chehalis Generation
 19 Facility. Welcome.
 20 MR. MILLER: Welcome -- or thank you. Good
 21 afternoon, Chair Lynch and councilmembers. I'm Mark
 22 Miller, the plant manager at the PacifiCorp Chehalis
 23 Generation Facility. I have a couple nonroutine
 24 comments to make.
 25 On May 20th, the Chehalis plant received

1 L&I. We expect to receive that letter some time in the
 2 month of July.
 3 In regard to the NEPA and the leasing, the
 4 work on the NEPA environmental assessment is ongoing.
 5 The Department of Energy and their contractor is working
 6 on the environmental assessment and will continue to
 7 prepare that draft document this summer. As I stated
 8 before, we expect that that process will continue
 9 through the fall of this year.
 10 And that concludes my report for both
 11 Columbia and WNP 1/4.
 12 CHAIR LYNCH: Any questions for
 13 Ms. Khounnala? Thank you.
 14 Mr. LaSpina, you have an Amon Creek update
 15 for the Council?
 16 MR. LASPINA: Yes, Chair Lynch. Just have a
 17 short little script here. And as part of the off-site
 18 mitigation effort for the discontinued WNP 1 project,
 19 EFSEC and the Washington Department of Transportation
 20 contributed funds to establish the Amon Creek Nature
 21 Preserve.
 22 Several years ago, the City of Richland
 23 installed the Leslie Road/Badger Sewer Trunk Line
 24 through the preserve. During construction of the sewer
 25 line, areas within 10 to 30 feet of either side of the

1 from EFSEC staff a Notice of Completeness Determination
 2 for our Air Operating Permit renewal application. The
 3 Chehalis staff has followed up with EFSEC's contractor,
 4 the Southwest Clean Air Agency, with a number of
 5 recommended clarifications and corrections. This permit
 6 is scheduled to be issued later this year.
 7 Additionally, the Chehalis plant received
 8 from EFSEC staff the 2015 Title 5 Air Operating Permit
 9 Compliance Evaluation Report, and there were no issues
 10 or violations noted by the inspector.
 11 Are there any questions?
 12 CHAIR LYNCH: Any questions for Mr. Miller?
 13 Thank you.
 14 MR. MILLER: All right. Thanks.
 15 CHAIR LYNCH: Mr. LaSpina, do you want to
 16 talk about the Title 5 permit at this time?
 17 MR. LASPINA: Yes, Chair Lynch. The
 18 Chehalis Generating Facility [sic] has applied for
 19 renewal of its Title 5 Air Emissions Permit. The permit
 20 has been drafted by the Southwest Clean Air Agency, and
 21 EFSEC staff would like to notify you that sometime in
 22 the next two or three months, we intend to move to
 23 Public Notice, and after the completion of Public Notice
 24 in perhaps September, you would be able to review the
 25 permit and the public comments and the Council would

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1 take a vote for approval.
 2 And I could answer any questions.
 3 CHAIR LYNCH: And just to follow up on what
 4 Mr. LaSpina is talking about, a Title 5 permit
 5 essentially collects all the requirements and duties for
 6 a facility related to air and puts it into one package.
 7 And under a Title 5 permit, you are not -- the entity --
 8 the government entity is not allowed to increase any
 9 sort of requirements in terms of, like, making something
 10 more stringent, or its -- that's not really the vehicle
 11 for doing that.
 12 So essentially a Title 5 permit just
 13 collects everything in one place, and frequently
 14 they'll -- it will have more detail on monitoring and
 15 recordkeeping, but that's all the Title 5 permit does.
 16 And like Mr. LaSpina said, we are going to
 17 notice that in the next few months, and later on you'll
 18 have an opportunity -- you'll have the full permit in
 19 front of you, along with a fact sheet, and you'll have
 20 an opportunity to review all of that.
 21 And then at the same time, you can review
 22 any public comments that there are, and then you'll --
 23 then we'll be voting to issue the permit, unless there's
 24 some suggested Council changes that we could make some
 25 modifications to.

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1 But like I said, a Title -- normally the
 2 clean air agencies are the entities that issue these,
 3 and so -- but because it's an EFSEC project, we would
 4 issue this particular air operating permit, and in this
 5 case, SWCAA, the Southwest Clean Air Agency, has
 6 reviewed it, and they're saying that they're fine.
 7 So that -- and Ecology has reviewed it and
 8 they're fine with this as well. And I did talk to
 9 Councilmember Stephenson, and he had a chance to check
 10 internally with his people, and they're good with this
 11 as well.
 12 But just letting you know, this is not a
 13 real substantive action that we'll be taking but a
 14 necessary action. And you'll have time to review what
 15 we'll be discussing and approving before we even
 16 actually do it.
 17 Any questions regarding the Title 5 permit?
 18 Okay. Very good.
 19 So I think at this point we can just -- if
 20 we're done with Chehalis, we can turn to Mr. Valinski
 21 for the Grays Harbor Energy Center. Welcome.
 22 MR. VALINSKI: Good afternoon, Chair Lynch,
 23 EFSEC Council. My name is Pete Valinski. I'm the plant
 24 manager at Grays Harbor Energy Center.
 25 You have our monthly report in your folders,

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1 and I have nothing off-normal to report.
 2 CHAIR LYNCH: Any questions for
 3 Mr. Valinski? And we hope we're getting closer to you
 4 getting a PSD permit. We brought that issue up --
 5 Mr. LaSpina and I brought that up when we met with EPA
 6 in Seattle not that long ago, and strongly encouraged
 7 them to work with you to get that permit issued.
 8 MR. VALINSKI: From my understanding, the
 9 request has been sent off to EPA headquarters for a
 10 determination, and we expect to hear something back
 11 soon.
 12 CHAIR LYNCH: Very good.
 13 MR. VALINSKI: But that's relative.
 14 CHAIR LYNCH: Right. Right. Any questions
 15 for Mr. Valinski?
 16 Thank you.
 17 MR. VALINSKI: Thank you.
 18 CHAIR LYNCH: And at this point in time,
 19 we'll hear from Ms. Bumpus to give us an update about
 20 the Tesoro Savage Vancouver Energy Distribution
 21 Terminal.
 22 MS. BUMPUS: Good afternoon, Chair Lynch and
 23 councilmembers. Just a couple of updates.
 24 I wanted to start by just talking about the
 25 revised application that EFSEC received from the

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1 Applicant.
 2 Application for Site Certification was
 3 submitted on May 27, 2016. EFSEC staff and our
 4 consultant are reviewing the updated and revised
 5 portions of the application, and we are working with
 6 Cardno to begin incorporating those changes into the EIS
 7 and for the final EIS.
 8 So at the same time that that is happening,
 9 Cardno's continuing to extract comments from the public
 10 comment submissions that we received that are now in
 11 that database that I've mentioned in some previous
 12 updates. And we've also completed the workshops that
 13 I've mentioned. We had about 15 total that we've just
 14 wrapped up, and I'll keep you posted as we start to map
 15 out the next milestones and we finish the review of the
 16 application to see where that takes us.
 17 That's pretty much my update for the SEPA
 18 side. So before I move to permits, are there any
 19 questions?
 20 CHAIR LYNCH: Yes. Councilmember Moss?
 21 MR. MOSS: Yeah. I'm wondering about this
 22 updated application and whether the updates are
 23 substantial -- substantive and would require further
 24 opportunity for public comment.
 25 MS. BUMPUS: Well, one of the things -- it's

1 premature to say what -- how substantial the revisions
2 are. We've just received it, and we're just now
3 starting to review it. We haven't had any discussions
4 about additional public comment, but we are going to be
5 reviewing it. And I don't know if Stephen wants to add
6 to that.

7 MR. POSNER: I would just add, one thing to
8 note is that the Applicant is essentially complying with
9 our rules, which basically require them -- if there are
10 any changes to the application, they're required to
11 submit what -- they are called amendments to the
12 application, at least 30 days prior to the hearing, so
13 that's what they're attempting to do.

14 What we do with that information, I believe,
15 will be based on how significant the updates are, and
16 we're just starting to review them now. So --

17 MR. MOSS: Okay. In making these revisions,
18 did the Applicant take steps to highlight to EFSEC's
19 attention exactly where these changes are in the lengthy
20 document so they could be more easily scrutinized?

21 MR. POSNER: Yes.

22 MS. BUMPUS: Yes. We did request that they
23 submit the document also in a tracked changes version so
24 that we could see how the document had been changed and
25 modified, and that is on the EFSEC website along with

1 the complete version with the changes incorporated.

2 Oh, and as far as the WAC there, I believe
3 that's 463-60-116, sub (2), where it talks about the
4 30-day -- at least 30 days prior to adjudicative
5 hearings beginning, they're required to submit
6 amendments to the application.

7 CHAIR LYNCH: Any other questions for Staff
8 regarding the SEPA process?

9 Please continue.

10 MS. BUMPUS: So for permits, and going back
11 around to the application, this applies to the permits
12 as well. There are sections of the application for
13 permits that we need to review.

14 So specifically for the NPDES Stormwater
15 Industrial Permit, we did request additional information
16 from the Applicant on February 19th, and we understand
17 that there's some responsive, I guess, information --
18 there's responses there to those questions that they
19 included in their revised application, so we're going to
20 be looking at those.

21 But also, particularly for this permit,
22 there are, we believe, some alternatives that are talked
23 about in dealing with the wastewater. So I just wanted
24 to note that. But we'll be looking at that more closely
25 as we review the whole -- all of the changes.

1 For the NPDES Stormwater Construction
2 Permit, our Ecology permit contractors are also
3 reviewing the revisions in the application to determine
4 if there's any need to update information in the
5 Stormwater General Construction Permit. I'll let you
6 know if we do find that we need additional information
7 or if we need to make revisions.

8 And that's also the case with the Notice of
9 Construction Air Permit as well. Our contractors at
10 Ecology and Southwest Clean Air Agency have the revised
11 application, and they're reviewing it to also see if
12 there are -- there's a need to update information in the
13 permit.

14 CHAIR LYNCH: Any questions of Staff
15 regarding the permits?

16 And Ms. Bumpus, does that conclude your
17 presentation?

18 MS. BUMPUS: That's all I have.

19 CHAIR LYNCH: Okay. Thank you. And just to
20 follow up briefly on what Ms. Bumpus has said, first of
21 all, she mentioned the Construction Stormwater Permit.
22 And one of the good things that this Council did last
23 year at some point was we adopted rules that said, if --
24 if it's a permit that would -- that Ecology would
25 normally just issue coverage under the general permit,

1 then we would have the same authority to do that, and
2 most often that would happen in a Construction
3 Stormwater Permit.

4 And so by adopting that rule, they're --
5 we're in a position to issue a coverage letter -- or
6 instead of writing a whole Construction Stormwater
7 Permit, we can issue coverage under Ecology's General
8 Construction Stormwater Permit, but tailor it to our own
9 specific needs for this project, so that saves a lot of
10 time and a lot of money. So that's one of the good
11 things about the recent rule adoptions that we've done
12 here on the Council.

13 And then just for the benefit of people who
14 are listening in, the Council had -- there are two
15 motions before the Council prior to the adjudication,
16 and one of them is, I believe, already on our website.
17 Or is it?

18 MS. NOBLE: There are two dispositive
19 motions. We have many other nondispositive motions.

20 CHAIR LYNCH: Right. The dispositive --
21 there were two dispositive motions. One was related to
22 preemption, which the Council decided and is on our --
23 and the commerce clause, which is on our website.

24 MS. NOBLE: Yes.

25 CHAIR LYNCH: But the other decision, which

1 I'm still writing, has to do with discharges into the
 2 Vancouver POTW, and I'm still writing that.
 3 But I just wanted to let the parties know
 4 that the Council determined that EFSEC does not have the
 5 authority to issue a permit to discharge into the POTW.
 6 That permit would, in fact, come from the City of
 7 Vancouver if they were going to discharge industrial
 8 wastewater into the Publicly Operated Treatment Works by
 9 the City of Vancouver.

10 And I hope to have that decision done --
 11 there's all these things that just keep popping up, but
 12 I hope to finish it soon and route it to the
 13 councilmembers for editing.

14 Anything else regarding the Tesoro project?

15 And turning -- next on our agenda for Other,
 16 it says Kittitas Valley Wind Project, but is there
 17 anything else regarding KV?

18 MR. LASPINA: It was a misprint.

19 CHAIR LYNCH: Okay. We like KV, so it's
 20 okay to hear from them twice. So -- and now the rules
 21 update. And Mr. LaSpina, why don't you give us the good
 22 news about the potential SIP approval.

23 MR. LASPINA: Councilmembers and
 24 Chair Lynch, at this time, EFSEC staff is working with
 25 the Department of Ecology and the Environmental

1 Protection Agency to put together what is called a State
 2 Implementation Plan package to the Environmental
 3 Protection Agency.

4 The State -- the State Implementation
 5 Package is actually EFSEC's plan to maintain air quality
 6 within the state in regards to emissions from our EFSEC
 7 licensed facilities.

8 So EFSEC updated its main air quality rule
 9 last year -- in fact, almost a year to the day -- to
 10 beef up the rule to the satisfaction of the
 11 Environmental Protection Agency.

12 And at this time we are working with Ecology
 13 and EPA to put together the rest of the package.
 14 There's quite a bit of documentation required. So after
 15 EFSEC submits the SIP package to EPA and EPA approves
 16 it, then EFSEC will be able to write and issue its own
 17 permits. Basically, Department of Ecology would be
 18 contracted to write the permits, and the Clean Air
 19 Agency would aid EFSEC with compliance issues.

20 But at this time, our PSD permits have to be
 21 cosigned by the Environmental Protection Agency, and
 22 that's presented some challenges. So once our SIP is
 23 approved, we'll be able to issue our own permits.

24 CHAIR LYNCH: And to follow up on what
 25 Mr. LaSpina said, after we had our meeting with EPA

1 recently, they called us back to indicate that they're
 2 going to fast-track our SIP approval process. So that's
 3 good news.

4 So the biggest deal, like Mr. LaSpina said,
 5 was the rule adoption process that we did last year, and
 6 the bill we got through the legislature, which updated
 7 our enforcement authority to make that current. So with
 8 those two pieces in place, we only have to gather -- I
 9 mean, they require a number of documents, but I
 10 anticipate that we would be sending that off before too
 11 long. So that's -- that is very good news.

12 Also, talking about rules, I would -- I
 13 anticipate noticing late summer -- this is after the
 14 adjudication would be over -- probably two sets of
 15 rules. One would be to update our water quality regs.
 16 I'm pretty far along working with our -- with the AG's
 17 office, and Mr. LaSpina is going to send those off to
 18 EPA, their water quality division, to review our
 19 proposed water quality reg changes.

20 And then we would be -- after we -- we'd
 21 just send out a CR-101 probably in August or September,
 22 which just says, we anticipate going to -- doing a
 23 rule -- to do a rulemaking. And then later on, after
 24 that, then you have to have the text, but so we would be
 25 able to get the text of the proposed rule changes early

1 to councilmembers for their review and input on those,
 2 so that's good news.

3 And at the same time, we would anticipate
 4 being able to finish off the enforcement rules because,
 5 you remember, we got the enforcement statutes updated,
 6 we adopted an enforcement policy, but we needed to adopt
 7 enforcement WACs. So we spent a lot of time on working
 8 with the AGs so now we would have a set of enforcement
 9 WACs for the Council to look at and approve, and also we
 10 would have a new enforcement policy to go along with the
 11 old policy that if someone just looked at it, they could
 12 just see how -- how -- if a complaint came in the door,
 13 how it would be processed all the way through completion
 14 of the Council action.

15 So we're -- Councilmember Stephenson keeps
 16 telling us, you know, reminding us, just take small
 17 bites, and we've been doing that all along, and I think
 18 by the end of this year we will have a lot to show for
 19 it.

20 Mr. LaSpina, have I covered everything? I
 21 think I have.

22 MR. LASPINA: Yes.

23 CHAIR LYNCH: Okay. Good. Any questions
 24 for me or Staff regarding where we're headed on this --
 25 some of these improvements?

1 Anything else to come before the Council
2 today?

3 MR. POSNER: Chair Lynch, there's one last
4 item. We were going to talk about the July council
5 meeting.

6 CHAIR LYNCH: Oh, yes, thank you. And in
7 other good news, we're not going to have a July council
8 meeting because we'll be in the throws of the
9 adjudication at that point.

10 And with that, we are adjourned. Thank you
11 all.

12 (Meeting concluded at 2:03 p.m.)

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1 CERTIFICATE

2
3 STATE OF WASHINGTON)
4) ss.)
5 COUNTY OF KING)

6
7 I, ANITA W. SELF, a Certified Shorthand Reporter
8 in and for the State of Washington, do hereby certify
9 that the foregoing transcript is true and accurate to
10 the best of my knowledge, skill and ability.

11 IN WITNESS WHEREOF, I have hereunto set my hand
12 and seal this 21st day of June, 2016.
13
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15

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17 _____
18 ANITA W. SELF, RPR, CCR #3032
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Kittitas Valley Wind Power Project

Monthly Project Update

July 19, 2016

Project Status Update

June Production Summary:

Power generated: 31,569 MWh
Wind speed: 8.5 m/s or 19 mph
Capacity Factor: 45.3%

Safety:

No incidents

Compliance:

Project is in compliance as of July 19, 2016.

Sound:

No complaints

Shadow Flicker:

No complaints

Environmental:

No incidents

Kittitas Valley Wind Power Project

Monthly Project Update

August 16, 2016

Project Status Update

July Production Summary:

Power generated: 41,972 MWh
Wind speed: 10.1 m/s or 22.6 mph
Capacity Factor: 58.4%

Safety:

No incidents

Compliance:

Project is in compliance as of August 15, 2016.

Sound:

No complaints

Shadow Flicker:

No complaints

Environmental:

No incidents

Wild Horse

Wind Production

- June wind generation totaled 64,836 MWh for an average capacity factor of 33.03%
- July wind generation totaled 57,915 MWh for an average capacity factor of 28.56%

Safety

- No lost-time accidents or safety injury/illnesses
- Site staff conducted an emergency response drill in coordination with Kittitas County Fire and Rescue
- Site staff received training on safe access and rescue training for climbing wind turbines
- Site staff participated in PSE's annual Wind Safety Day

Maintenance

- A new layer of chip seal was applied to the main road between the Maintenance Building and the Renewable Energy Center

Compliance/Environmental

- In accordance with Article VI.A.2. of the SCA, site staff received annual training on the Spill Prevention, Control and Countermeasure Plan (SPCCP)

**Energy Northwest
EFSEC Council Meeting
August 16, 2016
Shannon Khounnala**

I. Columbia Generating Station Operational Status

Columbia is online at 100% power and producing 1118 MWs. The plant has been online for 138 days.

Evaporation Pond Overflow

On the morning of June 13, 2016, evaporation pond 1B was found to be overflowing. Evaporation pond 1B receives backwash water from the potable water filter plant, reverse osmosis filtrate, and fire test water. These non-plant wastewaters are sent directly to Ponds 1A, 1B, and 2, where the water is often used for construction water or road watering around the site. An estimated 500-1000 gallons of water drained over the edge of the pond and washed into a graveled area south of the evaporation pond. Energy Northwest determined the overflow was caused by a partially-plugged screen that covers the drain in pond 1B. While pond 1B is designed to automatically flow to pond 2, to prevent it from overflowing, the partially-plugged screen precluded the flow between the ponds.

Energy Northwest plans to replace pond 1B screen with a modified larger intake screen and an open (no screen) overflow so a solids accumulation cannot plug the drain/overflow line. Additionally cleaning of pond 1B will occur, per the approved O&M manual.

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

II. WNP 1/4 Water Rights

NEPA/Leasing

The Department of Energy continues to 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 – June 2016 **Washington Energy Facility Site Evaluation Council**

08-15-2016

Safety:

- There were no recordable incidents this reporting period and the plant staff has achieved 4974 days without a Lost Time Accident.

Environment:

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

Personnel:

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

Operations and Maintenance Activities:

- The Plant generated 116,963 MWhrs in June 2016 for a total YTD capacity factor of 18.13%.

Regulatory/Compliance:

- Nothing to report.

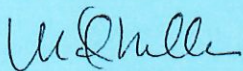
Sound monitoring:

- There were no noise complaints to report.

Carbon Offset Mitigation

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

Respectfully,



Mark A. Miller
Manager, Gas Plant

Chehalis Generation Facility----Monthly Plant Report – July 2016 **Washington Energy Facility Site Evaluation Council**

08-15-2016

Safety:

- There were no recordable incidents this reporting period and the plant staff has achieved 4974 days without a Lost Time Accident.

Environment:

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

Personnel:

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

Operations and Maintenance Activities:

- The Plant generated 77,608 MWhrs in July 2016 for a total YTD capacity factor of 21.02%.

Regulatory/Compliance:

- Nothing to report.

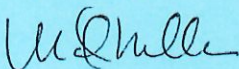
Sound monitoring:

- There were no noise complaints to report.

Carbon Offset Mitigation

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

Respectfully,



Mark A. Miller
Manager, Gas Plant

EFSEC Monthly Operational Report

June and July, 2016

1. Safety and Training

- 1.1. There were no accidents or injuries during the months of June and July.
- 1.2. Conducted scheduled and required monthly training.
- 1.3. Conducted the scheduled safety committee meeting.

2. Environmental

- 2.1. Submitted the monthly Discharge Monitor Reports (DMR) for June and July to Ecology.
- 2.2. Submitted the 2016 Q2 Storm Water DMR to Ecology.
- 2.3. Submitted the 2016 Q2 Emissions Data Report (EDR) to EFSEC and EPA.
- 2.4. A pre-bid site visit for the cooling tower replacement project potential vendors occurred in June. Four bids were received and evaluated in July. A preferred vendor has been identified. Final contract approvals and details are being worked out.
- 2.5. Since 2008, The Climate Trust has received offset project funding in the amount of \$2,563,288.03 from Grays Harbor, \$1,907,563.17 of which was invested directly in projects both inside and out of the state of Washington and which offset 237,931 metric tons of carbon.

3. Operations & Maintenance

- 3.1. Grays Harbor Energy (GHE) operated 19 days and generated 118,998 MWh during the month of June. GHE operated 29 days and generated 358,887 MWh during the month of July.
- 3.2. The capacity factor (CF) was 26.7% in June, 77.8% in July and 50.7% YTD.
- 3.3. The availability factor (AF) was 61.0% in June, 100% in July and 86.9% YTD.
- 3.4. Hot Gas Path Inspections (HGPI) were completed on both Combustion Turbines in June.

4. Noise and/or Odor

- 4.1. There were no complaints made to the site during the months of June and July.

5. Site Visits

- 5.1. There were no site visits during the months of June and July.

6. Other

- 6.1. Grays Harbor is staffed with 21 personnel. The Plant Engineer position remains vacant.