

**Verbatim Transcript of Monthly Council Meeting**  
**Washington State Energy Facility Site Evaluation Council**

**May 22, 2012**



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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  
Tuesday, May 22, 2012  
1:30 P.M.

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MONTHLY COUNCIL MEETING  
Verbatim Transcript of Proceeding

REPORTED BY: SHELBY KAY K. FUKUSHIMA, CCR #2028

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A P P E A R A N C E S

Councilmembers Present:

- Jim Luce, Chair
- Dick Fryhling, Department of Commerce
- Jeff Tayer, Department of Fish and Wildlife (via phone)
- Andrew Hayes, Department of Natural Resources
- Dennis Moss, Utilities and Transportation Commission

Staff in Attendance:

- Al Wright, EFSEC Manager
- Stephen Posner, Compliance Manager
- Jim LaSpina, EFS Specialist
- Tammy Talburt, Commerce Specialist
- Kayce Michelle, Administrative Assistant 3
- Amber George, Office Assistant 3
- Kyle Crews, Assistant Attorney General

Guests in Attendance:

- Pete Valinske, Grays Harbor Energy Project
- Patrick Sanchez, PacifiCorp Energy
- Gordon Karg, Attorney General's Office
- Loren Combs, VSI Law Group
- Travis Nelson, Department of Fish and Wildlife

Guests in Attendance Via Phone:

- Karen McGaffey, Perkins Coie
- Eric Melbardis, Kittitas Valley Wind Project, EDP Renewables
- Shannon Khounnala, Energy Northwest

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OLYMPIA, WASHINGTON, MAY 22, 2012

1:30 P.M.

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P R O C E E D I N G S

CHAIR LUCE: The monthly meeting for the Washington State Energy Facility Site Evaluation Council will come to order.

Today is Tuesday, May 22, 2012, the time is 1:30 p.m., and we are meeting in the Utilities and Transportation Conference Room in Olympia, Washington.

Clerk will please call roll.

THE CLERK: Department of Commerce?

MR. FRYHLING: Dick Fryhling is present.

THE CLERK: Department of Ecology?

Fish and Wildlife?

Natural Resources?

MR. HAYES: Andy Hayes is here.

THE CLERK: Utilities and Transportation Commission?

MR. MOSS: Dennis Moss is here.

THE CLERK: Chair?

CHAIR LUCE: Chair is here.

THE CLERK: And Hedia and Jeff are supposed to both be calling in.

CHAIR LUCE: Thank you.

1           Can I ask the other parties on the phone please  
2 identify themselves?

3           MS. McGAFFEY: This is Karen McGaffey.

4           MR. MELBARDIS: Eric Melbardis at Kittitas Valley for  
5 EDPR.

6           CHAIR LUCE: I'm sorry. Who was that again?

7           MR. MELBARDIS: Eric Melbardis at Kittitas Valley.

8           CHAIR LUCE: Okay.

9           MS. KHOUNNALA: And Shannon Khounnala for Energy  
10 Northwest.

11          CHAIR LUCE: All right. Others?

12          Hearing no others, we'll move ahead to the proposed  
13 agenda.

14          Councilmembers had a chance to review the agenda?  
15 I'll take that as a "yes."

16          And I'm assuming, but not knowing, are there any  
17 changes or additions that Councilmembers wish to make to the  
18 agenda?

19          Hearing no changes or additions, the proposed agenda  
20 is approved as proposed.

21          Someone just came on the phone.

22          Who would that be?

23          MR. TAYER: Jeff Tayer is on the line.

24          CHAIR LUCE: Thanks, Jeff.

25          Jeff, we've had the call to order and the roll call

1 and the proposed agenda, which has been agreed to.

2 Minutes of March 21, 2012. We did not have an April  
3 meeting, but have Councilmembers had a chance to review the  
4 proposed meeting minutes for March 21st, which were described  
5 verbatim by the court reporter?

6 Do I have a motion to adopt the verbatim minutes?

7 MR. FRYHLING: I will make a motion to adopt.

8 CHAIR LUCE: Do I have a second?

9 MR. HAYES: I'll second it.

10 CHAIR LUCE: We have a motion to second. The  
11 question is called for.

12 All in favor of adopting the minutes as proposed as  
13 transcribed say "yes."

14 MULTIPLE SPEAKERS: Yes.

15 MULTIPLE SPEAKERS: Aye.

16 CHAIR LUCE: All right. Let the record reflect the  
17 vote is unanimous.

18 The first item on the agenda is Kittitas Valley Wind  
19 Project.

20 Eric, I think I heard you on the phone. Do you have  
21 a project update?

22 MR. MELBARDIS: Yes, that's correct. Good afternoon,  
23 Chair Luce --

24 CHAIR LUCE: Maybe you could speak up just a little  
25 bit, Eric. Is that possible?

1 MR. MELBARDIS: Is that better?

2 CHAIR LUCE: It's better, but, you know, give us a  
3 shout out.

4 MR. MELBARDIS: Okay. All right. Yes, good  
5 afternoon, Chair Luce and EFSEC Council.

6 Project update for the Kittitas Valley Wind Power  
7 Project. For the month of April, we had 12,006 megawatt-hours  
8 of production; wind speeds of 6.8 meters a second or 14.6 miles  
9 per hour; and a capacity factor of 16.5 percent. No safety  
10 incidents to report. The project is in compliance as of May 14,  
11 2012.

12 Sound: We have no new complaints. Wind: Kittitas  
13 Valley is in compliance with the SCA and WAC with nightly hourly  
14 levels below 50 decibels.

15 And we are still working with the Robertsons on good  
16 neighbor mitigation steps.

17 There were no shadow flicker complaints. And under  
18 our environmental report, we are in the process of completing  
19 our spring cleanout of all BMPs and stormwater ditches and  
20 mitigation steps.

21 Our weed and revegetation habitat restoration surveys  
22 are beginning this month. Avian and bat fatality monitoring  
23 continues. No stormwater discharge to report for the month, and  
24 we are continuing to monitor and improve any BMPs for stormwater  
25 discharge mitigation as necessary.

1 CHAIR LUCE: Thank you. Anything to add beyond that?

2 MR. MELBARDIS: That's it.

3 CHAIR LUCE: All right. Staff have anything they  
4 want to report on this project?

5 All right. Well, I encourage you to continue to work  
6 with the Robertsons, and I think the Council would share that  
7 interest in that work continuing.

8 The next project is the Satsop - Grays Harbor Energy  
9 Project.

10 Do we have an operational update?

11 MR. VALINSKE: Good afternoon, Chairman Luce, Board  
12 Members, and EFSEC Staff. My name is Pete Valinske,  
13 representing Grays Harbor Energy.

14 There were no accidents or injuries in the month of  
15 April, the unit did not operate in April, and our year-to-date  
16 capacity factor is 1.6 percent.

17 Grays Harbor performed its annual maintenance outage  
18 from April 14th through April 28th. No complaints were received  
19 during the month of April. Results from our recent RATA and  
20 stack testing were positive with all measured parameters well  
21 within the permitted limits, including the particulate matter.  
22 The final report has been sent to EFSEC and ORCAA for review.

23 That's all I have.

24 CHAIR LUCE: All right. Thank you very much.

25 Councilmember questions? Staff?



1 MR. LaSPINA: Yes, Chair Luce. This is Jim LaSpina.

2 I just wanted to report that concerning the RATA test  
3 that Mr. Valinske just mentioned, they are reviewing the data.

4 And also you've been hearing about the required  
5 Satsop NPDES engineering report for several years, and I'm happy  
6 to report that that has gotten off the ground, and we are moving  
7 ahead with it.

8 CHAIR LUCE: Can you define "getting off the ground"?  
9 I mean, this --

10 MR. LaSPINA: We've had the kickoff meeting, and a  
11 new schedule of compliance is being worked on. And also the  
12 water quality sampling plans are being approved.

13 CHAIR LUCE: Okay.

14 MR. LaSPINA: And sampling of the receiving water in  
15 the discharge will begin this summer, which is an important part  
16 of the entire engineering report.

17 CHAIR LUCE: All right. Anybody else have any  
18 comments to make on the Grays Harbor Energy Project?

19 Fine. We'll move ahead to the Chehalis Generation  
20 Facility.

21 MR. SANCHEZ: Good afternoon, Chair Luce, Members of  
22 the Council, and EFSEC Staff. My name is Patrick Sanchez,  
23 Chehalis Power.

24 For the month of April, Safety: There were no  
25 medical treatments or recordable incidents. The staff has

1 achieved 3,480 days without a loss-time accident.

2 Our stormwater, wastewater, and air emissions  
3 monitoring results are in compliance with our permit limits in  
4 the month of April 2012. We're continuing to work with the  
5 Chehalis River Basin Confederated Tribes of the Chehalis  
6 Reservation on a carbon offset project.

7 Our plant staffing is authorized at 19. We have 17  
8 positions filled. We are proceeding with the hiring process for  
9 a second plant electrician, and we are conducting interviews for  
10 an operations technician.

11 In April 2012, the plant generated 56,932  
12 megawatt-hours at a capacity factor of 15.8 percent. Year to  
13 date the plant has generated 357,541 megawatt-hours at a  
14 capacity factor of 24.3 percent.

15 Our staff and contractors are continuing preparations  
16 for a 20-day outage scheduled for the month of June. The major  
17 activities will be installation of the new generator step-up  
18 transformer on Combustion Turbine Generator No. 1. This will  
19 replace the failed GSU, and the temporary GSU will be relocated  
20 to the nearby storage pad and containment. The cost of the  
21 replacement is approximately \$4 million.

22 We'll also have inspection and maintenance on the  
23 steam turbine valves. We're going to be cleaning each of the  
24 heat recovery steam generators to reduce our backpressure and  
25 improve performance of the combustion turbines. We will also

1 conduct regulatory pressure vessel inspections and protective  
2 relay maintenance and testing.

3 Under Regulatory and Compliance, we had no spills or  
4 exceedances reported. We had no air emissions exceedances  
5 reported.

6 Our report for the Relative Accuracy Test Audit, the  
7 RATA, which was conducted on March 21st and 22nd, 2012, on both  
8 Emission Unit 1 and 2 was submitted. Results verified that all  
9 perimeters tested met the relative accuracy requirements listed  
10 in our Title V air operating permit.

11 Our quarterly wastewater, industrial stormwater, and  
12 air emission reports were submitted. Our Title V Annual  
13 Compliance Certification Form was also submitted.

14 On April 11, 2012, PacifiCorp attended the Washington  
15 Department of Commerce's meeting to provide comments, per  
16 Commerce's request, for input on the emissions performance  
17 standard survey methodology and their emissions calculator.

18 There were no critical infrastructure protection  
19 standards violations during this reporting period, and we had no  
20 noise monitoring complaints.

21 CHAIR LUCE: Thank you.

22 Councilmembers, questions?

23 Somebody just came on the phone.

24 May I ask who that is?

25 MR. TAYER: Yes, Jim. This is Jeff. I had a bad

1 connection, so I'm back on.

2 CHAIR LUCE: Okay. That's great.

3 Any Council or Staff comments or reports on the  
4 Chehalis facility?

5 All right. Wild Horse.

6 Is Jennifer on the phone? No.

7 MR. LaSPINA: Chair Luce, Jennifer was not available  
8 today, so in your packets is the green sheet with the facility's  
9 report.

10 CHAIR LUCE: Thank you. Councilmembers have a chance  
11 to review that? It appears to be clear enough. Thirty percent,  
12 31 percent capacity factor. No loss-time accidents. Solar  
13 production is working. And we'll leave it at that, unless  
14 Councilmembers have questions.

15 All right. Columbia Generating Station?

16 MS. KHOUNNALA: Yes.

17 CHAIR LUCE: This is a big week for Columbia  
18 Generating Station.

19 MS. KHOUNNALA: Yes, it is. Thank you. Good  
20 afternoon, Chair Luce, and the rest of the Council and Staff.

21 Update for Columbia Generating Station. As you  
22 mentioned, Chair Luce, this is a big week for us. Right now we  
23 are in Day 3 of a 10-day planned maintenance outage. Right now  
24 the key work activities during this outage include replacing a  
25 recirculating pump seal, one of our transformers, and some

1 associated service water piping. This outage is planned to  
2 resolve some equipment issues that will continue our reliable  
3 operation through till our next station outage next spring. We  
4 expect to be back online by May 31st.

5           Moving on, last month we sent -- the Council was  
6 informed that Columbia received a citation and notice of  
7 assessment and penalty from the Washington State Department of  
8 Labor & Industries related to our nuclear security program. We  
9 have chosen to appeal that citation and as of yesterday, we did  
10 hear back from L&I and have scheduled an appeal hearing for next  
11 week. And we will keep the Council updated on the progress and  
12 the discussions that come out of that appeal.

13           As of an hour ago, we learned that the director of  
14 the nuclear regulation at the NRC has signed the documents  
15 extending the license for Columbia Generating Station to operate  
16 an additional 20 years. This will allow us to operate through  
17 2043. This renewal process has taken more than five years to  
18 complete, and we're really proud that we have come this far with  
19 relatively few setbacks in the process.

20           In anticipation of the signing of our license  
21 renewal, Governor Chris Gregoire is planning to visit Columbia  
22 on Thursday, this Thursday, May 24th. Along with visiting  
23 Columbia, she's going to be meeting with our CEO, Mark  
24 Reddemann, and Executive Board Chair Sid Morrison, as well as  
25 addressing employees here at Columbia.

1           In addition to Chris Gregoire, we also are pleased  
2 that BPA Administrator Stephen Wright is also scheduled to  
3 speak, as well as remarks delivered both from Senator Patty  
4 Murray and Representative Doc Hastings. She will also have a  
5 chance to tour our facilities while she is here.

6           So, again, it's a big week for Columbia. We're  
7 really abuzz and really proud of what we have achieved.

8           So that, for now, is the update on Columbia.

9           Before I move on to WNP 1/4, are there any questions?

10          CHAIR LUCE: Well, Shannon, I haven't had a chance to  
11 ask the Councilmembers about this or advise them of it, but we  
12 received a letter, a very nice letter, from Mr. Reddemann  
13 inviting us -- inviting an EFSEC representative to the  
14 announcement, and then to, I believe, a thank-you reception --

15          MS. KHOUNNALA: Yes.

16          CHAIR LUCE: -- that's going to be hosted afterwards.

17          MS. KHOUNNALA: Correct.

18          CHAIR LUCE: And surprise the Council a little bit,  
19 but I am going to ask with your approval, Councilmembers, Dick  
20 Fryhling to attend that announcement -- perhaps the  
21 announcement, but certainly the reception that evening and  
22 represent EFSEC, and we appreciate the invitation.

23                 Councilmembers would approve of that?

24                 A lot of heads are going vertically.

25                 So, Shannon, I have called Angela Smith --

1 MS. KHOUNNALA: Okay.

2 CHAIR LUCE: -- and left her Mr. Fryhling's phone  
3 number. The letter does not provide us directions as to the  
4 location of either the announcement or the reception. So if you  
5 could help coordinate that, that would be very much appreciated.

6 MS. KHOUNNALA: Absolutely. I can make sure that  
7 everything is put in place, and we're very pleased that you  
8 would be able to send a representative and be in attendance.

9 CHAIR LUCE: Well, we very much appreciate our close  
10 working relationship with Energy Northwest.

11 Mr. Fryhling's phone number for your information --

12 MS. KHOUNNALA: Okay.

13 CHAIR LUCE: -- is 509.529.4508, and he will be  
14 attending with his wife, I believe.

15 MS. KHOUNNALA: Wonderful.

16 CHAIR LUCE: So thank you so much for the -- and  
17 please thank Mr. Reddemann for the kind invitation.

18 MS. KHOUNNALA: Understood. Thank you so much.

19 CHAIR LUCE: All right. Anything else on CGS?

20 Oh, we didn't get into -- or maybe we did. No.

21 We're going to get into it now, the water rights  
22 issue, so why don't you go ahead, Shannon.

23 MS. KHOUNNALA: Sure. Thank you. Moving on to WNP  
24 1 and 4. As the Council and Staff both know, in March, both  
25 Energy Northwest and EFSEC transmitted separate letters

1 asking -- to DOE asking them to act on our request to sign on  
2 our water rights application.

3 Throughout the month of April, Energy Northwest  
4 staff -- we fielded numerous calls and e-mails from various  
5 staff and departments at DOE essentially asking questions  
6 related to the lease status, the jurisdiction of water rights,  
7 use of the property, et cetera. Nothing new. Essentially very  
8 redundant questions that we have been answering for the better  
9 part of a year now.

10 Based on this activity, EN senior management had a  
11 meeting, and we decided to ask the RL operations manager, Matt  
12 McCormick, to have a meeting with both our -- one of our vice  
13 presidents and our general council. And I heard as of yesterday  
14 afternoon, we do have a meeting planned for the -- I believe  
15 it's the end of next week to meet with them.

16 I did speak with EFSEC Staff regarding EFSEC's  
17 interest in attending this meeting or having some representation  
18 at this meeting, so we're still in preparation mode for this  
19 meeting, but we do have something on the calendar to meet with  
20 the Richland operations manager.

21 CHAIR LUCE: All right. Well, this flows in part out  
22 of the four-party agreement that we signed.

23 MS. KHOUNNALA: Absolutely.

24 CHAIR LUCE: And as part of that four-party  
25 agreement, EFSEC committed to Energy Northwest to assist in



1 whatever way we reasonably could, the acquiring of a water  
2 right, and we stand by that commitment.

3 So I think that we would like to know maybe the  
4 specific date whether we're -- whether we're going to be asked  
5 to attend next week or whether we will be asked to attend at a  
6 later date.

7 MS. KHOUNNALA: Okay.

8 CHAIR LUCE: So if you could contact Mr. Posner,  
9 Stephen Posner, or Al Wright in that regard, we would like to --  
10 and if there are briefing papers that you have prepared for your  
11 meeting with DOE, I think it would be helpful for us to see  
12 those as well --

13 MS. KHOUNNALA: Absolutely.

14 CHAIR LUCE: -- and some sort of a premeeting if  
15 we're going to be meeting with DOE.

16 MS. KHOUNNALA: Absolutely. And I will place that  
17 call to Stephen Posner maybe later this afternoon or first thing  
18 in the morning to transmit the details --

19 CHAIR LUCE: Okay. Great.

20 MS. KHOUNNALA: -- of the planned meeting and the  
21 briefing papers that we do have.

22 CHAIR LUCE: Excellent. Excellent. Thank you so  
23 much.

24 MS. KHOUNNALA: Yes.

25 CHAIR LUCE: Is there anything else on 1 and 4?

1           Badger Mountain Mitigation Update, Mr. Posner?

2           MR. POSNER: Good afternoon, Chair Luce and  
3 Councilmembers. In your packets is a copy of a letter that we  
4 received from Benton County. It concerns the Badger Mountain  
5 Centennial Preserve.

6           This request is from the County. The County has  
7 forwarded -- and it's actually a request from the City of  
8 Richland, and what they are requesting is an approval from the  
9 Council for a -- to install a tie or a buried waterline  
10 underneath a road which runs through the preserve. And the  
11 purpose of the waterline or the tie is to connect a water  
12 reservoir to a residential area which is being developed.

13           And if you've had a chance to read the letter from  
14 the County, it goes into pretty good detail. It describes what  
15 it is that the -- what the request is, and the details are on  
16 the second page, if you haven't read it. Halfway down that  
17 paragraph describes in detail that this is a utility easement  
18 and request to bury the line several feet underground beneath  
19 the driveway that runs through the preserve.

20           And the developer will be responsible for all  
21 mitigation as a result of this action, and it is -- it's  
22 supported by all groups who have an interest, including the  
23 Friends of Badger Mountain, the City, and the County.

24           And the Staff has reviewed this information, and the  
25 Staff recommendation to the Council is to approve the request

1 from the County.

2 CHAIR LUCE: Thank you.

3 MR. POSNER: And I'd be happy to answer any questions  
4 if Councilmembers have any.

5 CHAIR LUCE: Councilmembers have any questions?

6 MR. TAYER: Let me ask --

7 CHAIR LUCE: I'm sorry. Go ahead, Jeff.

8 MR. TAYER: Yes, Jim. Thank you.

9 Stephen, my only question would be on the monitoring.  
10 You know, the proposal seems pretty straightforward and clearcut  
11 that they're putting this underneath an existing road which  
12 sounds like a good, appropriate way to do it.

13 MR. POSNER: Right.

14 MR. TAYER: But sometimes things as they are proposed  
15 don't turn out to be the way they are on the ground, so my  
16 question is about monitoring.

17 MR. POSNER: Well, my understanding is that the  
18 County will be monitoring all activities. If there are any  
19 permits that are required, they will have to -- the developer  
20 will have to get the permits from the County or the City. They  
21 will be required to implement all appropriate BMPs to control  
22 things such as stormwater runoff.

23 So we've been assured that -- you know, that any of  
24 the compliance monitoring issues will be overseen by the County  
25 and the City where appropriate.

1 MR. TAYER: Okay. Thank you.

2 MR. MOSS: I have one question. Is this easement --  
3 or this project and easement a unique matter, or are there other  
4 utility access issues for this development?

5 MR. POSNER: I'm not aware of any other utility  
6 access easement issues. This is the only one that the County  
7 identified in their letter, so I'm not aware of any others.

8 MR. TAYER: I did notice that they -- this is Jeff  
9 again. I'm sorry.

10 I did notice that although they're not anticipating  
11 having to supply additional power inside this easement, they're  
12 asking for the easement to be broad enough to include power.

13 MR. POSNER: Where specifically in the letter is that  
14 referred to, Jeff?

15 MR. TAYER: That's in the letter from the City, I  
16 believe. It talks about conduits. It's on the second page  
17 here.

18 Oh, yeah. Here it is. "Electrical power to the  
19 reservoir site will be provided by an existing" -- top  
20 paragraph, second page.

21 And it says (as read): "Even though no current need  
22 for conduit exists, the City would prefer that a utility  
23 easement granted for the pipeline allow additional conduits...."

24 MR. MOSS: That's really the source of my concern,  
25 too, is it's typical when you have a utility easement over

1 property, that it is made available to basically all comers.

2 And so my concern would be if this is a situation  
3 where there might be repeated disruptions of the intended use of  
4 this parcel in order to accommodate the needs of the various  
5 utility providers.

6 MR. POSNER: Well -- and I think if there were future  
7 requests or concerns, the party would have to come back to the  
8 Council. Because the reason this is coming to the Council to  
9 begin with is because of the agreement that is in place between  
10 Benton County and the EFSEC Council, which governs sort of,  
11 first of all, the purchase of this property and the operation of  
12 the property.

13 And, in fact, in Section D of the agreement, which I  
14 believe is part of your packet, this is considered an  
15 inconsistent use, so any inconsistent uses would have to be  
16 approved by the Council.

17 So if I understand the concern from the  
18 Councilmembers, it would be the possibility of other  
19 disturbances occurring in the future?

20 MR. MOSS: Well, that would be one level of concern.  
21 And then a second level of concern would be if somebody proposes  
22 to put electricity across this easement, they may very well  
23 propose to do it above ground, in which case, assuming we would  
24 want it to be underground, there might be some dispute  
25 concerning who's going to bear the expense of that. And this is

1 a very familiar disputed issue in Washington State, and we  
2 experience it regularly with respect to utilities along  
3 right-of-way through municipal areas.

4 And I wouldn't want to see down the line that this  
5 property be impaired in some fashion by having to incur that  
6 sort of expense or some part of it. So -- and we can't get too  
7 deeply, I suppose, into the City and the County's conduct of its  
8 own business, but these are things that are worth inquiring  
9 about at least.

10 MR. POSNER: Okay. I can certainly check with the  
11 County and express your concern and the other Councilmembers'  
12 concerns. I would assume, though, that if -- they would have  
13 to -- they would come back to the Council if they were going to  
14 do anything other than the work associated with this tie. This  
15 is all that they're requesting is this connection.

16 MR. MOSS: Usually the sorts of requirements that I'm  
17 thinking about, for example in terms of cost sharing or cost  
18 bearing, would be part of an easement grant.

19 So I don't know if they've got that in there or not.  
20 We don't have a copy of the proposed easement here, so...

21 But, anyway, those are just concerns that come to my  
22 mind.

23 MR. POSNER: Okay. Well, I will contact the County  
24 representative and share those concerns with him.

25 MR. MOSS: Thank you, Mr. Posner. I appreciate it.

1 CHAIR LUCE: I would recommend we approve the  
2 request, but be very clear that it is limited for this purpose  
3 and only for this purpose.

4 MR. POSNER: Okay. And with that, I would ask the  
5 Council to make a motion and take a vote.

6 CHAIR LUCE: All right.

7 MR. TAYER: This is Jeff, and I move that we accept  
8 this proposal and work toward an easement that would implement  
9 it.

10 CHAIR LUCE: And limit the purpose of this easement  
11 to underground as described in the letter, correct?

12 MR. MOSS: Yeah, for the limited purpose requested.

13 CHAIR LUCE: For the limited purpose requested.

14 Do I have a second to that motion?

15 MR. FRYHLING: I'll second it.

16 CHAIR LUCE: We have a motion to second.

17 Do we have Council discussion?

18 Hearing no discussion, the question is called for.

19 All in favor say "aye."

20 MULTIPLE SPEAKERS: Aye.

21 CHAIR LUCE: And you will make sure that in your  
22 response you copy the Friends of Badger Mountain?

23 MR. POSNER: I certainly will, yes.

24 CHAIR LUCE: Okay. This has actually been one of  
25 EFSEC's and Energy Northwest's success stories in terms of WNP

1 1/4. I saw there were 160,000 visits to the top of Badger  
2 Mountain, or at least up the Badger Mountain trails, and that's  
3 with one of the counters out, so this is good.

4 All right. Allocation, cost allocation.

5 Stephen, do you have a report on cost allocation for  
6 the fourth quarter?

7 MR. POSNER: Yes, I do, Chair Luce.

8 In your packets is the latest cost allocation sheet.  
9 We do this every quarter. As you know, these indirect costs are  
10 based on the levels of work performed during the third quarter  
11 of Fiscal Year 2012. I will go ahead and read the percentages  
12 off for our various projects.

13 For the Kittitas Valley Wind Power Project, 13  
14 percent; Desert Claim Wind Power Project, 3 percent; Whistling  
15 Ridge Energy Project, 11 percent; Columbia Generation Station,  
16 21 percent; WNP-1, 4 percent; Satsop Combustion Turbine, 16  
17 percent; Chehalis Generation Project, 9 percent; Wild Horse Wind  
18 Power Project, 8 percent; BP Cogeneration Project, 2 percent;  
19 and Grays Harbor Energy, 13 percent.

20 That concludes my report.

21 CHAIR LUCE: Thank you. And the certificate holders  
22 have been apprised of this?

23 MR. POSNER: Yes, they have.

24 CHAIR LUCE: Thank you. Do we have a report from  
25 Mr. Wright? Manager's report update?



1           MR. WRIGHT: Yes, Mr. Chairman. I have two items:  
2 One, you have a letter dated May 21st to Doug Chapin, Department  
3 of Energy in Richland, in your packet. This is the Department  
4 of Energy Cascade natural gas pipeline running from  
5 approximately the Pasco Airport over to the Hanford Reservation  
6 for the nuclear waste vitrification proposal.

7           We have been dealing -- and we have been talking with  
8 these parties since about early April, and we have come to the  
9 conclusion that all of the information we have to date indicates  
10 that this pipeline is eligible to be sited under EFSEC's siting  
11 guidelines. There are two issues that remain, and what this  
12 letter addresses: One is the project, because of the level of  
13 the engineering done to date, has not declared the actual size  
14 of the pipeline. They've said anywhere from 12 to 20 inches.  
15 One of the criteria is the pipeline has to be 14 inches or  
16 larger in diameter to be eligible for siting criteria at EFSEC,  
17 so that's one issue that's yet to be resolved.

18           Secondly, under the general provisions in our siting  
19 guidelines, if the project was to be declared for national  
20 defense purposes -- and since it is part of the Hanford  
21 Reservation -- that would negate or preempt the EFSEC siting  
22 responsibilities.

23           So we prepared this letter, have sent it off, and  
24 we're waiting. And we've given them until July 1. And the  
25 reason for the date in there is they are proceeding with a great

1 deal of the scoping and what we would call "preapplication  
2 procedures" as we speak. And it's not in their interest to get  
3 too far down the road on those preapplication procedures and  
4 then ask for an EFSEC -- and then determine that it's necessary  
5 and ask for an EFSEC siting application, which may require some  
6 duplication, which we would advise them to avoid. And that's  
7 why the July 1 deadline.

8 And the comment that's in the letter that says even  
9 if they can do it faster than the July 1 deadline, that's in  
10 their interest to do so.

11 CHAIR LUCE: Thank you.

12 MR. WRIGHT: So there's no action. Just FYI.  
13 Somewhere here in the next two months we should be hearing, and  
14 we'll know what the situation is.

15 Secondly, we have -- in the same vein, we have  
16 ongoing discussions with TransAlta on their combustion turbine  
17 plant, proposed combustion turbine plant, which will ultimately  
18 replace the Centralia Coal Plant or part of the Centralia Coal  
19 Plant. They are exploring their possibilities in siting, and  
20 they're doing cost-effective analysis, et cetera. They are  
21 discussing with us the siting requirements and what will be  
22 required on their part to site the plant. Those are a  
23 considerable number of months away. We could be doing  
24 preapplication procedures as early as late 2013 -- or I mean,  
25 late 2012, but most likely we would not have an application

1 until sometime in 2013 at the earliest.

2 CHAIR LUCE: Thank you. Councilmember questions?

3 All right. Hearing nothing more, I'm making an  
4 announcement -- yes, I am.

5 I'm making an announcement that at five minutes after  
6 two, the Council is going to adjourn to an executive session to  
7 consider ongoing agency litigation as allowed under  
8 RCW 42.30.110(1)(i).

9 And I don't expect that this executive session is  
10 going to last any longer than an hour and a half. And we will  
11 be back on the record -- we will not be back on the record. We  
12 will not conduct or continue those discussions any longer than  
13 an hour and a half.

14 So with that, Council meeting is adjourned.

15 (Whereupon, the meeting was adjourned at 2:05 p.m., and the  
16 executive session adjourned at 2:40 p.m.)

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STATE OF WASHINGTON )  
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I, SHELBY KAY K. FUKUSHIMA, a Certified Shorthand Reporter and Notary Public in and for the State of Washington, do hereby certify that the foregoing transcript is true and accurate to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 30th day of May, 2012.

*Shelby Kay K. Fukushima*



\_\_\_\_\_  
SHELBY KAY K. FUKUSHIMA, CCR

My commission expires:  
June 29, 2013