

Verbatim Transcript of Monthly Council Meeting
Washington State Energy Facility Site Evaluation Council
October 16, 2012



1411 Fourth Avenue, Suite 820 • Seattle, Washington 98101

SEATTLE **206.287.9066**

OLYMPIA **360.534.9066** SPOKANE **509.624.3261** NATIONAL **800.846.6989**

Fax: 206.287.9832
E-mail: info@buellrealtime.com
www.buellrealtime.com

WASHINGTON STATE
ENERGY FACILITY SITE EVALUATION COUNCIL
Richard Hemstad Building
1300 South Evergreen Park Drive Southwest, Conference Room 206
Olympia, Washington
Tuesday, October 16, 2012
1:35 P.M.

MONTHLY COUNCIL MEETING
Verbatim Transcript of Proceeding

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

Buell Realtime Reporting, LLC
1411 Fourth Avenue
Suite 820
Seattle, Washington 98101
206.287.9066 | Seattle
360.534.9066 | Olympia
800.846.6989 | National

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A P P E A R A N C E S

Councilmembers Present:

- Dick Fryhling, Department of Commerce
- Hedia Adelsman, Department of Ecology (via phone)
- Joe Stohr, Department of Fish and Wildlife
- Andrew Hayes, Department of Natural Resources
- Dennis Moss, Utilities and Transportation Commission
- Doug Sutherland, Skamania County (via phone)

Staff in Attendance:

- Stephen Posner, Compliance Manager
- Jim La Spina, EFS 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
- Richard Downen, Grays Harbor Energy Project
- Eric Melbardis, Kittitas Valley Wind Project, EDP Renewables
- Greg Poremba, Cardno ENTRIX

Guests in Attendance Via Phone:

- Jennifer Diaz, Puget Sound Energy
- Shannon Khounnala, Energy Northwest

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OLYMPIA, WASHINGTON, OCTOBER 16, 2012

1:35 P.M.

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P R O C E E D I N G S

CHAIR FRYHLING: This is our monthly meeting, Tuesday, October 16, 2012. It's 1:30 -- 1:35. We'll start the meeting. I'll call it to order. I'm sitting in for Jim Luce, who is not here today. My name is Richard Fryhling, and we'll have roll call.

THE CLERK: Department of Commerce?

CHAIR FRYHLING: And I'm here. Thank you.

THE CLERK: Ecology?

MS. ADELSMAN: Hedia Adelsman by phone.

THE CLERK: Fish and Wildlife?

MR. STOHR: Joe Stohr here.

THE CLERK: Natural Resources?

MR. HAYES: Andy Hayes is here.

THE CLERK: Utilities and Transportation Commission?

MR. MOSS: I'm Dennis Moss for the Commission.

CHAIR FRYHLING: And Chair?

We have a quorum.

THE CLERK: Oops. Sorry, Doug.

Skamania County?

1 MR. SUTHERLAND: And Doug Sutherland representing...

2 (Simultaneous talking.)

3 MS. ADELSMAN: Doug is on, too.

4 CHAIR FRYHLING: Let's go ahead and have the people
5 identify themselves on the telephone, please.

6 MR. SUTHERLAND: This is Doug Sutherland from
7 Skamania County.

8 CHAIR FRYHLING: Thanks, Doug.

9 MS. DIAZ: Jennifer Diaz, Puget Sound Energy, Wild
10 Horse Wind Facility.

11 MS. KHOUNNALA: This is Shannon Khounnala with Energy
12 Northwest.

13 CHAIR FRYHLING: Thank you. On our proposed agenda,
14 Stephen, you said you had a change on that?

15 MR. POSNER: Yes. One addition under No. 6, "Other."
16 I would like to add just an update on the fiscal year 2013
17 second quarter cost allocation update for the Council.

18 CHAIR FRYHLING: Okay. Thank you.

19 Any other changes?

20 MR. POSNER: No, that's it.

21 CHAIR FRYHLING: Okay. Councilmembers, any changes?

22 MR. SUTHERLAND: Nope.

23 MS. ADELSMAN: No.

24 CHAIR FRYHLING: The next item on there, the minutes
25 from the September 18th meeting, which I would entertain a

1 motion to approve these, unless there are changes, additions, or
2 corrections.

3 MR. MOSS: So move.

4 CHAIR FRYHLING: It's been moved.

5 MS. ADELSMAN: I second.

6 CHAIR FRYHLING: It's been seconded by Hedia.

7 All in favor say "aye."

8 MULTIPLE SPEAKERS: Aye.

9 CHAIR FRYHLING: Okay. Under "Projects," the first
10 project we have is Kittitas Valley Wind Project. Eric will
11 report.

12 MR. MELBARDIS: Good afternoon, Chair and EFSEC
13 Council. This is Eric Melbardis with EDP Renewables for the
14 Kittitas Valley Wind Power Project.

15 Monthly project update for October. Total project
16 production was 24,429 megawatt-hours, with wind speeds of 6.9
17 meters a second, or 16 miles an hour. We had a capacity factor
18 of 33.7 percent. There were no safety incidents to report for
19 the month. The project is in full and total compliance with the
20 SCA with no sound complaints and no shadow flicker complaints.

21 For environmental, I have an update on postfire
22 operations. The project has held technical advisory meetings
23 with members of the TAC, the DNR, Fish and Wildlife, Ecology,
24 and our own internal and external consultants.

25 We continue to evaluate the conditions of the project

1 and are committed to working with our advisors to perform
2 adaptive management to -- of the project in a changed landscape.
3 A summary of these advisory meetings is attached.

4 I have a full summary attached. What I plan to do is
5 just kind of go through some bullet points right now.

6 CHAIR FRYHLING: Yes, that would be great. I
7 appreciate it.

8 MR. MELBARDIS: Eighty-five to 90 percent of the
9 undisturbed project area is burned, and about 85 to 90 percent
10 of the disturbed areas which we have reseeded did not burn, so
11 the fire skipped right over our habitat restoration efforts and
12 then kept burning the undisturbed areas.

13 The DNR, which we lease around 2,000 acres from, does
14 not have any plans for revegetation of the undisturbed areas and
15 plans to just adopt a wait and see what happens over the next
16 couple of years. I will say that from some of the moisture
17 we've had so far, it's already greening up unseasonably in these
18 burned areas.

19 We had a representative from the Fish and Wildlife,
20 who's also on our TAC, at the site. We did a field study. We
21 walked a number of acres of the project. And Mr. Ritter's
22 feeling was that this is a fire climax ecosystem. There are a
23 lot of seeds that remain in the undisturbed areas that he felt
24 would be repopulating the area with vegetation. He did not
25 recommend that we pursue any reseeded at this time.

1 Department of Ecology was also over for a site tour
2 and meeting, and their suggestion is that we move to terminate
3 our NPDES permit now as the conditions of the permit no longer
4 apply to the project. Again, with the emphasis on our permit is
5 around human-disturbed areas of the project. We are moving to
6 close that permit -- or to file the NOT.

7 And Ecology also mentioned that there would be no
8 enforcement measures for a period of some years on all of the
9 burned areas in Kittitas County. Their thoughts were that it
10 would be too difficult to see where -- where dirty water was
11 originating from and where it was going. They called it an "act
12 of God." Force majeure was also used.

13 So we're in good shape going into our rainy season
14 and into the winter as far as permanent BMPs. Storm water
15 mitigation. We plan to continue to be diligent in keeping those
16 up. Plan to just continue to monitor any water that comes down,
17 notify Ecology as appropriate, and just generally closely
18 monitor the situation and see what happens, you know, reserving
19 our -- you know, the dynamic nature of management over the next
20 couple of years.

21 CHAIR FRYHLING: Sounds good.

22 Any member of the Council have anything to ask of
23 Eric?

24 Jim La Spina. I noticed you're quoted in his -- in
25 his memo here.

1 Do you have anything to add to what has been said?

2 MR. LA SPINA: All I can say is I was at the meeting
3 with WDFW, and I can pretty much confirm what -- what Eric said
4 in a situation like this. I would add that someone might wonder
5 how a fire could go through and yet we -- the response is to
6 wait and see. But the fire moved very fast. Even the burned
7 areas had some organic matter left and some seeds. And the fire
8 moved through very fast, so there was a lot of unburned areas
9 which will serve as the seed beds for the revegetation.

10 So everything I heard indicates that the regulatory
11 agencies are confident that the revegetation and recovery will
12 go very quickly and naturally.

13 Thank you.

14 CHAIR FRYHLING: Thank you.

15 Thank you, Eric. Good report.

16 The next item on our agenda is a report from
17 Satsop - Grays Harbor Energy Project.

18 Richard?

19 MR. DOWNEN: Good afternoon, Chair and Council. My
20 name is Rich Downen with Grays Harbor Energy.

21 For the month of September, we had no accidents or
22 injuries, and we conducted our normal safety training. The
23 plant did not operate during the month, and we had no complaints
24 from any neighbors and we didn't have any site visits.

25 Environmentally, we're in the process of doing a

1 bunch of studies to get an updated NPDES permit, and so we're
2 kind of in the midst of that. So we've received a couple of our
3 receiving water studies and the results of those, and Ecology is
4 evaluating those, as well as the results of -- of a WET test
5 that was performed, and Ecology is also evaluating that.

6 Additionally, we performed some repairs of our
7 outfall piping. There's some bracing that came loose. It's an
8 annual inspection that we do. Divers go in the river and
9 inspect that, and there were some braces that did come loose
10 and we repaired those.

11 And that's all I have to report.

12 CHAIR FRYHLING: Okay. Good.

13 Does Staff have anything to add?

14 Yes, Jim?

15 MR. LA SPINA: Chair Fryhling, EFSEC Staff would like
16 to acknowledge the efforts of Hedia Adelsman to get us technical
17 support for the NPDES engineering report. And after hearing
18 about this permit requirement for two or three years, we would
19 like to notify the Council that that is proceeding smoothly, and
20 thanks for your patience.

21 CHAIR FRYHLING: Good. We appreciate it.

22 Thank you, Hedia.

23 MS. ADELSMAN: Thank you. Now, you know that I
24 really do work for...

25 CHAIR FRYHLING: Yeah. We've been wondering, but

1 we -- those of us --

2 MS. ADELSMAN: I just do the background work.

3 CHAIR FRYHLING: Oh, okay.

4 Thanks, Richard.

5 MR. DOWNEN: All right.

6 CHAIR FRYHLING: The next item on the agenda is the
7 Wild Horse Wind Project.

8 Jennifer?

9 MS. DIAZ: Yes, sir. For the record, Jennifer Diaz,
10 Puget Sound Energy Wild Horse Wind Facility.

11 Wind production. September generation totaled 35,300
12 megawatt-hours for an average capacity factor of 18 percent.
13 The solar demonstration project generated 88 megawatt-hours.
14 For safety, there were no lost-time accidents or safety
15 incidents to report in the month of September.

16 And under compliance and environmental, on September
17 6, PSE submitted updates to EFSEC for the Wild Horse Emergency
18 Response and Fire Control Plan, and based on the reviews and
19 recommended approval from the Kittitas Valley Fire and Rescue
20 and KITTCOM Emergency Dispatch, EFSEC Staff approved the plan
21 update from September 19th.

22 In accordance with the site certification agreement
23 and the Washington Administrative Code, five-year updates to the
24 Wild Horse Decommissioning Plan and Site Restoration Plan were
25 submitted to EFSEC Staff for review and approval on September

1 28th.

2 And in accordance with the Postconstruction Rangeland
3 Management and Grazing Plan, cows were herded off the Wild Horse
4 pastures on September 30th.

5 And that's all I have.

6 CHAIR FRYHLING: Thank you, Jennifer.

7 Staff, anything to add?

8 MR. LA SPINA: No, sir.

9 CHAIR FRYHLING: Okay. Well, apparently, I got a
10 little excited here.

11 We'll go back to Chehalis Generating Facility.
12 Nobody? Okay.

13 MR. LA SPINA: Chair Fryhling, plant staff is tied up
14 in --

15 CHAIR FRYHLING: Okay.

16 MR. LA SPINA: -- an internal audit, and you'll find
17 their report. It's kind of the pinkish-orange sheet.

18 Thank you.

19 CHAIR FRYHLING: Okay. Is there anything we should
20 note on there that you -- when you looked it over, Jim, or...

21 MR. LA SPINA: No, sir.

22 CHAIR FRYHLING: Okay. We'll acknowledge that we
23 received the report.

24 We'll go on to Columbia Generating Station.

25 Shannon?

1 MS. KHOUNNALA: Yes. This is Shannon Khounnala from
2 Energy Northwest.

3 In regards to the status update for Columbia
4 Generating Station, we are operating at a hundred percent power,
5 generating today 1118 megawatts, and we have been online for 140
6 days. We had an another uneventful month. There were no
7 events, safety incidents, or regulatory issues to report.

8 Are there any questions on the status of Columbia
9 before moving on to WNP 1 and 4?

10 CHAIR FRYHLING: Are there any questions?

11 No. Go ahead. Well, excuse me.

12 Jim?

13 MR. LA SPINA: EFSEC Staff would also like to
14 acknowledge the efforts of Councilmember Hedia Adelsman for
15 procuring the services of an excellent NPDES permit writer for
16 the Columbia Generating Station. We're almost done writing the
17 contract, and that effort will proceed soon. Thank you.

18 CHAIR FRYHLING: Thank you, Jim.

19 MR. LA SPINA: This was a big concern for us.

20 CHAIR FRYHLING: Thank you, Hedia.

21 Okay. WNP 1 and 4?

22 MS. KHOUNNALA: Yes. So for the status update for 1
23 and 4, Energy Northwest and the Department of Energy held
24 another follow-up meeting at the end of September, on the 27th,
25 to discuss our water rights resolution process. We used this

1 meeting to help clarify some of the details regarding the terms
2 and conditions that the Department of Energy has outlined to
3 Energy Northwest in the end of August.

4 In parallel to this meeting, Energy Northwest has
5 also requested a legal evaluation for some of the pathways that
6 were outlined in those terms and conditions. We expect that
7 that legal analysis will be completed near the end of this
8 month, the end of October, and we hope to have another meeting
9 with the Department of Energy in -- to occur in early November,
10 so follow-up -- follow-up information following from there.

11 Any questions?

12 CHAIR FRYHLING: Councilmembers? No. Anything to
13 add on this, Staff?

14 Okay. Thanks, Shannon.

15 MS. KHOUNNALA: Thank you.

16 CHAIR FRYHLING: The next item is Whistling Ridge.
17 Stephen, you're going to report on that?

18 MR. POSNER: Yes. Good afternoon, Councilmembers.

19 On September 28th, Judge Dickson issued an order
20 directing EFSEC to supplement the record, and we -- we have
21 followed the Judge's directive and submitted a supplemented
22 record to the Court on October 10.

23 The next main event on Whistling Ridge is on the
24 26th, there will be a hearing where there'll be briefing and
25 argument on the Respondent's motion, "Respondent's" being EFSEC,

1 to certify the record to be sent up for the Supreme Court.

2 That's all I have on that.

3 CHAIR FRYHLING: So if we're looking at time line on
4 this, we still don't have a time line?

5 MR. POSNER: Well, maybe Kyle can speak to that. I
6 think on the 26th will tell us. What happens on that day will
7 give us a good indication of what a time line might be.

8 CHAIR FRYHLING: So it may -- sometime the next three
9 or four months it may go forward to the Supreme Court? Maybe?

10 MR. POSNER: Well, Kyle is nodding his head, so I'm
11 looking at him.

12 MR. CREWS: That appears that's what will happen.

13 CHAIR FRYHLING: Okay. Okay. Thank you.

14 The next item is the EFSEC Council, and, Stephen,
15 will you go over your report?

16 MR. POSNER: Yes. This is something that was added
17 to the packet at the last minute. We wanted to get this taken
18 care of since we are starting the new -- or the second quarter
19 of the fiscal year. We like to, at the beginning of each
20 quarter, inform the Council of our quarterly cost allocation
21 percentages. We basically divide up our percentages among all
22 of our projects based on our existing work and projected work
23 for the next quarter on all of the projects. And as we
24 typically do, we read them aloud so everybody can hear them and
25 for those folks who are on the phone, so I will go ahead and

1 read the numbers for this quarter:

2 Kittitas Valley Wind Power Project, 13 percent; Wild
3 Horse, 10 percent; Columbia Generating Station, 25 percent; WNP
4 1, 4 percent; Whistling Ridge, 10 percent; Satsop Combustion
5 Turbine Project, 11 percent; Chehalis Generation Project, 10
6 percent; Desert Claim, 3 percent; BP Cogeneration, 2 percent;
7 and Grays Harbor Energy, 12 percent.

8 And that's all I have on that.

9 CHAIR FRYHLING: Councilmember, any questions?

10 MR. SUTHERLAND: Mr. Chair, this is Doug.

11 Steve, can you e-mail me that breakdown, please?

12 MR. POSNER: Certainly.

13 MR. SUTHERLAND: Sure appreciate it. Thank you.

14 MR. POSNER: Yes.

15 CHAIR FRYHLING: The next item on our agenda is the
16 Chairman's update. And Mr. Luce is not here, and I don't have
17 anything to update.

18 Any of the Councilmembers would like to have -- has
19 anything to say for the good of the order?

20 If not, we're adjourned.

21 (Whereupon, the meeting was adjourned at 1:54 p.m.)

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C E R T I F I C A T E

STATE OF WASHINGTON)
) ss
COUNTY OF KING)

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 23rd day of October, 2012.

Shelby Kay K. Fukushima



SHELBY KAY K. FUKUSHIMA, CCR

My commission expires:
June 29, 2013