

EFSEC FEBRUARY 15, 2011 MONTHLY MEETING MINUTES

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STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL
P.O. Box 43172 - Olympia, Washington 98504-3172
February 15, 2011 Monthly Meeting Minutes

CALL TO ORDER

Chair Jim Luce called the February 15, 2011 monthly meeting to order at 1300 South Evergreen Park Drive S.W., Conference Room 206, in Olympia, Washington at 1:30 p.m.

ROLL CALL

Council Members present:

Jim Luce, Chair
Jeff Tayer, Department of Fish and Wildlife
Andrew Hayes, Department of Natural Resources
Dennis Moss, Utilities and Transportation Commission
Doug Sutherland, Skamania County (via phone)
Hedia Adelsman, Department of Ecology

Staff in attendance:

Al Wright, EFSEC Manager; Stephen Posner, EFS Specialist;
Jim La Spina, EFS Specialist; Tammy Talburt, Commerce
Specialist; Kyle Crews, Assistant Attorney General; Kayce
Michelle, Office Assistant

Guests in attendance:

Kevin Warner, GHEC; Mark Miller, Chehalis Generation
Facility; John Christianson, Chehalis Generation Facility;
Patrick Sanchez, Chehalis Generation Facility; Tim McMahan,
Stoel Rives; C. Robert Wallis, Administrative Law Judge

Guests in Attendance via phone:

Karen McGaffey, Perkins Coie; Jennifer Diaz, Puget Sound
Energy; Eric Melbardis, Horizon Wind Energy; Don Coody,
Energy Northwest

PROPOSED AGENDA

CHAIR LUCE: So the first matter on the agenda is to consider the proposed agenda. Do Council Members have any changes, corrections, or additions?

1 Hearing none the agenda is adopted as proposed.

2 MEETING MINUTES

3 CHAIR LUCE: The minutes of December 14, 2010 they've been
4 received by the Council. Does the Council have any
5 comments on those minutes?

6 Hearing no comments, I will entertain a motion to approve
7 the minutes.

8 MR. MOSS: So move, Mr. Chair.

9 CHAIR LUCE: A motion.

10 A second?

11 MR. TAYER: I'll second.

12 CHAIR LUCE: A motion and second. Council discussion?

13 Hearing no discussion, the minutes are considered by the
14 Council. All in favor say aye.

15 COUNCIL MEMBERS: Aye.

16 KITTITAS VALLEY WIND PROJECT UPDATE

17 CHAIR LUCE: Moving ahead to projects, Kittitas Valley Wind
18 Power Project, Horizon Wind. Who is speaking for Horizon?

19 MR. MELBARDIS: This is Eric Melbardis.

20 CHAIR LUCE: Excuse me. Let me interrupt you. I
21 apologize.

22 Would those on the phone please identify themselves.

23 MR. SUTHERLAND: This is Doug Sutherland from Skamania
24 County

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

MS. McGAFFEY: Karen McGaffey, Perkins Coie.

CHAIR LUCE: Great. I'm sorry, Eric. Go ahead.

MR. MELBARDIS: Okay. Good afternoon, Chairman Luce and
Council Members. We have a status report on Kittitas

1 Valley Wind Project.

2 So February 15 our safety is unchanged other than the fact
3 that I'm here full time and have taken over all the
4 environmental safety training and monitoring for the farm
5 as well as day-to-day operations. All of our turbines are
6 erected, all are commissioned. O&M Building is 99 percent
7 complete. Electrical work is all 100 percent complete.

8 The project received substantial completion certificate
9 which would be commercial operations for you on December 15
10 of last year. The project is in compliance with all the
11 requirements as of February 8 when this report was written.
12 No internal environmental NCRs issued.

13 There have been some noise complaints that were reported to
14 Mr. La Spina at EFSEC as well as to the site directly. We
15 have ordered a noise study to be conducted in the spring.
16 We're just trying to anticipate when winds will allow us to
17 be in full production. CH2M Hill did our studies in the
18 past. That's who we plan to use again.

19 We've had shadow flicker complaints that we have
20 investigated over a four-week period. The most recent
21 complaint we did manage to capture on video and witness it
22 in person, and we have worked with that nonparticipating
23 landowner to shut down that turbine when the shadow flicker
24 phenomenon is occurring.

25 Let's see. For environmental we're working with EFSEC and
Ecology on updating our water quality sampling checkpoints
now that we're in our operation phase and hoping to get
that resolved in the next month here.

The avian and bat fatality monitoring plan we plan to start
up in May, and there has been a bit of a delay with some
permitting, but by starting that project in the spring we
should be able to work our way through that. We're also
waiting on some guidance from Fish and Wildlife.

The total production for the month of January was 12,187
megawatts with a capacity factor of 18 percent.

Is there any questions for Kittitas Valley?

CHAIR LUCE: Council Member questions?

MR. TAYER: Mr. Chair, this is Jeff Tayer with the
Washington Fish and Wildlife. You mentioned there was a
delay with permitting relating to avian monitoring. Could

1 you elaborate what permit that is.

2 MR. MELBARDIS: It was a permit for either taking or
3 carcass removal. It was my understanding from Horizon's
4 environmental department that there were some changes in
5 the way that Fish and Wildlife issued salvage permits so I
6 know that our environmental director has been working with
7 Fish and Wildlife to resolve that.

8 MR. TAYER: Is this a state permit or federal permit?

9 MR. MELBARDIS: I'm assuming that it's a state permit, but
10 I don't know that for sure.

11 MR. TAYER: Okay. Thank you.

12 MS. ADELSMAN: I do have a question. I just peeked at the
13 Wild Horse and the capacity there is 34.65 capacity factor
14 and here it's 18. So what makes the big difference?

15 CHAIR LUCE: The wind is blowing more strongly in Wild
16 Horse than it is Kittitas Valley. I don't know how to
17 answer the question.

18 MS. ADELSMAN: No, I mean to be a double it's interesting.

19 CHAIR LUCE: No, it is. And I assume that the wind mapping
20 that was done for the Kittitas Valley probably showed a
21 different quality of wind or maybe there's just in -- maybe
22 it's just happenstance. I don't know. Good question.

23 MR. MELBARDIS: The Kittitas Valley Project is also
24 undergoing a lot of testing with BPA. We've been under
25 quite a few I'll say curtailment periods finishing the
26 finalizing of the testing, and we're also going through our
27 first 500-hour service so we have turbines stopped while
28 we're doing that. So that could be contributing.

29 MS. ADELSMAN: Okay. That makes sense to me because I
30 think to be double doesn't explain the wind only. Okay.
31 Thank you.

32 CHAIR LUCE: Any other Council Member questions?

33 All right. Hearing no more questions, we'll move ahead to
34 Chehalis. Mark.

35

36

1 CHEHALIS GENERATION FACILITY UPDATE

2 MR. MILLER: Good afternoon, Chair Luce. Before I start
3 the monthly report I would like to introduce Patrick
4 Sanchez on my right here. He is the new environmental
5 analyst for the Chehalis plant working at the plant, and on
6 his right is John Christianson. John Christianson is in
7 the regulation department working with the Washington
8 Utilities and Transportation Commission folks. So he was
9 in the area and thought he would stop in as well.

10 Safety for the month we're now at 3039 days without a
11 lost-time accident.

12 Environmentally the storm water, the regular storm water,
13 waste water, and air emissions monitoring results were all
14 in compliance for the month. And following up to an
15 October exceedance for zinc and our waste water discharge a
16 follow-up sample for that was at 0.2 milligrams per liter,
17 and the subsequent results for the December and January
18 were also below the limit of 1.4 at 0.11 and 0.15.

19 With respect to another environmental incident that we had
20 at the plant was related to the transformer generator
21 step-up transformer failure and fire. I'll talk about that
22 more when we talk about that issue and some of the work
23 that we're doing there.

24 On the carbon offset project, I submitted to Mr. Wright and
25 La Spina yesterday a third revision I believe it is of the
contract between PacifiCorp and the Climate Trust for the
offset funds that were set aside as far as the site
certificate transfer for 1.5 million. There are a couple
of points of interest there that we will be working with
Mr. Wright with the expectation in the next couple days
that we'll complete those negotiations with the Climate
Trust to bring to the Council for your approval next month
is right where we're headed.

The Climate Trust in their proposal, Chair Luce, doesn't
fully consume the credits that are issued under this
proposal. It does not fully consume the 1.5 million that
was set aside so we have asked for some options to buy
future credits from them either from this project or from
other projects that they bring forward.

Staffing at the plant we now have 19 positions that are
authorized and 19 filled positions.

For December 2010, just to wrap up 2010 generation, the

1 plant generated 59,000 megawatt hours at a capacity factor
2 of 15 percent and for the year 2010, 1.3 million megawatt
3 hours for an annual capacity factor of approximately
4 30 percent.

5 During the month of January the plant generated 20,747
6 megawatt hours for a capacity factor of 4 percent. We
7 expect very low generation for the spring for the obvious
8 reasons of the water in the system.

9 As you may be aware on January 20 at 4:15 we had a
10 transformer that failed, a catastrophic failure and it
11 involved a fire and activation of the automatic fire deluge
12 system, and there were no injuries to any personnel either
13 at that time of the failure or subsequent firefighting
14 activities. The fire was extinguished by 6:00 a.m. with
15 the support of local fire crews from Fire District 12.
16 Fortunately they've had training at this plant before and
17 at a previous fire that a transformer failure fire occurred
18 in 2006, and we also maintain a close working relationship
19 with those folks. They do some fire training with us
20 routinely.

21 The root cause has not been determined. Obviously there's
22 quite a bit of forensic work here on this transformer. We
23 will be shipping it to a facility out of state to have it
24 on tank and then an investigation. At this time the
25 likelihood is that we will not try to rebuild that
transformer. It will be eventually scrapped, but we do
want to determine what the root cause was.

26 The center phase of that transformer the bushing
27 experienced catastrophic dielectric failure, basically went
28 to ground 15,000 amps instantaneously; and it took out the
29 other bushings, large ceramic connectors, basically the
30 transmission lines mechanically. So there was substantial
31 contamination spread throughout inside the transformer from
32 the explosion of the ceramic internal to that. So that's
33 one of the reasons we probably would never be able to
34 ensure that the windings and the vapor and whatnot inside
35 that transformer were not damaged in some way by the
shrapnel.

36 We did restore half-plant capacity on Sunday the 23rd, and
37 as of five minutes ago we do have a spare transformer that
38 is fully installed, and we are energizing it to the
39 Bonneville grid as we speak. There will be a little bit of
40 testing around that, but as of this evening we'll declare
41 the full plant is available again. So a pretty quick
42 turnaround. There was a spare transformer that we did

1 have. We didn't have to go out and procure one. There are
2 some operational considerations in working with Bonneville
3 Power on how we would use that transformer. It has a bit
4 of a different rating than their grid. Their grid
5 currently receives about 550 kilovolts under normal
6 operation, and it's somewhere between 525 and 540. And so
7 there's some risk there that the plant could trip off line
8 due to tight line outages. Any questions with respect to
9 the transformer?

10
11 Onto regulatory and compliance. We have submitted the
12 plant's renewal application for the Title V Air Operating
13 Permit, and this was submitted on the 15th. We're in the
14 process of answering questions both from Mr. La Spina and
15 from the Southwest Clean Air Agency who was working on that
16 permit as well. The current permit doesn't expire until
17 October 10 of this year so we got it in plenty early and
18 time for review.

10

11 Also the Title V certification for the Auxiliary Boiler
12 Project was also installed as a requirement of the site
13 certificate transfer. That startup occurred on the 8th of
14 December. Emissions testing was completed on the 15th, and
15 that certificate of compliance has been issued and
16 determined on the 28th it has been achieved. So we've met
17 the compliance date which was February 28 to have that
18 boiler operational and fully available for service.

19 There were no other regulatory issues during the month
20 related except the WECC (Washington Electricity
21 Coordinating Council) reporting.

22 We did receive one noise complaint during this last
23 operative period, and it was related to the transformer
24 failure. We had a station service power loss, and we
25 didn't have a central power supply to the front gate so the
26 alarm the day following, a couple days following that
27 transformer failure was sounding and affected the neighbors
28 early in the morning. So we disabled the alarm on that and
29 followed that with a report to Mr. La Spina.

21

22 I believe I have an attachment there that summarizes the
23 mineral oil that either burned off or was pushed out of
24 that transformer because the transformer was breached into
25 the storm water system. None of the oils made it outside
26 of the plant boundary or into the surface waters of the
27 state. EPA was notified, Ecology was involved, and right
28 now we are working through most of the oil and soils have
29 been cleaned up, and there is some longer term soil
30 remediation in the immediate area. We have a plan that we

1 submitted to Mr. La Spina yesterday which that will be
 2 coordinated by the Lewis County Health Department because
 3 the authority has been accepted by them from the Department
 4 of Ecology. And that's my report.

5 CHAIR LUCE: Thank you, sir.

6 Questions, Council Members?

7 MR. MILLER: Thank you.

8 CHAIR LUCE: Appreciate it.

9 WILD HORSE WIND POWER PROJECT UPDATE

10 CHAIR LUCE: Jennifer, are you on the phone?

11 MS. DIAZ: I am.

12 CHAIR LUCE: All right. You want to tell us about Wild
 13 Horse?

14 MS. DIAZ: Absolutely. January generation totalled 70,281
 15 megawatt hours for an average capacity factor of
 16 34.65 percent, the Fuller Demonstration Project generated
 17 31,300 kilowatt hours, and under safety there were no
 18 lost-time accidents or safety incidents to report for
 19 January.

20 Under compliance and environmental, in accordance with the
 21 alternative sage-grouse conservation measures that were
 22 approved by EFSEC back in August, PSE coordinated a
 23 volunteer work party. Fish and Wildlife master hunters
 24 installed visibility markers on the pasture fencing within
 25 the wind farms. Approximately two-thirds or about 18 miles
 of the 26-mile project has been completed, and weather
 permitting we expect the entire project to be completed
 before the end of February. Although we're getting some
 snow right now so that may change.

A full-site storm water inspection was completed following
 a rain event and an increase in the temperatures in mid
 January. Overall the site responded well to the
 combination of the rain and melting snow. Some of the
 storm water best management practices required maintenance
 which was completed within 10 days of the initial
 inspection, and the site remains in compliance with the
 operation of the storm water pollution prevention plan.

Western Ecosystems Technology or WEST completed standard

1 avian and bat fatality searches around the wind turbines in
accordance with the 2010 avian and bat monitoring plan.
2 The period in 2010 for that plan researches began March 15
and concluded on December 15. A full statistical analysis
3 of the data collected by WEST will be completed by
biostatisticians and a final report issued in March of
4 2011.

5 Then in accordance with Article VII of the site certificate
agreement, the fourth quarter 2010 traffic monitoring
6 report was submitted to EFSEC and the Kittitas County
Public Works Department. With submission of this final
7 report the FDA requirement to monitor traffic levels for a
period of three years following construction of the wind
8 farm has been fulfilled, and operations and tourist-related
traffic counts did not exceed WSDOT warrants that would
9 require auxiliary turn lanes on the Vantage Highway. So
that SCA requirement has been fulfilled.

10 That's all I have for you. Is there any questions?

11 CHAIR LUCE: Council Member questions?

12 MR. SUTHERLAND: Jim, this is Doug Sutherland. This is not
13 a question but a request of Jennifer and Puget Sound
Energy. Before I left over there we were beginning to put
14 together a high altitude rescue team that would work with
the local fire districts both in Kittitas and down in
15 Klickitat counties, a cooperative effort. Brian Lenz was
instrumental in putting that together, and I think it's
16 suppose to begin sometime this spring.

17 Jennifer, can you check on that and give EFSEC a report on
where that stands and what the anticipated outcome would
18 be?

19 MS. DIAZ: Sure. I can collect that information for the
next EFSEC meeting, but I do know it is moving forward. I
20 don't know the exact date that they're meeting, but there
have been some initial discussions with some of the local
21 fire districts on that rescue effort.

22 MR. SUTHERLAND: Jim, I think this would be of interest to
other members of the committee. This is I think something
23 that can be made part of all of the wind power operations.

24 CHAIR LUCE: Thank you. We're looking forward to receiving
that report.

25 MR. SUTHERLAND: Thank you, sir.

1 COLUMBIA GENERATING STATION UPDATE

2 CHAIR LUCE: Next item Columbia Generating Station Project
update.

3 MR. COODY: This is Don Coody, Energy Northwest. Good
4 afternoon, Chair Luce and Council Members. I want to
apologize for you not hearing me check in earlier. If I'd
5 learned how to turn my phone off mute you would have heard
me.

6 Regarding Columbia's operational status, Columbia is
7 currently operating at 100 percent power producing 1,165
megawatts gross. The plant has been on line for 459 days.

8 For plant activities I have two items to report. First,
9 Columbia has a new plant general manager. Bruce MacKissock
joined Energy Northwest on February 14 as Columbia's new
10 plant general manager. In your handout packets you may
have an earlier version of my status that incorrectly noted
11 he joined the 1st, but it was the 14th. Nevertheless Bruce
has 27 years of nuclear industry operational experience.
12 He's served for the past three years as operations director
at the Sand Onofre Nuclear Station in California. He began
13 his career in 1983 at Xcel Energy's Monticello Nuclear
Generating Plant as a Non-Licensed Operator and over the
14 years with Xcel served as Control Room Supervisor,
Operations Work Control Manager, and Operations Manager.

15 My second item is regarding our Environmental Management
16 System which we referred to as EMS and its registration
renewal. Our independent third-party EMS registrar
17 presented their findings last Friday from the EMS
registration renewal audit. The results were positive for
18 Energy Northwest. The lead auditor stated at the exit
briefing that Energy Northwest has a mature and
19 well-maintained EMS showing continual improvement. The
audit team identified no issues of nonconformity and two
20 opportunities for improvement.

21 Just as a brief background, Energy Northwest's EMS is
registered to the international organizations of
22 standardization commonly referred to as ISO 14001. To
maintain registration third-party audits are conducted
23 yearly. The audit last week was the start of the next
three-year EMS registration cycle which includes the
24 registration audit and two annual surveillance audits. The
audits are conducted to ensure that we continue to meet the
25 requirement of the ISO 14001 standard and the commitments
we make through our Environmental Stewardship Policy.

1 That's all I have. Questions?

2 CHAIR LUCE: Questions, Council Members?

3 Hearing no questions, thank you very much.

4 TRANSMISSION LINES UPDATE

5 CHAIR LUCE: Mr. Posner, do you have the transmission line
6 updates?

7 MR. POSNER: I do. Good afternoon, Chair Luce, Council
8 Members. I'll give you a quick update on the BPA
9 transmission line projects. For the Central Ferry-Lower
10 Monumental Project, the preliminary Final EIS released
11 December 1, and we have submitted agency comments to EFSEC
12 and the various agencies who are under contract with EFSEC.

13 The Big Eddy-Knight Project Draft EIS was released on
14 December 10, and the comment period closed on January 28.
15 EFSEC along with the Department of Ecology, DFW, and DNR
16 submitted comments.

17 And let's see. I-5 the Preliminary Draft EIS as far as we
18 know at this point is scheduled for release in the spring
19 of 2011, and the Final EIS is scheduled for release
20 sometime in 2012.

21 Also I just want to let you know that you might notice that
22 Sonia Bumpus is not here. She no longer works here at
23 EFSEC. She has taken a job with the private sector. She
24 was the primary point of contact for the BPA project. So
25 if you have any questions, you can certainly contact me or
Al. That's all I have. Happy to answer any questions.

CHAIR LUCE: Thank you.

WHISTLING RIDGE ENERGY PROJECT UPDATE

CHAIR LUCE: Whistling Ridge.

MR. POSNER: I guess that's me again. So let's see. The
Draft EIS I'll give you a quick update, very quick. We
should have the Preliminary Final EIS should be out
sometime in April or at least it will be available. We're
hoping to have it ready for agency review or at least EFSEC
and BPA review. We are expecting that the Final EIS will
be out sometime in the middle of the year. That's all I
have.

1 CHAIR LUCE: Bob, Judge Wallis.

2 JUDGE WALLIS: Thank you. For the adjudicative status I
3 first want to say that I have been out of town for about a
4 week and unavailable to staff or available sporadically,
5 and I apologize to staff for any inconvenience that that
6 caused. The hearing record in the adjudication is not yet
7 closed. There is a view yet to be conducted which will be
8 ultimately part of the record and perhaps other matters
9 might arise. The exhibit list we expect to be finalized
10 today and be served to the parties tomorrow. We have sent
11 out a determination of reformat in light of the wide
12 variety of formats that we received from parties heretofore
13 in the adjudication.

14 The land use consistency and adjudicative briefing
15 schedules have been set, and we're expecting the first land
16 use consistency briefs, opening briefs very soon. It is
17 possible that there will be some changes as we continue
18 along the schedule in light of the process with the Final
19 EIS to the extent that it is possible, although I think
20 unlikely, that the current briefing schedule might be
21 affected. It would not be something that would reduce the
22 parties' time scale for producing briefs. Beyond that it
23 will largely depend on the schedule for the preliminary
24 final and the final EIS. That concludes my comments.

25 CHAIR LUCE: Thank you. Council Member questions?
Hearing no questions, we will move ahead to Satsop - Grays
Harbor Energy Project.

17 SATSOP - GRAYS HARBOR ENERGY PROJECT

18 MR. WARNER: Good afternoon, Chair Luce and Council
19 Members. I'm Kevin Warner, plant engineer, Grays Harbor
20 Energy Center.

21 For January we have no injuries or accidents to report.

22 The December environmental, we submitted the December
23 monthly DMR and storm water DMR and the quarter for air
24 emissions report.

25 As far as operations, we operated one day in January with a
year-to-date capacity factor of two percent. We've had no
noise complaints this year, and for 2010 end of the year
was 1.2 million megawatt hours, a 95 percent availability
factor, and 25 percent capacity factor. Any questions?

1 CHAIR LUCE: No questions.

2 MR. WARNER: Thank you.

3 CHAIR LUCE: Al, do you want to give an update with respect
4 to the pending amendment that's currently laying before the
Governor?

5 MR. WRIGHT: I don't have any particular hard information
6 other than next week the deadline for the 60 days for the
Governor to sign the recommendation or to remand it back to
7 the Council I believe is the 22nd of February. That's a
furlough day so there's some discussion whether that's the
8 22nd or 23rd, but it's there anyway. It's my
understanding, and this isn't hard information, that the
9 recommendation is under consideration now, and we may have
a signature as early as the end of the week.

10 CHAIR LUCE: Great. Thank you so much.

11 COUNCIL COST ALLOCATION

12 CHAIR LUCE: The next item on the agenda, EFSEC Council
13 cost allocation. Stephen, back to you.

14 MR. POSNER: Yes. In your packets the white sheet -- you
might have already looked at it -- is the calculation sheet
15 for the nondirect cost allocation for the third quarter
fiscal year 2011. We do this once every quarter, and it's
16 based on approval by the Council in September of 2004. We
calculate the percentages charged to each of our projects
17 based on the previous quarter's direct billing charges, and
for this quarter the third-quarter fiscal year 2011,
18 January 1 through March 31, I'd like to go ahead and read
the percentages.

19 Kittitas Valley Wind Power Project is 13 percent. Desert
Claim Wind Power Project is 9 percent. Whistling Ridge
20 Energy Project, 25 percent. Columbia Generation Station is
18 percent. WNP-1 is 2 percent. Satsop Combustion Turbine
21 Project is 14 percent. Chehalis Generation Project is 6
percent. Wild Horse Wind Power Project, 7 percent. BP
22 Cogeneration Project, 1 percent. Grays Harbor Energy, 5
percent.

23 MS. ADELSMAN: Mr. Chair.

24 CHAIR LUCE: Yes, Hedia.

25 MS. ADELSMAN: I notice that we didn't have any update on

1 Desert Claim. Is there nothing to update on or what?

2 MR. POSNER: Basically they are suppose to give us six
3 months notice before construction is to begin, and as far
4 as we know they do not have any construction planned for
5 this year. We have not heard from them that they're going
6 to begin any construction.

7 MS. ADELSMAN: This year meaning 2011?

8 MR. POSNER: 2011, yes.

9 MS. ADELSMAN: The whole year?

10 MR. POSNER: Yes.

11 MS. ADELSMAN: It would be good to know that for sure.

12 MR. POSNER: Pardon me?

13 MS. ADELSMAN: It would be good to know that from them
14 directly as well.

15

16 MR. POSNER: Well, Jim La Spina who's the project manager
17 has been in touch with their project management. We keep
18 in touch with them because we have stressed to them the
19 importance that they keep us updated so that we can have
20 adequate time for plan review.

21

22 MS. ADELSMAN: Okay. Thanks.

23

24 CHAIR LUCE: Thank you very much.

25

LEGISLATIVE UPDATE

26

27 CHAIR LUCE: I'm next on the agenda with the legislative
28 update. We have very little legislation currently pending
29 and none in which we are actively involved in terms of
30 testifying. There are two bills. They're nuclear bills.
31 House Bill 1513 and the Senate companion to that, which I'm
32 not sure the number of, but basically concern nuclear power
33 and create a joint legislative task force to focus on the
34 nuclear energy and the feasibility of pursuing new nuclear
35 energy. I believe that the legislation calls for one new
36 nuclear plant by 2020, two new nuclear plants by 2030, and
37 more than two I think maybe three by 2040. In any case,
38 the bill is pending before the committee, and I am unaware
39 of any action, that's any hearings that have been
40 scheduled. But it would not surprise me that there is
41 going to be hearings because I believe the Chairman is on

1 that bill.

2 Small net metered resources this is a Jeff Morris bill
3 which has been through the legislative process I think at
4 least two times. It has been amended. My expectation is
5 that it will pass out of both committees. Whether it
6 passes the legislature and approved by the Governor I do
7 not know.

8

9 There's an interesting little bill 1375 which requires us
10 to notify the Department of Defense when we receive an
11 application for a wind energy project, and I think that is
12 based on the experience that we had last year with radar in
13 the issue relative to Columbia River Gorge Projects.

14

15 The last bill that affects EFSEC in some small way is the
16 Centralia Coal Transition Bill 1825. I don't know what the
17 bill is going to look like. It's in the process of the --

18

19 MS. ADELSMAN: There's two of them in the Senate.

20

21 CHAIR LUCE: It's a work in progress. It calls for EFSEC
22 to approve -- help me out here, Hedia -- clean energy or
23 alternative, renewable -- not renewable, clean energy.

24

25 MS. ADELSMAN: That's in the Senate version. The House
26 version is mostly decommissioning.

27

28 CHAIR LUCE: Right. The Senate version asks us to approve
29 clean energy within 180 days. So that would be presumably
30 a major resource, a large resource over 350 megawatts. But
31 those bills are as you said currently pending before the
32 Senate and the House and I'm sure will evolve further
33 before they're through, and that's about it.

34

35 MS. ADELSMAN: Jim, there is a small energy project one.

36

37 CHAIR LUCE: Right, the net meter, alternative energy, the
38 Jeff Morris bill.

39

40 MS. ADELSMAN: Yes, the net metering is separate from the
41 one that deals with the small, the one where it says the
42 county has ten years to adopt.

43

44 CHAIR LUCE: Right.

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46 MS. ADELSMAN: There's a net metering bill and then there's
47 I think it's called the small --

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49 CHAIR LUCE: Small energy alternative resources.

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MS. ADELSMAN: Yes.

CHAIR LUCE: They're sort of one in the same. Last year it was alternative energy resources, and then there was an amendment made to provide that it would pertain to all net meter resources of a certain size. It was a small size. So we will wait and see what happens. As I say, we have no major legislation, EFSEC legislation pending before the legislature, and God willing and the creeks don't rise, we'll keep it that way.

That's all I have with respect to legislation.

Is there anything else to come before the Council?

Hearing nothing else, adjourned. Thank you.

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(Council meeting adjourned at 2:16 p.m.)

(These are minutes and not a verbatim report of proceedings.)