

Verbatim Transcript of Monthly Council Meeting
Washington State Energy Facility Site Evaluation Council
November 15, 2011



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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, November 15, 2011
1:30 P.M.

Agenda Item Nos. 1 and 7
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

Council Members Present:

- Jim Luce, Chair
- Dick Fryhling, Department of Commerce (via phone)
- 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)

Staff in Attendance:

- Stephen Posner, Compliance Manager
- Jim LaSpina, EFS Specialist
- Tammy Talburt, Commerce Specialist
- Amber George, Office Assistant 3
- Kyle Crews, Assistant Attorney General

Guests in Attendance:

- Richard Downen, Grays Harbor
- Pete Valinske, Grays Harbor
- Ruben Garcia, Grays Harbor
- Eric Melbardis, Horizon Wind Energy
- Travis Nelson, WDFW

Guests in Attendance Via Phone:

- Jennifer Diaz, Puget Sound Energy
- Nathan Baker, Friends of Columbia Gorge
- Eric Martin, Stoel Rives
- Shannon Khounnala, Energy Northwest
- Kristina Calabrese, EDP Renewables

1 OLYMPIA, WASHINGTON, NOVEMBER 15, 2011

2 1:30 P.M.

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4 P R O C E E D I N G S

5
6 CHAIR LUCE: The monthly meeting of the Washington
7 State Energy Facility Site Evaluation Council for Tuesday,
8 November 15, 2011, is now convened at 1:30 p.m. in the offices
9 of the Utilities and Transportation Commission, 1300 South
10 Evergreen Way, Olympia, Washington 98504. This is Conference
11 Room 205 [sic] --

12 MR. POSNER: Chair Luce? Excuse me. I don't think
13 your microphone is on.

14 CHAIR LUCE: Oh.

15 MR. POSNER: So I don't think that people can hear
16 you.

17 CHAIR LUCE: All right. Well --

18 MR. MOSS: The red light needs to be on.

19 CHAIR LUCE: -- they're not missing a lot, but...

20 MR. MOSS: The red light there.

21 CHAIR LUCE: Okay. I shall begin anew.

22 This is the monthly meeting of the Washington State
23 Energy Facility Site Evaluation Council for Tuesday, November
24 15, 2011. We are convened at the offices of the Utilities and
25 Transportation Commission in Olympia, Washington. This is

1 Conference Room 206.

2 The Clerk will please call roll.

3 THE CLERK: Department of Commerce?

4 MR. FRYHLING: Dick Fryhling is present via the
5 phone.

6 THE CLERK: Department of Ecology? Department of
7 Ecology?

8 MS. CALABRESE: Kristina Calabrese. EDP Renewables.

9 CHAIR LUCE: Can you say that again slowly, please?

10 MS. CALABRESE: Sure. Kristina Calabrese, EDP
11 Renewables.

12 CHAIR LUCE: We were asking -- thank you. We were
13 checking in on the Council Members right now.

14 MS. CALABRESE: Oh, my apologies.

15 CHAIR LUCE: No apology -- accepted. No need to
16 apologize.

17 All right. Hedia is missing and excused.

18 Next?

19 THE CLERK: Department of Fish and Wildlife?

20 MR. TAYER: Jeff Tayer is here.

21 THE CLERK: Department of Natural Resources?

22 MR. HAYES: Andy Hayes is here.

23 THE CLERK: Utilities and Transportation Commission?

24 MR. MOSS: Dennis Moss is here.

25 THE CLERK: Chair?

1 CHAIR LUCE: Chair is present.

2 THE CLERK: Doug Sutherland from Skamania County?

3 CHAIR LUCE: Doug Sutherland? I know Doug intends to
4 call in. He may join us later.

5 I'm now going to ask the people on the phone to
6 identify themselves. And we have a new recording secretary
7 today. Her name is -- I'm apologetic, but I haven't been
8 introduced.

9 THE REPORTER: I am Shelby Fukushima. Shelby
10 Fukushima.

11 CHAIR LUCE: -- Shelby Fukushima. And Shelby is
12 going to much appreciate everyone speaking slowly, relatively
13 speaking, and spelling their names because she hasn't been here
14 before, and the usual suspects are not known to her.

15 So those on the phone, would you please identify
16 yourselves?

17 Now, there was someone out there before.

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

20 CHAIR LUCE: Diaz, D-i-a-z, right?

21 MS. DIAZ: Correct.

22 CHAIR LUCE: Thank you.

23 MR. BAKER: Nathan Baker --

24 MR. MARTIN: Eric Martin, M-a-r-t-i-n, with Stoel
25 Rives for Whistling Ridge Energy.

1 CHAIR LUCE: Thank you, Eric.

2 MR. BAKER: Nathan Baker, with Friends of the
3 Columbia Gorge. N-a-t-h-a-n, B-a-k-e-r.

4 MS. KHOUNNALA: Shannon Khounnala with Energy
5 Northwest. That's K-h-o-u-n-n-a-l-a.

6 CHAIR LUCE: Thank you.

7 MR. SUTHERLAND: And Doug Sutherland, Skamania
8 County.

9 CHAIR LUCE: Thank you, Doug.

10 MS. CALABRESE: Kristina Calabrese,
11 C-a-l-a-b-r-e-s-e, with EDP Renewables for the Kittitas Valley
12 Wind Farm.

13 CHAIR LUCE: Thank you.

14 Anyone else out there?

15 All right. We will proceed. The proposed agenda is
16 before Council Members.

17 Do you have any recommendations for changes? Any
18 additions?

19 Hearing none, the agenda is adopted as proposed.

20 Meeting minutes for August 3rd, 16th, and 24th are
21 before you.

22 Any proposed changes? Clarifications?

23 Hearing none, is there a motion to adopt the minutes?

24 MR. FRYHLING: Jim, this is Dick. I would so move
25 all -- for all three meetings.

1 CHAIR LUCE: Thank you.

2 Is there a second?

3 MR. TAYER: I'll second it.

4 CHAIR LUCE: We have a motion to second.

5 Is there discussion?

6 Hearing no discussion, the question is called for:

7 All in favor say "aye."

8 MULTIPLE SPEAKERS: Aye.

9 CHAIR LUCE: Let the record reflect that the vote was
10 unanimous.

11 With respect to projects, Satsop - Grays Harbor
12 Energy Project, an operational update?

13 MR. DOWNEN: My name is Rich Downen. I'm the new
14 plant manager.

15 CHAIR LUCE: Please come to the microphone, Rich.

16 THE CLERK: They can't hear you unless you're on the
17 phone.

18 MR. DOWNEN: My name is Rich Downen --

19 THE CLERK: Rich, push the button. Thank you.

20 Is it red?

21 MR. DOWNEN: Now it's red.

22 THE CLERK: There you go.

23 MR. DOWNEN: My name is Rich Downen. I'm the new
24 plant manager at Grays Harbor Energy, and this is my first
25 meeting.

1 CHAIR LUCE: That's D-o-w?

2 MR. DOWNEN: D-o-w-n-e-n.

3 CHAIR LUCE: Thank you.

4 MR. DOWNEN: So I'm not sure how you typically go
5 through the --

6 CHAIR LUCE: Tell us what's going on.

7 MR. DOWNEN: So I'll tell you -- speak for August,
8 September, and October --

9 CHAIR LUCE: All right.

10 MR. DOWNEN: -- since we didn't have meetings for
11 those.

12 Overview of all three months, there were no accidents
13 or injuries in that period of time. We conducted all the normal
14 monthly safety committee meetings and training.

15 Environmentally, all of our normal reports were
16 submitted. The only thing of note was in the outfall DMRs for
17 August and September, as we sent you in the notes for those
18 months, we've had exceedance of iron concentration, and we
19 included some detail in the notes to you about what the cause of
20 that was and the actions that we took to correct it.

21 I'm not sure if you want me to go into any of the
22 detail, or just kind of an overview.

23 CHAIR LUCE: How about the 30-second detail?

24 MR. DOWNEN: Thirty-second detail. One of the plant
25 systems put a little bit of high pH water into the cooling tower

1 and caused some oxidation in a passive layer to be released due
2 to the system not running at all, because the plant wasn't
3 running at all. It was pretty short, quite a short duration,
4 and it has not repeated.

5 CHAIR LUCE: Thank you.

6 MR. DOWNEN: Okay. Operationally, we have operated
7 very little during the past three months. Maybe two weeks total
8 for the few months.

9 Complaints. We didn't have any reports of any
10 complaints during the month of October.

11 On September 8th -- about the first week of
12 September, there were a couple of complaints that were forwarded
13 through Mr. LaSpina and EFSEC from one family, one of our
14 neighbors, regarding noise.

15 And we put the details of the plant's run cycle
16 during that period, and we were running during part of that.
17 During one of the complaints, the plant was not online. There
18 were no offset conditions during that time, so it was a pretty
19 typical running cycle. For part of the complaint -- one of the
20 complaint days, as I said, we weren't even online.

21 And then this morning, which would fall into next
22 month's report, we did receive a complaint that came to Jim, and
23 then Jim forwards it to us of the same family, noise, when we
24 were running. The complaint wasn't specific on the dates, but
25 it said when we were running last week, that they had some

1 issues with noise.

2 Again, the plant didn't go through any offset
3 conditions, and we had a pretty -- a pretty typical run cycle.

4 With regard to the mitigation efforts that Grays
5 Harbor has been working on for some time with the -- with the
6 Committee, was installation of some additional sound barriers
7 around the combustion turbine compartments. And then we were
8 also going to modify and put in some new silencers on some of
9 the relief valves, and that work is now complete. It was
10 delayed a little bit through the summer, and we just have
11 completed that.

12 So what we are pursuing right now is putting together
13 a noise mitigation plan -- or an analysis survey plan that we're
14 going to present to you, to the Committee, through Jim, for
15 approval. And then just a low-cost survey just to validate
16 that -- that our numbers were -- noise numbers were within spec
17 before, and we're just going to validate that they remain in
18 spec.

19 CHAIR LUCE: All right. The survey plan, I assume --
20 and maybe, Mr. LaSpina, I should ask you ask you this. But
21 basically, we'll measure noise before in certain spots, and then
22 noise afterwards?

23 MR. LaSPINA: Well, I can answer, if that's fine.

24 As part of the SCA amendment process, the company
25 committed to doing a least cost --

1 CHAIR LUCE: Right.

2 MR. LaSPINA: -- verification study. They have six
3 months from the last implementation of the sound mitigation
4 measures, and all it's going to do is document what the sound
5 levels are. They were already in compliance before.

6 CHAIR LUCE: No, I understand.

7 MR. LaSPINA: They took a lot of steps to reduce the
8 noise, so...

9 CHAIR LUCE: All right. We can go into that later.

10 MR. LaSPINA: Yes, yes.

11 CHAIR LUCE: Thank you. Thank you very much, sir.
12 Is there anything else?

13 MR. DOWNEN: I don't have anything else.

14 CHAIR LUCE: Well, thank you for coming.

15 MR. DOWNEN: Thank you.

16 MR. LaSPINA: Chair Luce, I just wanted to clarify
17 that this morning, the Farr family did send a noise complaint
18 in. Unfortunately, the e-mail did not get put in your packet,
19 so I am notifying you --

20 CHAIR LUCE: That's all right.

21 MR. LaSPINA: -- verbally that --

22 CHAIR LUCE: That's all right, because it's next
23 month anyway, right?

24 MR. LaSPINA: Pardon?

25 CHAIR LUCE: It's the next month's report.

1 MR. LaSPINA: Correct.

2 CHAIR LUCE: So I got it, the Farrs' complaint.

3 Thank you.

4 Chehalis Generating Facility?

5 MR. LaSPINA: Chair Luce?

6 CHAIR LUCE: Yes?

7 MR. LaSPINA: The representative from Chehalis was
8 sick today.

9 CHAIR LUCE: All right.

10 MR. LaSPINA: He's not able to make it in; however,
11 their monthly report is on the blue sheet in your packets.

12 CHAIR LUCE: All right. Thank you.

13 Council Members, any questions based on the blue
14 sheet? Hearing no questions, we'll move to KV, Kittitas Valley
15 Wind Project.

16 MR. MELBARDIS: Good afternoon, Chairman Luce, and
17 Council. My name is Eric Melbardis. That's M-e-l-b-a-r-d-i-s,
18 with EDP Renewables and the Kittitas Valley Wind Power Project.

19 For the month of October, we generated 17,891
20 megawatts. Our winds were 6.1 meters a second, 14.4 miles per
21 hour, with a capacity factor of 23.9 percent.

22 We've had no safety incidents. Our project has run
23 since COD without a Lost Time or OSHA recordable incident.

24 The project is in compliance as of November 10th when
25 I submitted this update.

1 Noise. I don't have any new complaints; however, we
2 still are working on a resolution to complaints from a
3 nonparticipating landowner.

4 Our noise study came back showing us in compliance,
5 even using conservative methodology, but we're still having
6 requests for mitigation on a good-neighbor basis, and we are
7 attempting to come up with some -- some measures that are
8 feasible for both parties.

9 CHAIR LUCE: Thank you.

10 MR. MELBARDIS: Shadow flicker. We set up our
11 automatic curtailment system for A1 and A2 during times of
12 shadow flicker. Had a couple of misstarts when we first put it
13 online. A couple of minutes of shadow flicker came through.
14 It's been tested. It's functioning.

15 On my way in this morning, I called and -- just to
16 verify that A1 has shut down. It was only for a period of 8
17 minutes right now, but there have been a couple of -- a couple
18 of times that the shadow flicker did -- did get through, but I
19 believe that we have it all squared away now going forward,
20 so...

21 CHAIR LUCE: Thank you.

22 MR. MELBARDIS: Environmental report. I don't have
23 any environmental incidents to report. We're continuing our
24 weed and re-vegetation and habitat restoration surveys. Avian
25 and bat fatality monitoring is still continuing.

1 That plan is -- that monitoring scope is a -- it's a
2 four-season monitoring, so they will continue through the winter
3 as well.

4 And operations completed. Fully reseeding and
5 mulching 59 acres of disturbed project land that didn't take
6 from construction.

7 And we are in good shape with our stormwater BMPs and
8 stormwater containment coming into the wet season, and
9 anticipate no problems.

10 I have Kristie Calabrese from my environmental
11 department on the line. She wanted to give a quick update on
12 our TAC.

13 CHAIR LUSE: All right, Kristie.

14 MS. CALABRESE: Yes. Hi. Thank you. I just wanted
15 to update the Council on the wildlife monitoring activity.

16 We completed the first year of raptor nest surveys in
17 May 2011. The draft report was reviewed by the TAC and it has
18 been finalized.

19 As Eric mentioned, the avian and bat fatality
20 monitoring study started in May 2011, and is currently ongoing.

21 The TAC had a meeting and a site visit on September
22 22, 2011, in which the TAC members were updated on our study
23 efforts.

24 And I also wanted to let the Council know that I have
25 been reassigned to another region of our company, and we will

1 be -- we will be transitioning our new EDPR representative for
2 the KV TAC at the end of the year.

3 CHAIR LUCE: Thank you. Anything else to add?

4 MS. CALABRESE: That's it, unless you have any
5 questions.

6 CHAIR LUCE: Any questions? Hearing no questions,
7 thank you very much.

8 We'll now move ahead to the Wild Horse Wind Power
9 Project.

10 Jennifer?

11 MS. DIAZ: Yes, Chairman, I'm here.

12 Can you hear me?

13 CHAIRMAN LUCE: Yes, I can hear you.

14 MS. DIAZ: Fantastic. This is Jennifer Diaz. I'm
15 the environmental manager for the Wild Horse Wind Facility for
16 Puget Sound Energy.

17 For our monthly update, wind production in October
18 totaled 59,900 megawatt hours for an average capacity factor of
19 29.55 percent.

20 The Solar Demonstration Project generated 60 megawatt
21 hours, and there were no lost-time accidents or safety incidents
22 to report.

23 Under compliance and environmental, during the recent
24 spike elk hunting season, a total of 408 hunters accessed the
25 wind farm property. Access permits, hunting rules, and

1 increased security were implemented in accordance with the
2 written hunting plan as required by the SCA.

3 For spill prevention. Pursuant to the SCA, the Wild
4 Horse Operations Spill Prevention, Control and Countermeasures
5 Plan, or SPCCP, was reviewed and updated and submitted to EFSEC
6 Staff on November 1st.

7 And we are anticipated to get about 3 to 6 inches of
8 snow tomorrow, so the winter season is upon us, and we are
9 preparing for that by reviewing our icing policy and also
10 queuing up our snow removal contractor.

11 And that's all I have for you.

12 CHAIR LUCE: Great. Thank you very much.

13 Do Council Members have any questions?

14 All right, Jennifer.

15 Columbia Generating Station project update?

16 MS. KHOUNNALA: Yes. This is Shannon Khounnala from
17 Energy Northwest reporting on Columbia.

18 Columbia completed its refueling outage this past
19 September and had a successful startup. We are currently
20 operating at a hundred percent power, producing 1,123 megawatts
21 gross, and the plant has now been online for 49 days.

22 Since our startup, Columbia's main turbine generator
23 has been experiencing some elevated vibrations. The levels have
24 been in the acceptable range, but are trending upward.

25 We had planned to address this issue in December with

1 the down power; however, BPA has indicated that the region is
2 better served by performing the activity sooner rather than
3 later. Therefore, we scheduled the down power for this weekend.
4 We will disconnect from the grid, down power to approximately 20
5 percent to add a balance shot and improve vibration on the main
6 turbine generator.

7 We expect this to take approximately 72 hours.
8 During this maintenance, the reactor will remain critical to
9 reduce the amount of time that Columbia is not producing power.
10 This will allow us to resync with the grid on Monday.

11 Also this week, Columbia has welcomed a large
12 Institute of Nuclear Power Operations, INPO, team visit.
13 They'll be here all week. There are two teams with over 20
14 members visiting Columbia during this week. They're performing
15 a special assistance focus team visit and a midcycle evaluation
16 of Energy Northwest, which is part of our regular focused
17 self-assessment process for all nuclear power plants. We
18 consider this an opportunity for us to show the improvements in
19 behaviors we have made, and how fast we have addressed areas for
20 improvement that were identified during their last visit.

21 In regard to Columbia's license renewal, it is
22 currently on track. Recently, a number of important license
23 renewal milestones have been met. That includes a draft
24 environmental impact statement that was issued in August. There
25 were public meetings held by the NRC here in Richland in

1 September, and the Advisory Committee on Reactor Safeguards
2 subcommittee meeting was held in October in Washington, D.C.

3 The comment period of the DEIS closes November 16,
4 tomorrow, and the final EIS is expected to be published in
5 February 2012.

6 Finally, in regard to the NPDES permit issue, during
7 previous council meetings, it was reported that the circulating
8 water blowdown valve, or CBD Valve 1, was allowing a small
9 amount of leak-by. All three of those valves associated with
10 the system were replaced during Columbia's refueling outage this
11 past summer.

12 At the end of the outage in September, Energy
13 Northwest provided EFSEC with a summary of the valve replacement
14 project and results of an analysis of the valves.

15 Specifically, the CBD Valve 1 was inspected and
16 hydro-tested after removal, and found not to be leaking. The
17 leak-by reported prior was due to backflow water from the
18 downstream side of the valve.

19 Ecology completed a site visit this past week on
20 November 10th to see the new valves, and indicated that their
21 preliminary recommendation would be to close on this issue.

22 And that completes our report.

23 CHAIR LUCE: Thank you.

24 Council Member questions about Columbia Generating
25 Station?

1 Hearing none, Stephen, are we going to have a brief
2 update of Whistling Ridge?

3 MR. POSNER: Yes. Good afternoon, Chair Luce and
4 Council Members. Just very briefly, we are in the process of
5 reviewing petitions for reconsideration that we have received.
6 We have received five petitions, and we have also received
7 responses to those petitions. We've received those yesterday.
8 We've received six responses to the petitions for
9 reconsideration, so we're in the process of reviewing those now.

10 CHAIR LUCE: Thank you. Mr. Posner, do you also have
11 a report regarding cost allocation for 2012?

12 MR. POSNER: I do. In your packets, there is the
13 white sheet. Every quarter we do this. We recalculate our
14 non-direct cost allocation for the projects, and it's based on
15 the levels of work performed in the previous quarter.

16 This previous quarter would have been the first
17 quarter of fiscal year 2012. This sheet lists the percentages,
18 and I will go ahead and read off the percentages so those people
19 on the phone can hear them:

20 Kittitas Valley Wind Power Project, 13 percent;
21 Desert Claim Wind Power Project, 2 percent; Whistling Ridge
22 Energy Project, 20 percent; Columbia Generating Station, 18
23 percent; the WNP-1 site, 3 percent; Satsop Combustion Turbine
24 Project, 15 percent; Chehalis Generation Project, 8 percent;
25 Wild Horse Wind Power Project, 10 percent; BP Cogeneration

1 Project, 2 percent; and Grays Harbor Energy, 9 percent.

2 CHAIR LUCE: Thank you.

3 Any questions, Council Members?

4 MR. SUTHERLAND: Hey, Jim?

5 CHAIR LUCE: Yes?

6 MR. SUTHERLAND: This is Doug.

7 CHAIR LUCE: Yes, Doug?

8 MR. SUTHERLAND: Would you ask Staff to send the hard
9 copies of the most recent filings on the request for
10 reconsideration?

11 CHAIR LUCE: They will be sent, Doug.

12 MR. SUTHERLAND: Good. Thank you very much. I do
13 appreciate it.

14 CHAIR LUCE: All right. Chair has nothing to add.
15 We are going into a special session in the Legislature later
16 this month. I don't anticipate anything coming up in the
17 special session.

18 And I haven't had a chance to review the prefilled
19 bills to see what, if anything, may come up in the regular
20 session, but I don't expect anything of significance.

21 But with the Legislature in town, you just don't
22 know, so thank you. Meeting is adjourned.

23 (Whereupon, the meeting was adjourned at 1:52 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 28th day of November, 2011.

SHELBY KAY K. FUKUSHIMA



SHELBY KAY K. FUKUSHIMA, CCR

My commission expires:
June 29, 2013