

STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL
P.O. Box 43172 - Olympia, Washington 98504-3172
June 8, 2010 Monthly Meeting Minutes

CALL TO ORDER

Chair Jim Luce called the June 8, 2010 monthly meeting to order at 905 Plum Street, S.E., Room 301, at 1:30 p.m.

ROLL CALL

Council Members present:

Jim Luce, Chair
Jeff Tayer, Department of Fish and Wildlife
Richard Fryhling, Department of Commerce
Hedia Adelsman, Department of Ecology
Terry Willis, Grays Harbor County
Mary McDonald, Department of Natural Resources
Dennis Moss, Utilities and Transportation Commission
Judy Wilson, Skamania County

Staff in attendance:

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

Guests in attendance:

Brett Oakleaf, Invenergy; Karen McGaffey, Perkins Coie;
Mark Anderson, Department of Commerce; Mark A. Miller,
PacifiCorp Chehalis; Joel Rett, Grays Harbor PDA; Darrel
Peeples, Attorney at Law; Mark Hunter, WDFW

Guests in Attendance via phone:

Kelly Moser, Perkins Coie; Jennifer Diaz, Puget Sound
Energy; Colin Meskell, Horizon Wind Energy; Katy Chaney,
URS; Steve Vaughn, Energy Northwest; C. Robert Wallis,
Administrative Law Judge

MINUTES

The minutes for the May 11, 2010 meeting were distributed.

1 Motion: Mr. Fryhling made a motion to adopt the minutes,
2 Ms. Adelsman seconded it, there was no discussion, and the
minutes were approved with an unanimous vote.

3 DESERT CLAIM WIND POWER PROJECT UPDATE

4 CHAIR LUCE: We will move onto the project reports
5 beginning with Desert Claim. Do we have someone to update?
I guess it must be you, Mr. La Spina.

6 MR. LA SPINA: Thank you, Chair Luce. I don't know. Do
7 you have any news, Karen?

8 MS. McGAFFEY: I don't think there is any updates from last
month.

9 CHAIR LUCE: That's fine.

10 MR. LA SPINA: However, I did want to inform the Council
11 that staff is arranging to hire an environmental monitor
for the project so that that process has been started.

12 CHAIR LUCE: Thank you. Chair notes the presence of
13 Council Member Judy Wilson representing Skamania County.

14 WILD HORSE WIND POWER PROJECT UPDATE

15 CHAIR LUCE: The next update we will have will be the Wild
16 Horse Wind Power Project. Jennifer, you're on the phone,
aren't you?

17 MS. DIAZ: Real quick, May generation for --

18 CHAIR LUCE: I think there's a paper before the Council
19 Members in your packet that lays out the report in more
detail. Go, Jennifer.

20 MS. DIAZ: All right. May generation totalled 56,500
21 megawatt hours for an average capacity factor of
28 percent. Solar Demonstration Project generated 83,000
22 kilowatt hours in the month of May. There were no
lost-time accidents or safety incidents to report in May.
23 Under compliance and environmental the May Storm Water
Discharge Monitoring Report for the expansion area was
submitted to the Department of Ecology. Precipitation in
24 May did not produce storm water runoff. Storm water BMPs
are in good condition and the site remains in compliance
25 with the construction storm water permit. From June 3 the
Department of Ecology along with Jim La Spina completed a

1 final close-out inspection of the NPDES permit for the
 2 expansion area. Ecology overall was pleased with the
 3 restoration progress and agreed that the site has achieved
 4 final stabilization. Their formal recommendation for
 5 termination of permit coverage will be submitted to EFSEC
 6 for consideration within the next couple of weeks unless
 7 you've received something, Jim.

8 MR. LA SPINA: No, not yet.

9 MS. DIAZ: So upon EFSEC approval of Ecology's
 10 recommendation the NPDES permit will be terminated and the
 11 expansion area will transfer to the Operation SWPPP.
 12 The Wild Horse Wind Power Project Technical Advisory
 13 Committee met via conference call on May 27 to consider the
 14 2010 Post Construction Range Land Management and Grazing
 15 Plan. Since with Article VII of the site certificate
 16 agreement this plan was developed in coordination with the
 17 Technical Advisory Committee and with the Department of
 18 Fish and Wildlife. During the conference call the TAC
 19 discussed and unanimously recommended that EFSEC approve
 20 the plan, and on May 28, Stephen Posner sent a letter
 21 approving the plan in accordance with the TAC's
 22 recommendation, and that's all I have. I'm happy to answer
 23 any questions.

24 CHAIR LUCE: Questions for Jennifer?
 Hearing no questions, thank you very much, Jennifer.

MS. DIAZ: Thank you.

KITTITAS VALLEY WIND POWER PROJECT

CHAIR LUCE: Kittitas Valley Wind Project.

MR. MESKELL: Yes, this is Colin Meskell.

CHAIR LUCE: All right. Thank you.

MR. MESKELL: The construction status update that we have
 as far as safety we have had no lost-time accidents or
 reportable incidents on site to this date. The Kittitas
 County Fire Marshall continues to attend the project safety
 meetings every Monday, and all personnel have been
 presented with, have been oriented with the safety and
 environmental training.

As far as the civil road works and foundation works we are
 32 percent complete on the road construction. We are 6
 percent complete on the foundations with I believe having

1 two of them poured through the end of May. Our turbines
2 should start to arrive next Monday. So that's something
we're looking forward to there.

3 As far as electrical works, the circuit completion we have
4 20 percent of the electrical cable trenched and buried into
the ground. We have 5 percent of the substation complete
5 mainly consisting of foundations, the grading, and we will
be working on installing the ground grid next week.

6 As far as any compliance issues, we have all of the BMPs in
7 place. Last month we reported on the NCRs from our Civil
Earthwork contractor, and those NCRs have been closed.
8 Those are internal NCRs. The contractor has removed their
superintendent from the site who went outside of the coned
9 areas. In addition, they have had some additional training
for their employees and have emphasized the importance of
staying within those clearing limits that are marked.

10 We had one cultural buffer zone that impacted, encroached
11 upon at the end of May by our electrical contractor. Our
monitor, our cultural monitor AINW was contacted and they
12 will be sending a monitor out next week where they were
planning on being on site anyway to look at the area. They
13 did not express that much concern since that was not a
critical area, but they will be sending somebody out next
14 week to go ahead and look at that. Since that time what
we've done is we have decided to make these areas a little
15 bit more present. We've given additional training and we
are all installing snow fence around the cultural areas
16 just so it is a little bit more clear on where each one of
those is. And we continue to answer any and all questions
17 about the projects from our nonparticipating and, of
course, our participating landowners, including Bell and
18 Robertson.

19 CHAIR LUCE: Thank you. Anything else?
Hearing nothing else, Council Members, have any questions?

20 MS. ADELSMAN: Just a curious question. When you guys look
21 at contractors I mean do you look at their history or ask
them questions about some of the compliance and so on? It
22 seems like this contractor doing this type of work would
know where, you know, the area like for the cultural
23 monitoring where the -- what are they called? -- the
placement of the limits and so on it seems to me like.

24 CHAIR LUCE: Did you hear the question?

25 MR. MESKELL: Yes, I did. The particular incident that

1 happened near the cultural site was we were working next to
2 the Hayward County Road, and there were some discrepancies
3 that were going on with where the right of way of the
4 county road ended because the records there show that as we
5 pass one property and then the next the county road right
6 of way is from 40 feet to 60 feet. So we had actually
7 everyone out there looking at the clearing limits so they
8 were focused on the clearing limits. We actually had our
9 representative out there as well as Bill Newberry from KVA
10 out there at the site at the time, and they made a judgment
11 call as to where to actually adjust our collection system
12 to stay out of the right of way. And it just was not -- we
13 didn't realize that we were actually moving into a little
14 bit of the cultural buffer zone at that time. That was
15 discovered later, and so that's why we decided to go ahead
16 and make these a little bit more clear because the original
17 plan was we weren't even going to touch this area. So
18 because of the boundary adjustment that made for the county
19 right of way it moved us in and no one caught it.

20 CHAIR LUCE: Thank you. Does that answer your question,
21 Hedia?

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23 MS. ADELSMAN: Yes.

24

25 CHAIR LUCE: Other questions, Council Members?
Thank you very much for your report.

26

CHEHALIS GENERATING FACILITY

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28 CHAIR LUCE: Next up Chehalis, Mark.

29

30 MR. MILLER: Chair Luce, Council Members. I am Mark Miller
31 with PacifiCorp. This is a comment to Hedia's question.
32 Energy prices were about \$10 this morning so I'm sure
33 that's the economic dispatch there.

34

35 MS. ADELSMAN: So give me an idea of what would be the
highest?

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37 MR. MILLER: Well, it ranges, but typically anywhere from
38 25 to 45 dollars in the money kind of number.

39

40 MS. ADELSMAN: Wow. How come we don't see it in our
electrical bill?

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42 CHAIR LUCE: You'll have to take that up after the meeting
43 with Judge Moss, the expert economist.

44

1 MR. MOSS: That's due to our regulatory lag I guess.

2 MS. WILLIS: Mr. Chairman, can I ask a question? So what's
the break even point for it?

3
4 MR. MILLER: Well, it depends on the power plant, the
energy fuel source, and the heat rate of the plant. The
typical gas plants may be in the 35 to 40 dollar
5 neighborhood. I'm not sure what the nuclear is. So coal
plants are much less than gas.

6
7 MS. WILLIS: Thank you.

8 MR. MILLER: There were no medical treatments or recordable
incidents again this period, and we've reached 2,728 days.
The site continues to be in excellent condition, and the
9 storm water and waste water discharge monitoring results
have been within the compliance limits.

10 Carbon offset project. The PacifiCorp Procurement
11 Department has not reissued the RFP as of this afternoon,
but we do have some target dates that's not issued yet this
12 month. It will be reissued in July with the expectation
that they will be returned and evaluated by EFSEC as well
13 as the other evaluation members sometime in September,
October, and hopefully the negotiations are going to award
14 before the end of the year. So any questions on that?
I know Mr. Wright we'd exchanged e-mails, and Kyle Davis
15 who had been leaving PacifiCorp is now again been reengaged
even though he has been transferred to Washington, D.C. So
16 I know that he worked closely with a number of folks from
the Department of Ecology on the CO2 project. So he will
17 still be involved in that. Mr. Wright has his contact
18 information hopefully to keep that going.
19 The staffing is we're still down one, have not replaced the
past manager that left.

20
21 For me the operations were at quite a bit reduced level
with a capacity factor of 8.7 percent. Generation was
approximately 33,000 megawatt hours, and year to date we've
22 generated 417,000 megawatt hours. We had a short duration
outage during the month of May just to inspect the
23 combustion turbines and steam turbines via borescopes and
all looks well for extending to our next maintenance
24 outage. The auxiliary boiler construction started on site.
We expect to have concrete poured either this afternoon or
25 tomorrow. The auxiliary boiler itself should arrive at the
job site sometime in early July. So it's on schedule.

1 We'll likely commission that sometime in October or
2 November substantially ahead of the February compliance
3 date.

4 There were no other issues or sound monitoring, no noise
5 complaints, and if there are any questions I will try to
6 answer them.

7 CHAIR LUCE: Thank you.

8 WHISTLING RIDGE ENERGY PROJECT UPDATE

9 CHAIR LUCE: Next project we are going to have a staff
10 report on the Whistling Ridge which I think we'll be
11 involved in next week with a couple days of hearings. Who
12 is giving the report: Al?

13 MR. WRIGHT: Yes. The Draft EIS is out now. It's been out
14 for some time in C.D. form, and it is out now in hard copy.
15 I believe you all have your copies, and you probably read
16 it from beginning to end by now. And so I think we're fine
17 with the schedule as far as the review is concerned.

18 The next piece of activity, of course, is the June 16 and
19 17 public hearings. You all will be traveling to Skamania
20 on Wednesday the 16th. We will be getting together there.
21 I think all of you made travel arrangements. There is as I
22 understand it most of you are traveling on your own to get
23 there. We do have a van and a few automobiles to travel
24 from Skamania in the afternoon, late afternoon to Underwood
25 for the hearing on the 16th. We may want to try to
carpool. You will have to most likely go from Skamania
back down across the Bridge of the Gods up the interstate
highway to Hood River back across the river at the Hood
River Bridge and to Underwood because of construction
that's closing the roads there at Dog Mountain which is in
between the two. So we don't know the actual road opening
conditions, but for everything that we gather that's
probably going to have to be the route. It would be best
if we can kind of car pool from Skamania up to Underwood.
Just with the number of people we have we could fill up the
parking lot I think so it would be best if we could car
pool. Then the next day is at Stevenson. There is a
prehearing conference at 1:30 for the Council and the
applicants, and I believe I heard Bob Wallis is on the
phone.

26 JUDGE WALLIS: Yes, that's correct.

27 MR. WRIGHT: Bob, do you want to say anything about the

1 prehearing conference?

2 JUDGE WALLIS: We have a schedule and we've got an agenda
3 for it. We had one person indicate counsel for one of the
4 intervenors indicate that the time was not convenient for
5 them. I sent out an order on Friday that denied his
6 request for continuance based upon the necessities of the
7 scheduling with the number of people involved and the
8 problems we have scheduling during the summer. We're
9 looking forward to it as an opportunity to get a longer
10 term process in place and trust that doing this will avoid
11 some of the problems with scheduling we might have
12 otherwise.

13 CHAIR LUCE: Great. And that agenda has been sent out for
14 the prehearing conference?

15 JUDGE WALLIS: Yes, it has.

16 MR. WRIGHT: The notice of the prehearing and then the
17 second where Bob denied the request for the continuance.

18 CHAIR LUCE: All right. I just need to go back and find
19 the original agenda for the prehearing.

20 MS. ADELSMAN: We don't have them.

21 CHAIR LUCE: We don't have it?

22 MR. WRIGHT: You should have all had it. It went out

23 MS. TALBURT: The order denying the continuance went out.
24 I have not seen the --

25 MR. WRIGHT: No, but the original order on establishing the
prehearing conference.

MS. TALBURT: Yes.

JUDGE WALLIS: I understood the prehearing conference
included a list of items to be considered which basically
is the agenda.

CHAIR LUCE: Maybe you can resend that to the Council
Members.

MS. ADELSMAN: We all look puzzled so there must be
something. It must be the mail. It may be in my spam
box.

1 MS. TALBURT: Which is a great place for priorities.

2 MR. WRIGHT: The only other thing, Mr. Chairman, is because
3 of the timing with the prehearing conference and the EIS
4 hearing that evening we have scheduled a nine o'clock
5 breakfast session with the Council and Bob. If there's any
6 issues resulting from the prehearing conference that he may
7 want to you talk about we've set aside that time. That may
8 or may not actually be necessary. We just don't know yet,
9 but I think you all got a memo from me on that.

10 CHAIR LUCE: We did and we'll follow Judge Wallis' advice
11 in terms of our meeting at breakfast. Anything else,
12 Council Members?

13 MS. ADELSMAN: I just want to say I really do apologize I'm
14 not going to be able to make any of the meetings. It's a
15 conflict with our director having to go to Walla Walla and
16 I have to be with him and unfortunately it's at the same
17 time and with the traffic and everything else it would have
18 been very difficult. I was only going to make it only one
19 day so now I made a decision a couple days ago that it's
20 going to be very difficult for me to get back on Thursday
21 and get on the plane.

22 CHAIR LUCE: But you'll read the record, of course.

23 MS. ADELSMAN: I'll read the documents tonight, all the
24 stuff and the record.

25 CHAIR LUCE: No, you won't.

MS. ADELSMAN: I will. I love the record. So and so said
this and so and so said that. It's kind of better than a
the novel so I'll read the record.

CHAIR LUCE: Okay. Thank you. Any other questions,
comments?

MS. WILSON: Just the prehearing conference as I understand
it says it's at Stevenson. Where is the prehearing
conference being held?

MR. WRIGHT: At Skamania Lodge. Is that all right? Yes,
it's at Skamania Lodge. I think we have a room set up.

MS. MICHELLE: Stevenson B is the room. Stevenson B.

MS. WILSON: Thank you.

1 CHAIR LUCE: Is the public comment session also at the
lodge or is that down below at the --

2

MS. MICHELLE: I will have to see. I'll have to ask Tammy
3 where she did it.

4 MR. WRIGHT: At the Rock Creek Center, the same place you
had it before.

5

CHAIR LUCE: All right. We know where this is. All right.
6 Any other comments, questions? Thank you.

7

SATSOP - GRAYS HARBOR PROJECT UPDATE

8 CHAIR LUCE: Let's move onto the Grays Harbor Project,
Satsop. Do we have a report, an operational update?

9

10 MR. LA SPINA: We have a written report. The facility
called us at the last minute, Chair Luce, it's the gray
one, and could not send a representative.

11

CHAIR LUCE: That's fine.

12

13 MR. LA SPINA: So you have the written report.

14

CHAIR LUCE: Do you care to make any comments regarding the
15 report?

16

MR. LA SPINA: No, sir.

17

CHAIR LUCE: All right.
(Grays Harbor Energy Center Monthly Report to EFSEC for May
2010:

18

Safety: Grays Harbor Energy had no reportable accidents or
19 injuries in May.

20

Environmental in the Month of April:

21

The facility had the following exceedances on Outfall
001-Process Wastewater:

22

23 Three - chloride exceedances: These parameters are
monitored on a weekly basis. The process cycles the
chlorides up. The raw water has a higher level than
24 anticipated and the permit limit is lower than the
predicted level. The facility will be performing an
25 engineering study of the ground water and process water as
a requirement of the recently revised permit.

1 One - iron exceedances: This is at the discharge of the
2 oil separator. This collects all floor drains and is due
3 to corrosion in the underground collection piping.
4 Modifications to the NPDES Permit are in the FINAL draft
5 stage.

6 Operations & Maintenance:

7 The unit operated for six days in May and generated 61,098
8 MW.

9 May capacity factor was 13%.

10 The YTD capacity factor is 13.9%.

11 Noise: The facility received no complaints from the
12 neighbors.)

13 MR. LA SPINA: But I would like to update the Council on
14 the Council public meetings scheduled for the amendment
15 request basically.

16 CHAIR LUCE: That would be appropriate.

17 MR. LA SPINA: As you're aware we have public meetings
18 scheduled to consider the amendment request process on
19 July 13, 14, and 15. The 13th and 14th will be the expert
20 panel discussions that we talked about in the past. The
21 15th we will start out with formal hearings for the PSD
22 permits and the NPDES permit, and then we'll finish off the
23 evening with an open opportunity for the public to provide
24 comment on the entire amendment request package as opposed
25 to the previous two nights where we're focusing on very
specific areas.

The public comment period is scheduled to start on July 1
and run to the end of the month, a 30-day public comment
period. EFSEC staff is working with Invenergy to finalize
the process. It's mostly finalized, but I also wanted to
share that we expect to post all the public documents on
our EFSEC website on or about June 21 so it allows a good
three weeks for people to read the documents. None of them
are very long. They're mostly summary sheets that focus on
the specific areas of concern for the proposed expansion.
And I'm happy to answer any questions.

CHAIR LUCE: Are they sufficiently detailed that I will be
able to read them and understand the issues?

1 MR. LA SPINA: They are primarily summary sheets that have
2 the relevant information and if people want detailed
3 information we will post the amendment request document as
4 a whole on our web page.

5 CHAIR LUCE: Okay. We may need to talk about that later.
6 My understanding had been that the documents that were
7 going to be presented to us and posted on the website would
8 have sufficient detail that a member of the public could
9 read them and understand the issues and all of the
10 information, not testimony. This is not an adjudicatory
11 hearing, but that they would be sufficiently informed to be
12 able to go into the public meeting and ask intelligent
13 questions.

14 MR. LA SPINA: Well, we got as much detail as we can get
15 into three or four pages. I mean it was set up to be
16 summary documents. I don't know. Karen, maybe you can
17 explain.

18 MS. MCGAFFEY: I think they're sufficiently detailed for
19 both the Council and members of the public to understand
20 the issues and the basics about them. They are, however,
21 three to five pages in length so they don't have the same
22 level of detail that is in the portions of the application
23 that address those issues. Each of the facts sheets at the
24 end points people to the particular section of the
25 application that has more information. We submitted our
26 facts sheets last week, the week before, so perhaps you
27 might want to take a look at them and see what you think if
28 they're of sufficient help.

29 CHAIR LUCE: I think that would be helpful. So maybe
30 before you get them posted on the web you can shoot them
31 out to all of us so we can take a look and see how the
32 other members feel about that.

33 MR. TAYER: I think that's a good idea.

34 MS. MCGAFFEY: What we really tried to do is create a
35 balance between providing information and also making it
36 easy to understand.

37 CHAIR LUCE: Understood.

38 MR. LA SPINA: Yes, sir, that's really easy.

39 CHAIR LUCE: ASAP, please.

40 MS. ADELSMAN: Jim, did you get confirmation from everybody

1 that you were going to invite on the expert panel?

2 MR. LA SPINA: Oh, yes, yes.

3 MS. ADELSMAN: From Ecology?

4 MR. LA SPINA: We worked on that a couple months ago.
Well, as soon as we set the actual dates for the meetings.

5 MS. ADELSMAN: Okay.

6 CHAIR LUCE: Terry, do you have any questions for staff?

7 MS. WILLIS: Just on the public process you have going on
8 here. I understand by your comments that the documents are
summarized and then the full intent there. So that's where
9 the July 1 and July 31 date is that what they can comment
on? Is that what you're asking for? What are you
10 asking -- let me put it this way. What are you asking for
the public to actually review and comment on in your July 1
11 to July 31 date?

12 MR. LA SPINA: That they can comment on anything within the
amendment request. You may not have the context. The SEPA
13 documents identified specific areas of the greatest
concern, and that's what these expert panels are going to
14 be about specifically, but during the public comment period
the public is free to comment on any aspect of the proposed
15 expansion.

16 MS. WILLIS: Okay. Where is the SEPA documents being
listed at?

17 MR. LA SPINA: On our project.

18 MS. WILLIS: It's on the website also?

19 MR. LA SPINA: There's a dedicated Satsop project amendment
20 request web page.

21 MS. WILLIS: Okay.

22 CHAIR LUCE: Yes, sir.

23 MR. TAYER: Jim, on the report for this month as I read
this the plant operated six days. Three of those days
24 there were chloride exceedances. I'm trying to understand
the paragraph where it says the raw water has a higher
25 level than anticipated and the permit is lower than the
predicted level. Can you explain.

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MR. LA SPINA: That refers to the exceedances that we've had for the past year and a half because the permit level -- there shouldn't even be a permit level in the permit. The third evening on July 15 we will have a formal public hearing for the revised NPDES permit to fix the iron and the chloride exceedances that you've been hearing about for two years that all the chloride exceedances they exceed the limit in the permit, but they're not true violations because the limit in the permit is erroneous and you can't just go in and change it. You have to have a formal public process.

CHAIR LUCE: And Ecology is on board with that?

MR. LA SPINA: They reviewed the permit about a month ago, and I have implemented their recommendations so it's pretty much ready to go.

MS. ADELSMAN: I think when the permit was issued initially there was some numbers put in there that really we had no baseline or anything at that time, and the idea was they monitor it and then we come back and look at that again which is what's happening now in July.

CHAIR LUCE: Does that answer your question?

MR. TAYER: Yes.

MS. ADELSMAN: And it's not in the last three days. I mean they say operated -- yeah, go ahead. I thank you.

MR. LA SPINA: To be more specific when the permit limit for chloride was calculated, the permit writer used micrograms per liter instead of milligrams per liter which resulted in an erroneous affluent limit so the limit should not have even been in there.

MR. TAYER: Okay. Well, I guess I keep bringing this up because I think one of the few issues, environmental issues related to this plant is going to be the outfall and the water quality issues. So I want to understand what's happened in the history, what's happened in the past so I can understand what our expectation would be for the future.

MR. LA SPINA: We will not know what the impacts of the receiving water are until the water quality evaluation and engineering report are done. To determine the impacts of the discharge is beyond the ability of any permit writer

1 because you're talking about such things as phosphorous
2 which manifests themselves in the water column many miles
3 away. So there will be no final answers immediately. So
4 the facility is what is regulatorily called in the schedule
5 of compliance. In other words, its formal compliance
6 schedule the facility will have to do a receiving water
7 study that takes a year and an engineering study to see if
8 they have implemented industry standards and ACRT. Hedia
9 knows that term. And so there will not be immediate
10 answers. However, this chloride thing is definitely going
11 to go away really soon.

12 MS. ADELSMAN: I think the chloride you really could almost
13 describe it as an error in the permit and how the permit
14 was drafted and so on. And I think Ecology recognizes now
15 that needs to be fixed, and I think that's what you're
16 talking about having the meeting on the 15th. But then the
17 expansion study of the receiving water that would relate to
18 both existing and the expansion; is that correct?

19 MR. LA SPINA: Absolutely, absolutely. The engineering
20 report will cover the existing facility and the proposed
21 expansion and also look in very great detail at the impact
22 of the discharge to the river?

23

24 MS. ADELSMAN: So would these become a big issue at the
25 public meeting? Are we going to be able to clarify or
26 confuse people more or are people who are staff thinking
27 there's some kind of things happening?

28 CHAIR LUCE: I was going to ask -- sorry, Karen

29 MS. MCGAFFEY: I think that in the panel presentations we
30 will do our best to try and clarify this issue. I think
31 there has been some confusion from the public. There are a
32 lot of people who all they hear is there's another chloride
33 violation and just like Mr. Tayer wondering what's going
34 on. And I think there are really two issues involved.
35 With respect to the chloride it's simply a matter of there
36 was a mistake when the permit was written. As Jim said
37 basically what there should have been a part per million
38 limit and instead there was a part per billion limit. So
39 it's a thousand times lower than it should be and that's
40 not surprising we have these violations, and unfortunately
41 it's just taken a long time to get the permit revised.
42 The second issue Jim referred to is this iterative process
43 that NPDES permits commonly go through where initial limits
44 are set based on, you know, the best information you have
45 when you're going through that application process, and

1 then additional study is done and then those limits are
2 refined. And that will be an ongoing process for both the
3 existing facility and the expansion. That's not a simple
4 concept to get across, but we're going to try to do our
5 best to get our experts to explain it up front so there's
6 at least a basic understanding.

7
8 MS. ADELSMAN: So, Jim, do we have somebody from water
9 quality invited?

10 MR. LA SPINA: No, I wouldn't know. That's something we
11 should work on. I mean I'm doing the permits myself.

12 MS. ADELSMAN: Aren't you working with Nancy on that?

13 MR. LA SPINA: She reviewed the permit. She reviewed the
14 draft permit.

15 MS. ADELSMAN: I'm wondering if it will be good to have
16 somebody with Ecology?

17 CHAIR LUCE: Maybe we can take this outside the meeting.
18 The two of you can work this out. I do agree that some
19 simple explanation of violations which are not violations
20 and they keep being referred to as violations would be
21 helpful. Too bad they are referred to as violations when
22 in fact it's an error, it's a clerical error on the part of
23 the permit that was written, and it's not a violation.
24 It's a clerical error and in terms of the measurement going
25 forward that seems like something that can be relatively
easily explained. You don't know it until it happens and
you monitor it, and then you eventually it sounds like
after a defined period of time you check.

MS. ADELSMAN: That's management.

CHAIR LUCE: After management precisely.
Any other questions regarding this?

20

TRANSMISSION LINES UPDATE

21

CHAIR LUCE: Transmission lines update. Al, you want to
22 talk to this? Al and I attended a meeting with
23 Bonneville's senior management on reliability issues
24 associated with the I-5 transmission line and the need for
25 a corridor reinforcement. And you have a handout in your
package, and I think Al will summarize.

MR. WRIGHT: Okay. This basically is kind of the ongoing
what you hear of the I-5 corridor reliability issues that's

1 been around for 25 years. It's the attempt to keep up with
2 the growth rate in both the Portland metro and the Seattle
3 metro areas, and the resulting necessary interconnections
4 to keep those electric supplies stable and reliable. And
5 it is basically in an area that the electric industry has
6 fallen somewhat behind the growth rates and the demand on
7 the electricity. So there's been a stability question
8 throughout that corridor for a very long time.

9 Now, Bonneville is proposing what's an improvement in a 230
10 kV upgraded to a 500 kV line on the south end of the
11 corridor down into the Portland area from up around
12 Chehalis, and that has generated a tremendous amount of
13 controversy that I think some of you may have heard about
14 because the upgrade from the 230 to 500 kV lines goes right
15 through some major suburban areas, and there's a lot of
16 controversy about the building of that line. The right of
17 way by the way was purchased and set up and protected with
18 the idea of putting a 500 kV line in there at some time,
19 but that's long been forgotten.

20 The second part of this is the upgrade within the Seattle
21 metro area where there is a lot of not only distribution
22 grid but transmission grid within the Seattle metro area
23 that's underground or at least parts of it are underground.
24 It's aged. It needs a grade deal of upgrading. It's
25 terribly expensive to upgrade and that is a second phase or
a second part of this whole I-5 Portland-Seattle
reliability issue.

So we have been peripherally involved because we EFSEC have
the contract with Bonneville on the I-5 corridor
reinforcement 500 kV line, and we will be assisting
Bonneville in the EIS public review process and compiling
all of the comments and collating the comments for
Bonneville and participating in some of the discussion of
what the outcome of that might be.

Secondly, that whole reliability issue, of course, gets
into even though it is basically a transmission issue at
the moment it gets into the entire energy discussion in the
whole I-5 corridor because some of this you can offset your
transmission reliability needs by putting generation in,
but you have to put generation in the same back yards that
you're talking about building transmission in, and you run
into, of course, the same resulting problems.

So anyway it engages the entire energy planning kind of
concept within the I-5 corridor, and that's what this
handout is doing for you if you read it in detail. It

1 talks about the load growth and the load carrying
2 capability which those two things result in and the
3 reliability of the area, and I'm not going to go through a
4 lot of the detail numbers. The important part from your
5 point of view is just a number of things. As far as load
6 service growth this is what you find on pages 5 and 6. And
7 if you go to page 6 and go to the third bullet, what it
8 says is that with the load growth in the I-5 corridor area
9 and with existing obligations the system as it stands
10 today -- and when they say system, they're talking about
11 the transmission system -- will reach its thermal limit by
12 2015. Then it goes on to say it will reach the voltage
13 stability limit by 2018. Those two years, that three-year
14 difference in the world of transmission planning is a nano
15 second or so. It's not very much time, but the important
16 part here is when you reach the thermal limits of a system,
17 you're basically if you're a transmission planner, you're
18 in a critical situation. It's a pretty good sized problem
19 that you're dealing with. What happens is the voltage sags
20 and therefore all of the electrical mechanisms that the
21 voltage is serving are running under voltage and they heat
22 up, hence thermal limit. So you're creating thermal
23 problems on the machinery and the apparatuses in which
24 you're serving.

25 The voltage stability it says you now have the voltage
sagging in the transmission system and safety mechanisms
are starting to switch off. In other words, substations,
etc., are kicking out. Now you're getting into the problem
where you're actually going to be unstable, and when the
system reaches that, then it will start to shed loads
somehow or shed generation somehow, one or the other. It
doesn't matter which end you do it on, but you have to do
it on one of them.

18 So those are the critical issues that are facing the
19 transmission planners in today's world on this issue. It
20 is, and interestingly enough the proposed upgrade, the 500
21 kV upgrade that we're dealing with is scheduled to be
22 energized. All the work is scheduled to be done by 2015
23 and could be energized as early as 2018. Now that I'm
24 assuming is a coincidence in the way that was put together.

25 MS. ADELSMAN: I was going to ask you that.

23 MR. WRIGHT: But the point being that these lines we're not
24 overbuilding. These lines aren't coming on any too fast,
25 and if that line, for instance, was to get delayed for
three or four years, which is again a nano second in
transmission planning, what this says is you're coming up

1 on some very serious stability problems.

2 CHAIR LUCE: The thing I'd just point also to is on page 8
3 curtailments, thermal limits curtailments. We've had two
4 in the last two years, and, Al, why don't you walk through
5 when you reach a thermal limit you have to do something to
6 keep the system running.

7 MR. WRIGHT: Yes. These two thermal limits, one in 2008
8 and one in 2009, are basically the attempt that you had to
9 take a line out of service, and both of these happen to be
10 500 kV lines which is a big line and is fairly serious. To
11 be able to do that then you're instantly in the situation
12 where you're reaching thermal limits, you're creating some
13 problem. So then what you have to do is because if you're
14 managing for maintenance, you don't shave load, you don't
15 tell people to shut off their air conditioning units. What
16 you do is you go find some generation to reduce to keep the
17 system stable. The farther away the generation is from the
18 point you're trying to maintain the thermal stability the
19 more generation you have to cut back to reach your
20 particular limits where you're at.

21 For instance, if we're doing this on the September 2008
22 one, and the generation that's available to you to cut back
23 is the Hanford plant or Grand Coulee Dam, then you're going
24 to be so far away. For every megawatt you need to control
25 the transmission at that particular point you have to
26 reduce 14 megawatts at Grand Coulee to make that megawatt
27 show up where you are. So if you try to manage your system
28 when you're working against these limits, this is a very,
29 very expensive operation. I'll grant it, it doesn't happen
30 a lot, and it's usually a planned event. But it is an
31 extremely expensive operation if you're cutting back 14
32 megawatts for every megawatt you need here, and you have 57
33 of them. You can do the math. I mean it's a terribly
34 expensive way to maintain the system.

35 CHAIR LUCE: In 2009, 68 megawatts to 1,800 megawatts had
36 to be dropped to maintain the system. Each year the air
37 conditioning load is going up and that's something that
38 hasn't happened in the West Coast, at least the State of
39 Washington in the past, and part of that's due to the fact
40 we're building mega houses, big, big houses and we all like
41 air conditioning, even if we only need it maybe 30 days out
42 of the entire year. So I think that's important to
43 understand.

44 These two events I know September 2009 they were down to
45 less than a minute to be able to drop all of this load, and

1 if they hadn't dropped, WEC has certain standards that you
2 have to meet. And if you don't meet the standards, then a
3 couple of things can happen. One, you can be financially
4 penalized or worst-case scenario they can de-rate the line.
5 In other words, instead of being able to carry 1,000
6 megawatts now you're down to 900 which would push
7 everything forward further unless I'm mistaken and make
8 life even more difficult.

9 The last thing I guess I would mention is the assumptions.
10 This is only as good as the assumptions that underlie the
11 analysis, and the data is only as good as the data actually
12 is. These loads and the load projections were gathered
13 from the different utilities PGE, Clark, and Cowlitz.
14 There's no inherent reason that they're right. If you make
15 a recovery hypothetically from this recession that we've
16 been in more rapidly than these assumptions are predicated,
17 then the 2015 could become 2014 or 2013 or you pick it.

18 I guess the last thing I would say is I've never seen a
19 line built on time. It just doesn't happen. There's lots
20 of reasons. Planners will plan, the environmental impact
21 will happen, there will be lots of comments, there will be
22 a revised environmental impact statement. Eventually we
23 have the preferred route, eventually there will be a record
24 of decision, and eventually there will be a lawsuit because
25 somebody will be unhappy. And then it will go to the Ninth
Circuit, and it will sit at the Ninth Circuit for I think
18 months is the general time frame, for 18 months to
2 years. Then you may be able to start construction. So
what I'm trying to say here is both from an environmental
and economic point of view we have a very serious issue.

MS. ADELSMAN: Jim, my question is, okay, so we didn't
build anything for 40 years. There were problems in 2008,
but it wasn't until 2009 that BPA after there was some
recovery dollars, federal dollars that actually starts
looking at this seriously. Now we're talking about in five
years we're having to have all this unbelievable disasters.
CHAIR LUCE: I don't want to be critical of Bonneville, but
they could have started this planning earlier.

MS. ADELSMAN: My question I thought there were a lot of
people out there that work on transmission planning, that
this is their job. Why are we five years from having it
maybe disaster from happening? And I mean I don't think
it's going to be built in five years. I mean I doubt it.
I mean really. I mean they have the local government, they
have state permitting, they have all kind of stuff.

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CHAIR LUCE: Al has been more experienced in this than I have; however, I guess my only comment would be to ask Bonneville. I don't know.

MR. WRIGHT: I mean the --

CHAIR LUCE: It's been an issue.

MR. WRIGHT: The politically incorrect answer is in the 1980s and the 1990 decades we in the electric industry spent a lot of time keeping rates down by deferring maintenance and not doing capital upgrades like we should have. And one of the casualties of that system is our electrical transmission grid, and now we're paying the price for that because we're going to have to move those upgrades and that kind of major maintenance rebuilds much faster to be able to catch up with the growth rates that even went on then.

MS. ADELSMAN: Al, can I ask a second question to that? So the transmission planner do they develop contingency plans? Say if this line doesn't get built or it gets delayed so long, I mean they're not going to wait and then start turning off, taking this line off and/or this other one? Do they develop a contingent plan?

MR. WRIGHT: Yes, they do. And some of this that you're seeing in here the explanations they're using are basically those contingency plans in action, the ability to reduce loads to get in and try to maintain or do some line maintenance. Those kind of contingency plans are in place. They may not be as adequate as some of us may think they should be, but they're there and the planners are -- this isn't the fault of the planners. This is the fault of the policy makers who decide where the capital money goes or where it doesn't go. And so, you know, those decisions were made and now you have to make accelerated decisions to catch up.

The other thing that has happened, and I'm not trying to make an editorial but I am. I'm not trying to make an editorial comment on in the '90s we decided in this region to divide up transmission and generation planning. We said vertically integrated electrical supply systems are antiquated and inefficient and not in the best interest of the public because the free market enterprise if you open up the transmission system will reduce costs. And I'm not going to editorialize on that. I'm just going to say you can decide for yourself whether we reduced costs. We did

1 it and the result of that is a separation of generation
2 planning and generation contingency planning and all that
3 goes with that. Transmission planning and transmission
4 contingency planning which at one time back before the '90s
5 was an integrated planning system and you could use both
6 generation and transmission in that kind of contingency
7 planning activity which we don't do now. We make
8 transmission stand on its own and generation is supposedly
9 not part of that contingency planning for transmission.
10 It's just the way we run the electrical grid system today.

11 CHAIR LUCE: Just to simplify that, from 1937 to 1975 that
12 was the building generation. From 1975 until maybe today
13 or 2000ish the user generation. And now the bill is coming
14 due because the loads have continued to grow, the economy
15 has grown, but the system hasn't grown commensurate with
16 the growth of the economy and everything has become more
17 complicated. There's a lot of reasons. I mean it's easy
18 to say that prior to 1970 or roughly then we didn't have
19 NEPA. I'm not blaming NEPA, but there's been a lot of
20 process issues and legislative issues such as the
21 separation of generation and transmission since that point
22 in time that have made life more complicated.

23 MS. ADELSMAN: I have two questions on the project itself.
24 Number one, this is the first time I hear about all the
25 changes within the Seattle metropolitan. I may be the only
one, but I never really heard it before from BPA or
anywhere. And is this part of the I-5?

MR. WRIGHT: BPA does not have the grid system
responsibility in the Seattle metro area that it has say in
the southern part of the I-5 corridor down into the
Portland area. Most of that whole transmission, both
transmission into and the grid system distribution system,
is handled by Seattle City Light, Tacoma Power, Puget, and
Snohomish are the four big players in that area. They own
most of that transmission. They operate it, maintain it,
and so they have their own reliability problem within that
metro area, but it's not an island. It's not isolated.
That reliability problem carries over into the whole I-5
corridor reliability problem then, and that issue has been
around a very long time. It was heavily debated in the
late '80s and into the early '90s, and at that time they
actually were thinking about developing a load shedding
system for the Portland area based on how bad that system
was as far as its need for maintenance and upgrading. I
mean that was a long time ago. That was 15 years ago and
we're still talking about the upgrading.

1 MS. ADELSMAN: So when we talk about the EIS and the NEPA
and all of this stuff I mean this whole issue of the
2 Seattle metropolitan area is not part of that.

3 MR. WRIGHT: No, because that is a Bonneville project, the
500 kV line and it's the south end. I just wanted for the
4 sake of honest reporting I wanted to make sure you didn't
hear that this particular line is the sole problem. It is
5 not. There's two major components to this issue. The 500
kV in the south end is part of it. The Seattle metro whole
6 underground transmission system grid system is another part
of it. Combined they create a pretty serious problem.

7
8 MS. ADELSMAN: Thanks.

9 CHAIR LUCE: Anything else? We do have a report. I think
you're also going to offer a little bit on the move to the
UTC.

10
11 MR. WRIGHT: Yes, I do want to just touch on just so you
know the other two of our transmission projects, the Big
Eddy-Knight project down in the gorge area up in Goldendale
12 the preliminary Draft EIS is suppose to be out by the end
of this week. We will be coordinating on that, and it will
13 have I don't remember if it's a 30 or 45 day comment period
and, thirdly, the Lower Monumental upgrade project up to
14 the north of the gorge area the preliminary was out
April 13. All the comments are in and coordinated back
15 under Bonneville review. Bonneville is indicating that
they will have a Final Draft EIS for final comments
16 probably no earlier than the end of June. So those are
projects that we continue to be involved in under our
17 contracts with Bonneville.

18 MR. TAYER: A question on the Big Eddy-Knight. I think I
saw a letter from the Forest Service that mentioned that
19 they thought all three routes crossed Forest Service land,
and I'm having a hard time understanding that. So when
20 this preliminary EIS comes out, I wonder if there might be
some opportunity to take a closer look at that?

21
22 MR. WRIGHT: Oh, sure. We can have them come up and give
you a little briefing if you wanted. I remember I looked
at those routes for a number of different reasons. I
23 thought only one of them went through Forest Service land.
I thought they were DNR lands.

24
25 MR. TAYER: Fish and Wildlife.

MS. McDONALD: And parks.

1

MR. TAYER: Parks. But I don't know how you get from the Dalles to Goldendale Forest Service land.

2

3

MR. WRIGHT: You go through that. There is. That's the one line that does. It goes from the Dalles up the river on the Oregon side and then goes across over by I think Biggs somewhere and then goes up the hill to Goldendale. So that one I think does hit Forest Service land.

4

5

6

MR. TAYER: On the Oregon side.

7

MR. WRIGHT: On the Oregon side

8

MS. ADELSMAN: Yes, not Washington.

9

MR. WRIGHT: But we can get you a briefing if you'd like that.

10

MR. TAYER: Well, we had I think identified that one as having a fair amount of -- depending on which alternative was selecting having quite a bit of impact on the state.

11

12

MS. McDONALD: And then that one that was on the far east.

13

MR. TAYER: Right.

14

CHAIR LUCE: I think it would be helpful to have a briefing on that.

15

16

MR. WRIGHT: If it's timely for your next meeting it will be out.

17

MS. ADELSMAN: If we do that I would recommend if we could let some of the SEPA people that are interested maybe participate by phone to hear the presentation. Al, some of us can give you the contacts on the SEPA so they could hear the same information. I think that would be great.

18

19

20

MR. WRIGHT: Sure. We can do that.

21

MR. TAYER: So our next scheduled meeting is I think the day of the Satsop hearing.

22

23

MR. WRIGHT: Yes, it is.

24

MR. TAYER: So were we planning on having that meeting here and then going down for an evening meeting?

25

MR. WRIGHT: Yes, we wanted to get our money's worth out of

1 you that day. Actually what we had talked about, and I
2 think we talked about it with you, was we would have the
3 regular EFSEC meeting. You would have plenty of time to
4 have dinner here in Olympia and then drive to the Satsop
5 site for the hearing because it's my understanding that
6 people didn't want to stay down there anyway; is that
7 right?

8 MS. TALBURT: It's only an hour drive so justifying hotel
9 rooms would be hard.

10 MS. McDONALD: No, we don't want that.

11 MR. WRIGHT: I thought people didn't want to anyway it was
12 my understanding. I kind of got the impression that nobody
13 wanted to.

14 (Council discussed restaurants.)

15 MR. WRIGHT: Unless you'd like something different that was
16 the plan. Go ahead and have the meeting and we could set
17 up the meeting.

18 MS. ADELSMAN: Was the next day the whole day?

19 MR. WRIGHT: You have to come back the next day.

20 MS. ADELSMAN: The evening again.

21 MR. WRIGHT: By the way, I'm glad you said that. We have
22 been offered a tour of the site in the afternoon if we
23 would like it on the second day of the hearing, and so I'm
24 glad you brought that up. I forgot about that. I would
25 like to know how many people would be interested in a tour
of the site.

We got enough. Okay.

MS. ADELSMAN: That would be good for the new people.

MS. McGAFFEY: I guess we are anticipating the facility
will be operating in July, and so in addition to touring
the site we can tour the immediate vicinity so you will be
able to hear what people are talking about.

CHAIR LUCE: I am in.

MR. WRIGHT: Perfect. Okay.

MS. ADELSMAN: I'll be in.

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CHAIR LUCE: And if it's not operating for good businesses reasons, we'll turn it on anyway.

MR. WRIGHT: We can get Bonneville to reduce fish flows in the Columbia.

MS. ADELSMAN: Al, is the 15th in the daytime then?

MR. WRIGHT: No, the 15th is also in the evening. All three are in the evening.

MS. WILLIS: But you'll have a regular meeting here.

MS. TALBURT: On the 13th.

MR. WRIGHT: Only on the 13th.

MS. TALBURT: Then the site tour on the 14th, the afternoon of the 14th.

MR. WRIGHT: Then the 15th will be just the permit hearing or meetings and the general session in the evening.

MS. ADELSMAN: We have one night we could eat there.

CHAIR LUCE: Just don't check your calendar and discover you're in Walla Walla that day.

MS. ADELSMAN: No, I'm not. I made sure this time. Actually our director is going with our Governor about that time. I hope it is not me.

CHAIR LUCE: All right. Anything else?

UPDATE ON MOVE TO UTC

CHAIR LUCE: UTC.

MR. WRIGHT: Just quickly on our move to UTC. As I reported last meeting we have our personnel issues now all settled. That's taken care of. We are in the process of shifting all of the administrative budget, billing, bookkeeping, accounting, et al., activities from somewhere up in Commerce's computers to somewhere over in UTC computer land, and that seems to be going okay. The actual physical administrative shift takes place July 1 because it's required by law. So we will actually be UTC employees and EFSEC, and you will be under UTC administrative processes for filing travel and expenses, all that stuff

1 July 1. So we have to make sure we get everything from you
2 and us into Commerce as of the last day of June and start
3 putting stuff into UTC at the 1st of July.

3 The last and maybe the most important is the office space
4 issue is under discussion now. We've got drawings. We are
5 working on revising the office space over in the UTC
6 building, and we will be moving and it looks like the best
7 estimate is probably mid August for that actual move. This
8 space that we are in we actually have a two-year lease on.
9 General administration division who handles those contracts
10 actually has a client that is going to sublease it. So
11 apparently there is no financial issue of us moving over to
12 UTC, and we're hoping they don't have plans to take it over
13 until mid August or so.

9 MS. ADELSMAN: So would your mail address still be Commerce
10 until you move?

10 MR. WRIGHT: No, it will be whatever it is,
11 UTC.Washington.gov

12 MS. ADELSMAN: Starting July 1.

13 MR. WRIGHT: We won't be able to keep our phone numbers
14 after mid August. As long as we're here, it's my
15 understanding we will keep these phone numbers, but the
16 minute we move then we're in the UTC's phone bank and we
17 will have different numbers.

16 MS. ADELSMAN: That is too bad.

17 MR. TAYER: The July meeting will be here then?

18 MR. WRIGHT: I'm assuming the July meeting will be here.
19 That is probably safe.

19 CHAIR LUCE: Anything else to come before the siting
20 Council? Anything else to come before the Council?

21 MS. TALBURT: Chair, we did add a new roster including
22 Mr. Moss in your folders for you so you have current phone
23 numbers.

23 CHAIR LUCE: And the agenda for the prehearing conference
24 has been handed out.

24 Anything going once, twice? Adjourned.

25

* * * * *

1 (Meeting was adjourned at 2:46 p.m.)
2 (These are minutes only, not a verbatim report of
3 proceedings.)
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