

EFSEC DECEMBER 14, 2010 MONTHLY MEETING MINUTES

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STATE OF WASHINGTON  
ENERGY FACILITY SITE EVALUATION COUNCIL  
P.O. Box 43172 - Olympia, Washington 98504-3172  
December 14, 2010 Monthly Meeting Minutes

CALL TO ORDER

Chair Jim Luce called the December 14, 2010 monthly meeting to order at 2100 Evergreen Park Drive S.W., Large Board Room, in Olympia, Washington at 1:00 p.m.

ROLL CALL

Council Members present:

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

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:

Karen McGaffey, Perkins Coie; Mark Miller, PacifiCorp;  
Travis Nelson, WDFW; Todd Gatewood, GHEC; Chris Earle, ICF;  
Darrel Peeples, Attorney at Law, Shannon Brownstein, The Climate Trust

Guests in Attendance via phone:

Jennifer Diaz, Puget Sound Energy; Colin Meskell, Horizon Wind Energy;  
Don Coody, Energy Northwest; Tim McMahan, Stoel Rives;  
Christina Calabrese, Horizon Wind Energy; Matt Anderson, Horizon Wind Energy;  
Megan Connor, Horizon Wind Energy; Dan Rottler, Wild Horse Wind Power Project

CHAIR LUCE: Before we go on, I would like to introduce to

1 the Council many of you have already met Andy Hayes from  
2 the Department of Natural Resources who will be  
3 representing DNR in the future, and Doug Sutherland,  
4 formerly of the Department of Natural Resources and now  
5 representing the Skamania County in the Whistling Ridge  
6 project. So welcome to both.

MR. HAYES: Thank you.

MR. SUTHERLAND: Thank you.

CHAIR LUCE: And thank you very much to the Investment  
Board for allowing us to use this facility, and I guess  
what I would say about that is you look around, you see the  
facility, and follow the money.

MR. SUTHERLAND: It's only on the ground floor.

CHAIR LUCE: It's only on the ground floor, right.

PROPOSED AGENDA

CHAIR LUCE: So anyway proposed agenda.

Do Council Members have any recommended changes, additions,  
corrections?

Hearing none, the agenda is adopted as proposed.

MINUTES

CHAIR LUCE: Council Members have before them the minutes  
of October 19 and November 9, 2010. Have you had a chance  
to review them? If so, do we have a motion to adopt them?

MR. FRYHLING: I would so move.

CHAIR LUCE: I have a motion to adopt.

Do we have a second?

MR. MOSS: I'll second that.

CHAIR LUCE: We have a motion and a second to adopt the  
meeting minutes of October 19 and November 9, 2010. Let's  
call the question. The question is called for. Those who  
were not present on October 19 and November 9 should  
abstain, but those who were present should respond. All in  
favor of adopting the minutes as proposed say aye.

1 COUNCIL MEMBERS: Aye.

2 CHAIR LUCE: Let the record reflect those not in attendance  
abstained.

3

KITTITAS VALLEY WIND PROJECT UPDATE

4

CHAIR LUCE: The first project before us is the Kittitas  
Valley Wind Project with a project update.

6 Eric, are you on the phone?

7 MR. ANDERSON: No, This is Matt. Eric is in training.

8 CHAIR LUCE: All right, Matt, you're subbing in. Let's  
hear it.

9

10 MR. ANDERSON: Okay. All personnel who enter the site have  
been presented with the project safety and environmental  
training. Horizon Operations Manager Eric and myself is  
11 now on site full time and participating in environmental  
and safety training for future operations of the farm. As  
12 far as the civil work, full turbine we're at 100 percent,  
pre-commission is 100 percent, and we do now as of Monday  
13 have 100 percent of the turbines commissioned and have  
passed their test. And we have as of yesterday morning at  
14 eight o'clock the site has produced just over five million  
kilowatt hours. The O&M building is 70 percent.

15

The electrical works: The circuit completion is 100  
16 percent, substation is complete, and the testing obviously  
is all 100 hundred percent.

17

Working on permits for winter maintenance and snow removal  
18 on Hayward Road.

19 Compliance issues: Project is in compliance as of December  
7, 2010, no internal environmental NCR's were issued since  
20 last EFSEC report. Post Construction Noise Monitoring  
Study will be continued once we are operational, and the  
21 update on that is they will continue that noise study in  
the spring again as far as the update that I just received.  
22 Emergency Response Plan and Fire Prevention Plan both are  
being reviewed and we expect EFSEC to sign off shortly.

23

24 Environmental reports: Registration grading is 100 percent  
complete. The reseeding of the site is 100 percent, and  
fall weed spray as per weed plans are complete as of  
25 October 21.

1 CHAIR LUCE: Great. Thank you.  
2 Council Members, do you have any questions?  
3 Hearing no questions, we'll move on to, Mr. La Spina, you  
4 have a report on the TAC (Technical Advisory Committee)  
5 Rules and Procedures?

6 MR. LA SPINA: Yes, sir. Good afternoon, Chair Luce. The  
7 TAC or Technical Advisory Committee had its first meeting  
8 on October 19. For the new Council Members the TAC is  
9 basically an SCA required committee convened by the  
10 permittee to give the Council recommendations on wildlife  
11 and habitat issues associated with the wind farm. So we  
12 had our first meeting on October 19.

13 At that meeting the TAC approved the rules of procedure  
14 which is the rules that they operate under and also  
15 discussed the Post Construction Avian and Bat Monitoring  
16 Plan which was sent to you electronically. I am going to  
17 hand this over to Christina Calabrese who's on the phone  
18 who will give you a little bit of background about the  
19 plan, and basically what we're doing is asking you to  
20 approve this plan today.

21 So, Christina, do you want to give a little bit of a  
22 background?

23 MS. CALABRESE: Sure. Good afternoon. My name is  
24 Christina Calabrese again, and for the Avian and Bat  
25 Monitoring Plan this is something that our site certificate  
26 agreement required us to develop and then to work with the  
27 TAC to make sure that all the comments were addressed.  
28 There's three major components to the plan. One of them  
29 is to have a fatality monitoring study, a two-year avian  
30 and bat fatality monitoring study. The second point is to  
31 adopt at least one year of raptor nest surveys at the site,  
32 and the third part is to have a wildlife incident reporting  
33 system for our project, for the life of the project.

34 The study plan was developed by a consultant who has  
35 extensive experience in these type of surveys in the  
36 Pacific Northwest, specifically in Washington. We have  
37 discussed with the TAC members, and all the TAC members  
38 have submitted comments and have approved the plan. And so  
39 once we get your approval we will be starting surveys  
40 January or February of 2011.

41 CHAIR LUCE: Thank you. Coordination with the Department  
42 of Fish and Wildlife and the Department of Natural

1 Resources has been undertaken I assume?

2 MS. CALABRESE: Yes, sir.

3 CHAIR LUCE: All right.

4 MR. LA SPINA. Chair Luce, I also wanted to add for the  
5 Council's benefit that the plan is in compliance with the  
6 Northwest Wind Power Guidelines.

7 CHAIR LUCE: All right. Council Members, do you have any  
8 questions?

9

10 MR. TAYER: Yes, Mr. Chairman, two questions. One is I  
11 heard it mentioned that the TAC had reviewed and approved  
12 or supported the Avian and Bat Monitoring Plan, but in some  
13 indications it seems like we get something that comes in  
14 from the TAC that says that, and in other cases -- I don't  
15 see that here -- something that comes from the TAC that  
16 sort of identifies their concurrence or however you want to  
17 say it.

18 MR. LA SPINA: I wasn't aware that anything had to be sent  
19 in writing.

20

21 MR. POSNER: If I might add, Stephen Posner, for the  
22 record. You're probably referring to copies of the minutes  
23 where in fact I think they're in the package where you can  
24 see where the members of the TAC voted to recommend to the  
25 EFSEC Council that the plan be approved. Is that what  
26 you're referring to, the document that the TAC's action was  
27 to recommend approval of the plan?

28

29 MR. TAYER: We've had that, and I think in at least one  
30 case we had a letter that was signed by the Fish and  
31 Wildlife Service representative and our representative on  
32 behalf of the TAC. So I was just is it in there, Jim?

33 MR. LA SPINA: I wasn't aware that that was a requirement.

34 MR. TAYER: Well, it's not a requirement. I'm just looking  
35 for something in the record that shows that the TAC  
36 approved this.

37 MR. WRIGHT: The minutes are in your packet.

38 MR. TAYER: I missed that.

39 MR. POSNER: And I believe it was unanimous, all members of  
40 the TAC recommended approval of the plan.

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MR. LA SPINA: And we could certainly get you such a letter, Jeff.

MR. TAYER: No, no. If the minutes are in there and they reflect that, I just missed that. The one other thing I was going to mention is it might be a good idea to go through just and double check. I noticed the notification requirement goes to the Fish and Wildlife Service and the Oregon Department of Fish and Wildlife so I'm thinking that this is a form that has been used from Oregon wind projects that we wouldn't want to have the folks at the Commission calling ODFW. So anyway, thanks. That's the only other thing.

MR. LA SPINA: Thank you.

CHAIR LUCE: Other Council Member questions? Do we have a motion to approve the Post Construction Avian and Bat Monitoring Plan?

MR. TAYER: I'll move to approve it.

MR. MOSS: I'll second that.

MS. ADELSMAN: I second.

CHAIR LUCE: All right. We have a motion and two seconds. Discussion among Council Members?  
Hearing no discussion, the question is called for. All in favor say aye.

COUNCIL MEMBERS: Aye.

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

Complaints and response to complaints, Al?

MR. WRIGHT. Yes, Mr. Chairman, I meant to point this out. This was on your agenda last month. I meant to point it out and didn't. We have been criticized of recent that when we receive a complaint from a party and we respond to it, we don't necessarily inform the Council of all of those kinds of complaints, and some of the complainants criticized us for that. So what we have taken up now is a new procedure of including all of the complaints and our responses in your packet under the project in which they're associated with. So from now on you will notice in your

1 agendas that there will be an item that simply lists the  
2 complaints and what our responses have been. We didn't  
3 intend to go through them in any detail unless there's  
4 questions from the Council Members either at the meeting or  
5 later on if you choose, but basically it's an informational  
6 item that will show up now on a regular basis to the  
7 Council Members.

8 CHAIR LUCE: Great. Council Member questions?  
9 Hearing no questions, let's move onto Chehalis Generation  
10 Facility.

#### 11 CHEHALIS GENERATION FACILITY UPDATE

12 CHAIR LUCE: Mark.

13 MR. MILLER: Good afternoon, Chair Luce and Council  
14 Members. For the Chehalis Power Plant there were no  
15 medical treatments or reportable incidents this last  
16 period.  
17 We're at 2,975 days without a lost-time accident. With  
18 respect to the environment, our storm water, waste water,  
19 air emissions monitoring results are all in compliance with  
20 our permit limits.

21 Briefly I'll just speak to the carbon offset project. It's  
22 something that's been garnished some attention recently,  
23 and what we're asking here today is that we've completed  
24 our technical review and evaluation, and we're prepared to  
25 move forward with contract negotiations following the  
Council's approval of the selected proposal.  
With respect to personnel at the Chehalis Plant, we have an  
open position for control room operator that was posted  
internally and also we are reviewing external candidates.  
We did complete the hiring of an environmental analyst.  
That person will be starting at the Chehalis Plant the  
first of this January 2011, and he's coming to us  
internally from one of the PacifiCorp plants in Utah.  
With respect to operations, in November much less  
generation. The plant generated 82,000 megawatt hours with  
a capacity factor of 22-1/2 percent. Year to date we have  
generated about 1.3 million megawatt hours, about  
60 percent of what was forecasted. The auxiliary boiler is  
also one of the requirements to be installed as part of the  
SCA is fully commissioned and operations and will begin  
scheduling the emissions testing to meet compliance

1 requirements as stated in the Notice of Construction  
2 Permit. That remains unscheduled and actually we expect to  
3 have it fully commercially operational sometime this month  
4 or next month but way before, at least a month before the  
5 end of February which is the compliance date. And there  
6 were no other noise complaints or any other issues. Any  
7 questions?

8 CHAIR LUCE: Council Member questions?

9 Hearing no questions, we'll move onto this issue with  
10 respect to the greenhouse gas mitigation plan. My  
11 understanding is we're not actually approving anything.  
12 What we are approving is proceeding with negotiations with  
13 the proponent, the only party who submitted a bid, and that  
14 is the Climate Trust out of Portland, Oregon. I think the  
15 green sheet in your packet summarizes this which refers to  
16 the fact that there's a Climate Legacy Program through  
17 which PacifiCorp purchases these credits, and the  
18 particular project that the Climate Trust has suggested is  
19 a farm power Lynden project, a dairy digester. So what we  
20 would be approving today is PacifiCorp going ahead with the  
21 negotiations. Correct?

22 MR. WRIGHT: Correct.

23 CHAIR LUCE: Anything else to add?

24 MR. WRIGHT: No. You will be seeing the details that the  
25 Chairman just gave you are really part of the proposal. We  
don't know yet what will come out of the negotiation  
between PacifiCorp and Climate Trust so you will actually  
be seeing the real terms and conditions that are negotiated  
when you approve the proposal that will come back from  
PacifiCorp.

CHAIR LUCE: I guess I would add that to the best of my  
knowledge PacifiCorp made concerted efforts to encourage  
local community entities to propose programs for adoption  
mitigation and that wasn't done. So I want to thank  
PacifiCorp for making that extra effort to try and do this  
within the County within which the project is located, but  
it is within Whatcom County which is not too far away. So  
do we have a motion to prove the beginning of the  
negotiations?

MR. FRYHLING: I'll so move.

MR. TAYER: I'll second it.

1 CHAIR LUCE: We have a motion and a second. Do we have any  
discussion regarding that?

2  
3 All right. I'll call for the question. The question is  
called for. We'll take a voice vote. All in favor say  
aye.

4  
5 COUNCIL MEMBERS: Aye.

6 CHAIR LUCE: All right. Let the record reflect the vote  
was unanimous. Thank you.  
7 And thank you again for trying to expedite this, not  
trying, for expediting this and for the efforts to obtain  
8 bidders within the county where the project is located, and  
regrettably nobody stepped forward, but we do look like we  
9 have one proposal that maybe will work.

10 MR. MILLER: You're welcome.

11 WILD HORSE WIND POWER PROJECT

12 CHAIR LUCE: The next item on the agenda is the Wild Horse  
Wind Power Project. Jennifer, I heard you on the phone.

13  
14 MS. DIAZ: I am here, Chair Luce. Jennifer Diaz, Puget  
Sound Energy Wild Horse Wind Facility. November generation  
totalled 52,000 megawatt hours for an average capacity  
15 factor of 26.6 percent. The solar demonstration project  
generated 35,000 kilowatt hours in November.

16  
17 Under safety there were no lost-time accidents or safety  
incidents to report in November, and under compliance and  
environmental the site closed for public access on  
18 December 1 for the winter season. Approximately 22,000  
visitors toured Wild Horse this year at the Renewable  
19 Energy Center. In accordance with the alternative sage  
grouse conservation measures as approved by EFSEC in  
20 August, PSE removed approximately six miles of unnecessary  
fences to help reduce the potential of collision hazards  
21 for sage grouse and other wildlife. In addition, the  
Department of Fish and Wildlife and U.S. Fish and Wildlife  
22 Service biologists identified a large area on the wind farm  
as a potential candidate for the improvement of habitat  
23 suitable for sage grouse nesting and bird rearing. The  
plan for restoring this area were developed by a company  
24 called BFI Native Seeds in coordination with Department of  
Fish and Wildlife and U.S. Fish and Wildlife Service, and  
25 these plans will be implemented in the spring of 2011.

1 All the materials for marking fence lines to increase  
 2 visibility for sage grouse and other wildlife were  
 3 purchased and will be installed as weather permits. We did  
 4 get a total of about eight inches of snow this week. So  
 5 that work will be completed as the weather allows.  
 6 PSE has sent regular updates to the Technical Advisory  
 7 Committee on the implementation of the conservation  
 8 measures. In accordance with the Site Certificate  
 9 Agreement Amendment No. 5, PSE developed plans with the  
 10 Department of Fish and Wildlife to restore and protect the  
 11 springs from livestock degradation. We have about 12  
 12 natural springs on site. These plans include native  
 13 seeding and the installation of temporary fencing and a  
 14 noxious weed management plan. That's all I have for you.  
 15 Is there any question?

9 CHAIR LUCE: No questions from me, but Council Members may  
 10 have questions. Council Members, do you have questions?

11 MR. TAYER: Mr. Chairman, this is Jeff Tayer from Fish and  
 12 Wildlife. I don't have a question, just a thank you. Good  
 13 job.

14 MS. DIAZ: Thank you, Jeff. I appreciate that.

15 COLUMBIA GENERATING STATION UPDATE

16 CHAIR LUCE: Hearing nothing else on that particular  
 17 project, we will move ahead to Columbia Generating Station.

18 Steve, are you on the phone?

19 MR. COODY: This is Don Coody.

20 CHAIR LUCE: Don, okay.

21 MR. COODY: Good afternoon, Chair Luce and Council. Can  
 22 you hear me okay? I'm getting a lot of buzzing.

23 CHAIR LUCE: Well, we're getting some too, but we can hear  
 24 all right.

25 MR. COODY: Okay, good. Columbia has been currently  
 operating at 100 percent power. We're producing 1,123  
 megawatts gross. Can you hear me now?

CHAIR LUCE: Yes.

MR. COODY: Okay. Great. The plant has been on line for

1 396 days. The status of plant activities: Our NPDES  
2 permit renewal application we submitted an application to  
3 EFSEC for renewal of Columbia's NPDES permit. The  
4 application was received by EFSEC on November 24, 2010 with  
5 the acknowledgment that it satisfied the permit requirement  
6 for timely submittal of renewal application. Initial  
7 comments from EFSEC staff noted that the application  
8 appeared to be very thorough and complete.

9 Regarding an NPDES permit issue that we have, during last  
10 month's Council meeting it was reported that the cooling  
11 water blowdown valve which is currently allowing a small  
12 amount of leak-by will be replaced during Columbia's  
13 refueling outage next April. In the interim we're working  
14 with Ecology and EFSEC to develop a plan that will verify  
15 blowdown water does not exceed the NPDES limits as it  
16 reaches the Columbia River.

17 Regarding our Fire and Life Safety Inspection at Columbia  
18 and the IDC (Industrial Development Complex), on December 1  
19 we formally reported to EFSEC that all but one of the  
20 corrected actions associated with the Fire and Life Safety  
21 Inspection conducted by the Washington State Patrol Fire  
22 Protection Bureau in August 2010 had been completed. The  
23 remaining open item was completed on December 6, and we'll  
24 submit a letter to EFSEC providing assurance of compliance  
25 for all the noncompliant conditions. We'll send that out  
by December 17.

16 We have a new Vice President of Nuclear Generation and  
17 Chief Nuclear Officer. Brad Sawatzke arrived at Energy  
18 Northwest on December 6 as the agency's new Vice President  
19 of Nuclear Generation and Chief Nuclear Officer.  
20 Mr. Sawatzke comes to Energy Northwest from Energy, Inc.,  
21 where he spent 29 years. He most recently served as the  
22 director of site operations at Xcel's Prairie Island  
23 Nuclear Generating Plant in Minnesota. The majority of his  
24 career was spent at the Monticello Nuclear Generating Plant  
25 in Minnesota where he served as performance assessment  
manager, maintenance manager, and plant manager. He also  
held reactor operating and senior reactor operator licenses  
at Monticello, a boiling water reactor. That's all I have,  
Chair Luce.

23 CHAIR LUCE: Thank you very much.

24 Do Council Members have any questions?

25 MS. ADELSMAN: What was his name again? I'm sorry. I  
didn't catch the name.

1 MR. COODY: Bradley Sawatzke S-a-w-a-t-z-k-e.

2 MS. ADELSMAN: Okay. Thank you.

3 MR. COODY: You bet.

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5 TRANSMISSION LINES UPDATE

6 CHAIR LUCE: Hearing no questions, transmission lines  
7 update. Sonia is not with us today. Does someone else  
8 want to make that update?

9 MR. POSNER: Yes, Chair Luce. I will be making the update.  
10 I'll give you just a brief update on the three BPA  
11 transmission line projects that EFSEC is working with BPA  
12 on. The Central Ferry-Lower Monumental Project the  
13 Preliminary Final EIS is scheduled for release in early  
14 spring 2011.

15 On the Big Eddy-Knight Project the Draft EIS was released  
16 last week on December 10. There is a public comment period  
17 that runs through January 28, and BPA is holding two open  
18 house public meetings, public comment meetings on the Draft  
19 EIS, and those are scheduled for Tuesday, January 11 in The  
20 Dalles, Oregon and on the 12th, January 12 in Goldendale.  
21 On the I-5 project BPA has been preparing monthly news  
22 letters, and these are posted on the BPA website if any of  
23 you are interested. There's been a lot of public interest  
24 in this project so they've been trying to keep the public  
25 updated with regular newsletters to their website. And the  
evaluation of alternative routes is continuing, and  
preparation of the first Draft EIS has begun. What we  
understand is that the Preliminary Draft EIS is scheduled  
for release in the spring of 2011. That concludes my  
update.

26 CHAIR LUCE: All right. I guess I could add briefly to  
27 that. I think you may already know this, but the Pearl  
28 route which was proposed by some of the people in the state  
29 of Washington who are concerned about the power project is  
30 not going to be pursued as far as I know. That route would  
31 have gone through Oregon and then had a river crossing up  
32 in the Kelso-Longview area. For a whole variety of reasons  
33 that route did not come into the initial scope and wasn't  
34 presented in scoping and won't be considered.

35 The only other thing I could report is I had a good meeting

1 with a group called Another Way BPA, and Kayce helped  
2 coordinate that, and we had a good discussion of citizen  
3 interest with respect to this project, and we'll see what  
4 comes of that. So that's all I would have to add. Any  
5 questions? All right. Hearing no questions, Whistling  
6 Ridge Energy Project, our New Years project.

7 MR. POSNER: Yes, Chair Luce, I'll give you a quick update  
8 on the EIS, the Draft EIS. As you all know we've been  
9 working very diligently with BPA on developing responses to  
10 the comments that we received, we received on the EIS, and  
11 for those of you who may not have been with us earlier on  
12 the Council just for the record, we have almost 800  
13 individual comment letters were received and over 2,000  
14 individual comments that we are working on addressing. By  
15 the end of this week we should have available for the  
16 parties, certain parties to the adjudication have requested  
17 to be able to see the information as we're developing in  
18 terms of the responses to the comments. So we will be  
19 making that information available. There will be an  
20 opportunity for the various parties to look and see how  
21 they respond to the comments are being developed or at  
22 least what they look like, and so that information we're  
23 hoping to have that available by the end of the week  
24 through an FTP site where people will be able to log on and  
25 actually view that information on line.

CHAIR LUCE: Quick question. You mentioned parties. Will  
that information also be available to the public, those  
people who may attend our public comment sessions?

MR. POSNER: Well, we're making it available to the parties  
to the adjudication who have requested it. We are not  
going to post this information on our website. We're not  
planning on making any formal public announcement that this  
information is available. This request came in during the  
adjudication, and it's a courtesy. We're following through  
as a courtesy to the parties. My understanding in talking  
from the legal side of it we're under no obligation to make  
this information available, but because certain parties  
have requested it we are doing so.

CHAIR LUCE: Well, we're under no obligation, but leaving  
legal obligations aside I think maybe we'll try to get a  
sense of the Council at some future time as to whether it  
might be a good idea to make those responses available to  
the public because I can see a situation where the parties  
are using those to whatever purpose that they may have, and  
the public is not aware of that, and I just don't think  
that's particularly healthy.

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MR. POSNER: Right. One thing that we will be making sure people are aware of is that they know that this is a work in progress.

CHAIR LUCE: Absolutely.

MR. POSNER: And that it's subject to change, and that we are not going to be accepting any comments on the comment responses.

CHAIR LUCE: Totally understood. The question is whether if it's available to the parties, then it should be available to the public. My guess is -- I don't want to go into the law. I left that behind a few years ago. But we want to at least consider the possibility of making those comments more broadly available. We can take that up later.

Council Members have any -- well, hold it. We have the adjudicative update.

MR. WRIGHT: Yes, Mr. Chairman. Judge Wallis apologizes for not being able to be here today. He would normally be doing this. We are proceeding as you all know with planning the adjudicative process. I'd like to go through just the schedule with you so you know what it is that you're facing. Before I do that I would like to mention this nexus between what Stephen just described to you as the ongoing work that we're doing in getting the comments on the Draft EIS in a format and in a response that we can then redraft into a Final EIS. That's a whole process that's ongoing, will go on for a number of months, and this little kind of faucet that we've tied onto it that says you can look at our draft response to comments because the parties to the adjudication wanted to educate themselves on where we were. But I guess and I know if Judge Wallis was here he would stress that this is a separate and different process than the adjudication process.

CHAIR LUCE: Totally agree.

MR. WRIGHT: So we are proceeding. You have all of the prefiled testimony now I believe in front of you or it will be in front of you in your work session tomorrow. On the 16th you will be receiving all of the rebuttal testimony. It will be another set similar in size to what you already have. In addition to the rebuttal testimony we're asking you to, of course, attend an adjudicative workshop tomorrow from 9:00 to 11:00 which will be just for Council Members.

1 It's a training program put on by Judge Wallis. It will be  
over at the UTC Building. That is not a public meeting.  
2 It is strictly a training session for the Council Members,  
even though there will be a quorum there. The adjudicative  
3 process allows for that.  
4 In addition, next week on the 21st from ten o'clock until  
finished there will be a prehearing conference. It will be  
5 the last one before the official adjudication process  
starts, and Judge Wallis will be putting out an agenda on  
6 that here soon, but he's expecting it will take most of the  
day, and he's urging you to attend that. There will be a  
7 half-hour to 45-minute session before that that we'll get  
into later in the agenda, and then after that there is, of  
8 course, beginning at ten o'clock there will be a prehearing  
conference at the start of the adjudication process on  
9 January 3, and the actual adjudication process starts at  
1:30 on January 3 in Skamania Lodge and it will run,  
10 scheduled to run until Friday the 14th. And you've all had  
this material on your schedules we've sent you, but I'm  
11 just letting you know Judge Wallis thinks that most of this  
will be the process will run from approximately 8:30 to  
12 9:00 depending on how he schedules it until late afternoon.  
13 We also on the 5th of January at 3:30 in the afternoon have  
a public session where you will be hearing comments not  
14 from the parties that are part of the proceedings but from  
the general public, and we've put out notices to that  
15 effect, the public meetings, one on January 5 which is at  
3:30 in the afternoon in Underwood, and that will run into  
16 late afternoon or evening and then one on the 6th of  
January that will start in the evening at 6:30, run until  
17 about 9:30. That one will be in Stevenson in the Rock  
Creek Center. Underwood will be at the Underwood Community  
18 Center where you were in July, and so you've been there  
before. And the hearing will run as I say until finish.  
19 There's a possibility it could run beyond Friday the 14th  
in January. Until we see schedules and testimony and  
20 people's schedules are selected which will be done at ten  
o'clock in the morning on the third we don't really know  
21 that. So that's where we are with the adjudicative  
process. Like I say, it's being organized in earnest now,  
22 and you're getting material almost daily.  
23 As far as logistics at Skamania Lodge, if you haven't made  
reservations, you haven't made accommodations, I strongly  
24 urge you to talk to Kayce today before you leave if you  
have any questions at all in regards to that. We have  
25 blocks of rooms set aside. They're all set up and  
expecting you. They can't wait to have you there.

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CHAIR LUCE: Quick question. Will we get weekends off for good behavior?

MR. WRIGHT: I understand if you behave yourself properly that you can. I don't know that's going to be hard for the Chair, but other than that I think everybody else will get the weekends off.

CHAIR LUCE: All right. My penance is I have to say there?

MR. WRIGHT: Yes, you have to stay at Skamania.

CHAIR LUCE: As long as Liz can come up, I think we can probably work with that.

MR. SUTHERLAND: Can you define good behavior?

CHAIR LUCE: When you see it;

MR. FRYHLING: I have a question of Al. I had on my calendar next week that the meetings were for a day and a half, the 21st and 22nd. Has that been changed or do I just plain have it wrong?

MR. WRIGHT: The meeting for the 21st for the prehearing conference will be a full day.

MR. FRYHLING: But we aren't having a second day?

MR. WRIGHT: On the second day is the issues training session, and what Judge Wallis is planning on doing is tomorrow at the end of the training session for tomorrow he's going to ask you -- he's going to briefly touch on the issues tomorrow afternoon, and then he's going to ask you whether you want to go ahead with the Wednesday training or not. That's only part of that day and he's going to leave it open to you whether you want to return or you feel adequately trained.

CHAIR LUCE: Great. I want to really express appreciation to Kayce and, Tammy, were you down there too? And staff went down yesterday, spent all day at Skamania Lodge and went over all of the facilities, checked out the rooms, checked out the hearing rooms. I think Judge Wallis was with you. Made sure that all of the necessary facilities were going to be working and working well. So really appreciate you. It's a long drive, and my understanding is it went quite well. So thank you both of you and everyone who went.

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MS. MICHELLE: You're welcome.

SATSOP - GRAYS HARBOR ENERGY PROJECT UPDATE

CHAIR LUCE: The next item is the Satsop operational update from Todd followed by the Satsop decision process.

MR. GATEWOOD: Good afternoon, Chair Luce, Council Members, and Staff. My name is Todd Gatewood. I'm manager at the Grays Harbor Energy Center.

For the month of November there were no accidents or injuries. We submitted our October monthly DMR and our October storm water reports. We'll talk about the issues on the DMR in a little bit. The amendment to the NPDES is final so all the issues that were in the other reports for the last two years should be taken care of now, which is a good note. We've worked a long time on that, and that went into effect November 1.

Operations: We did not operate in the month of November. The market was just too soft, just a dollar above our base cost so we could never recover our start charges and stuff. We don't anticipate running this month either unless it gets down to maybe 10, and we received no complaints or concerns at the plant.

CHAIR LUCE: That's what I was going to ask you. Was there any noise complaints?

MR. GATEWOOD: Well, you never know. There may be other complaints. I know the staff received an issue about the pipeline, but Mr. Wright took care of that.

CHAIR LUCE: Okay. Anything else to report?

MR. GATEWOOD: Nothing.

CHAIR LUCE: Thank you very much.

Al, you want to talk about the Satsop decision process and the efforts, the herculean efforts you are making with EPA and Ecology.

And thank you, Ecology, Hedia.

MS. ADELSMAN: You're welcome, anytime.

MR. WRIGHT: Yes. Mr. Chairman, we are attempting kind of

1 a last ditch effort here. You will notice, of course, that  
2 the Satsop decision on Units 3 and 4, the plant expansion,  
3 is not on your agenda today. The reason for that is there  
4 are unfinished, unresolved issues on the PSD air quality  
5 permit for those units, and without a signable permit we  
6 can't ask you to approve the project because tradition is  
7 that EFSEC is to send the entire package to the Governor at  
8 once. So in trying to find some spot where we may have  
9 hope of getting the EPA air quality issues resolved and  
10 this to you in time for you to vote on it before the end of  
11 the calendar year, we hit on this since you're going to be  
12 here or many of you will be here to hear the prehearing  
13 conference on the 21st, we're attempting to have a special  
14 EFSEC meeting at 9:00 a.m. on the 21st of December. It  
15 will be the same place as the prehearing conference, Room  
16 206, the UTC. It should if everything is done and complete  
17 ready to be signed. There will be just two agenda items.  
18 One will be approval of the PSD permit, and Chairman Luce  
19 will be able to sign that on the spot assuming your  
20 approval.

21  
22 Secondly, then if we have a signed PSD permit, you could  
23 approve the entire rest of the Satsop project which  
24 basically is made up of the SCA and the order, and within  
25 the SCA is an appendix which has all the permits in it.  
The only permit missing is the air quality permit which we  
would then have in hand. So you would have once the permit  
is signed you would have a complete package, and you could  
vote on the approval of the project if you so chose.  
So we're going to try that. It requires then that I have a  
PSD permit in signable form out to you by e-mail as of  
close of business on Friday for you to have at least three  
days to look at it. And so if we do not have a permit in  
hand by close of business on Friday, I will put in a notice  
cancelling the nine o'clock meeting. So that's the plan.

19 If it happens, then everything will be ready for you. You  
20 will get an e-mail on Friday before close of business, and  
21 we will be ready to go Tuesday morning.

22 Of course, the prehearing conference will proceed at ten  
23 clock no matter what happens with this, and, of course, you  
24 will make a decision tomorrow on the following day what  
25 kind of training program you want or decide you don't want.  
And that's where we are.

24 CHAIR LUCE: I want to add just for the record because Al  
25 didn't add it, we thought we had a permit, and the day  
before the public comment closed EPA sent us a completely

1 revised permit. We have been working very closely with EPA  
2 up to that point in time. We thought we had a clear  
3 understanding with EPA at that point in time, and for some  
4 reason things changed.

5 So I want to make sure that it's understood for the record  
6 that this is not something that EFSEC brought upon itself  
7 nor did the Applicant bring upon itself. This is squarely  
8 in the lap of EPA, and Ecology has been very helpful in  
9 working with EPA, but it has been frustrating for us all.

10 MS. ADELSMAN: EPA is going through a lot of transition  
11 relating to this issue.

12 CHAIR LUCE: I'm sorry, Hedia. What?

13 MS. ADELSMAN: I said EPA is going through a lot of  
14 transition regarding this particular issue.

15 CHAIR LUCE: That's a polite way to put it.

16 MR. FRYHLING: I understand all the reasons why we aren't  
17 signing this today, but it bothers me as a government  
18 employee that we are holding up a permit, our EFSEC process  
19 because we don't have a permit. We don't have any control  
20 over EPA, but it's a black eye on all of us that are in  
21 government every time we have to postpone something because  
22 we haven't issued a permit. And those of us in government  
23 that's our job, and we need to do it in the most expedient  
24 manner we can because we see what happens out there.  
25 People say you can't even get a permit out to us on time.  
It's not us, but I just want to say that it bothers me, and  
I've been doing this for 40 years and this is something  
I've heard all my life, all my working life that we've got  
to respond to the people that we serve better.

MS. ADELSMAN: I think legally there is nothing that  
prevents us from sending the package to the Governor's  
office. They have 60 days to review it.

CHAIR LUCE: That's correct, Hedia, but we want to send the  
entire package.

MS. ADELSMAN: Huh?

CHAIR LUCE: We want to send the entire package, and we  
want EPA to get the job done that it's suppose to do.

MS. ADELSMAN: No, I'm with you, but at the same time I'm  
saying we do have another option that will force the hand

1 within at least 60 days.

2 CHAIR LUCE: Don't tell that to EPA.

3 MS. ADELSMAN: Well, I don't communicate with them that  
4 much.

5 CHAIR LUCE: I would agree wholeheartedly, Dick, with what  
6 you said. It's embarrassing quite frankly to have this  
7 sort of seachange at the last minute.

8 Al, you've done a heck of a job. I mean you guys don't  
9 know day to day, but Al and I am talking regularly. I mean  
10 he has been working extreme measures with EPA and the  
11 Applicant. So I think, you know, God willing if the creeks  
12 don't rise, which may not be the right thing to say right  
13 now.

14 MR. TAYER: When the Governor says that we have a flood the  
15 next day.

16 CHAIR LUCE: So anyway, thank you, Al, for all your hard  
17 work on this, and hopefully at three o'clock this afternoon  
18 you're going to have another meeting with EPA?

19 MR. WRIGHT: That's correct, Jim.

20 CHAIR LUCE: Well, this is probably real wood so we could  
21 knock on it.

22 DESERT CLAIM WIND POWER PROJECT UPDATE

23 CHAIR LUCE: All right. So Desert Claim Wind Power Project  
24 no report?

25 Okay.

EFSEC COUNCIL MEETINGS

26 CHAIR LUCE: EFSEC Council meetings, Al, you got a schedule  
27 for us here?

28 MR. WRIGHT: You have in the back of your packet the  
29 schedule shows you the meetings that I outlined earlier and  
30 the adjudicative process, and then we also have our change  
31 to the third Tuesday instead of the second Tuesday for the  
32 rest for all of 2011, and so we're trying to do this so  
33 idea here was the second Tuesday we could never get room  
34 206 at the UTC so we're trying the third Tuesday and  
35 hopefully we have the room reserved now ahead of time, and

1 so you can have one consistent place to go to, even though  
2 this isn't a bad place to go to.

3 CHAIR LUCE: This is real nice digs.

4 MS. ADELSMAN: Hey, Al? Is there any chance that Tammy --  
5 I know Tammy is there -- she could send us an Outlook  
6 meeting invitation that we just accept and that way it all  
7 goes in the calendar as one anticipates instead of us  
8 having to enter each one of them?

9 MS. TALBURT: Ms. Hedia, I suggested that Kayce do that for  
10 you today.

11 MS. ADELSMAN: Wonderful.

12 MS. TALBURT: She'll get to it probably sometime this week.

13 MS. ADELSMAN: Thank you.

14 CHAIR LUCE: Anything else to come before the Council? Any  
15 public comments? Any more Council Member comments or  
16 questions?

17 Hearing none, the meeting is adjourned.

18 \* \* \* \* \*  
19 (Council meeting adjourned at 1:56 p.m.)

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

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