

EFSEC DECEMBER 21, 2010 SPECIAL MEETING MINUTES

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STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL
P.O. Box 43172 - Olympia, Washington 98504-3172
December 21, 2010 Special Meeting Minutes

CALL TO ORDER

Chair Jim Luce called the December 21, 2010 special meeting to order at 1300 Evergreen Park Drive S.W., Room 206, in Olympia, Washington at 9:00 a.m.

ROLL CALL

Council Members present:

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

Staff in attendance:

Al Wright, EFSEC Manager; Stephen Posner, EFS Specialist;
Kayce Michelle, Office Assistant, Kyle Crews, Assistant
Attorney General

Guests in attendance:

Kelly Moser, Perkins Coie; Mark Anderson, Department of
Commerce; Mark Miller, PacifiCorp; Todd Gatewood, GHEC;
Kevin Warner, GHEC; Brett Oakleaf, GHEC; Jeff Glockner,
GHEC

SATSOP - GRAYS HARBOR ENERGY PROJECT

CHAIR LUCE: Good morning. This is a special meeting of the Washington State Energy Facility Site Evaluation Council held on Tuesday, December 21, 2010 in the conference room of the Washington Utilities and Transportation Commission. The matter before the Council today is the issuance of a PSD permit and the final decision with respect to the Satsop - Grays Harbor Project.

1 Manager Wright, would you care to present this information
or is Mr. Posner.

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MR. WRIGHT: No, Mr. Chairman. I'm going to do this today.
Is this on?

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CHAIR LUCE: Press the little button.

MR. WRIGHT: Now it's on?

CHAIR LUCE: It's on.

MR. WRIGHT: The first order of business, Mr. Chairman, is
the approval of the PSD permit, and that is finalized now.
We have an EPA signature, and we just need a motion to
approve the permit which was electronically sent to you in
total.

I might add just for the record the permit that the
Chairman will sign has one change in it that the EPA Deputy
Regional Administrator signs this version which has a
mistake in it on page 18, and on page 18 on the top of the
page the NOx provision says 166 tons per year, and that
should be 176 tons per year. We have as of last night
another version with the correction signed by the Deputy
Regional Administrator and that's actually the version that
the Chairman will sign sometime today.

But the one you have that was sent out to you is signed by
the Deputy Administrator. It's just we have a revision on
page 18.

CHAIR LUCE: Thank you.

Council Members, the action before us is approval of the
permit, PSD permit. Do I have a motion?

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MR. FRYHLING: Well, we really don't have it in our folder.

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CHAIR LUCE: No, it was provided to you electronically.

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MR. FRYHLING: Okay. So on page 6 of this I think it's --
you know, that's fine. No problem.

22

CHAIR LUCE: Do we have a motion?

MR. FRYHLING: I have a motion.

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CHAIR LUCE: Do we have a second?

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MS. McDONALD: I will second.

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CHAIR LUCE: Then there's been a motion and a second to approve the PSD permit with the one change that Manager Wright has referred to. The question is called. All in favor say aye.

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COUNCIL MEMBERS: Aye.

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

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The second item is the final action on the Satsop - Grays Harbor Energy Project.

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Manager Wright.

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MR. WRIGHT: Yes, Mr. Chairman. With the approval of the PSD permit that the Chairman will sign today now you have all of the necessary accoutrements that go with the Satsop Project package approval so what we need today then is simply a vote to approve the transmittal of that material to the Governor with whatever recommendation you decide on. You have in front of you in your packets just the cover. These are the ones if you recall on October 21 you actually approved the SCA and the order pending all of the provisions, and basically it was a PSD permit that we didn't have at that time.

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I have two requests of you in your motion. One is there's two revisions that just didn't get picked up and we have discovered them since October 21, and they are in your packet under your order which now has a No. 860 on page 16. Just part of a line was not struck that should have been struck and was agreed to during the process. It just didn't get picked up.

We have some Christmas music I guess. Hold the music until they vote, please.

And then that line needs to be just struck out of there, and then under the site certificate agreement there was just a provision that has actually just been moved. It is in another part of the SCA, and it just did not get struck out of page 6. So neither of these are substantive. They are provisions that have been moved around, and so I'm asking that you just recognize in the motion that these two corrections can be made.

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The third request is that you in your motion recognize that I did not go back -- I had this all set up for the 21st of

1 October so there is dates and typos and things in here that
2 refer to October 21 that have to be changed to December 21.
3 So those were not changed in the document that was sent out
4 to you electronically.

5 CHAIR LUCE: All right. Council Members, we previously
6 reviewed this material. It sounds like there's some minor
7 edits of a nonsubstantive nature that need to be made.
8 Counsel discussion on the request for the motion? Do we
9 have a motion?

10 MR. FRYHLING: I will so move that we approve this and send
11 it to the Governor.

12 CHAIR LUCE: With the necessary signatures and the changes
13 as were reflected in Manager Wright's comments. All right.

14 MR. FRYHLING: Yes.

15 CHAIR LUCE: All right. Do we have a second?

16 MS. WILLIS: Second.

17 CHAIR LUCE: All right. We have a motion and second.
18 Discussion?

19 I guess my only discussion comment would be I want to once
20 again thank staff for the tremendous effort put forth to
21 get the PSD permit in a manner where it could be signed
22 finally and to allow us to complete this action before the
23 first of the year when, if I'm not wrong, EPA has other
24 regulations coming in which might further complicate this
25 particular project, and that's the reason we're doing this
right now is to avoid a batch of new OMB regulations.

26 So that's my only comment. Thank you very much, staff, for
27 doing this.

28 The question is called for. All in favor say aye.

29 COUNCIL MEMBERS: Aye.

30 CHAIR LUCE: No? Hearing no nos, let the record reflect
31 that the vote was unanimous.

32 Is there anything else to come before us?

33 MR. WRIGHT: The only thing that's in your packet is the
34 cover letter to the Governor. I drafted this and just kind
35 of an FYI what it looks like. On the third page is a list
of all of the things that go with this I think. This is my
first letter from EFSEC so I think I've covered it all, but

1 we will check that. This is another document that Chairman
2 Luce will sign, and I guest you need not vote on it, but
3 I'm just putting it out there for your information. If you
4 have any comments, many of you have seen more of these than
5 I have, so if you have comments or concerns let me know.

6 CHAIR LUCE: I think you're correct we don't need to vote,
7 but we're going to be here quite a bit of time today so if
8 Council Members have any suggested edits we'll make them
9 available to you.

10 MR. FRYHLING: Mr. Chairman, do we have to have the
11 document signed by everybody?

12 MR. WRIGHT: Yes, you do. I'm sorry. We have a set of
13 signature blocks, and Kayce will be coming around to you
14 today and getting your signatures.

15 MR. FRYHLING: I didn't think Mary and Terry wanted to stay
16 the rest of the day.

17 MR. WRIGHT: I doubt they do, but Kayce will make sure they
18 can't get out the door without signing.

19 MR. FRYHLING: Could I just say something else, Jim?

20 CHAIR LUCE: Sure.

21 MR. FRYHLING: This has been an expedited process or I
22 don't know if it was expedited, but I really like the
23 process we did. I want to thank the staff and Karen
24 McGaffey for putting together the hearing we had out there.
25 These were something that I haven't done in the ten years
that I've been here, and it worked very well. It was a
very good process. I think the staff and Grays Harbor
Energy needs to be thanked for the project and getting this
thing through.

There is one other person that was a real pleasure to have
on there, and that's Terry here. It's really great to have
a person representing the county and what she had to offer.
So I wanted to thank Commissioner Willis for her
participation. Thank you.

CHAIR LUCE: I think we'd all echo that.

MR. TAYER: Absolutely.

CHAIR LUCE: I have one further comment. This is the last
official act of Ms. Mary McDonald, EFSEC Council Member

1 extraordinaire, and now off to Washington, D.C., in
2 February to hobnob with the electeds while we remain here
3 doing our very best to process other applications pending
4 before us. You can decide who got the better end of the
5 deal.

6 So on behalf of your service, Mary, we want to present you
7 with this plaque which I will pass down, and when you're in
8 Washington, D.C., staying in one of those four star hotels,
9 you can put that up on the dresser and remember those of us
10 who you left behind.

11 MS. McDONALD: Thank you very much. I feel like I should
12 say something. I just had a lot of fun and learned a lot
13 from EFSEC. I won't be too long in Washington, D.C. We're
14 just going back for a week to talk with legislatures and
15 stuff, but thanks. Thank you very much, and I've been
16 exposed to this Council and the pleasure of working with
17 everybody and just getting to know them. That's been a
18 lot. I guess I did really want to second Member Fryhling's
19 comments. I thought that the expedited process when we had
20 the panel of experts and the public was able to ask a lot
21 of questions provided a lot of information for us to make
22 decisions on.

23

24 And then also Terry Willis' participation. Thank you very
25 much. It's been a pleasure and thank you.

26 MS. WILLIS: Mr. Chair, can I take a moment?

27 CHAIR LUCE: Please.

28 MS. WILLIS: I'd like to thank the board for allowing me to
29 participate. I understand this is a little bit different,
30 and I appreciated the fact that you came to Grays Harbor
31 multiple times so that our citizens could participate. And
32 I would like to thank everybody who worked on this, Grays
33 Harbor Energy and yourselves, because of the county with
34 the percentage rate of 13 percent unemployment, and it's
35 been that way for quite some time, any of these expansions
36 that our businesses can do are very important to us as a
37 county that needs a shot in the arm right now. And we're
38 pleased that you were able to expedite this, and I know you
39 struggled with it just thinking that it should go fast
40 because we had a brief conversation earlier this morning
41 and said it's better to do it right and get it done right
42 the first time and take a little longer to do it. So I
43 appreciate everybody's help that went into this, and it's
44 been really an enlightening experience for myself, and that
45 we had to admit as commissioners we weren't quite sure what

1 EFSEC was doing up here and so to participate in the
2 process is always educational, and I thank you for letting
me come do this and meeting everybody and working with the
company. So thank you.

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CHAIR LUCE: It's been our pleasure. Is there any other
4 business to come before the Council in this special
meeting?

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Hearing no other business, the meeting is adjourned.

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(Special meeting adjourned at 9:21 a.m.)

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

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