

EFSEC NOVEMBER 9, 2010 MONTHLY MEETING MINUTES

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STATE OF WASHINGTON  
ENERGY FACILITY SITE EVALUATION COUNCIL  
P.O. Box 43172 - Olympia, Washington 98504-3172  
November 9, 2010 Monthly Meeting Minutes

CALL TO ORDER

Chair Jim Luce called the November 9, 2010 monthly meeting to order at 1300 South Evergreen Drive S.W., Room 206, 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  
Terry Willis, Grays Harbor County  
Dennis Moss, Utilities and Transportation Commission  
Hedia Adelsman, Department of Ecology (via phone)  
Judy Wilson, Skamania County

Staff in attendance:

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

Guests in attendance:

Brett Oakleaf, Invenergy; Karen McGaffey, Perkins Coie;  
Mark Miller, PacifiCorp; Darrel Peeples, Attorney at Law;  
C. Robert Wallis, Administrative Law Judge

Guests in Attendance via phone:

Colin Meskell, Horizon Wind Energy; Steve Vaughn, Columbia  
Generating Station; Eric Melbardis, Horizon Wind Energy;  
Dan Rottler, Wild Horse Wind Power Project; Todd Gatewood,  
Grays Harbor Energy Project; Tim McMahan, Stoel Rives

OTHER

CHAIR LUCE: All right. Before I go too much further, we have something at the end of the agenda that I want to

1 move, take the Chair's prerogative and move up to the front  
2 of the agenda. Judy Wilson is going to be leaving the  
3 Council, our esteemed representative from Skamania County  
4 and prior to that our representative from DNR.

5 Judy, you've done a wonderful job. We very, very much  
6 appreciate what you've brought to the Council in terms of  
7 your knowledge and expertise in land use and other areas,  
8 and you will be sorely missed. We will have cake and some  
9 sort of bubbly over there on the table after the meeting.

#### 10 DESERT CLAIM WIND POWER PROJECT UPDATE

11 CHAIR LUCE: Listed for the project update is the Desert  
12 Claim Wind Power Project. Who is reporting on Desert  
13 Claim?

14 MR. LA SPINA: Chair Luce, there's no action on the project  
15 and so there is no report, nothing to report.

16 CHAIR LUCE: Thank you.

#### 17 KITTITAS VALLEY WIND PROJECT UPDATE

18 CHAIR LUCE: Thank you. The next project is Kittitas  
19 Valley Wind Power. Who is reporting on that?

20 MR. MESKELL: This is Colin Meskell. I'll be reporting on  
21 this one.

22 CHAIR LUCE: All right, Colin.

23 MR. MESKELL: The status update is everyone on site  
24 continues to have the safety and environmental training.  
25 Eric Melbardis who is also on the phone call today is our  
Operations Manager. He is now on the site full time and is  
participating in the environmental and safety training as  
well. At this time security has demobilized from the site.  
We have all the turbines erected. Eighty-eight percent of  
them are pre-commissioned, eight percent have been fully  
commissioned, and our operation and maintenance building is  
fifty-five percent complete. All of our electrical works  
are a hundred percent complete at this time. We just had  
our meter test with BPA completed yesterday, and so our  
limit has been raised from 5 megawatts up to 20.  
As far as county road work, the road work on Bettas Road  
has been completed, as has been on Hayward road with the  
exception of one small repair patch that needs to happen on  
Bettas Road still. The county has reviewed and accepted

1 our plan for repair, and I believe we're planning on  
2 getting to that if not this week, next week.

3 CHAIR LUCE: Great. Thank you very much.

4 Council Members, do you have any questions?

5 Hearing no questions, we will move ahead to the Wild Horse  
6 Wind Power Project.

7 WILD HORSE WIND POWER PROJECT UPDATE

8 CHAIR LUCE: Jennifer or someone from Puget on the phone?

9 MR. ROTTLER: Yes, this is Dan Rottler, the manager at Wild  
10 Horse.

11 CHAIR LUCE: Dan, you want to give us your report?

12 MR. ROTTLER: Wind production we had October generation  
13 totaling 40,900 megawatt hours for an average capacity  
14 factor of 20 percent. The solar project generated  
15 66,200 kilowatt hours in October. In safety we had no  
16 lost-time accidents or safety incidents to report for  
17 October. In coordination with Kittitas County Fire  
18 District No. 2, Puget Sound Energy completed a high-angle  
19 rescue and emergency response drill on October 8. The  
20 Emergency Response Plan is being updated to include lessons  
21 learned from the drill.

22 Under compliance in environmental, the general elk hunting  
23 season opened on October 30. Security at Wild Horse was  
24 increased to accommodate the hunters during the busy time.  
25 Puget Sound Energy has issued 140 access permits for  
hunting on the wind farm.

Jim La Spina completed a quarterly compliance inspection on  
October 20. The site is in compliance with the SCA. PSE  
is working with EFSEC staff to approve revisions to the  
operation plans which incorporate details of the expansion  
area, and, lastly, we're getting our first snow of the  
season.

26 CHAIR LUCE: Great. Anything else?

27 Council Member questions?

28 Hearing no questions, we'll move ahead to the Columbia  
29 Generating Station.

## 1 COLUMBIA GENERATING STATION UPDATE

2 CHAIR LUCE: Steve, you on the phone?

3 MR. VAUGHN: Yes, thank you. Columbia Generating Station  
4 is currently operating at a hundred percent power producing  
5 the 1,150 megawatts gross. The plant has been on line for  
6 361 days. As for plant activities, later this month Energy  
7 Northwest will submit to EFSEC an application letter for  
8 renewal of Columbia's NPDES permit. Energy Northwest has  
9 had several recent conversations with EFSEC staff regarding  
10 Columbia's plans to replace the cooling water blowdown  
11 valves discussed at last month's Council meeting. As a  
12 result of the most recent conversation EFSEC has asked for  
13 information related to sampling and monitoring. Once the  
14 information is received EFSEC will issue further written  
15 guidance in addressing this matter. Energy Northwest has  
16 committed to replace the valves during our refueling outage  
17 which starts next April.

18 CHAIR LUCE: Great.

19 Questions from the Council Members?

20 Hearing no questions, we'll move ahead.

## 21 CHEHALIS GENERATION FACILITY

22 CHAIR LUCE: Chehalis Generation Facility. Mark, welcome.

23 MR. MILLER. Thank you. My name is Mark Miller with  
24 Chehalis Power Plant PacifiCorp Energy Facility. Thank  
25 you, Chair Luce and Council Members.

26 I had a couple corrections in the report I just submitted  
27 this morning. I was off on personal time last week. There  
28 were no safety incidents or lost-time accidents, and we are  
29 again quickly about 60 days from approaching the 3,000 day  
30 mark.

31 MR. MOSS: You may want to check your mic to see if the red  
32 light is on.

33

34 MR. MILLER. The magic red light is on. Thank you.

35

36 There were no safety incidents. We are now at 2,940 days.  
37 With respect to the environment, the storm water and air  
38 emission monitoring results are in compliance with the  
39 permit limits. Last week while I was out of the plant we  
40 had a measurement of elevated Zinc level in our waste water

1 discharge which we discharge into the City of Chehalis post  
2 treatment facility, their sort of treatment plant, and that  
3 was one measurement at 1.6 milligrams per liter. Our limit  
4 per the permit is 1.4. This is the third time in -- we had  
5 two incidents early in 2009. I state here the last  
6 exceedance recorded in January of 2009, but actually we had  
7 a second exceedance April of 2009. At that time our  
8 investigations found that we had chain link, galvanized  
9 chain link hanging in one of the sumps, and obviously all  
10 of the galvanizing had come off that link, and we  
11 attributed that elevated measurement to that chain and that  
12 was replaced.

13 Previously I also stated in here that we had an exceedance  
14 in 2006. That was actually 2005, and at that time it was  
15 determined there was Zink anodes in all the various sumps  
16 around the plant for cathodic protection, and those anodes  
17 were replaced with manganese to still provide the cathodic  
18 protection for dissimilar metals but also to reduce the  
19 potential for Zinc entering the system.

20 So right now we're reviewing all the plant's drains and  
21 sumps to try to determine where the source is, and I had  
22 one of my operators e-mail to Mr. La Spina. Apparently it  
23 was the wrong address so I'll have more conversations with  
24 him tomorrow and provide him some more information. But,  
25 again, we'll look for where the source of this could be  
coming from and also looking into an alternative. It seems  
to be kind of random since 2006, not really correlated with  
any seasonal storm water issues or water in some of the  
sumps. There is an elevated water table on that plant site  
and so none of the electrical vaults need to be pumped down  
so we still will be investigating that.

With respect to the carbon offset project, after last  
month's meeting I met with Mr. Chair Luce and Mr. Wright  
and just reconfirming that the proposals are due from the  
prospective respondents on the 26th of November which is a  
Friday, and the expectations that we discussed in working  
with Mr. Wright and staff that we will complete that review  
and make a recommendation for EFSEC's approval on a  
possible awardee. Right now there are 15 of the 32 that  
have shown an intention to respond, and there hasn't been  
any additional activities since the questions that we  
answered last month. So it's kind of quiet. I guess we'll  
find out here in a couple weeks what the position is, and  
then we'll move forward on that working with Mr. Wright and  
staff.

We shuffled a few bodies when Mr. Smith left as plant

1 manager. We promoted besides myself being promoted there  
2 was an operator that was promoted to operations manager,  
3 and now we're filling an operations slot as well as an  
4 environmental analyst. So one of the things that we've  
5 emphasized is that with all of the rules and regs that we  
6 need some local support, not just support out of Salt Lake  
7 for environmental issues.

8 With respect to operations and maintenance, the plant  
9 generated 209,000 megawatts with a capacity factor of 56.5  
10 percent year to date, 1.1 million. With respect to the aux  
11 boiler which is a compliance required item, this week,  
12 actually today manufacturer representatives are back on  
13 site replacing some of the burn nozzles, and they had some  
14 emission issues and so they had to redesign some of the  
15 firing systems. And they will be conducting emission  
16 testing as soon as they feel they've reached a point where  
17 they can meet their guaranteed requirements. And there  
18 were no other CIPS or WECC related issues and no noise  
19 complaints. Any questions?

20 CHAIR LUCE: Terry. I note for the record that Council  
21 Member Willis has arrived.

22 So I don't have any other questions. I do want to thank  
23 you for all the hard work you put in on expediting the  
24 carbon offset project.

25 MR. MILLER: Thank you.

CHAIR LUCE: Any Council Member questions?

All right. Welcome Council Member Willis. Just in time I  
think. Let's see. Well, we've got a gray sheet in here  
that says something about Grays Harbor Energy. I don't see  
it on the agenda, but let's go ahead and have a report from  
Grays Harbor Energy.

Was it down at the bottom?

MR. CREWS: It's at the bottom of the page.

CHAIR LUCE: Was it down at the bottom? All right. Okay.  
Satsop.

23

#### TRANSMISSION LINES UPDATE

24

CHAIR LUCE: Sonia, you have something for us on  
25 transmission?

1 MS. BUMPUS: Yes, just a few things.  
2 Good afternoon, Mr. Chair and Council Members. For Central  
3 Ferry-Lower Monumental the Preliminary Final EIS is  
4 scheduled to release on December 1, 2010 and the final EIS  
5 is scheduled to release in early spring 2011. For Big  
6 Eddy-Knight there is a delay in revising the Draft EIS, and  
7 the current expected time release for that document is now  
8 mid December 2010. After release of the DEIS, BPA plans to  
9 hold public meetings in mid January 2011.

10 For I-5 after several requests from the public BPA has  
11 agreed to provide monthly updates to the public on the  
12 status of the I-5 project and intends to continue taking  
13 comments throughout its duration, and evaluations for the  
14 design of the project are ongoing. That's all I have on  
15 those.

16 CHAIR LUCE: Thank you. I could report there was a meeting  
17 last Thursday I believe with Bonneville and the  
18 Commissioners from Clark County and Cowlitz County, and the  
19 issue was that whether Bonneville should consider adding  
20 another route to the I-5 corridor and that being something  
21 known as the Pearl route which would go through the state  
22 of Oregon as opposed to the state of Washington. There was  
23 substantial report from the Clark County and Cowlitz  
24 commissioners for adding in that alternative. Bonneville  
25 indicated that at this time they were not inclined to do  
26 so. It was a good discussion. That's all I would add to  
27 that.

28 Any Council Member questions?

#### 29 WHISTLING RIDGE ENERGY PROJECT UPDATE

30 CHAIR LUCE: All right. Whistling Ridge.

31 MR. POSNER: Good afternoon, Chair Luce, Council Members.  
32 To give you a quick update we are in the process of writing  
33 or drafting our comment responses, and we expect to have  
34 draft responses completed by the end of November, and we're  
35 hoping that we will have our final comment responses done  
36 by the end of December. Everybody is working very hard.  
37 As I've said in previous updates we meet regularly. We  
38 have a team that is meeting once a week on conference  
39 calls, and we have been organizing our efforts with BPA,  
40 Entrix, our independent consultant, and also consulting  
41 with the Applicant's consultant URS. That's pretty much  
42 the update at this point in time.

1 CHAIR LUCE: Great. Thank you very much.

2 Judge Wallis, do you have an update on the adjudication?

3 JUDGE WALLIS: Yes. Mr. Chairman, Council Members, there  
4 are two pending matters: an order on the recent prehearing  
5 conference that was held November 5 for procedural matters  
6 leading into the hearing, and an order on objections to one  
7 of the prior orders. Those matters are pending.

8 Upcoming events: The deadline for rebuttal testimony is  
9 December 16, and there will be a prehearing conference on  
10 December 21 in Olympia to mark exhibits, take objections to  
11 the prefiled exhibits, and iron out any glitches that may  
12 appear between now and then. The hearing is scheduled to  
13 begin on Monday, January 3, and right now we are aiming for  
14 Stevenson. There is some discussion with the Office of  
15 Financial Management as to whether we will be authorized to  
16 use facilities in Stevenson. We are looking for a backup  
17 in Vancouver, Washington if it's not possible to hold the  
18 bulk of the hearing in Stevenson.

19 We will be beginning on Monday the 3rd at 10:00 a.m. with a  
20 prehearing conference. The actual hearing itself will  
21 begin at 1:00 p.m. on January 3, and we will begin with  
22 opening statements from the parties at that time. The rest  
23 of the week we'll be looking to start fairly early, 8:30 or  
24 so and go until 4:30 or so with appropriate breaks and  
25 breaks for lunch.

Public sessions we've been asked by the parties to look for  
one afternoon and one evening during the first week for  
public sessions, and we are pursuing that and looking for  
times and places. We aim to conclude the hearing on or  
before Friday, January 15. That's the block that we have  
allocated.

Following that there will be briefing during February and  
into March with decision conferences following the  
conclusion of the briefing. The issuance of the final  
Environmental Impact Statement will affect the latter part  
of the process, and when we get a handle on the timing of  
that we will look to the process by which we integrate the  
two channels into the material you have for decision.

Staff today is distributing prefiled exhibits to the  
Council Members, and those include the submissions by the  
Applicant and by the intervenors. In addition, you will  
receive rebuttal exhibits to add to that file before the  
hearing starts. Also exhibits on cross-examination we're



1 asking to be distributed prior to the start of the hearing  
2 so that you will have those and we won't have to stop  
3 during the hearing to pass out exhibits and look at them  
4 cold.

3

4 We will poll the Council Members to see if members are  
5 interested in a process reminder on adjudications. If so,  
6 we'll hold them. There are two new Council Members, and we  
7 will be talking with them, our esteemed Assistant Attorney  
8 General and I, and will be running through the dos and  
9 don'ts of adjudication compared to other administrative  
10 processes. That concludes my report.

7

CHAIR LUCE: Thank you. I think it is appropriate to hold  
8 that update for all Council Members. I think that all  
9 Council's Members would agree that that's appropriate so  
10 why don't we just go ahead and schedule that.

10 JUDGE WALLIS: Very well.

11 CHAIR LUCE: Anything else on Whistling Ridge?

12 SATSOP - GRAYS HARBOR ENERGY PROJECT

13 CHAIR LUCE: Hearing nothing, Satsop.

14 MR. GATEWOOD: Good afternoon, Mr. Chairman and Council  
15 Members. This is Todd Gatewood, plant manager with Grays  
16 Harbor Energy, with the monthly operational report for  
17 October.

16

17 Safety: We had one employee sprain his ankle so there was  
18 just one injury incident. There was no lost time and no  
19 medication; therefore, it was not recordable.

18 Environmentally we submitted our September monthly DMR, our  
19 September storm water DMR, and submitted our third quarter  
20 EDRs. The amendments to the NPDES were finalized and that  
21 new permit went into effect November 1 of this year.

20

21 Operationally we operated for four days, produced 53,500  
22 megawatt hours for a monthly capacity factor of 12 percent.  
23 Our year-to-date capacity factor is 28 percent. We had no  
24 complaints or concerns received during the month of  
25 October.

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CHAIR LUCE: Thank you. Any questions from Council  
24 Members?

25 Mr. La Spina, do you have something about the PSD hearing  
tonight?

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MR. LA SPINA: Yes, Chair Luce. Just a reminder that there will be a PSD public hearing at 6:30 p.m. at the Grays Harbor County Commissioners Chambers in Montesano.

CHAIR LUCE: All right. Thank you. I think everyone has transportation. That's been taken care of?  
All right. Excellent.

EFSEC COUNCIL MEETINGS

CHAIR LUCE: Yes, Energy Siting Council meetings, Al. We hope to schedule these soon.

MR. WRIGHT: Yes, Mr. Chairman, we do have to set a schedule by December 15. We have to submit a schedule for the regular Council meetings for 2011. I have been discussing this with UTC management. I'm assuming you would like to have them in this room as a normal rule of thumb. For some reason this room seems to be inordinately busy the second Tuesday of the month, and so we're trying to see what days might be available. So I guess I would like to ask a question of the Council of how much you're wedded to the second Tuesday of the month, and if we moved it to say the third Tuesday of the month if that would make any difference to any particular Council Members.

CHAIR LUCE: Council Members have any feelings about that one way or the other?

That's fine.

MR. WRIGHT: It appears that the third Tuesday of the month does not seem to have anywhere near the number of meetings in this room that the second Tuesday does for whatever reasons.

CHAIR LUCE: Anything else?

MR. WRIGHT: So we will have those for you at your December meeting.

CHAIR LUCE: Anything else?

MR. WRIGHT: That's all I had on that issue.

CHAIR LUCE: Council Members, do you have anything you want to bring up?

1 Well, I guess I just once again would say, Judy, thank you  
2 so much for a really great job. I mean it's been an honor  
and privilege to work with you.

3 MS. WILSON: Thank you. I'm sorry that it had to work out  
4 this way, but I need a new hip.

5 CHAIR LUCE: Some things you've just got to take care of.

6 MS. WILSON: Some things have to come first.

7 CHAIR LUCE: Anything else from staff?

8 MS. WILSON: Excuse me. I would like to say that I have  
9 met with Doug Sutherland who I think has been appointed by  
Skamania County and turned over all my stuff to him and I  
believe he has to come see you all next.

10 MR. WRIGHT: Yes, Mr. Sutherland has been in the office  
11 once already. We have already scheduled some training  
sessions starting next week. We did have a name just FYI  
12 of Darin Cramer from the Department of Natural Resources.  
There seems to be some problems with his availability as  
13 far as times are concerned, and they looked at the amount  
of work that's involved in the next four or five months.  
14 So apparently the Department of Natural Resources still has  
it under advice on who they're going to appoint. So  
15 hopefully we'll have somebody by December from the  
Department of Natural Resources.

16 CHAIR LUCE: Great. I don't have anything else so we'll  
17 call this meeting adjourned.

18 \* \* \* \* \*

19 (Monthly meeting adjourned at 2:01 p.m.)

20 (This is not a verbatim report of proceedings.  
21 These are minutes only.)  
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