

STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL
P.O. Box 43172 - Olympia, Washington 98504-3172
October 19, 2010 Monthly Meeting Minutes

CALL TO ORDER

Chair Jim Luce called the October 19, 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
Mary McDonald, Department of Natural Resources
Dennis Moss, Utilities and Transportation Commission
Judy Wilson, Skamania County (via phone)
Hedia Adelsman, Department of Ecology

Staff in attendance:

Al Wright, EFSEC Manager; Stephen Posner, EFS Specialist;
Tammy Talburt, Commerce 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 Anderson, Department of Commerce; Kevin Warner, GHE;
Mark Miller, PacifiCorp; Travis Nelson, WDFW; C. Robert
Wallis, Administrative Law Judge; Joel Rhett, Grays Harbor
PDA; 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; Brad Barfuss, Columbia Generating Station;
Desiree Wolfgramm, Columbia Generating Station; Richard
VanDyke, Another Way BPA

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1 CHAIR LUCE: Before we go to the proposed agenda, I'd just
2 like to note for the record this is to our loss Mary's last
3 day as an Energy Siting Council Member from the Department
4 of Natural Resources. She has been accepted into a highly
5 competitive Ag Forestry Program and her work
6 responsibilities combined with the Ag Forestry Program make
7 it impossible for her to continue at EFSEC. I think the
8 name of the program is New Leaders.

9 MS. McDONALD: No, I hope to be. It is Ag Forestry.

10 CHAIR LUCE: Ag Forestry. It is for new leaders. I'm not
11 sure you're a new leader. I think you're already
12 established as a leader, but be that as it may we will miss
13 you, and we really appreciate your service. Mary came in
14 April 2009, and she has been with us for Desert Claim,
15 Satsop, and Whistling Ridge, and it's been fun for us, and
16 I hope it's been fun for you.

17 MS. McDONALD: Thank you very much. It has. It's been
18 very much a lot of fun.

19 CHAIR LUCE: We have a lot of carbohydrates over there in
20 the corner when we get through with the meeting. So thank
21 you so much.

22 PROPOSED AGENDA

23 CHAIR LUCE: Proposed agenda. Have Council Members had a
24 chance to review the proposed agenda? Are there any
25 changes to it?

Hearing no changes to the agenda, the agenda is accepted as
proposed.

MEETING MINUTES

CHAIR LUCE: Meeting minutes of August 10, 2010. Tammy has
circulated them as prepared by our court reporter verbatim.
Any comments, changes?

Hearing none --

MR. FRYHLING: I move that we adopt them.

CHAIR LUCE: We've had a motion. Do we have a second?

MR. TAYER: Second.

CHAIR LUCE: We have a motion and a second. Maybe we even

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1 had a third as well. Well, any discussion? No discussion.
2 Question is called for. All in favor say aye.

3 COUNCIL MEMBERS: Aye.

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

5 DESERT CLAIM WIND POWER PROJECT UPDATE

6 CHAIR LUCE: We move onto the project agenda. The first
7 project agenda item is a report item, a report on Desert
8 Claim.

9 David, are you on the phone?

10 No?

11 Do we have a report from the staff on Desert Claim?

12 MR. POSNER: I can give you a quick report, Chair Luce, and
13 just tell you that there are no changes as far as we're
14 aware. They are suppose to begin construction in the
15 spring.

16 CHAIR LUCE: Great. Thank you very much.

17 KITTITAS VALLEY WIND PROJECT

18 CHAIR LUCE: Kittitas Valley Wind Power Project, Horizon
19 Energy Wind?

20 I know we have a handout that's before us. If there is no
21 one on the line, then I would ask Council Members to refer
22 to the Kittitas Valley Wind Power project. It's the purple
23 sheet.

24 MR. POSNER: Chair Luce?

25 CHAIR LUCE: Yes.

MR. POSNER: I can give you kind of an update. Jim La
Spina who is the project is not here today because he is
attending the first TAC meeting for the KV project.
They're having their first meeting today, and they will be
discussing a number of items and there will probably be a
couple items from that meeting that will come back to the
Council for recommendations from the TAC for the Council to
take action on.

My understanding is they will begin commercial operation

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1 either next month or December, but sometime before the end
2 of the year.

3 CHAIR LUCE: Thank you. I think somebody just joined us on
4 the telephone. Could you identify yourself. It sounded
5 like a female voice.

6 MS. WILSON: Well, it's Judy because I can't hear anything
7 so I wonder if you're still on.

8 CHAIR LUCE: We're definitely on. Can you hear us now?

9 MS. WILSON: I can hear you but was somebody talking?

10 CHAIR LUCE: Staff may not have a microphone or their
11 microphone may not be turned on.

12 MR. MOSS: The red light needs to be lit in order for it to
13 be on.

14 MR. POSNER: Where is the off/switch?

15 MR. CREWS: Right here.

16 MR. POSNER: Okay. Sorry. You want me to give the report
17 again? I can do it real quickly.

18 CHAIR LUCE: No, I'll just repeat what I think I heard you
19 say that Jim La Spina is not with us today because he's
20 attending the first Kittitas Valley Wind Power Project TAC
21 meeting. There may be some suggestions, recommendations
22 that come from the TAC meeting. Does that summarize your
23 report?

24 MR. POSNER: That's correct, and they are planning to be
25 operational before the end of the year.

WILD HORSE WIND POWER PROJECT

26 CHAIR LUCE: All right. Next item on the agenda is the
27 Wild Horse Wind Power Project Jennifer Diaz.

28 Jennifer, are you with us or do we have a handout?

29 Its appears that we may have a handout. I think we have a
30 handout.

31 MS. TALBURT: It's the salmon color.

32 CHAIR LUCE: The salmon color. That's Grays Harbor.

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1 MR. FRYHLING: This is it.

2 CHAIR LUCE: That's correct. We do have a handout and the
3 capacity I'm sure is reflected on here someplace. Ah,
4 average capacity factor of 25 percent. Council Members
want to take an opportunity to review this, and I'll allow
time for that.

5 Council Members have any questions regarding the
6 information on the salmon colored sheet from Wild Horse
Wind Power Project?

7 Hearing none, we'll move onto Columbia Generating Station.

8 COLUMBIA GENERATING STATION UPDATE

9 CHAIR LUCE: We'll move onto Columbia Generating Station.
10 Do we have a report? Mr. Coody, are you on the phone? Are
11 you present?

12 MR. POSNER: Chair Luce.

13 CHAIR LUCE: Yes.

14 MR. POSNER: I spoke to Don Coody this morning, and I'm not
15 sure if there's a problem on their end, but he definitely
16 was suppose to call it in so I will bring to your attention
that there is a summary sheet that Don put together. It's
in your packet.

17 CHAIR LUCE: The gray sheet?

18 MR. POSNER: The gray sheet. There's quite a bit of
19 information here. I don't know if the Council Members have
20 had a chance to look at it. For the most part it's a
21 routine update, monthly update information; however, I
22 would like to call your attention to the back page
23 concerning a matter related to their NPDES permit. Don was
24 going to discuss this a little bit, and then I was going to
25 follow up with some other information related to this
matter.

26 CHAIR LUCE: Don's not here. Why don't you take it.

27 MR. POSNER: Don's not here so essentially what happened
28 was that on the 5th of October they discovered that they
29 had an isolation valve that was malfunctioning. It's a
30 circulating water blowdown level control valve that wasn't
closing entirely, and as a result approximately six to ten

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1 gallons a minute was leaking through the valve. As part of
2 their NPDES permit they have to conduct on a regular basis,
3 usually twice a week, and I think in the summer it may be
4 more what they call biofouling treatment basically to treat
5 the algae that may be accumulating in the pipes. So they
6 treat the water and have to shut off. Using valves they
7 shut off any discharge of water to the river, and so their
8 sampling indicates that the water is acceptable to be
9 discharged. So what they have now is a situation where
10 they've discovered that a valve is leaking. This is a
11 valve that was leaking approximately two, three years ago
12 approximately 600 gallons a minute and it was replaced.
13 They took immediate action. The matter was resolved, and
14 so that valve was replaced and then they just recently
15 discovered that it was leaking again at a much smaller
16 rate. We have consulted with the Department of Ecology,
17 and they have sent us some recommendations on what they
18 feel is necessary, and I'd like to just briefly describe
19 what they are recommending the action that we take.

20 First of all, they believe that there is minimal, if any,
21 environmental risk because at the point where the water is
22 discharged out of the valve, it travels approximately three
23 miles before it gets to the river, and the environmental
24 concern would be if you had high levels of chlorine or
25 bromine or whatever they're using for treatment that's
being discharged into the river. They have always been in
compliance with the requirement. The Department of Ecology
does not feel that this leakage is going to create any
environmental harm; however, it has been recommended that
when they are doing their halogenation that they conduct
monitoring at the source and then verify at the outfall to
the river that there's no detectable levels of chlorine
before it goes into the river.

Those sample results will be submitted to EFSEC and
Ecology. We will evaluate those, make sure there's no
concerns, and the valve is scheduled to be replaced early
2011 when they do their outage, their refueling outage. So
the recommendation is not to take action now to replace the
valve because it would require shutting the plant down.
The Department of Ecology doesn't believe there's an
environmental threat. So that's essentially the
recommendation we have, and the staff concurs with the
Department of Ecology.

CHAIR LUCE: Thank you.

MS. ADELSMAN: Stephen, when are they doing their outage?

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1 MR. POSNER: Pardon?

2 MS. ADELSMAN: When are they doing their planned outage?

3 MR. POSNER: The outage is planned I believe in April, the
4 beginning of April.

5 CHAIR LUCE: All right. I was getting a beep on the phone
6 so somebody is on hold or something. Could you please --

7 MR. COODY: This is Don Coody with Energy Northwest. Sorry
8 for the delay. We just got the new number, and I heard
9 Stephen talking about the NPDES issue?

10 CHAIR LUCE: Yes, we covered that.

11 MR. COODY: Okay. Do you want me to provide the Columbia
12 status?

13 CHAIR LUCE: That would be good. A hundred percent power?

14 MR. COODY: That's correct.

15 CHAIR LUCE: Thank you. Just a guess.

16 MR. COODY: Sorry about the delay. Good afternoon, Chair
17 Luce, Council Members.

18 CHAIR LUCE: No problem with the delay. I think we
19 understand the NPDES issue. I will say do Council Members
20 have any questions for Mr. Coody?

21 MR. MOSS: I do have one question. This is Dennis Moss,
22 and that is if this is not scheduled to be changed until
23 April of next year, I understand that there will be I
24 assume ongoing monitoring of this situation. This valve
25 has a history of leaking significantly more than it's
leaking now so my question is what happens if it gets worse
between now and then?

MR. COODY: Well, I have Dennis Barfuss with me here and
Desiree Wolfgramm, the system engineer, that can address
that.

CHAIR LUCE: All right.

MS. WOLFGRAMM: On this valve it was replaced in December
of 2008 so this is a new valve, and we don't expect to see
huge leaks, but we are going to continually monitor it. We
have flow transmitters on the line, and we will continue to

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1 look at it, and if it does increase then we will reevaluate
2 the situation at that time.

3 CHAIR LUCE: In coordination with the Department of
4 Ecology. Correct?

5 MS. WOLFGAMM: Yes.

6 CHAIR LUCE: All right.

7 MS. ADELSMAN: Just to follow up, when it happened last
8 time what did Energy Northwest do?

9 MR. POSNER: Well, they immediately contacted us as they're
10 required to do, and they filed a written report. We worked
11 with the Department of Ecology. Jim La Spina and Ecology
12 staff actually went out and did an inspection.

13 Don, I'm not sure. I believe the valve was replaced very
14 quickly after the last time it was determined to be
15 malfunctioning; is that correct?

16 MR. COODY: That's correct, Steve.

17 MS. ADELSMAN: Was there any discharge of chlorine or
18 anything? Do we know?

19 MR. POSNER: My understanding is that there was none even
20 at that higher level. There was sampling at the outfall
21 and there were no detectible levels or it was below the
22 permit requirements. Is that right, Don?

23 MR. COODY: That's correct, yes.

24 CHAIR LUCE: I have just a question in follow-up maybe,
25 Dennis, to yours, and that is, is there a threshold beyond
which the Department of Ecology would say change the valve
and change it now? Because Columbia Generating Station
will be critical during the winter I assume as a base-load
facility, and I'd like to sort of think ahead a little bit
to, oh, my gosh, what happens if. So what happens if there
is a discussion with Ecology and Energy Northwest and EFSEC
to try to approximate worst-case scenario and what happens
if there is a worst-case scenario and you're in the middle
of the critical heating season and the temperatures are
plunging?

MR. POSNER: My response to that right now would be that we
have asked, what we will ask Energy Northwest to do is
continue to monitor the valve, and if it's determined that

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1 the leakage rate is increasing we will have to consider
2 other options. I would suggest that other options be
heard.

3 CHAIR LUCE: You understand what I'm saying.

4 MS. ADELSMAN: Jim, did they stop the last time when they
5 were having the 600 gallon permit leakage?

6 MR. POSNER: Don, I don't believe you did, did you?

7 MR. COODY: Did we stop halogenation? Is that the
question?

8 MS. ADELSMAN: You don't stop producing energy, do you?

9 MR. POSNER: You don't shut the plant to fix the valve?

10 MR. COODY: No, we did it on line.

11 CHAIR LUCE: All right. I just wanted to be clear about
that.

12 MR. POSNER: So I think one thing Don and I discussed,
13 there was some discussion about the environmental harm
versus the harm associated with shutting the plant down,
14 and so I think perhaps the Council might consider if this
situation got much worse, they might reach the point where
15 it might want to consider whether or not it would be
necessary to take action immediately rather than waiting.

16 CHAIR LUCE: I'm not suggesting. I was just hoping that
17 Energy Northwest and Ecology and you have thought through a
worst-case scenario, and at what point does the worst-case
18 scenario get really impossible to live with. My guess is
in a critical situation you keep producing energy, but I'm
19 just trying to look over the horizon a little bit here and
see middle of January, arctic express arrives, another
20 facility goes out, number two or Columbia Generating
Station is the critical plant. So that's all. I'm sure
21 you have done that already.

22 MR. POSNER: One thing I will say is that we will keep the
Council undated if conditions change.

23 CHAIR LUCE: All right.

24 MS. ADELSMAN: And I'm positive Ecology will be watching
25 very closely. If it's an issue they're going to contact
you immediately.

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1 CHAIR LUCE: Anything else?

2 MR. POSNER: That's all I have.

3 CHAIR LUCE: Don, you got anything else that you want to
4 report to us on?

5 MR. COODY: Well, I had two other brief items on Columbia
6 activities.

7 CHAIR LUCE: All right.

8 MR. COODY: One regarding the operating license renewal.
9 The Nuclear Regulatory Commission Region 4 is on site this
10 week to conduct the first of two age-management
11 inspections. The second inspection is scheduled for the
12 week of November 2, 2010. These inspections are conducted
13 to verify that there's a reasonable assurance that the
14 effects of plant aging will be adequately managed so the
15 components of structures continue to be maintained in
16 alignment with our current licensing basis throughout the
17 extended 20 years of operations.

18 Then one other activity. We had our annual fire and life
19 safety inspection at Columbia at the Industrial Development
20 Complex. The Deputy State First Marshal completed the
21 annual inspection at Columbia IDC on November 7. The
22 inspection also included an inspection of the new Building
23 600 Condenser Module Storage as a follow up to the
24 Washington State Patrol Fire Protection Bureau review of
25 the building plans. The Fire Marshal noted this inspection
found very few individual violations but several instances
of common problems. For this reason he documented findings
focused on identifying the symptoms of problematic issues
rather than provide a list of deficiencies. They
identified four fire code violations at the Industrial
Development Complex, two at the security firing range, and
four at Columbia. These violations can be characterized as
minor and corrective actions have been initiated.

Regarding his inspection of Building 600 he identified a
concern with a failure to maintain proper egress paths
throughout the building and future change in building use.
He stated that this issue will be addressed in a separate
inspection report.

This was a self-identified concern by Columbia, and we're
working with the inspector and the Washington State Patrol
and Fire Protection Bureau to resolve the concern.

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1 CHAIR LUCE: Great. Thank you very much.

2 MS. ADELSMAN: I do have a quick question.

3 CHAIR LUCE: Yes.

4 MS. ADELSMAN: I wanted to know whether there was any
5 progress made on the water right issues relating to the
energy center?

6 MR. COODY: Brad, do you want to address that? We're
7 preparing an application. Brad Barfuss is the individual
preparing the application.

8 MR. BARFUSS: Energy Northwest is working on preparing a
9 water rights application that will be submitted to the
Department of Ecology by the end of the year, and also
10 we're evaluating future energy projects and we will apply
for water rights as needed as those projects are developed.

11 CHAIR LUCE: Great. Anything else?

12 MS. ADELSMAN: Thank you.

13 CHEHALIS GENERATION FACILITY UPDATE

14 CHAIR LUCE: All right. We will move ahead to the Chehalis
Generating Facility.

15 MS. DIAZ: Excuse me, Chair Luce. This is Jennifer Diaz
16 with Puget Sound Energy Wild Horse Wind Farm. I also just
got the new call-in number for this conference so I don't
17 know if you want to have me go now or just submit my update
via e-mail? How would you like to proceed?

18 CHAIR LUCE: I think it's been covered, Jennifer.

19 MS. DIAZ: Okay. Great. Thank you.

20 CHAIR LUCE: Have a great afternoon.

21 Yes?

22 MR. MESKELL: This is Colin Meskell with Horizon Wind
23 Energy. I was also on the wrong number.

24 CHAIR LUCE: All right. We will try to correct the wrong
number in the future. I don't know what the right number
25 is, but I'm sure we will get the right number next time.

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1 All right. Go ahead.

2 MR. MILLER: Chair Luce and Council Members, My name is
3 Mark Miller. I'm the plant manager at the Chehalis Power
4 Project. Just a quick update. We are quickly approaching
5 3,000 days without any medical incidents or lost-time
6 accidents.

7 With respect to the environment and our compliance, there
8 are no stormwater, air emissions, or waste water discharge
9 monitoring results. They're all in compliance. There is
10 no update on the carbon offset project. I expect next
11 month to have an update for you there.

12 CHAIR LUCE: Grrrrrr.

13 MR. MILLER: It's dragging on I'm sure.

14 CHAIR LUCE: What do we need, staff, to expedite that?
15 It's been dragging on. This is not directed toward you,
16 Mark.

17 MR. MILLER: I understand.

18 CHAIR LUCE: But we need to do something here. This has
19 been going on now for is it close to a year?

20 MR. WRIGHT: Yes.

21 CHAIR LUCE: Who do we need to talk to specifically to move
22 the chains on this one?

23 MR. WRIGHT: The last thing I heard is there was a request
24 for proposal put out and recirculated, and that was suppose
25 to come in in February, and I was actually expecting today
to hear that there was either selection of a candidate or
they were going through some interview process.

CHAIR LUCE: Who's the right person that's specific to talk
to?

MR. MILLER: I'm accountable to that.

CHAIR LUCE: Well, I know you're accountable, but who's up
on top?

MR. MILLER: Well, the person that was leading it
originally was Kyle Davis.

CHAIR LUCE: Right, and he's gone.

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1 MR. MILLER: He was transferred to Washington, D.C.

2 CHAIR LUCE: So who's Kyle's replacement?

3 MR. MILLER: Kyle has a replacement in Salt Lake City, but
4 he really hasn't been participating in this. So it's in
5 our procurement side of our house.

6 CHAIR LUCE: Okay.

7 MR. MILLER: And so really it's a procurement process, and
8 there were a number of candidates that had not either
9 received the information in order to submit a proposal so
10 the deadline was extended another 60 days. I expect to
11 have an update for you that the candidates or the
12 interested parties will have either submitted their
13 proposals, but I think, I believe it was, Al, I'm trying to
14 remember if it was next month so I'll update you again.

15 CHAIR LUCE: Before the next Council Meeting. I need to
16 know. I hate to use the word irritating. This is getting
17 irritating.

18 MR. MILLER: I'll make sure that the appropriate folks in
19 Salt Lake City know that that is the case.

20 CHAIR LUCE: Well, I would like to know who the appropriate
21 folks in Salt Lake City are.

22 MR. MILLER: Okay.

23 CHAIR LUCE: And maybe you can give their names to Al and
24 Al will call them.

25 MR. MILLER: Al does have the number.

CHAIR LUCE: He will be more restrained than I would be.

MR. WRIGHT: The last person that I talked to that knew
what was going on was Kyle Davis. Even though he was in
Washington, D.C. he was still handling it.

MR. MILLER: And he still is.

MR. WRIGHT: He still is handling the contract? Okay.

MR. MILLER: So you have Kyle's information in Washington,
D.C.?

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1 CHAIR LUCE: You want to call Kyle tomorrow?

2 MR. WRIGHT: I'll call him. It's too late this afternoon.

3 CHAIR LUCE: And then get back to the Council as a whole on
4 this because I don't know what the carrying costs of that
5 money is, but it wasn't a lot of money to begin with, and
6 the last time I checked the economy it was getting to be
7 less money.

8 MR. MILLER: Understood.

9 CHAIR LUCE: All right. Anything else?

10 MR. MILLER: Yes, I've got a couple other things I would
11 like to clarify. It is a process.

12 With respect to personnel we did convince our management to
13 increase staffing level by one, and we're going to add an
14 environmental analyst engineer position to just further
15 ensure that we maintain our compliance. Operationally for
16 the month of September we were at 57, 58 percent capacity
17 factor. That will be significantly increased this month as
18 we move into the winter months. We're running continuously
19 right now.

20 With respect to the auxiliary boiler it's finished its
21 commissioning process. The burners were being tuned
22 yesterday and today, and so we expect that will be in
23 service significantly ahead of the compliance date next
24 year I think February it was.

25 There are no other issues with respect to noise or
emissions, and just the last note Mr. La Spina had given a
notice of our Title 5 permit that the reapplication is due
and we are working on that and that that be submitted in
April of 2011.

And knowing your interest in the carbon offset I'll make
sure that we follow up and you'll hear from me in the
morning. You can e-mail me, Mr. Wright, what the status
is.

CHAIR LUCE: I know you're accountable, and I appreciate
your saying that, but there is a process in the company and
the process is not processing expeditiously.

MR. MILLER: I'll make sure these minutes are read.

CHAIR LUCE: Thank you.

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TRANSMISSION LINES UPDATE

CHAIR LUCE: All right. Transmission Lines update, Sonia.

MS. BUMPUS: Good afternoon, Chair and Council Members. For Central Ferry-Lower Monumental their Draft EIS was released in July of 2010. The preliminary file EIS is on track to release December 1 of 2010 so everything has been moving along with that project.

Big Eddy-Knight PDEIS was released in June of 2010. The initial release date for the Draft EIS was suppose to be September-August timeframe but since has been moved to mid December.

For I-5 there's been several changes to the routes, and we've had four public meetings held to discuss those changes. BPA for now is still taking public comments on the project, and they intend to release project information and outlines sometime in October. I'm guessing within the next two weeks and November of 2010.

CHAIR LUCE: Okay. I would just for the Council Member's information there is a meeting scheduled on November 4 at the Clark County Fairgrounds, 6:30 p.m. The issue is, the question is whether and to what extent I believe Bonneville considered an Oregon alternative route, and the county commissioners according to the press for Cowlitz and Clark County will be attending and so will Steve Wright, Administrator of Bonneville, to speak to the issue. That may change, but that was the latest information I had.

All right. Anything else on the transmission lines?

MS. BUMPUS: No, that is all I have.

WHISTLING RIDGE ENERGY PROJECT UPDATE

CHAIR LUCE: All right. Whistling Ridge Energy Project.

MR. POSNER: Yes, I do have an update, Chair Luce and Council Members, update on the Draft EIS. Just to give you a little background, the public comment period did close on August 27. Since that time we have been very busy working with BPA and our independent consultant Entrix, Inc. Just some basic information that you might be interested in. We have received 703 individual comment letters, 566 of those were sent to EFSEC. BPA received 137. We also received during our two public meetings 159 comments. So all total

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1 we have 862 comments letters, if you will. Within those
2 comment letters we have identified 2,030 individual
3 comments that will need to be addressed in some manner. Of
4 those 2,030, 1,004 have been identified as substantive. By
5 that I mean will require some thought in preparing a
6 response rather than such as thank you very much,
7 appreciate your comment. These will require some thinking
8 out and some planning in terms of developing an appropriate
9 response.

10 We have been having regular conference calls, weekly
11 conference calls with BPA and EFSEC, along with Entrix.
12 The developer's consultant URS has also been listening in
13 on the phone calls. These conference calls have been
14 facilitator led by BPA and EFSEC.

15 We have also identified lead entities for the various
16 comments. We put comments into various issue codes. So
17 essentially we've broken them up, and we've identified a
18 specific entity that will be primarily responsible for
19 making sure that the comment responses are developed. We
20 have about 35 different issue codes. We've matched them up
21 to the different sections of the EIS. So there's a lot
22 happening, and we are moving forward. Be happy to answer
23 any questions.

24 CHAIR LUCE: Council Member questions?

25 MS. WILSON: Yes, I have one on the phone.

CHAIR LUCE: Yes.

MS. WILSON: This is Judy. I just was curious as to how
long you think -- well, I guess the question is are you
going to have that done before you start having
adjudicative hearings?

CHAIR LUCE: I'm going to let staff respond to that, but I
believe the issue is recently addressed in an order issued
by Judge Wallis.

MR. POSNER: Well, we are operating under a November 24
date that was discussed earlier and we are still trying to
have some sort of document ready for the Council to review.
We've talked about it as a preliminary final or draft
final, and we are working hard to try to meet that
deadline.

CHAIR LUCE: We're not calling it a draft final anymore
since such terminology really doesn't exist within SEPA.

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1 The answer to your question, Judy, I think is don't know,
2 do the best we can.

3 Judge Wallis, do you care to expand on that at all?

4 JUDGE WALLIS: That's the extent of my knowledge as well.

5 MS. WILSON: Also I want to let you know that I have asked
6 the commissioners in Skamania to replace me because I'm
7 having surgery in December and wouldn't be able to attend
8 the hearings. So they are working on a replacement. So
9 you should be hearing something soon.

10 CHAIR LUCE: Well, that's a loss, Judy. I'm sorry that
11 that's the situation.

12 MS. WILSON: Yes, I am too, but this was suppose to be
13 done.

14 CHAIR LUCE: Right.

15 MS. WILSON: Okay.

16 CHAIR LUCE: All right. Thank you.

17 MS. WILSON: You're welcome.

18 MS. ADELSMAN: I want to ask Stephen you said there are 35
19 different issues you have identified lead agencies to
20 respond. Could you elaborate. What do you mean by that?

21 MR. POSNER: We've identified issues such as air quality
22 issues, communication issues, archeology issues. So we
23 have approximately -- it's a long list. I think it's 35.
24 And for each one of those areas we've matched up those
25 issues with a section of the EIS that best fits the section
of the EIS. And so for each section of the EIS either BPA
or EFSEC is taking the lead to ensure that the responses
are developed, and we are working as a team to develop
those responses. But the entities, if you will, that are
responsible to make sure the work gets done are EFSEC and
BPA.

MS. ADELSMAN: So you're not thinking about going to other
agencies, asking them to respond to the issue; is that
right?

MR. POSNER: Well, no, we haven't. There may be some point
in time where we may ask for some input before we actually
finalize our comments. For instance, the DFW issues,

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1 concerns, I've talked to Travis Nelson about this, and that
2 we would be coordinating with them. But they aren't
3 actively involved as part of the team, if you will, in
4 developing the responses to comments.

5 MS. ADELSMAN: I'm assuming some of the agencies must have
6 commented on the project itself.

7 MR. POSNER: Yes, that's correct.

8 CHAIR LUCE: Other questions from Council?

9 MS. ADELSMAN: I'm just kind of concerned there is a wall
10 between you if the agencies had comments that may later on
11 take further actions. Anyway, okay. Thank you.

12 CHAIR LUCE: Judge Wallis, we have scheduled, penciled in
13 an adjudicative update from you.

14 JUDGE WALLIS: Yes, it was already mentioned that an order
15 has been entered regarding the relationship between SEPA
16 and the APA. In addition, an order was served addressing
17 the format for exhibits, and we are preparing to serve an
18 order that will address the argument on discovery issues
19 that was held last week.

20 There is a prehearing conference in our existing schedule
21 for November 5 and one for December 21, and we are
22 preparing official notices of hearing to advise people of
23 the time and places for the prehearing conferences.

24 In addition, we have looked at the schedule and process for
25 the existing hearing schedule and are going to issue a
notice that alters the schedule so that on Monday,
January 3, there will be a prehearing conference in the
morning, and the hearing will begin in the afternoon with
the opportunity for opening statements from the parties.
So we are preparing notices of the schedule changes as
well.

CHAIR LUCE: Great. Anything else?

JUDGE WALLIS: That's all I have.

SATSOP - GRAYS HARBOR ENERGY PROJECT

CHAIR LUCE: All right. We'll move ahead to Grays Harbor
Energy. Let's start with the monthly operational report.
It's on the pink sheet.

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1 MR. POSNER: Chair Luce, we heard from Todd Gatewood. Todd
2 Gatewood called this morning and I believe said that he was
3 not going to make it so he will not be giving a report in
4 person. I believe there is a note. There is a pink copy
5 in your packet.

6 CHAIR LUCE: The pink sheet and I see one complaint from
7 neighbors regarding noise.

8 Does staff have anything to add to the pink sheet?

9 Council Members want to take a chance to take a look at
10 this?

11 All right. Any questions for staff or to pass on to?

12 All right. So we'll move ahead to the next item on Grays
13 Harbor which is the expedited process update. Council
14 Members have already received Council Order No. 85, the
15 site certification agreement, and I believe you have in
16 your packets, and you were previously e-mailed the Traffic
17 and Community Communication language that has been worked
18 out by Grays Harbor County and the Applicant in this case.
19 So you should have had a chance to review that. So we'll
20 start with that.

21 Council Members, have you had an opportunity to provide any
22 comments to staff with respect to that? And I would just
23 note that the Traffic and Community Communication language
24 would be inserted verbatim into the proposed order and site
25 certificate agreement, actually I think into the site
certificate agreement. Any questions regarding that?

MR. MOSS: Just one, Chairman Luce.

CHAIR LUCE: Yes, Mr. Moss.

MR. MOSS: I had some recollection that we were going to
have language that was stronger than encouraging
construction traffic to use the Wakefield-Lakefield or
perhaps my memory is failing me in that regard. But what I
see here is the plan shall include measures to encourage
construction traffic. I'm not quite sure what that means.

CHAIR LUCE: Terry, you want to comment on that?

MS. WILLIS: If I remember correctly, we went over this and
said that I don't think that Grays Harbor Energy has the
jurisdiction to mandate that the traffic go any particular
direction, and we did need it to go to the Elma exit, if

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1 possible, but I believe that was the issue.

2 CHAIR LUCE: If I understand this correctly, you Grays
3 Harbor County and the Applicant Grays Harbor Energy are
4 going to work out a mutually agreeable plan for
5 coordinating traffic.

6 MS. WILLIS: Exactly. Karen and I have been working on the
7 language, and that's what you see in the proposal today.

8 CHAIR LUCE: All right. And so you are satisfied that that
9 will work for your county and your traffic management
10 people?

11 MS. WILLIS: I believe so.

12 CHAIR LUCE: So I would ask at this point in time, Council
13 Members, do you have any other questions regarding the
14 Council order or the SCA or the language that's been
15 proposed by the Applicant and Commissioner Willis?

16 MS. ADELSMAN: I have some comments, but I will be glad to
17 just give them directly to Judge Wallis.

18 CHAIR LUCE: All right.

19 MS. ADELSMAN: Some of them are minor and I discussed them
20 with him.

21 CHAIR LUCE: All right. The plan, the current plan is,
22 correct me if I'm wrong here, Manager Wright, but the
23 current plan will be for Council to tentatively approve on
24 November 9 the SCA and the order, and at the same time to
25 take final action on the NPDES permit which is ready to go;
is that correct?

MR. WRIGHT: Not completely. If it suits you, I would be
requesting that you take action on the NPDES permit today.

CHAIR LUCE: Yes, that's correct. Excuse me. So we can
take action on the NPDES permit today which allows the
beginning of the engineering for the Grays Harbor Energy
which is --

MR. WRIGHT: The approval of the NPDES while it is an
attachment to the SCA it's actually on a separate track,
parallel but separate track, and you actually have to vote
on it separately anyway.

CHAIR LUCE: So it's a standalone document.

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1 MR. WRIGHT: Standalone document.

2 CHAIR LUCE: So the NPDES permit. Council Members, do we
3 have a motion to approve the NPDES permit?

4 MR. FRYHLING: So move.

5 CHAIR LUCE: Second?

6 MS. ADELSMAN: Second.

7 CHAIR LUCE: All right. We have a motion and second.
8 Discussion?

9 Hearing no discussion the question is called for. All in
10 favor say aye.

11 COUNCIL MEMBERS: Aye.

12 CHAIR LUCE: Let the record reflect the vote was unanimous.
13 The NPDES permit is approved.

14 Now was I correct in the SCA, final SCA and order, the
15 changes will be made some suggested by Hedia, the inserts
16 by Grays Harbor County and the Applicant that have been
17 worked out, and we will have those matters under advisement
18 on November 9?

19 MR. WRIGHT: Yes, we can do that.

20 CHAIR LUCE: The goal here, correct me if I'm wrong, is to
21 have the documents that are necessary for this project to
22 move forward ready for Council approval to forward to the
23 Governor in mid December.

24 MR. WRIGHT: Yes, sir. Pending the air quality permit,
25 yes.

CHAIR LUCE: And you're going to speak to that issue now.

MR. WRIGHT: Yes, I am.

CHAIR LUCE: Thank you. That was a good transition.

MR. WRIGHT: With the approval of the NPDES permit and the
modifications that you talked about already on the order
and the site certificate agreement, it's my understanding
as of now we have all aspects of the permitting process
ready to go for this project on Units 3 and 4 except for

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1 what is referred to as the PSD permit which are basically
2 air quality permits.

3 There's three permits in question, and rather than go
4 through any detailed problem let me just say that
5 disappointingly those permits have been stalled, and for a
6 number of reasons I won't go into it. But suffice to say,
7 under Units 1 and 2 there is a PDS permit that is
8 operational today; however, it has flaws in it, and it has
9 been going through a review and corrective process over a
10 period of almost two years now I believe or more. And we
11 thought we were going to have that complete for you today.
12 Unfortunately some more glitches have shown up and the
13 gremlins are off working on that.

14 There is a second permit that goes with Units 1 and 2 now
15 that they have been operational for some period of time,
16 and it's called a Title 5 AOP permit. That permit was
17 required to be developed and issued and is in process right
18 along with the permit for Units 1 and 2. However, it
19 cannot be finalized until you have a final PSD permit for 1
20 and 2. So since that permit for 1 and 2 is held up, the
21 AOP permit is held up, all of which is possibly available
22 for some process in November, sounds like be more likely in
23 December. However, the PSD air quality permit for Units 3
24 and 4, which is what's actually in front of you today, has
25 been approved by EPA for a finally approved, actually last
Friday, for a public review process, and we have started
that public review process today. And basically what we
will do is the comment period will start on the 21st of
October. It will close on November 26. On November 9, as
part of your night regular EFSEC process we will hold a
hearing on that PSD permit for Units 3 and 4 only.

After the 26th of November, we will go through a very rapid
comment review and response process, and we are scheduled
to have all of that permit finished, ready to go by the
10th of December. If all of that occurs correctly, then
theoretically we could get an EPA signature by the 10th,
and December 14 you would have basically everything in your
hands to approve this project, except for Units 1 and 2 PSD
permit and the Title 5 operating permit. It is not
statutorily required that you have those permits in hand
when you approve the project because you're really only
approving Units 3 and 4. At that time you can make up your
minds whether you want to before Christmas approve the
project and send it on to the Governor which I believe it
will be complete within your regulations or if you want to
wait for Units 1 and 2 for the air quality permits to be
finished that would take you probably my guess somewhere

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1 into late January or February.

2 But that's a decision you don't necessarily have to make
3 today. I am just making you aware of the air quality
4 process that we now have scheduled. The notices went out
5 to the newspapers today, and so we can be ready for all of
6 the essential parts of this project by mid December.

7 CHAIR LUCE: Great. Questions?

8 I don't hear any questions. So we have dealt with the
9 operational update, the SCA, and the order, and the NPDES
10 permit has been approved, and we will have a meeting
11 hearing on the PSD permit in Montesano on November 9.

12 Now I've asked Manager Wright if we can possibly move our
13 regularly -- that's scheduled for 6:30; is that correct?

14 MR. WRIGHT: That's correct.

15 CHAIR LUCE: So I've asked Manager Wright to move our
16 regularly scheduled 1:30 meeting to perhaps 3:00 or 4:00
17 depending upon the agenda. So we'll have our regularly
18 scheduled meeting in Montesano. That way we will get
19 everything done at once. Now, some of you may not be able
20 to come to Montesano which is okay. You can participate by
21 phone if you want to, but it seems to me to make sense to
22 have the meeting in one place and one time than to have a
23 meeting here earlier in the day, everybody take time out to
24 drive to Montesano to have another meeting. So that's my
25 recommendation is one meeting, one place.

Any objection?

All right. Set it up please, Manager Wright.

MR. WRIGHT: Yes, sir.

CHAIR LUCE: Is there anything else with respect to Satsop?

MR. WRIGHT: The only thing I might add just for your
planning purposes, we may want to discuss this in November,
if you decide you want to make a decision on Satsop in
December, you will also hold your December meeting in
Montesano because you have a -- and I don't know think it's
statutory, but you have traditionally had a policy of when
you move to approve a project you do it at or near the
project site.

CHAIR LUCE: Could you go ahead and schedule the December

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1 meeting for Montesano, find a room there, in other words,
2 so if the Council does decide to do that we will have a
place to do it?

3 MR. WRIGHT: We can and will.

4 CHAIR LUCE: Thank you. Next matter to come before the
Council is the EFSEC cost allocation.

5 MR. FRYHLING: I would like to ask we have a Council Member
6 leaving the Council here after today, and Mary's been
sitting through these for a year and a half. When we get
7 ready to sign this off is Mary going to come back and could
sign this off, or are we going to have a new member?

8 MS. McDONALD: Yeah, I was wondering about that.

9 MR. FRYHLING: It doesn't make much sense to have a new
10 member sign off on something that somebody sat through many
hours and hearings and meetings. I don't know what we've
11 done in the past.

12 CHAIR LUCE: I think there's two ways to do it. One is if
we have a quorum majority, we don't need Mary's signature.
13 If DNR wants a signature on this document, and that would
be something for the commissioner to decide, then I think
14 he could extend you for the purposes of the Satsop project
and appoint another Council Member for work other than the
15 Satsop Project. So you've got basically two options, and
maybe you can take that back to the commissioner. But I
16 think we're going to have a majority or a quorum so.

17 MS. McDONALD: No, thanks, Dick, for bringing that up. I
was wondering the same thing, and I'll go back and check
18 and see which option and then get back to Mr. Wright.

19 CHAIR LUCE: Will we know who your replacement is in the
reasonably foreseeable future?

20 MS. McDONALD: Yes. His name is Darin Cramer and he is a
21 Forest Practice Division Manager, but it was my
understanding when I talked to him today that it was
22 temporary in him being appointed.

23 CHAIR LUCE: Okay. Well, all right. We're going to go
into Whistling Ridge which is a fairly substantial
24 undertaking so I think maybe we can talk after the meeting
about what temporary is because I want to make sure that we
25 have that facilitated.

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EFSEC COST ALLOCATION

CHAIR LUCE: All right. Manager Wright, do you have the EFSEC cost allocation case for the latest period? I believe it is in the packets.

MR. WRIGHT: Mr. Posner does.

CHAIR LUCE: Mr. Posner does.

MR. POSNER: Yes. I'll call your attention to the yellow sheet in your packets, and as you should recall every quarter we calculate the non-direct cost allocation, and it's based on previous quarter's staff time that was spent on the various projects as well as our anticipation or understanding of what work is going to take place during the current quarter. So these calculations are for the second quarter fiscal year 2011. I'd like to go ahead and just read them off so that the project managers if they're on the line they will hear what their percentages are.

For the Kittitas Valley Wind Power Project, 18 percent; the Desert Claim Wind Power, 8 percent; Whistling Ridge Energy Project, 28 percent; Columbia Generating Station, 12 percent; WNP/1, 3 percent; Satsop Combustion Turbine, 7 percent; Chehalis Generation Project, 6 percent; Wild Horse Wind Power Project, 8 percent; BP Co-Generation Project, 1 percent; Grays Harbor Energy, 9 percent. That concludes my presentation. Happy to answer any questions.

CHAIR LUCE: Thank you. Council Member questions?

All right. Hearing no questions, we'll move to adjournment. But before we adjourn, I want to remind you again a couple of critical dates, important dates. One, November 4 is the meeting with Steve Wright and the county commissioners for those of you who are interested and, Sonia, you may be interested and Al, and I will attend and that's on the I-5 corridor line.

On November 5, the prehearing conference to which Bob has previously alluded, Council Members are not required to attend that, but I believe there's a bridge line if you want to listen in.

On October 28, there is a joint meeting between Oregon and Washington EFSEC. It is scheduled at the ColumbiaGrid Offices in Portland. I'm going to attend, Al is going to attend. I know Hedia is not because she responded, but we need to know who's going to come so we can make proper

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1 arrangements. So if you can't tell us today, tell us in
2 the next couple days because we need to get back to Tom
3 Stoops, the Oregon EFSEC manager. He's done all the
preparation for this, and I think that as a matter of
courtesy we need to close the loop on it.

4 MR. FRYHLING: Jim, I'm planning to be there. If somebody
5 could e-mail me a map on how to get to that location, I'll
be there at 1:30.

6 CHAIR LUCE: Okay. There will be a lot of transmission
7 issues discussed.

8 MR. TAYER: I'm going to be there too.

9 CHAIR LUCE: Okay. Dennis?

10 MR. MOSS: My current plan is to be there, yes.

11 MS. McDONALD: I'll check it out with Darin.

12 CHAIR LUCE: Okay. Is it Aaron or Darin?

13 MS. McDONALD: Darin.

14 CHAIR LUCE: Okay, super. Is there anything else to come
before the Council today?

15 Manager Wright, have we covered everything that we need to
16 cover?

17 MR. WRIGHT: Yes, sir. I believe so.

18 CHAIR LUCE: Mr. Posner, Kyle, Bob?

19 All right. We are adjourned.

20 * * * * *

21 (Council Meeting adjourned at 2:30 p.m.)

22 (These are minutes only. This is not a verbatim
23 report of proceedings.)
24
25