WASHINGTON STATE
ENERGY FACILITY SITE EVALUATION COUNCIL

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1:30 P.M.

MONTHLY COUNCIL MEETING
Verbatim Transcript of Proceedings

REPORTED BY: TAYLER GARLINGHOUSE, CCR 3358

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APPARANCES

Councilmembers:

KATHLEEN DREW, Chair
LIZ GREEN-TAYLOR, Department of Commerce
CULLEN STEPHENSON, Department of Ecology
STACEY BREWSTER, Utilities and Transportation Commission
DAN SIEMANN, Department of Natural Resources (via phone)
MIKE LIVINGSTON, Department of Fish & Wildlife (via phone)

Assistant Attorney General:

JON THOMPSON

Council Staff:

JOAN AITKEN
CHRISTINA POTIS
PATTY BETTS
AMY MOON
AMI KIDDER
STEPHEN POSNER
SONIA BUMPUS

In Attendance:

KATHY CONAWAY, Department of Ecology (via phone)
KATIE HALL, Department of Ecology (via phone)
ERIC MELBARDIS, EDP Renewables
JENNIFER DIAZ, Puget Sound Energy (via phone)
CHRIS SHERIN, Grays Harbor Energy Center
MARY RAMOS, Columbia Generating Station (via phone)
TIM MCMAHAN, Stoel Rives (via phone)
BILL SHERMAN, The Environment (via phone)
ANN ESSKO

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OLYMPIA, WASHINGTON; JANUARY 15, 2019

1:30 P.M.

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PROCEEDINGS

CHAIR DREW: Good afternoon. I'm Kathleen Drew, Chair of the Energy Facility Site Evaluation Council, and we will bring this meeting to order. We will start by calling the roll, Ms. Potis.

MS. POTIS: Department of Commerce?


MS. POTIS: Department of Ecology?

MR. STEPHENSON: Cullen Stephenson, here.

MS. POTIS: Fish & Wildlife?

MR. LIVINGSTON: Mike Livingston, here.

MS. POTIS: Department of Natural Resources?

MR. SIEMANN: Dan Siemann is here on the phone.

MS. POTIS: Utilities and Transportation?

MS. BREWSTER: Stacey Brewster, here.

MS. POTIS: Chair, we have a quorum for the Council.

CHAIR DREW: Thank you.

And before we move on to our regular agenda, I would just like to welcome Stacey Brewster, who is the
representative of the Utilities and Transportation Commission, and she did start with the UTC in September. She has a background in science from having received her BS, excuse me, from the Evergreen State College. And then spent several years studying and researching forestry practices on biodiversity with the Pacific Northwest Research Station of the Forest Service for five years before returning to Evergreen and then becoming the head of their serials and electronic resources department for the library. And she is here and working as a legal and library assistant with the administrative law division with the UTC. So she has a very diverse background, and we welcome her to our Council.

Welcome, Stacey.

MS. BREWSTER: Thank you.

CHAIR DREW: So moving on now to the agenda. Oh, first of all, before we go there, I will ask if there's anyone on the phone who wanted to introduce themselves as well.

MR. SHERMAN: Thank you, Chair. This is Bill Sherman as counsel for The Environment.

MS. CONAWAY: This is Kathy Conaway, and we have Katie Hall from Ecology Nuclear Waste Program --

CHAIR DREW: Thank you.
MS. CONAWAY: -- in Richland.

MR. MCMAHAN: Tim McMahan with Stoel Rives.

MS. DIAZ: Jennifer Diaz with Puget Sound Energy.

MS. RAMOS: Mary Ramos with Energy Northwest.

CHAIR DREW: Okay. Thank you, everyone.

Our next item is our proposed agenda. Is there a motion to accept this meeting agenda?

MR. STEPHENSON: I will move to accept the agenda.

CHAIR DREW: Second?

MS. GREEN-TAYLOR: I'll second that.

CHAIR DREW: Okay. All those in favor?

COUNCILMEMBERS: Aye.

CHAIR DREW: Agenda's adopted.

Moving on to the meeting minutes from our last meeting, which was November 13th, 2018. Is there a motion to adopt the meeting minutes from November 13th?

MR. STEPHENSON: I will move to adopt those minutes.

MS. GREEN-TAYLOR: And I will second that motion.

CHAIR DREW: Thank you.

Any comments on the minutes? All those in
favor of adopting the minutes, please say "aye."

COUNCILMEMBERS: Aye.

CHAIR DREW: All those opposed? Meeting minutes are adopted.

Okay. Moving on to the projects. We will start with the operational update from Kittitas Valley Wind Project, Mr. Melbardis?

MR. MELBARDIS: Good afternoon, Chair Drew, EFSEC Council. This is Eric Melbardis with EDP Renewables for the Kittitas Valley Wind Power Project. We finished out December the same as the rest of the year with nothing nonroutine to report.

CHAIR DREW: Thank you.

Wild Horse Wind Power Project, Ms. Diaz?

MS. DIAZ: Yes, thank you, Chair Drew and Councilmembers. For the record, this is Jennifer Diaz with Puget Sound Energy at the Wild Horse Wind and Solar Facility. The only nonroutine item I have for the month of December is that the Kittitas County Fire Marshal completed a fire, life, and safety inspection on December 14th, and the inspection passed with no violations.

CHAIR DREW: Thank you.

MS. DIAZ: And that's all I have.

CHAIR DREW: Grays Harbor Energy Center,
Mr. Sherin?

MR. SHERIN: I'm good.

Afternoon, Chair Drew and Councilmembers.

Chris Sherin, plant manager at Grays Harbor Energy Center. For December, everything we have to report, we have no nonroutine times. One item on there, we did have a State fire marshal inspection, and we did have a couple minor violations, which will come -- be in January's reports as we didn't get the violation notice until the 7th. But since then, we've corrected all of --

CHAIR DREW: Great.

MR. SHERIN: -- corrected all those violations.

CHAIR DREW: Thank you.

MR. SHERIN: Thank you.

CHAIR DREW: Chehalis Generation Facility?

Mr. Miller, or is he unable --

MS. KIDDER: Chair Drew, if I may, Mr. Miller is unavailable to attend this month's Council meeting. The Facility update may be found in the packet on the blue paper. The only nonroutine item to report was that in December, Chehalis also had the State Fire Marshal's Office perform an inspection. They had some minor violations, which have mostly been corrected, if
not completely corrected at this point, and we will receive an update on that with their next month's report and the follow-up inspection as well.

CHAIR DREW: Thank you, Ms. Kidder.

Columbia Solar Project, Ms. Kidder.

MS. KIDDER: Thank you, Chair Drew. For the record, my name is Ami Kidder, and I just have a few items to update you on for the Columbia Solar Project. Staff are continuing coordination with our agency contractors to review preliminary draft plans as indicated in the Mitigated Determination of Nonsignificance and the Site Certification Agreement.

The certificate holder, Department of Fish & Wildlife and Ecology met in Ellensburg for a site visit on January 2nd to discuss planting and monitoring guidelines for planned vegetation at each site. And the certificate holder is still coordinating with both DFW and Ecology to establish appropriate mitigation and monitoring for impacts as directed in the MDNS and SCA.

Additionally, the Army Corps of Engineers have provided the certificate holder with a letter of authorization under Nationwide Permit 18 at the Typha site, which is necessary for stabilization of the access road to the site. Are there any questions?

CHAIR DREW: Any questions?
Thank you, Ms. Kidder.

MR. POSNER: Chair Drew, I --

CHAIR DREW: Mr. Posner.

MR. POSNER: -- have a short update on the
Kittitas County action related to Columbia Solar that I
can provide to the Council.

CHAIR DREW: Thank you.

MR. POSNER: So just a little background for
those who aren't aware who weren't on the Council while
this project was under review, just a little background,
the recommendation, the EFSEC recommendation to the
governor was made in August on the 22nd. And the
governor agreed with the decision or with the
recommendation from EFSEC and approved the project on
October 17th.

And then on the 15th of November, Kittitas
County filed a petition for judicial review per RCW
80.50.140. So that triggered some actions that we had
to take. We had to prepare the administrative record or
put it together. We had been preparing it as we'd been
reviewing the project. The administrative record was
compiled and was submitted to the Thurston County
Superior Court on 12/15/2018.

And at this point in time, there is a trial
scheduling date set for the 22nd of March. And at that
time, there will be further discussion in front of the Court with the various parties, including EFSEC and the AG’s office, concerning the status of the petition and the next actions, if you will.

But essentially what has happened is that Kittitas County is -- is challenging the decision that the governor has made, and then ultimately it could end up being heard before the supreme court. That's typically how the process works in a situation like this.

CHAIR DREW: Thank you.
Are there any questions?

MR. SIEMANN: Chair Drew, this is Dan Siemann from DNR, and I do have one question which is, what is the basis of the complaint?

MR. POSNER: The -- the one issue that they cited in their petition was related to adequate potable water supply.

CHAIR DREW: And I believe those documents are on our SharePoint --

MR. POSNER: Right.

CHAIR DREW: -- site if you'd like to review them.

MR. POSNER: The documents are on the SharePoint site and they're also on the -- the EFSEC
website as well.

CHAIR DREW: Mr. Cullen?

MR. STEPHENSON: Thank you, Chair Drew.

Question to Staff, what's the smart strategy here? Do we wait to let this play out or do we take more direct action?

MR. POSNER: Well, I think right now we're -- we're consulting with the AG's office and we're considering the various options as far as, you know, how to proceed at this point in time. But we fulfilled our obligation under the statute to provide the record to the superior court, it's there now, and then in March there'll be essentially another hearing where next steps will be decided by the Court.

CHAIR DREW: It's also my understanding that there's no prohibition on us continuing to work with the certificate holder and proceed with approving the application -- or approving the plans as they come forward.

MR. POSNER: Right.

CHAIR DREW: So we are continuing to do so.

MR. POSNER: That's correct.

MR. STEPHENSON: Thank you.

CHAIR DREW: Okay. Thank you.

Desert Claim Project update, Amy Moon.
MS. MOON: Good afternoon, Council Chair
Drew and Councilmembers. For the record, this is Amy
Moon, and I will be providing an update for the Desert
Claim Project. EFSEC Staff continues to coordinate with
Desert Claim, however, I have no other updates at this
time.

CHAIR DREW: Thank you.
And for background on that, that is, of
course, with our -- our new member here, is the
amendment to the project which the Council adopted in
November.

Moving on to WNP 1/4, the non -- the
nonoperational updates, Ms. Ramos?

MS. RAMOS: Good afternoon, Chair Drew and
Councilmembers. My name is Mary Ramos, and I'm
reporting for Energy Northwest WNP 1/4. For the month
of December, the Office of the State Fire Marshal
conducted a fire inspection of WNP 1/4. We received the
report -- the inspection report on December 10th, and
Energy Northwest responded to the inspection report on
January 10th.

CHAIR DREW: Okay. Thank you. And then if
you'd like to continue, then, on to the Columbia
Generating Station update.

MS. RAMOS: Okay. For Columbia Generating
Station, on November 28th, Energy Northwest notified EFSEC and Washington State Department of Ecology via telephone of a spill of transformer oil at Columbia Generating Station. A follow-up email was also sent to EFSEC and Ecology on December 4th.

To summarize the oil spill, in April of this -- of 2018, Energy Northwest discovered a slow drip of oil from the side of a transformer located near our cool -- our cooling towers. The leak progressed off of the transformer's concrete pad and onto the surrounding gravel.

In August of 2018, Energy Northwest Environmental and Regulatory Programs department learned that periodic integrity testing of the oil, which is performed by our engineering department. It revealed that the oil contained traces of polychlorinated biphenyls at 13 parts per million, and this was as a result of residual PCBs from the PCB oil that was used in the past.

There has been no discharge to ground water or to any water body as a result of the transformer oil spill. The oil spill is confined to the area immediately adjacent to the transformer and inside a concrete berm. And then also, entry to that transformer area is restricted by a fence, and it's also -- there's
a sign posting the PCB content.

   The spill area is being closely monitored,
and we use absorbent pads placed along the bottom of the
transformer to contain the spill.

   We are actively working to find a resolution
for repairing the leak. The oil drip is coming from an
enclosed internal compartment of the transformer, and
currently the station is unable to complete the
necessary repairs while the station is online. This is
due to industrial safety risk and plant operating
conditions. Our engineering department is actively
working to find a repair window offline or a strategy
that would allow us to repair online.

   In addition to that summary, on December
12th, the Washington State Department of Ecology, there
were two inspectors who visited Columbia to discuss and
observe the transformer oil spill area. And then on
January 7th, Energy Northwest responded to a request for
additional information regarding the transformer oil
spill.

   And then also for the month of December, the
Office of the State Fire Marshal conducted a fire
inspection of Columbia Generating Station's nonplant
buildings, and similar to the WNP 1/4 update I provided,
the inspection report was received on December 10th, and
we responded to that report on January 10th.

CHAIR DREW: Thank you.

Are there any questions from Councilmembers?

Mr. Stephenson?

MR. STEPHENSON: Thank you, Chair.

Thank you, Ms. Ramos. Maybe two questions.

One is, you speak of a concrete berm, does that include

some sort of concrete floor so that the -- the -- the

spill is onto concrete or is the spill onto dirt?

And then the second, you say that there's no

contamination of the water or -- or -- and how do you

know that? Thank you.

MS. RAMOS: Thank you. So this is -- again,

this is Mary Ramos responding for Energy Northwest. On

the first question regarding the concrete berm, we do

know there's an 18-inch concrete berm surrounding the

transformer. We have asked our engineering department

regarding whether or not they can determine based on

design information if the con- -- if there's a concrete

layer at the bottom of that gravel. And at this time,

we do not know. We plan to look into that when we

perform the cleanup by a vendor on January 21st.

And then on the second question regarding

the statement I made that there has been no discharge to

a water body, we continue to look at the spill area and
closely monitor that, and there are two underground injection control wells in the vicinity of the transformer. Each time we observe the spill area, we also look inside the underground injection control well and make -- and see if there's any oil sheen observed inside the water that's contained in those IC wells.

MR. STEPHENSON: Thank you.

MS. RAMOS: Thank you.

CHAIR DREW: Any other questions?

Okay. Thank you very much.

We now will move on to discuss the -- since that was the operational update, the NPDES Permit modification draft, and that will be Ms. Moon.

MS. MOON: Thank you, Chair Drew. Again, for the record, this is Amy Moon, and I will be providing an update for the proposed National Pollutant Discharge Elimination System, referred to as the NPDES Permit, at the Columbia Generating Station. Energy Northwest submitted an application to modify the current NPDES Permit to allow for a continuous halogenation and dehalogenation process to improve inhibition of biological fouling of the circulating water and plant service water systems at the station on October 1st, 2018.

The proposed process modification will
replace the batch halogenation process that currently
occurs approximately two to three times per week.

Moving to the continuous halogenation injection process
will improve the biofouling control effectiveness.

Biofouling includes an invasive Asiatic clam, various
species of algae, and the bacterium legionella
pneumophila.

Prior to submitting the application, an
engineering report on a proposed halogenation and
dehalogenation process was reviewed by Ecology and EFSEC
and approved on October 19th, 2018, by EFSEC. The
modification to the NPDES Permit retains the batch
halogenation process of the cooling water system as a
backup process in the event that continuous monitor
becomes inoperable for any reason.

The proposed changes to the permit mean that
the facility will continuously monitor the total
residual halogens, also referred to as TRH, and require
regular reporting of the TRH concentrations. The
modification also clarifies the point of compliance for
PH downstream of the dehalogenation tie-in to outfall
001.

In terms of compliance with the State
Environmental Policy Act, or SEPA, the proposed
modification of the NPDES Permit does not require a new
SEPA threshold determination per the Revised Code of Washington 43.21(c)030(2)(c) as the proposed changes meet the intent and purpose of the existing NPDES Permit; and two, the monitoring requirements for the proposed change to the halogenation and dehalogenation system will not be less stringent than current monitoring requirements. Do you have any questions on that so far?

CHAIR DREW: Any questions? Go ahead.

MS. MOON: Thank you. So if there are no other questions, Staff will proceed with our request of the Council to take action on a tentative determination to approve the Draft NPDES Permit, which would allow Staff to notice the draft permit modification and draft fact sheet for a minimum 30-day public comment period.

CHAIR DREW: Okay. I think before we take up that action, Ms. Bumpus was going to talk about the process.

MS. BUMPUS: Yes. Thank you, Chair Drew and Councilmembers. Good afternoon. So as Ms. Moon discussed, this would allow us to move forward with a minimum 30-day public comment period. Staff is going to recommend that we have a public hearing on the NPDES Permit where we would hear oral comment. We would propose that we do that in the Richland, Washington,
area near the Columbia Generating Station facility.

Right now, we are thinking that we should move the February Council meeting to Wednesday, February 20th. The 18th is a holiday, so normally our Council meeting would be that Tuesday, but we propose that we move the Council meeting, the monthly Council meeting, to February 20th, and go ahead and have our Council meeting there in Richland, Washington. That evening on the 20th, we would have the public hearing where we would take any public comment on the NPDES Permit.

And we also are aware that Councilmembers have expressed an interest in going to the Columbia Generating Station facility for a site tour, and we've been working with Energy Northwest staff on that. And we right now have plans to take you there on the Thursday after the meetings on February 21st, and it would be in the morning.

Joan will be sending an email out to Councilmembers with more details. We are still working to pin down the venues where the Council meeting will be held. We are thinking right now that the venue where the public hearing would be held in the evening is going to be different than where the Council meeting will be held. So she's going to be sending you more details about the locations and the times for those activities.
as well as more information about the site tour plan for the 21st.

CHAIR DREW: Okay. So what I'd like to do now is ask if there is a motion to approve the NPDES Permit modification draft in order to take public comment.

MS. GREEN-TAYLOR: Chair, I will move to approve the draft NPDES amendment in order to move forward with the public comment.

CHAIR DREW: Okay. Is there a second?

MR. STEPHENSON: I'll second.

CHAIR DREW: Are there questions about the permit modification draft? Okay. All those in favor, say "aye."

COUNCILMEMBERS: Aye.

CHAIR DREW: All those opposed? I think I heard everyone on aye, so the motion is adopted.

So with that, you've heard that the plan is -- so please take a look at your calendars, and we would plan to travel I think the morning of the 20th and return the afternoon of the 21st from Richland, Washington, overall to both have our Council meeting and this hearing and for those who are able to attend a tour of the Columbia Generating Station.

I would like to also mention that this is
not open to the public facility because of the national
security issues. So that would be a tour for
Councilmembers and Staff only.

Is that correct?

MS. BUMPUS: That's correct.

CHAIR DREW: Okay. Any questions on that?

We will continue to be in communication with you, then.

Moving on to the 3rd quarter cost
allocation, Mr. Posner.

MR. POSNER: Good afternoon, Chair Drew,
Councilmembers. So as we do at the beginning of each
quarter, we recalculate our nondirect cost allocations.
Those are the percentages that get charged to the
different projects that EFSEC regulates. And we look at
the -- the Staff technical work that's been done in the
past quarter and then also looking at -- looking ahead
to the anticipated work, and then we come up with these
percentages. So I will go ahead and read off the
percentages for the 3rd quarter fiscal year 2019, which
runs January 1st, 2019, through March 31st, 2019.

So the percentages for this quarter are
Kittitas Valley Wind Project, 9 percent; the Wild Horse
Wind Project, 9 percent; Columbia Generating Station, 25
percent; the Columbia Solar Project, 13 percent; WNP 1,
4 percent; Whistling Ridge Energy Project, 3 percent;
Grays Harbor 1&2, 13 percent; Chehalis Generation Project, 11 percent; Desert Claim Wind Project, 10 percent; and Grays Harbor Energy 3&4, 3 percent. And that concludes my presentation.

CHAIR DREW: Okay. Any questions?

Okay. Thank you.

We have one special presentation. In the chamber here is Ms. Ann Essko, and she went off and retired. So I will now read the resolution that we have in front of us.

Commending services of Senior Assistant Attorney General Ann Essko.

Whereas, Ann Essko has served as Senior Counsel for the Washington State Energy Facility Site Evaluation Council;

And whereas, Ann Essko served the Council with distinction as Senior Counsel from January 2003 through September 2006 and August 2012 through November 2018;

And whereas, Ann Essko has ably represented the interests of the citizens of the State of Washington by providing legal advice during her service to the Council;

And whereas, Ann Essko has participated in multiple Council meetings over approximately ten years.
of service to the Council;

   And whereas, Ann Essko, upon her return to
serve as EFSEC Senior Counsel in 2012, immediately began
preparing for the difficult task of arguing before the
Washington Supreme Court, the merits of a petition for
judicial review on the Whistling Ridge Wind Project;

   Whereas, Ann Essko, through her detailed
review of an administrative record of several-thousand
pages, was able to present thoughtful and legally
convincing arguments before the Washington Supreme
Court, which affirmed the Council's recommendation and
the governor's decision for the Whistling Ridge Wind
Project;

   And whereas, Ann Essko actively participated
with Council's activities during the review of the
application filed by Tesoro Savage for the Vancouver
Energy Project, including participation in public and
State Environmental Policy Act, public meetings, and a
five-week adjudicative hearing;

   And whereas, Ann Essko tirelessly reviewed
and analyzed the largest adjudicative record for an
EFSEC project, and provided critical input to the
development of a 430-page adjudicative order and
101-page recommendation report on the Vancouver Energy
Project, both the longest in EFSEC history;
And whereas, Ann Essko as lead attorney for the Office of the Attorney General worked in a dedicated, selfless manner under extremely tight time frames to provide the necessary input to assist the Council in completing the Vancouver Energy Project recommendation to the governor in December 2017;

And whereas, Ann Essko's work ethic, professionalism, patience, integrity, and attention to detail has contributed greatly to the Council's collaborative decision-making process;

And whereas, Ann Essko has served as an effective and dedicated attorney representing the Council for ten years.

And now, therefore, be it resolved that the Energy Facility Site Evaluation Council hereby recognizes Ann Essko's vital contribution to the Council over her years of service and expresses its gratitude for her exemplary service and devotion as Senior Counsel for EFSEC -- to EFSEC. Dated this 15th day of January 2019.

Is there a motion?

MR. STEPHENSON: I will move to approve this resolution.

CHAIR DREW: Thank you.

Is there a second?
MS. GREEN-TAYLOR: And I will be happy to
second that motion.

CHAIR DREW: Any comments?

Mr. Stephenson.

MR. STEPHENSON: Thank you, Chair. Ann has
been wonderful. She has also been sometimes slightly
difficult for this Council, and I hope that her new --
the new counsel is just as difficult and just as clear
on staying with the law and holding us -- our feet to
the fire. Thank you.

CHAIR DREW: Thank you.

All those in favor, say "aye."

COUNCILMEMBERS: Aye.

CHAIR DREW: Resolution is adopted. Thank
you.

And with that, we are adjourned.

(Adjourned at 2:02 p.m.)
CERTIFICATE

STATE OF WASHINGTON
COUNTY OF THURSTON

I, Tayler Garlinghouse, a Certified Shorthand Reporter in and for the State of Washington, do hereby certify that the foregoing transcript is true and accurate to the best of my knowledge, skill and ability.

___________________________________
Tayler Garlinghouse, CCR 3358