Verbatim Transcript of Monthly Council Meeting

Washington State Energy Facility Site Evaluation Council

April 16, 2019
APPARENCES

Councilmembers:

KATHLEEN DREW, Chair
CULLEN STEPHENSON, Department of Ecology (phone)
MIKE LIVINGSTON, Department of Fish & Wildlife
DAN SIEMANN, Department of Natural Resources (phone)
STACEY BREWSTER, Utilities & Transportation Commission

Local Government and Optional State Agency for the Columbia Solar Project:

JOE LAXSON (phone)

Assistant Attorney General:

JON THOMPSON

Council Staff:

SONIA BUMPUS
TAMMY MASTRO
AMI KIDDER
AMY MOON
PATTY BETTS
CHRISTINA POTIS
JOAN AITKEN
STEW HENDERSON
KYLE OVERTON

In Attendance:

KARA WARNER, Golder Associates (phone)
BILL SHERMAN, The Environment (phone)
LIEM NGUYEN, Ecology
ERIC MELBARDIS, EDP Renewables (phone)
JENNIFER DIAZ, Wild Horse (phone)
CHRIS SHERIN, Grays Harbor Energy
MARK MILLER, Chehalis Generation Facility
MARY RAMOS, Energy Northwest (phone)
OLYMPIA, WASHINGTON; APRIL 16, 2019

1:30 P.M.

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PROCEEDINGS

CHAIR DREW: Good afternoon. This is Kathleen Drew, Chair of the Energy Facility Site Evaluation Council, and I'm calling the meeting to order.

Ms. Mastro, will you please take the roll call?

MS. MASTRO: Department of Commerce?

CHAIR DREW: Is excused.

MR. STEPHENSON: Cullen Stephenson, here, on the phone.

MS. MASTRO: Department of Ecology?

CHAIR DREW: That was Cullen, Mr. Stephenson. Thank you.

MS. MASTRO: Department of Fish & Wildlife?

MR. LIVINGSTON: Mike Livingston, here.

MS. MASTRO: Department of Natural Resources?

MR. SIEMANN: Dan Siemann is on the phone.

MS. MASTRO: Utilities and Transportation Commission?
MS. BREWSTER: Stacey Brewster, here.

MS. MASTRO: Chair, there is a quorum.

CHAIR DREW: Thank you.

Is there anyone else on the phone who wishes to introduce themselves at this point?

MR. LAXSON: Yeah, good afternoon. This is Joe Laxson from the Department of Health.

CHAIR DREW: Thank you.

MS. WARNER: Hi, this is Kara Warner with Golder Associates.

MS. DIAZ: This is Jennifer Diaz with Puget Sound Energy.

MR. SHERMAN: This is Bill Sherman as counsel for The Environment from the Attorney General's Office.

CHAIR DREW: Okay. Thank you very much.

With that, we have a proposed agenda in front of us. Is there a motion to adopt the proposed agenda?

MR. LIVINGSTON: Chair Drew, I would like to propose a motion to approve the agenda as presented.

MS. BREWSTER: I second that motion.

CHAIR DREW: Thank you.

All in favor, say "aye."

COUNCILMEMBERS: Aye.
CHAIR DREW: Opposed? The agenda is adopted.

We then move to the minutes. The meeting minutes have been sent to you previously and are in your packets. Is there a motion to adopt the minutes?

MR. LIVINGSTON: Chair, I would like to make a motion to approve the minutes as presented.

CHAIR DREW: Thank you.

MS. BREWSTER: I'll second that motion.

CHAIR DREW: Thank you. Are there --

MR. SIEMANN: I will second.

CHAIR DREW: Are there any comments or -- about the minutes? Any corrections?

Hearing none, all those in favor of approving the minutes from March 19th, 2019, say "aye."

COUNCILMEMBERS: Aye.

CHAIR DREW: Opposed? The minutes are adopted.

Moving on now to our projects. The first in front of us is the Kittitas Valley Wind Project operational update, Mr. Melbardis.

MR. MELBARDIS: Good afternoon, Chair Drew, EFSEC Council. For the period of March, there was nothing nonroutine to report at Kittitas Valley. Oh, sorry. For the record, this is Eric Melbardis with EDP
Renewables. We did have a fire and life safety inspection in March and that came back with a perfect score.

CHAIR DREW: Congratulations.

Any questions?

Moving on to Wild Horse Wind Power Project, Ms. Diaz?

MS. DIAZ: Yes. Thank you, Chair Drew and Councilmembers. For the record, Jennifer Diaz with Puget Sound Energy at the Wild Horse Wind and Solar Facility, and we have nothing nonroutine to report for the month of March.

CHAIR DREW: Thank you.

Chehalis Generation Facility, Mr. Miller?

MR. MILLER: Good afternoon, Chair Drew and Councilmembers and Staff. I'm Mark Miller for -- from the PacifiCorp Chehalis Generation Facility. I would like to highlight two nonroutine comments for the month of March. Plant conducted the annual relative accuracy test audit for our continuous emission monitors just to verify that they're continuing to operate within their required parameters.

The draft report that we received earlier last week indicate that all monitors were performing as -- as -- within the required performance parameters.
as noted in the report. And also, the EFSEC contractor Southwest -- from the Southwest Clean Air Agency and title -- and EFSEC Staff conducted a Title V site inspection for the year, annual year 2019. The inspection was conducted on March 26th. At the time of the inspection, the Clean Air staff did not note any anomalies and everything was as expected. Are there any questions?

CHAIR DREW: Any questions?

Thank you for your report.

Columbia Solar Project, Ms. Kidder?

MS. KIDDER: Thank you, Chair Drew. For the record, my name is Ami Kidder. I have a brief update for you on the Columbia Solar Project. EFSEC Staff are working to obtain an environmental monitor that would participate in the construction phase of the project for all five sites. We will keep the Council updated as we progress. Are there any questions?

CHAIR DREW: Thank you.

Ms. Bumpus?

MS. BUMPUS: Chair Drew, I just wanted to note, I'll be providing an update on the litigation for Columbia Solar at the end of the Council meeting.

CHAIR DREW: Okay. Thank you.

I know at the table we also have a new Staff
member, so I wanted to introduce him at this time. Kyle Overton, who started this morning. Kyle comes to us from Thurston County as an environmental staff person there, Environmental Health, and has an extensive background both here and from Arizona, and we are very pleased to have him on our Staff. So welcome.

MR. OVERTON: Thank you.

CHAIR DREW: Then moving on to Desert Claim, Ms. Moon?

MS. MOON: Good afternoon, Council Chair Drew and Councilmembers. For the record, this is Amy Moon, and I am providing an update for the Desert Claim Project. EFSEC Staff continue to coordinate with Desert Claim and our contractors working toward construction in 2021, and I have no other updates at this time.

CHAIR DREW: Okay. Thank you.

WNP-1/4. Ms. Ramos?

MS. RAMOS: Good afternoon, Chair Drew and Councilmembers. My name is Mary Ramos reporting for Energy Northwest. For WNP-1/4, there are no updates to report.

CHAIR DREW: Okay. Thank you. And then for Columbia Generating Station.

MS. RAMOS: Again, Mary Ramos for Energy Northwest, Columbia Generating Station. I have three
topics to report today for Columbia.

    CHAIR DREW: Ms. Ramos --

    MS. RAMOS: First --

    CHAIR DREW: -- we're having a little
difficulty hearing you, so if you can speak up or
closer, that would be great.

    MS. RAMOS: Oh, okay. Apologize for that.

So I have three topics to report today for Columbia
Generating Station. Is that better?

    CHAIR DREW: Yes, thank you.

    MS. RAMOS: Okay. Great. First is

regarding the transformer oil spill at Columbia. Energy
Northwest is working on a response to EFSEC's request
for information regarding the transformer oil spill at
Columbia. The letter which was sent to Energy Northwest
by EFSEC on March 14th is -- requests information
regarding the release and cleanup of the soil.

    The second topic I'd like to report on is

regarding our fire inspection. On March 27th, Energy
Northwest responded to EFSEC's request for additional
information regarding the fire inspection of nonpower
block facilities at Columbia. And the third-party
reports to support the building code of record
modification for several buildings at Columbia have been
submitted to EFSEC.
The third topic I'd like to report on is regarding our upcoming refuelling outage. Columbia Generating Station will begin its 24th refuelling outage on May 11. The outage is scheduled to last for 40 days, and it's an opportunity for us to add fresh nuclear fuel to the Columbia's reactor core as well as perform maintenance projects.

The total budget for this outage is approximately $127 million. More than 1200 fuel temporary outage workers are hired locally and across the country to support the outage. This will be in addition to the normal workforce at Columbia of about a thousand.

The outage is a high priority for our station, and it's the key to the plant success and ability to provide low cost power. It takes two years to plan an outage, and with just 25 days from the start, the entire station is heavily involved in the outage preparations. Every Energy Northwest employee is assigned an outage job, and during this time, we'd ask for and appreciate EFSEC's patience as our ability to respond to questions and requests is limited.

CHAIR DREW: Thank you. Thank you for that information. That I think helps all of us understand your operations a little bit better.
Are there any questions for Ms. Ramos?

MS. BREWSTER: I have one.

CHAIR DREW: Ms. Brewster?

MS. BREWSTER: Ms. Ramos, regarding the response to the oil spill, do you have an estimated time when that response will be prepared?

MS. RAMOS: I don't have a target date for you. I know that the transformer is being repaired during the outage, and so I suspect that our submittal will be right after the outage, but I -- I'm not 100 percent sure.

MS. BREWSTER: Thank you.

CHAIR DREW: Okay. Any other questions?

Okay. Thank you very much.

MS. RAMOS: Thank you.

CHAIR DREW: Moving on to Grays Harbor Energy Center operational updates, Mr. Sherin?

MR. SHERIN: Good afternoon, Chair Drew and Councilmembers. I'm Chris Sherin, the plant manager at Grays Harbor Energy Center. The only two nonroutine items I'll point out from our March operational updates is, we also completed the required relative accuracy test audit, or RATA, for unit one, and we also did it on -- conducted a RATA on unit two. The dates for that were March 13th and 14th.
The other nonroutine item is outside of our annual review, we did update our Startup, Shutdown, Malfunction, Procedure, and that was submitted to EFSEC in March.

CHAIR DREW: Thank you.

MR. SHERIN: And if there aren't any questions, Ms. Kidder asked me to provide some historical context to Grays Harbor Energy Center's permit history. So I'll just read that.

Grays Harbor Energy Center is a 620-megawatt two-by-one combined cycle natural gas-powered generating facility owned by Grays Harbor Energy LLC, a subsidiary of Invenergy Services LLC. The facility is located near Elma, Washington, approximately 40 miles from Olympia, Washington, on a 22-acre site, which is formerly a portion of the 1600-acre Washington Nuclear Project No. 3 and 5 or WNPs 3 and 5. The former nuclear site surrounds Grays Harbor Energy Center and is operated by the Port of Grays Harbor's Satsop Business Park.

Duke Energy North America commenced construction of the facility in September of 2001. Then one year later, Duke Energy North America halted construction at approximately midpoint and placed the project in suspension. Invenergy acquired the project in March of 2005 and resumed construction in February.
of 2007. Grays Harbor Energy Center's first fire on
unit one was January 2008 and on unit two Feb-- excuse
me. Grays Harbor Energy's first fire on unit one was
January 2008 and on unit two February 2008 and COD was
July 1st, 2008.

Grays Harbor -- Grays Harbor Energy Center
began operation in July of 2008 under authorization of
Site Certification Amendment No. 3, including a
reissued 2008 NP -- or NPDES Permit, or National
Pollution Discharge Elimination System Permit, and PSD
Amendment 3, or Prevention of Significant Deterioration
Amendment 3. The original Site Certificate Agreement
and National Pollution Discharge Elimination System
Permits were issued for the construction of Nuclear
Projects that -- WNP-3 and 5.

During the first year of Grays Harbor Energy
Center's operation, compliance issues emerged that
resulted in effluent exceedances and air emission issues
that were identified from the development of the Air
Operating Permit. These issues were addressed by
requesting a fourth amendment to the PSD, or Prevention
of Significant Deterioration Amendment 4, in August of
2009, and the National Pollution Discharge Elimination
System modification issued in November of 2010, which
we're operating under. Grays Harbor Energy Center
operated under PSD Amendment 3, or Prevention of
Significant Deterioration Amendment 3, until Prevention
of Significant Deterioration 4, or Amendment 4, was
approved in July 28th of 2018 and became effective
September 1st, 2018.

CHAIR DREW: Thank you for that background.
I really appreciate it. We -- we are working with you
on renewing a number of -- a couple of permits, and so
that helps to have the Council understand the -- the
background as we -- we move forward in this process.

So are there any questions or we can proceed
to our Staff to --

MR. LIVINGSTON: I just have one out of
curiosity. The water supply, I -- I looked at a little
bit of some of the background. Mentioned wells,
mentioned also the river. Is the water coming directly
from the river or is it from the ground?

MR. SHERIN: No, it's pumped from the ground
through the rain wells.

MR. LIVINGSTON: Okay. All right. Thank
you. That's all.

CHAIR DREW: Any other questions?

Ms. Kidder?

MS. KIDDER: Thank you, Chair Drew,
Councilmembers, and thank you, Mr. Sherin, for that
overview. I hope that that provided some context as we have a lot of activity at this facility in the coming months. As Mr. Sherin mentioned, the Grays Harbor Energy Center has been operating under an administrative extension of their National Pollutant Discharge Elimination System, or NPDES Permit, which was approved by EFSEC at the end of their previous permit.

Grays Harbor submitted an engineering report, which was followed by several rounds of review and coordination between EFSEC Staff and the facility. EFSEC approved the engineering report on March 15th, 2018, and since have been working with our contractors at Ecology to develop the NPDES Renewal Permit here before you.

Are there any questions?

CHAIR DREW: And we also have a Staff from Ecology who has worked -- if you'd like to introduce?

MS. KIDDER: Yes, we have our permit contractor here, Liem Nguyen, from Ecology who is contracted with us to develop this permit and fact sheet.

CHAIR DREW: Thank you. Welcome.

MR. NGUYEN: Good afternoon.

MS. KIDDER: And if there are no questions so far, Staff will proceed with our request of the
Council to take action on a tentative determination to approve the Draft NPDES Renewal Permit, which would allow Staff to notice the Draft Renewal Permit and fact sheet for a minimum 30-day comment period.

CHAIR DREW: And the Councilmembers have received that all in their packet, which they received last week.

MS. KIDDER: Correct.

CHAIR DREW: Okay. Go ahead.

MS. KIDDER: Staff recommends that the comment period begins on Monday, April 22nd and continues for 30 days, closing -- ending at close of business on Tuesday, May 21st. We do not recommend a public hearing at this time. If there are any questions on the technical aspect of the permit, our contractor from Ecology is here and able to address any of those concerns. I would ask that the Council please note that the draft fact sheet available for the Council on the SharePoint site has a typographical error that will be addressed prior to opening the draft up for public comment.

CHAIR DREW: And we did not include those in your packets. They're 50-some pages. So if you do want a hard copy, we're happy to provide that to you, but in order not to have substantial copies here with us, we
didn't do so. And I think we have some right here on
hand if anyone would like to take a look at it.

MS. KIDDER: We do.

MS. BUMPUS: That's correct, Chair Drew, we
have -- we made a few copies in case Councilmembers
wanted to look at a hard copy while we're here.

CHAIR DREW: Are there any questions about
the Draft NPDES Permit Renewal draft? Again, this is to
take it out -- the -- the action we're asking for today
is to take it out for public review.

MS. KIDDER: Correct.

CHAIR DREW: And if there are no public
comments, part of the decision, then, would be that
final action could be taken on this draft if we receive
no comments. So I want the Council to be fully aware of
that.

Is that correct?

MS. BUMPUS: That's correct. And if we do
receive comments, we would come back to the Council at
the end of the comment period and go over those comments
with you and explain if there were any substantive
changes to the permit necessary, and then you would have
an opportunity to review those substantive changes
before we would request approval of that version of the
permit.
CHAIR DREW: Okay. Are there questions about the permit that anyone has? No? No?

Hearing none, is there someone who would like to make a motion to approve the NPDES Permit Renewal Draft for Grays Harbor Energy Center?

MR. LIVINGSTON: Sure, Chair, this is chairman -- or Councilmember Livingston, and I would make a motion to begin that comment period for the draft permit modification as the period specified by the Staff of EFSEC and to bring it back to us after that comment period for discussion and review.

CHAIR DREW: Okay. I think the -- the process is if there aren't any -- well, we can still do that.

MS. BUMPUS: We can do that. The rule says that this is a tentative determination to approve the permit. And so in the past where no comments are -- are provided, and the permit essentially states the same, the Chair could approve the permit without a vote by the Council. But if we do get comments and we do need to change -- make changes to the permit, then that's where we would send it back to you for another review, and we would discuss those changes with you, and then there would be -- I mean, in some cases, you potentially would go to comment again depending on how substantial the
changes are to the permit. So does that -- does that help here in the action that the Council's taking?

Essentially this is approval of the draft permit and --

CHAIR DREW: Subject to public...

MS. BUMPUS: That's right, public comment.

MR. LIVINGSTON: Yes, that helps.

CHAIR DREW: Thank you. Yes, it's new for a lot of us. So no worries there. So would you --

MR. LIVINGSTON: So I'll modify that motion to, I would make a motion to approve the draft permit pending public review of the period that the EFSEC Council -- or Staff have suggested to us.

CHAIR DREW: Is there a second?

MS. BREWSTER: Second --

MR. SIEMANN: I'll second that motion.

CHAIR DREW: Thank you.

Any discussion?

Okay. Thank you all -- oh, wait, I better take a vote on that. All those in favor, please say "aye."

COUNCILMEMBERS: Aye.

CHAIR DREW: Thank you. Motion carries and the action for approval of the NPDES Permit Renewal Draft subject to public comment has been approved.

Thank you.
Ms. Kidder has additional information for us.

MS. KIDDER: Thank you, Council. In further news, I would like to notify the Council of additional activity planned for this facility in the coming months. At the May Council meeting, Staff tentatively plans to bring forth a petition for rulemaking pursuant to Washington Administrative Code or WAC 463-34-030 in order to update WAC 463-78-005, which adopts several sections of WAC 173 by reference. This update will bring WAC 463-78 current with respect to air quality regulations enacted by the Department of Ecology. Are there any questions up to that point?

CHAIR DREW: If I can explain in my own words perhaps what we are looking at. We adopt Department of Ecology's air quality rules by reference. They have changed their rules, so we are looking to adopt their new rules by reference.

MS. BUMPUS: Correct.

CHAIR DREW: And you will get information on that prior to the May meeting, but to know they've already -- Department of Ecology has already been through the process and the public hearing to adopt their rules.

MS. KIDDER: Thank you.
CHAIR DREW: Thank you.

MS. KIDDER: Following the update of WAC 463-78, in the summer, Staff tentatively plans to present the Council for review the Draft Title V Permit, which is an air operating permit for air quality for the Grays Harbor Energy Center at which point we would anticipate asking the Council to take action on the draft for public comment as well. Are there any questions on that?

CHAIR DREW: And this is that -- the -- this air permit is one which we were recently delegated authority by the EPA?

MS. BUMPUS: We were recently delegated authority for the PSD.

CHAIR DREW: Oh, I'm sorry.

MS. BUMPUS: And that was the Amendment 4 that Mr. Sherin mentioned in his update.

CHAIR DREW: These permits are -- maybe we could even get a visual that shows the different air permit -- or the different permits that we are updating and the rule update associated with Grays Harbor Energy Center. That might be helpful.

MS. KIDDER: That's something that we can put together for the Council.

CHAIR DREW: Okay. Thank you. And I know
we do plan at some point hopefully during the course of
the next few months to have a tour as well. And so
having work going on, being able to see the facility in
person for ourselves I think would be helpful as well
so...

MS. KIDDER: That visit is tentatively
scheduled for June 18th, the morning of our June Council
meeting.

CHAIR DREW: Okay. Thank you.
Are there any questions?

MS. KIDDER: Thank you.

CHAIR DREW: Lot of work going on. Thank
you. We appreciate it.

Mr. Nguyen, thank you for being here and for
your work.

Now we are in the category of "Other." So
I'll start with my report, which is a legislative update
but also an update on a request from the governor from
when I was appointed to this position.

So I'd like to give you an update on a
report we have just submitted to the governor and the
status to our request legislation. When Governor Inslee
appointed me as EFSEC Chair in January of 2018, he
called on me to review the role processes and Council
membership of EFSEC as provided by RCW 80.50.320.
Specifically the governor asked me to reassess the scope and role of the Council and recommend changes to reflect the ongoing changes to the industry and the state's needs for reliable, affordable, and clean energy to serve current and future generations; to evaluate the process and procedures of the Council; to consolidate and streamline their work in ways that increase consistency, reduce decision times, and improve the transparency and access to the process; and review the current membership of the Council and recommend changes that would broaden representation from local and tribal governments, industry experts, and the general public.

Throughout 2018, I met with a wide range of stakeholders to gather in-depth input on all aspects of our operations, and working together with the EFSEC Staff, we conducted process-mapping of our core work process -- processes, including both analyzing current operations and developing options for future improvements.

Building on this work and with input and support from a broad group of stakeholders, I drafted legislation which was introduced earlier this year. In addition to adding standing membership on the EFSEC Council for counties and tribes, the bill contains
important provisions to streamline our project application and review process. This legislation, House Bill 1332, is still moving through the 2019 legislative process. And I will give you an update on that in a little bit.

This work is -- this work of the review that the governor asked me to do is detailed in the 2018 Strategic and Policy Review to Governor Inslee, which I submitted on March 28th, 2019, and is in your packets today. It details what we have learned from our outreach and process improvement activities, what we believe lies ahead as Washington transitions to a hundred percent clean electricity, and what we propose to do to support that vital transition.

We've already begun implementation and intend to use this strategic and policy review as a roadmap for our continuous improvement to be carried out over the coming years.

I'd like to ask Stewart Henderson, EFSEC senior policy advisor, to brief you on the report and where we are in implementation. And I'll follow with an update on the status of House Bill 1332.

Mr. Henderson.

MR. HENDERSON: Thank you. Yeah, for the record, this is Stewart Henderson, senior policy advisor
for EFSEC. And it's exciting. It's my first official chance to -- to speak with the -- with the Council. Yeah, I was the sort of point person to -- and I'm going to be sort of leafing through the -- leafing through the report here for those of you who have it.

But I was basically the point person to bring together several streams of work that have been going on over the last -- over a year now of input from stakeholders, which are listed on page 15 of the report. But extensive conversations that Chair Drew and others have had with the -- with the wide range of stakeholders, process-mapping that our own team did of our own -- of our own processes.

In further discussions with stakeholders and others, recommendations that -- that -- that were provided which led to the -- the draft of the -- of the -- the bill that Chair Drew was referring to and ongoing input that we received on that. And then continuing efforts that we've done to -- to reach out to stakeholders and -- in several ways.

The -- the report, again, gives a couple pages of background on EFSEC's mission and role, which might be a good kind of overview for -- for folks new to us. On pages 4 and 5, it talks about the -- some -- some view of the external conditions that we believe are
-- are kind of looking out to the future, they're kind of things that are impacting EFSEC moving forward, which changes in industry and energy demand, which really focus a lot on the demands for -- for renewable energy, which even before this session was -- was clear was -- was a way that things were going.

And in terms of mapping out the -- the --
the -- the EFSEC of -- the thing about the EFSEC of the future on page 6, we're really looking at how do we particularly review new wind and solar facilities in the most expeditious way possible and also be ready for even newer technologies that can be expected to be coming -- coming online in the -- in the future years.

And through the course, that really identified five strategic opportunities for -- for EFSEC moving forward, which are -- which are -- which are listed here. Basically restructuring the Council for greater accountability, streamlining the application process for everyone, enhancing transparency and public involvement, streamlining regulation and compliance, and refining the scope and role of the Council.

I'm just going to say a little bit about -- about each of those and then there's -- they're detailed more, one page for each of those. But in terms of restructuring the -- the Council for greater
accountability, the real goal there is to meet the challenges ahead, EFSEC should be a more cohesive body, better able to retain and build on institutional knowledge. We see in the past, there's a -- there's a sort of a core membership of EFSEC, but then different members that come -- that came for -- for different cases, so sometimes there'd actually be three councils convening in -- in -- at one meeting.

So there's a sense that that wasn't really the best structure in order to retain knowledge and -- and move forward. So several elements were put into the -- into the bill that -- that was put forward this year including bringing the tribes, Washington tribes, into permit membership on the Council, shifting the current active -- temporary memberships of the cities and counties over to permanent standing -- standing membership, in addition to getting input from -- from -- from local jurisdictions whenever a specific -- specific case is up for -- for review.

Letting go of the optional state agencies, keeping them closely involved as partners but not having -- having seats that the -- with -- with the Council, letting go of The Port, nonvoting Port representation, which was not very well utilized. And those -- as I said, those things are all in the bill,
and so -- and -- and we're -- we're moving forward. The only one that really -- there was some controversy around cities and some desire to keep -- keep -- keep individual representation there, but the other efforts there were -- were widely supported.

In terms of opportunity number two, streamlining the application process. Again, the overall goal, which we're laying out, is that EFSEC should streamline review for all applicants, not just renewable, but for all -- for everybody. But in particular, EFSEC should map its level of review to match the environmental impact and risks associated with different energy technologies and should be granted the flexibility it needs in order to do so.

So that led to a -- thinking through in terms of the bill coming up with a new pathway particularly for currently solar -- solar power, solar farms, have -- have an ability to become expedited, but wind farms still have the EIS process. And so we're -- we're unable to go through the -- through the expedited process, but it seemed to be -- there seemed to be a call to streamline the review of wind facilities.

So among the things that I said that were in the bill was a combined two hearings into one for -- for all -- for -- for all applicants, having the
chance for the Council to waive adjudication, which
has -- which has been a time consuming thing, as long as
the EIS, the environmental impact statement, provides
sufficient information to -- to make a decision. So
envisioning straightforward environmental impact
statements such as what we see in a -- in a -- in a wind
farm or other new technologies that might ambulate
that -- that kind of -- those kind of conditions.

And trying to expand the preapplication
process. We really saw that it's really clear that the
earlier we're involved with folks and the more
comprehensive that early involvement is, the better it
is in terms of getting a -- getting a result that's a
win-win for -- for local folks, for the environment,
for -- for energy -- energy developers.

Those were the elements here that were
related to the bill. There are other -- several other
elements involving getting increased input from --
from -- from stakeholders and -- and potential --
potential applicants, part of which is -- is underway
and we're certainly looking for additional and ongoing
input.

So this here lies [sic] a call for -- for
that -- for that input. This is very much a working
document. So if -- if you have ideas that -- either
that you see here that you want to underline or more
detailed ideas that anyone who's listening would like to
contribute, please don't -- don't hesitate to contact
us. As I said, this is a living document and an
ongoing -- ongoing effort to -- to do the best we can.

The third opportunity there was to enhance
transparency and public involvement. Again, there were
a couple elements that were reflected from this in --
in -- in the -- in the bill. One, and having to do with
environmental justice, which actually, there was --
there was some questions about whether that would make
it through to -- to the final. But also strengthening
the preapplication process, particularly adapting a -- a
provision that we -- that -- about site review or early
site review in the bill to -- to -- excuse me, in -- in
our -- in our current statute to make that -- to adapt
that into a -- into a -- into a specific preapplication
process.

There's also some work proposed to -- to
continually continue the efforts that we've -- under
Chair Drew to -- to make hearings more accessible to
local folks and make sure that -- that the voices of
people at hearings are -- are -- are well heard
and -- and people feel like -- can -- can see that their
input when they -- when they read how we've -- how we've
handled hearings.

Listed here was also work on the website, which is -- is coming to fruition, which we're very, very excited about. And -- and as well as some -- some specific improvements that tie into previously -- the previously described efforts to -- to improve and streamline and simplify the application process.

Option four, having to do with streamlining regulation and compliance. Again, people -- people on the outside who do know -- many people do not know of EFSEC and its work, but -- but of those who do, it's -- it's -- it's mostly focused on -- on new -- new siting and that's sort of the -- the -- that's kind of the flashy, dramatic -- the dramatic stuff that the -- that the -- that EFSEC works.

But the really real meat and potatoes of the day-to-day work for EFSEC is a lot of the regulation and compliance work that we're -- that you heard that we were doing at the beginning of this meeting and that -- and that Staff are engaged in on a day-to-day basis with our -- with our current certificate holder.

So this is really, as I said, the goal here is, EFSEC should seek to continuously improve its regulatory oversight of energy facilities. Always seeking option needs to strengthen environmental
protection while reducing the time costs and other regulatory burdens on facility operators. We haven't heard facility operators asking for opposed to that. Anything we can do that, you know, maintains protections but cuts time and cost and burdens is something that widely agreed is a good idea.

We have had ongoing meetings with we had our first meeting several weeks ago with certificate holders, which actually went very well. They're going to be hearing back from us in the coming weeks as we build on the input that we got from them. And, again, particularly in this area, we are seeking further input. So anyone who who's listening to this and wants to become more engaged, just let us know.

And finally the opportunity had to do with refining the scope and role of the Council. And this is really the most future forward-looking of any of these that only one part of this is reflected in the current bill, and that actually probably may not be seen in the final. But really right now, EFSEC kind of kind of has a kind of what at one time, I'm sure made -- made great sense, but now is a somewhat scattered patchwork of things
that -- that -- that energy facilities and transmission
facilities that -- that we regulate.

And there's some thought that, as we said in
the goal here, State decision-makers probably should
consider whether the State would be better positioned to
achieve its energy goals if EFSEC were granted expanded
scope in response to current and expected future changes
in the energy industry. EFSEC could be fully in power
to use its authority and expertise to help accelerate
the transmission to a clean energy economy.

So, again, this is -- this is
future-oriented. It involves ongoing conversations that
would take place in the future with -- with
stakeholders. Obviously nothing would -- would --
would -- would move forward in this area unless, similar
to the bill this year, we had broad stakeholder support
and had -- had things that the people felt very good
about.

There's some rough ideas in -- in Appendix
2, but this is the -- this is the -- we're not taking
any stands on any particular areas at all at this point.
It really is we really are trying to open the door to
are there things that -- that could be done that would
make that -- that everyone agrees would make sense to --
to really take advantage of the fact that EFSEC is
a -- is a one-stop shop and -- and -- and a benefit
to -- to developers and to build on that going forward.

I should say, and I probably couldn't --
shouldn't say it on -- on the record, but the -- that --
that moving forward on that will probably depend on
the -- on the Chair's ability to handle her PTSD from
the current -- current -- current legislative session
that we've been making our way through.

Final thing on -- and that the next set sort
of summarizes on -- on page 12, you know, where we're
going here that the, you know, that the current
legislative session is wrapping up, stakeholder out-

stakeholder outreach has been going on and will be going
on through -- throughout the -- the future. We've been
preparing for rulemaking. If the bill passes as we
hope, there will be rulemaking required, so we've been
preparing for that. That is something that is going to
take up a good bit of time for many of us in the -- in
the -- the rest of the year.

And, of course, redesigning and improving
our -- our processes. Particularly looking forward to
testing out preapplication process with -- with future
applicants that -- that come in. Sort of ideally, we'd
love to -- to beta test some ideas that -- that then
could be put into -- put into rule, and -- and -- and
who knows about the -- the future as well.

   So Chair, Chair Drew, that's -- that's kind
of the summary there of -- of what -- what we did and
what we're doing. And, again, this is -- this is really
just what we've proposed, and it's a -- it's what -- the
snapshot of -- of this moment, but we're -- we're hoping
to -- to -- to see this grow and develop as -- as -- as
people become more involved and as conditions --
conditions change.

CHAIR DREW: Thank you, Mr. Henderson.

Before we move on to an update on the
legislation, are there any questions? That was a lot of
information. This is meant to be a briefing to provide
you. I think many of you, I talked to early on when I
started this process. So this is the collection of the
work and the conversations and then the recommendations
of that course.

   And thank you, Stew, for all the help you
did.

   And he is the actual author, so the
beautiful language in there really comes from
Mr. Henderson.

   So thank you for -- for your work on this as
well.

Are there any questions?
MR. STEPHENSON: Chair Drew, this is Cullen.

CHAIR DREW: Hi, Mr. Stephenson. Go ahead.

MR. STEPHENSON: Thank you. I want to congratulate you on, you know, trying to make sure that the Council and the Staff are excellent. I think the Council is working better and better than ever, I think the Staff is wonderful. I appreciate the changes that you're trying to make and especially adding tribes and local governments to the discussion is very important. And then finally, just, you know, the continuing emphasis on incremental improvement. We can always do better, and I believe that's what you're trying to do, so I appreciate that. Thank you.

CHAIR DREW: Thank you.

MR. LIVINGSTON: I will second that.

CHAIR DREW: Thank you. And -- and we can have further conversations certainly if you'd like to talk about anything in the report either to Stew or to myself, please -- and to our manager, Ms. Bumpus, please feel free to do so. And anyone else too. It's going to be posted, if it's not already, on our website today or tomorrow.

MS. AITKEN: Correct.

CHAIR DREW: So for those of you on the phone, this was something we're providing now and it
will be available for people to get to in the very near future.

In terms of update on the legislation, it's called Engrossed Substitute House Bill, or ESHB 1332, and it's an agency request bill that's been amended throughout the legislative process. It passed the House 88 to 8 and is on the Senate floor calendar. I expect that it will be voted on before the deadline of 5:00 p.m. tomorrow. If it is, it will go to the House for concurrence with the Senate amendments and then to the governor for his signature, and it will become effective 90 days after being signed by the governor, which would make that about the end of July or the 1st of August.

The bill, you heard several of the specifics that Mr. Henderson was talking about, but essentially, to summarize, it expands EFSEC membership to include one member designated by the Washington Association of Counties and two members designated by federally recognized tribes.

As you heard, we had conversations with the cities and they chose to keep their participation the same as current law, and so there was amendment to -- to basically take it back to current law where they may appoint a member when EFSEC is considering an energy facility application within a city's corporate limits.
And discretionary membership from other state agencies, 
ports, and counties is eliminated to sit on the Council, 
but we added requirements for working with the state 
agencies and notifying them who had previously had the 
option to sit on the Council as well as requirements for 
working with local governments that are affected by any 
of our site application processes as well as with the 
tribes. So that language has been added.

The EFSEC Chair, rather than the UTC, will 
appoint and supervise Staff to the Council. And during 
the site application process, as you heard, the 
informational hearing and land use hearing is combined.

Those of you who haven't participated in the past, I 
think I came shortly after Columbia Solar started, but 
there was a land use hearing and an informational 
hearing meeting, and everybody needed to sign in and 
speak and then that meeting was closed and the next one 
began. And in order to change that, we had to change 
that in the statute, so that seemed to make sense to 
everybody. We're happy that's there.

As you heard also, that after completion of 
an EIS and tribal consultation, the Council may waive 
the required adjudicative proceeding under certain 
circumstances. The conversations leading to that were 
about the fact that that was designed before SEPA, since
our statute is 50 years old, and I think one or two
years older than SEPA, and therefore, that adjudicative
process was put forward in order to get all the
environmental and public issues on the table. And we
have another mechanism of that to do that through SEPA.
So this is really trying to see where that adjudicative
process is necessary, but allowing the Council a little
flexibility there and then expanding the preapplication
process as you heard.

So those are the changes that are still in
the bill. So we look forward to seeing the end of
session and hopefully achieving success in the end. So
I'd be happy to answer any questions.

Hearing none, we will move on to updates
from our manager and the fourth quarter cost allocation,
Ms. Bumpus.

MS. BUMPUS: Thank you. Good afternoon,
Chair Drew and Councilmembers. For the record, this is
Sonia Bumpus. As we do at the beginning of each
quarter, we calculate our nondirect cost allocations.
Mr. Posner was kind enough to do that before he retired.
These allocations are the percentages that are charged
to each of the different projects that EFSEC regulates.
We review the Staff's technical work that has been done
in the past quarters and look at work anticipated ahead.
The percentages are on the green sheet in your packets, and I will go ahead and read off the percentages that run from April 1st, 2019, to June 30th, 2019. For Kittitas Valley Wind Power Project, 10 percent; Wild Horse Wind Power Project, 10 percent; Columbia Generating Station, 26 percent; Columbia Solar, 14 percent; WNP-1, 3 percent; Whistling Ridge Energy Project, 3 percent; Grays Harbor 1 & 2, 13 percent; Chehalis Generating Project, 10 percent; Desert Claim Wind Power Project, 8 percent; and Grays Harbor Energy 3 & 4, 3 percent.

CHAIR DREW: Are there any questions?
Thank you.

MS. BUMPUS: And then I have a few other updates, manager updates, about things that are going on. As I mentioned earlier, I wanted to update the Council on the Columbia Solar Project and the litigation activities that have been going on.

So just to give you some background, on November 14th of last year, Kittitas County had appealed the governor's decision approving the site certification agreements for the five Columbia Solar sites, along with EFSEC's recommendation of approval, and it did so by filing a petition for judicial review in Thurston County Superior Court.
In its legal brief to the court, the County argued that EFSEC had acted contrary to law by concluding that no water availability determination was required under the state building code and the county's ordinances for the proposed sites. The Attorney General's Office filed a response brief on behalf of the governor and EFSEC arguing that under the state building code, a water availability determination is only required for the construction of buildings that require drinking water supply.

The brief also stated that while the state industrial safety and health rules will require employees working on the sites to have access to drinking water, those rules allow water to be brought on site in containers for construction workers and for the maintenance workers that will occasionally be at the site. Therefore, it was unnecessary to have plumbed water supply at these five sites.

Following the receipt of the governor and EFSEC's legal brief on April 8th, 2019, Kittitas County agreed to voluntary dismissal of its appeal with prejudice, meaning that they do not have the right to refile. The request was granted by the assigned judge the following day, which concluded the appeal.

So we are now -- and -- and as Ami Kidder
discussed earlier, we're continuing to work to get our
environmental monitor lined up for when this project
would proceed with construction, and we'll keep you
posted on how the project progresses as we move into
preconstruction activities.

The other thing I wanted to -- if there
aren't any questions about the litigation activities,
the other thing I wanted to let the Council know about
is that we're planning to hold the May 21st Council
meeting in Ellensburg, Washington. We know that there's
been an interest by Councilmembers to go to the
facilities that we regulate, and so we are going to have
that May 21st Council meeting in Ellensburg.

We'll include a site tour of the two wind
power projects that we have there, the Wild Horse Wind
Power Facility and Kittitas Valley Wind Power Project.
We are planning for this to be a two-day event, so we
would be there May 21 and May 22. Joan will be in touch
with Councilmembers on more specifics about the schedule
for the 21st and the 22nd and to find out who would be
able to attend. So if you have any questions about the
itinerary, look for that, but also feel free to contact
us and let us know.

CHAIR DREW: And I would add that I hope
everybody -- I know schedules can be difficult, but I
hope that everybody does try to attend the meeting in person and also to see the facilities if you haven't seen them before. Because as we talked about earlier, our compliance and regulation is one of the significant activities that -- the Council approving different types of activities. So personally, I think it's very important for us to be familiar. Myself, I find it easier to understand the topics that we cover and perhaps to have more questions having seen the facilities in person. So I would encourage everyone to do so. Thank you. Are there any questions?

MR. LIVINGSTON: Chair, one question I have is, and maybe I know my -- the answer already, but we talked about a tour out to the Columbia Generating Station a while back. Obviously, they got some big things going on right now, so is there any plans in the future for a tour out there as well?

CHAIR DREW: Ms. Bumpus?

MS. BUMPUS: So in light of the fact that they -- they do have their scheduled shutdown, we're working on several other things, we're looking at I believe now October trying to line up a tour of the Columbia Generating Station facility. So we'll keep you updated, but it has been moved around a few times. But I think that's -- and yeah, is that -- so Amy Moon is
nodding yes.

MR. LIVINGSTON: Great. Thank you.

CHAIR DREW: Thank you.

Any other questions? Hearing none, that's the end of our business for today, so this meeting is adjourned.

(Meeting adjourned at 2:25 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.

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Tayler Garlinghouse, CCR 3358