1. Call to Order

2. Roll Call

3. Proposed Agenda

4. Minutes

5. Projects
   a. Kittitas Valley Wind Project
      • Operational Updates……………………………………..Eric Melbardis, EDP Renewables
   b. Wild Horse Wind Power Project
      • Operational Updates……………………………………..Jennifer Diaz, Puget Sound Energy
   c. Chehalis Generation Facility
      • Operational Updates……………………………………..Mark Miller, Chehalis Generation
   d. Grays Harbor Energy Center
      • Operational Updates……………………………………..Chris Sherin, Grays Harbor Energy
   e. Columbia Generating Station
      • Operational Updates……………………………………..Mary Ramos, Energy Northwest
   f. WNP – 1/4
      • Non-Operational Updates……………………………………..Mary Ramos, Energy Northwest
   g. Columbia Solar Project
      • Project Updates……………………………………..Ami Kidder, EFSEC Staff
      • Site Certification Agreement……………………………………..Sonia E. Bumpus, EFSEC Manager
      The Council may consider and take Final Action on suspension of the Site Certification Agreement.
   h. Desert Claim
      • Project Updates……………………………………..Ami Kidder, EFSEC Staff

6. Adjourn

Note: "FINAL ACTION" means a collective positive or negative decision, or an actual vote by a majority of the members of a governing body when sitting as a body or entity, upon a motion, proposal, resolution, order, or ordinance. RCW 42.30.020
WASHINGTON STATE
ENERGY FACILITY SITE EVALUATION COUNCIL
Olympia, Washington
Tuesday, July 16, 2019
1:30 p.m.

MONTHLY COUNCIL MEETING
Verbatim Transcript of Proceedings

DATE TAKEN: JULY 16, 2019
REPORTED BY: TAYLER GARLINGHOUSE, CCR 3358

APPEARANCES

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

Assistant Attorney General:
STEPHANIE DUVALL

Council Staff:
SONIA BUMPUS
AMI KIDDER
KYLE OVERTON
TAMMY MASTRO
JAON AITKEN
PATTY BETTS
STEW HENDERSON

In Attendance:
ERIC MELBARDIS, EDP Renewables
SCOTT LICHTENBERG, PSE
MARK MILLER, Chehalis Generation Facility
MARY RAMOS, Energy Northwest

Chair Drew: Good afternoon. This is Kathleen Drew, Chair of the Energy Facility Evaluation Council and our meeting is open. I would like to have the call to order.

Ms. Mastro?

Ms. Mastro: Department of Commerce position is vacant.

Chair Drew: Department of Ecology?

Mr. Stephenson: Cullen Stephenson, here.

Ms. Mastro: Department of Fish and Wildlife?

Mr. Livingston: Mike Livingston, on the phone.

Ms. Mastro: Utilities and Transportation Commission is excused.

Ms. Brewster: Stacey Brewster is on the phone.

Chair Drew: She's -- oh, she's on the phone.

Ms. Mastro: Sorry. Chair, there is a quorum.

Chair Drew: Thank you.

Is there anyone else who is on the line who would like to introduce themselves?

Okay. As we --

Mr. Melbardis: Eric Melbardis with EDP Renewables, Kittitas Valley Wind Power Project.

Chair Drew: Thank you.

Mr. Lichtenberg: Scott Lichtenberg with Puget Sound Energy, Wild Horse project.

Chair Drew: Okay.


Chair Drew: Okay. The sound is very difficult to hear from those on the phone. Is there anything we can -- we are in our new hearing room and are checking the audio here. We've checked it before, but I can barely hear it. Can anyone at the Staff table hear?

Mr. Livingston: Chair Drew, there's quite an echo when you're speaking as well.

Chair Drew: Thank you.

Ms. Bumpus: We're -- we're -- here at the
<table>
<thead>
<tr>
<th>Page 5</th>
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<tbody>
<tr>
<td>1</td>
<td>included with my operations report just a brief</td>
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<td>one-pager on the types of emergency drills that we run</td>
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<td>report about some of the emergency drills they were</td>
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<td>With our audio issues, I don't know if you</td>
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<td>want me to walk through this or if the packet provided</td>
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<td>is enough, but I just did want to point out that we</td>
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<td>also, like Wild Horse, run drills. We have five annual</td>
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<td>drills that we run a year, including a bunch of</td>
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<td>scenarios that are somewhat tailored to our SCA. We</td>
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<td>have a fire, which includes office evacuation, medical</td>
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<td>emergency, tower evacuation drills, severe weather</td>
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<td>drills, and hazardous spill drills.</td>
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<td>We don't have hazardous materials here, so</td>
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<td>we just treat that as an oil spill. And we also have</td>
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<td>drills with our contractors that are scenario-based and</td>
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<td>sometimes my corporate office springs drills on us as</td>
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<td>well. So we also train regularly on trying to learn how</td>
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<td>to expect the unexpected.</td>
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<td>21</td>
<td>CHAIR DREW: Thank you. And thank you for</td>
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<td>that report, and it is -- you're coming in clearly.</td>
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<td>From our end, we can hear you well, so thank you.</td>
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<td>Any questions?</td>
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<td>25</td>
<td>Okay. Moving on to the Wild Horse Wind</td>
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<td>1</td>
<td>Will move to second that motion.</td>
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<td>CHAIR DREW: Thank you, and you're coming in loud and clear now.</td>
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<td>All in favor, say &quot;aye.&quot;</td>
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<td>COUNCILMEMBERS: Aye.</td>
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<td>CHAIR DREW: Opposed? Agenda is adopted.</td>
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<td>Yeah, I can hear the echo from me.</td>
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<td>Oh, that's a good suggestion.</td>
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<td>Okay. Next are the minutes. Is there a motion to approve the minutes?</td>
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<td>MR. STEPHENSON: Chair, I move to approve the minutes.</td>
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<td>CHAIR DREW: Second?</td>
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<td>MS. BREWSTER: I'll second.</td>
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<td>COUNCILMEMBERS: Aye.</td>
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<td>CHAIR DREW: Opposed? Minutes are adopted.</td>
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<td>Okay. Let's move on to our project reports.</td>
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<td>Up first, Kittitas Valley Wind Project, Mr. Melbardis?</td>
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<td>MR. MELBARDIS: Good afternoon, Chair Drew,</td>
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<td>EFSEC Council, and Staff. This is Eric Melbardis with</td>
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<td>EDP Renewables for the Kittitas Valley Wind Power</td>
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<td>Project. For the reporting period covering the month of</td>
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<td>June, we have nothing nonroutine to report. I had also</td>
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<td>included with my operations report just a brief</td>
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<td>running.</td>
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June 10th, Energy Northwest received a letter from EFSEC requesting additional information regarding our NPDES Permit renewal application. And we have provided the response to those questions on June 24th.
And then on June 25th, EFSEC and Washington Department of Ecology staff visited Columbia Generating Station to inspect the facility’s new dechlorination chemical feed project. During the visit, Ecology requested copies of the contracts that Energy Northwest had in place with GE Betz Incorporated. And we have submitted copies of those contract documents as of July 1st.
And then the last topic I have to report is regarding our fire marshal reinspection. On June 24th, the State Fire Marshal Office and EFSEC Staff conducted a fire and life safety reinspection of Columbia Generating Station. And during the closeout meeting on the same day, the Deputy State Fire Marshal confirmed that all open items, which are not being appealed, have been accepted and will be closed out. I have no updates to report for WNP-1/4.

CHAIR DREW: Thank you.
CHAIR DREW: Thank you very much.
CHAIR DREW: Okay. Desert Claim?
MS. KIDDER: Thank you. For the Desert Claim Project, EFSEC Staff continues to review the cultural resources monitoring and mitigation plan in coordination with Desert Claim Contractors, the U.S. Army Corps of Engineers, Cultural Resources Program, and the Department of Archaeology and Historic Preservation.
Plan submittal and EFSEC approval is a requirement of the Site Certification Agreement.

CHAIR DREW: Okay. Desert Claim?
MS. KIDDER: Thank you.
CHAIR DREW: Okay. For the Desert Claim Project.

CHAIR DREW: Okay. Thank you very much.

Councilmembers. For the record, my name is Ami Kidder.

There are no updates at this time for the Columbia Solar Project.
CHAIR DREW: Okay. Desert Claim?
MS. KIDDER: Thank you.
CHAIR DREW: Okay. For the Desert Claim Project.

CHAIR DREW: Okay. Thank you.
MS. KIDDER: Are there any questions on that?

CHAIR DREW: Thank you.
MS. KIDDER: Thank you.
CHAIR DREW: Now we’ll move to the “other” section. And, again, we have Ms. Kidder to give us an Air Rule update.

MS. KIDDER: Thank you, Chair Drew. I’d like to give a brief update on where we are in the rulemaking process. The notice was filed on May 22nd to revise the Washington Administrative Code, or WAC, 463-78 to adopt the current language of applicable...
sections of WAC 173. We are currently within a public comment period that extends through July 20th, which is this Saturday. We have received no public comments nor do we anticipate any as the applicable sections of WAC 173 have already been through the public comment process through the Department of Ecology. Should those comments be received, Staff will file a form CR-103 signed by Chairwoman Drew, which will initiate a 30-day waiting period until the updates to WAC 463-78 become effective.

Are there any questions?

CHAIR DREW: Thank you very much. And moving on to our final item, the first quarter cost allocations, Ms. Bumpus?

MS. BUMPUS: Thank you. For the record, this is Sonia Bumpus. Good afternoon, Chair Drew and Councilmembers. As we do at the beginning of each quarter, we calculate EFSEC's non-direct cost allocations for the quarter. 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 past quarters and the work anticipated ahead. The percentages on the green sheet in your Council packets show what the different percentages expected are for the first quarter. I'll go ahead and read off the percentages, and these run from July 1, 2019, to September 30th, 2019.

For Kittitas Valley Wind Power Project, 10 percent; Wild Horse Wind Power Project, 10 percent; Columbia Generating Station, 25 percent; Columbia Solar, 13 percent; WNP-1, 3 percent; Whistling Ridge Energy Project, 3 percent; Grays Harbor 1 & 2, 13 percent; Chehalis Generation Project, 11 percent; Desert Claim Wind Power Project, 9 percent; and Grays Harbor Energy 3 & 4, 3 percent.

CHAIR DREW: Are there any questions?

Thank you. Hearing none, I think that's all that we had to come before us. Councilmembers, please plan on being here the morning of our August meeting. Of course I don't have the date in front of me, but we will then have the tour of the Chehalis Generation Facility and then come back to our meeting here at 1:30. So thank you all for your participation and thank you. This is our first trial of our audio system, so we will continue to tweak it. Appreciate all your participation. The meeting's adjourned.

(Adjourned at 1:46 p.m.)

C E R T I F I C A T E

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

BUELL REALTIME REPORTING, LLC
206.287.9066 | 800.846.6989
Kittitas Valley Wind Power Project
Monthly Operations Report

July 2019

Project Status Update

Production Summary:
Power generated: 40,811 MWh
Wind speed: 9.5 m/s
Capacity Factor: 54.9%

Safety:
Employee was driving fence posts along a county road to repair barbed wire fencing. The post driver tool recoiled upwards when the post connected with a buried rock and struck him in the head, requiring stitches. Employee was back to work the same day with no lost time nor duty restrictions.

Compliance:
Project is in compliance

Sound:
No complaints

Shadow Flicker:
No complaints

Environmental:
No incidents
The Kittitas Valley Wind Power Project successfully survived the Taylor Bridge Fire of August 2012. The fire burned through around 90% of the 6000-acre project with no damage to equipment. There have also been 2 other wildfires on the project which were roughly 200 acres each in size and they also did not cause damage to our property or equipment. None of these fires were started by turbine equipment failures nor were they started by any wind farm related activity.

Over the last 9 years, the Project has experienced a few isolated turbine equipment failures that resulted in thermal events or heat excursions but they were small electrical shorts that were contained within the tower. When we get an alarm (via email and text message) that we recognize has the potential to be a thermal event, our protocol is to:

- Rapidly mobilize to the turbine (day or night) for evaluation.
- Contact 911 and local fire response if necessary – we have done this as a precaution in the past although they were not needed and quickly demobilized.
- Cover and tape off the vents on the door at the base of the tower to minimize ‘chimney effect’.
- Contact site management with a SITREP, escalating as necessary.
- Open the switch on the pad mounted transformer at the base of the tower to cut all electrical power to the turbine.
- Ready fire extinguishers and start a fire-watch around the perimeter of the turbine pad.

Additional steps that would be taken in the event a fire had spread outside the turbine would be to ready the 500 gallon ‘water wagon’, open the gates to the O&M, verify that access to the fire hydrant taps were clear and the 23,000 water tank was accessible by unlocking doors to the pump house (of which the fire department also has a key via their Knox Box). Airborne fire fighters also have access to numerous water ponds, the KRD Irrigation canal and the Yakima River if additional water was needed.

- The Project has and maintains an SCA required Fire Prevention Plan.
- The Project also adheres to our internal Fire Prevention and Control Standard Operating Procedures.
- The Project maintains and pays for a Protective Services Agreement with KCFD #1, as required by our SCA.
- We have taken steps to widen the gravel pads around each turbine and actively control vegetation around the turbines to avoid dry tinder in proximity to turbines and transformers.
- Since the recent turbine fire in southern WA, we have also placed 12” x 12” signs at each turbine access road gate which list the name of each road (A, B, C, etc) which should help 911 better dispatch fire response teams.
- We have also installed temperature monitoring strips on areas of the turbine which could be more prone to overheating and technicians regularly monitor these temperatures at every turbine visit.

I think it’s important to note for the record that wind turbine fires are an uncommon event and although they grab a lot of media attention, turbine fires are statistically insignificant.

A FEMA report I read recently stated that “from 2014 to 2016, an average of 171,500 highway vehicle fires occurred in the US, resulting in an annual average of 345 deaths, 1300 injuries and $1.1 billion in property loss. These vehicle fires accounted for 13% of all fires responded to by fire departments across the nation”.

I then found an engineering article (2015) that stated “…wind turbine fires are far less common than fires occurring in other energy industries, such as the oil and gas sector, in which there are thousands of fires per year. According to GCube, an insurance underwriter serving the wind industry, only three or four turbine losses per year can be attributed to turbine fire, out of a portfolio of more than 30 gigawatts (GW). That translates into just one turbine in 7,000 catching fire per year.”

I don’t currently think we need to develop nor implement further fire prevention plans at this time. We are already doing everything we can to prevent fires from starting and from spreading to the landscape should they occur.
Safety
No lost-time accidents or safety injuries/illnesses

Compliance/Environmental
A TAC meeting was held on July 24th. The agenda included the following informational items:

- Administrative updates to the TAC Rules of Procedures
- Year in Review provided by PSE
- Grazing Plan update provided by WSU Extension
- 2018 Sage-Grouse Habitat Monitoring results
- Eagle Conservation Plan & Permit update

This was an informational meeting. There were no items that required formal actions/recommendations from the TAC for the Council’s consideration.

Operations/Maintenance
Nothing to report

Wind Production
July generation totaled 49,353 MWh for an average capacity factor of 24.33%

Eagle Update
Nothing to report
Safety:

- There were no recordable incidents this reporting period and the plant staff has achieved 1462 days without a Lost Time Accident.

Environment:

- There were no air emissions or stormwater deviations or spills during the month.
- Wastewater and Storm-water monitoring results were in compliance with the permit limits for the month.

Operations and Maintenance Activities:

- The Plant generated 311,999 MW-hours in July for 2019 Year-To-Date generation equaling 1,033,894 MW-hours. The YTD capacity factor is 41.07%.

Regulatory/Compliance:

- Nothing to report this period.

Sound monitoring:

- Nothing to report this period.

Carbon Offset Mitigation:

- Nothing to report this period.

Respectfully,

Mark A. Miller
Manager, Gas Plant
Chehalis Generation Facility
EFSEC Monthly Operational Report
Grays Harbor Energy Center

July 2019

Safety and Training
- There were no accidents or injuries during the month and the plant staff has achieved 3869 days without a lost time incident.

Environmental & Compliance
- There were no air emissions, outfall or storm water deviations, during the month.
- All routine reporting was completed for the month.

Operations & Maintenance
- Grays Harbor Energy Center (GHEC) operated 131 days during the month, with 0 starts on U1, and 1 start on U2.
- GHEC generated 412,390MWh during the month and 1,583,190MWh YTD.
- The plant capacity factor was 89.4% for the month and 50.2% YTD.

Noise and/or Odor
- None.

Site Visits
- None.

Other
- None.
Washington Nuclear Project 1 and 4 (WNP-1/4)
No updates to report.

Columbia Generating Station (CGS)

The CGS NPDES permit (condition S7) requires an investigation of circulating cooling water system losses, including an analysis of potential groundwater mounding. On July 18, 2019, Energy Northwest and EN’s contractor (Landau) presented the groundwater mounding study results to EFSEC, Washington Department of Health, and Washington Department of Ecology. EN is in the process of gathering the information requested during the meeting.
May 6, 2019

Mr. Jason Evans  
Vice President  
TUUSSO Energy, LLC  
500 Yale Avenue North  
Seattle, WA 98109

Subject: TUUSSO Energy, LLC (TUUSSO)- Columbia Solar Project, Docket No. EF-170823; Invoice No. 5124-1, 1st and 2nd Quarter Expenses; Fiscal Year 2019 (FY19).

Dear Mr. Evans,

Thank you for your recent communication with the Energy Facility Site Evaluation Council (EFSEC) regarding TUUSSO’s unpaid billings for the Columbia Solar Project (Project). As we discussed, the Project currently has an unpaid balance totaling $272,310.82. The unpaid balance includes 1st and 2nd quarter expenses for FY19 which are reflected in Invoice No. 5124-1, dated 01/29/2019 (see attachment). Per our phone conversation on April 14, 2019, it is EFSEC’s understanding that TUUSSO intends to remit a partial payment in the amount of $100,000.00 prior to May 31, 2019.

EFSEC requests that you provide a Project update by May 31, 2019 to address TUUSSO’s ability to meet Project billing obligations. We appreciate your continued communication on this issue and look forward to future work on this Project.

If you have any questions or would like to discuss any of these issues further, please contact me at (360) 664-1363, or at sonia.bumpus@ute.wa.gov.

Sincerely,

Sonia E. Bumpus  
EFSEC Manager

Attachment:  
Project Billing Invoice No. 5124-1

cc: Timothy L. McMahan, Stoel Rives LLP  
    Jonathan Thompson, EFSEC AAG  
    Ami Kidder, EFSEC Siting and Compliance Manager
Go Green! Pay your invoice online @ payments.utc.wa.gov

WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION
EFSEC Division
TIN 91-6001121

Bill To:  Tuusso Energy, LLC
Attn:  Jason Evans
500 Yale Avenue N.
Seattle, WA 98109

Invoice No.:  5124-1
Invoice Date:  1/29/2019
Due Date:  3/1/2019
For Period of:  October - December 2018

Customer Service:  Melissa Hamilton
Ph:  (360) 664-1158
Fax:  (360) 664-1289
email:  mhamilto@utc.wa.gov

Accounts Receivable:  Melissa Hamilton
Ph:  (360) 664-1158
Fax:  (360) 664-1289
email:  mhamilto@utc.wa.gov

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### Project Billing Summary

<table>
<thead>
<tr>
<th>Project: 5546-01 (Columbia Solar)</th>
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<tbody>
<tr>
<td>Advance Amount on Retainer</td>
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<tr>
<td>Amount: $50,000</td>
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<tr>
<td>Advance Amount Not Invoiced Prior</td>
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<tr>
<td>Amount: $0</td>
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<tr>
<td>Current Balance of Advance</td>
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<td>Amount: $50,000</td>
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### Current Period Expenses by Category

- Salaries: $41,648.18
- Benefits: $14,628.96
- Contracts: $4,972.04
- Rent: $2,958.39
- Utilities: $408.18
- Training: $-
- Travel: $254.00
- Office Supplies: $34.32
- Communications: $208.80
- Printing (Including Copier Lease): $180.23
- State Services: $18,041.21
- Office Equipment: $-
- Other Goods & Services: $-
- Indirect Rate (30% of Sal/Ben): $16,597.62

### Amount to Replenish Advance Above

- Amount: $-

### Total Amount to Pay

- Total: $99,931.93

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Remit To: Utilities and Transportation Commission, Financial Office, PO Box 47250, Olympia, WA 98504

<table>
<thead>
<tr>
<th>Invoice No.: 5124-1</th>
<th>PROJECT 5546-01 (Columbia Solar)</th>
<th>ACCOUNT SUMMARY</th>
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<tbody>
<tr>
<td>Due Date: 3/1/2019</td>
<td>For Period of: October - December 2018</td>
<td>Previous Balance: $172,378.89</td>
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<tr>
<td>Late Payment Fees</td>
<td>Current Expenses</td>
<td>$99,931.93</td>
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<tr>
<td>Payments</td>
<td>$-</td>
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CUSTOMER SERVICE CALL: 360-664-1158

AMOUNT DUE: $272,310.82

ACCOUNT BALANCE: $272,310.82
Dear Ms. Bumpus,

Thank you for your letter of May 6, and your continued patience as we line up funding for the full balance of the unpaid billings from the Energy Facility Site Evaluation Council (EFSEC).

Unfortunately, on May 22, 2019, our prior funding partner for the Columbia Solar Projects provided us with notice that they were terminating the agreements that gave them the exclusive right to purchase the projects. As a result, we have only very recently begun discussions in earnest with alternative project owners.

At this point, we are in discussions with multiple potential project owners that we believe can quickly step into the projects and advance them through to operations. We have also been in discussions with alternative sources of funding that would be able to provide the projects with sufficient liquidity to see the projects through a longer sales process in the event that we cannot close more quickly with one of the potential project owners. In either case, we should have a source of funding in place by the end of July.

Please let me know if you have any questions or concerns, and please reach out if you would like to discuss the status of our funding and the projects at any time.

Best regards,

Jason
July 10, 2019

Mr. Jason Evans  
Vice President  
TUUSSO Energy, LLC  
500 Yale Avenue North  
Seattle, WA 98109

Subject: TUUSSO Energy, LLC- Columbia Solar Project, Docket No. EF-170823; Invoices 5045-1 for 1st Quarter, 5124-1 for 2nd Quarter, and 5279-1 for 3rd Quarter Expenses; Fiscal Year 2019 (FY19).

Dear Mr. Evans,

This letter is to set out the Energy Facility Site Evaluation Council (EFSEC) Staff’s intended response to TUUSSO Energy, LLC’s (TUUSSO) failure to make timely payment of all outstanding amounts invoiced to it by EFSEC pursuant to RCW 80.50.071.

As anticipated in my May 6, 2019 letter to you, the Utilities and Transportation Commission (UTC) financial services section received TUUSSO’s partial payment of $100,000.00 and applied it towards Invoice No. 5045-1 on May 30, 2019. On May 31, 2019 you sent an email stating that TUUSSO was still unable to meet its obligation to pay EFSEC and UTC’s costs for the Columbia Solar Project (Project).

Based on your Project status update, it is our understanding that TUUSSO is unable to make any further payment towards the outstanding Project balance until early August 2019. Currently the outstanding Project balance is approximately $214,203.90. That amount includes unpaid expenses in Invoice No. 5279-1 for 3rd Quarter Fiscal Year 2019 (3Q FY19), which was due on June 20, 2019. While we acknowledge that a partial payment has been remitted, there is also an unpaid, and still owing balance that has carried over from the Project’s 1st (1Q) and 2nd Quarter (2Q) billings for FY19. The due date for 1Q FY19 was 1/19/2019 and for 2Q the due date was 3/1/2019.
Mr. Jason Evans  
Vice President  
TUUSSO Energy, LLC  
July 10, 2019

Pursuant to RCW 80.50.071(3)(b), if payment is not made within thirty (30) days following receipt of an invoice, the Council may suspend the Site Certification Agreement (SCA). Suspension of the SCA would result in EFSEC ceasing all work on the Project until a showing is made that the conditions that necessitated the suspension have been corrected. Given TUUSSO’s failure to make full payment of its 1Q FY19 invoice, and its failure to pay its 2Q and 3Q FY19 billings, and the continued accrual of the Project’s share of non-direct project expenses and charges (overhead costs) that EFSEC is obligated to pay, I intend to recommend to the Council at its August 20, 2019 meeting that it suspend TUUSSO’s SCA if TUUSSO does not pay the remaining balance in-full by August 15, 2019. EFSEC and UTC would also seek advice from the Attorney General’s Office on options for collection at that time.

EFSEC requests that you provide a Project update to EFSEC by July 15, 2019 to address TUUSSO’s ability to meet its payment obligations, including an explanation of TUUSSO’s current financial condition. We appreciate your timely response and look forward to our continued work with you on this Project.

If you have any questions or would like to discuss any of these issues further, please contact me at (360) 664-1363, or at sonia.bumpus@utc.wa.gov.

Sincerely,

[Signature]

Sonia E. Bumpus  
EFSEC Manager

cc: Kathleen Drew, EFSEC Chair  
Timothy L. McMahan, Stoel Rives LLP  
Jonathan Thompson, EFSEC AAG  
Ami Kidder, EFSEC Siting and Compliance Manager
From: Jason Evans <jason.evans@tuusso.com>
Date: July 15, 2019 at 8:50:24 PM PDT
Subject: Re: Project update for Columbia Solar Projects
To: Bumpus, Sonia (UTC) <sonia.bumpus@utc.wa.gov>

Sonia,

We are in receipt of your letter of July 10th, and provide this Project update in response.

In late May, after lengthy negotiations and several about faces, our project funding partner finally withdrew its support of the Columbia Solar Projects, leaving the Projects with unpaid bills dating back to December 2018 in clear violation of their contractual obligations. Since this termination, Tuusso Energy has been working as quickly as possible to identify a new funding partner to bring the Projects current on all of their obligations, and to begin construction of the Projects before the end of 2019. Unfortunately, Tuusso Energy was dependent upon a successful outcome of the original deal for re-capitalization, and, though solvent, does not have the liquidity to pay the outstanding development expenses associated with the Projects. Lining up a new partner has taken longer than we had hoped, as the broken deal has made new parties more cautious than they might normally be, and due diligence processes more thorough. The Power Purchase Agreement with PSE provides us with ample time to bring the projects online (no later than March 31, 2021), and Tuusso has never had a project fail to come online by the required PPA date in its 11-year history. So while we remain confident in our ability to line up a new partner, pay the EFSEC bills and ultimately complete the projects, it is extremely difficult to say exactly how many more weeks it will take to get this new partner in place.

As of today, July 15th, Tuusso Energy is negotiating a term sheet for the funding and sale of the Columbia Solar Projects, with a 21-day due diligence period to execute final documents. The term sheet contemplates immediate payment of outstanding development expenses very shortly after execution of those final documents. As a result, if we can successfully navigate this short window to closing, we should be able to make a full payment of the outstanding EFSEC invoices on or before August 15, 2019. We deeply regret being in this situation and understand EFSEC’s position. We assure you that retiring the EFSEC bills will be the first priority use of any funds from a new partner.

Tuusso Energy is doing everything in its power to bring the Projects current, and to see the Projects built successfully. We appreciate EFSEC’s patience as we work through these funding issues.

Best regards,
Jason
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