



Washington State Energy Facility Site Evaluation Council

AGENDA

MONTHLY MEETING
Tuesday September 17, 2019
1:30 PM

621 Woodland Square Loop SE,
Lacey, WA 98503,
Conference Room 110
Conference number: (360) 407-3810 ID: 214817

1. Call to Order Kathleen Drew, EFSEC Chair
2. Roll Call Tammy Mastro, EFSEC Staff
3. Proposed Agenda Kathleen Drew, EFSEC Chair
4. Minutes **Meeting Minutes**..... Kathleen Drew, EFSEC Chair
 - August 20, 2019
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
 - Project 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. Desert Claim
 - Project Updates..... Amy Moon, EFSEC Staff
 - h. Columbia Solar Project
 - SCA Order..... Sonia Bumpus, EFSEC Staff
5. Other
 - a. EFSEC Council
 - Revised 1st Quarter Cost Allocation..... Sonia Bumpus, EFSEC Staff
 - Air Rule Update..... Ami Kidder, EFSEC Staff
6. Adjourn..... Kathleen Drew, EFSEC Chair

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

Verbatim Transcript of Monthly Council Meeting

Washington State Energy Facility Site Evaluation Council

August 20, 2019



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<p>1</p> <p>2</p> <p>3</p> <p>4</p> <p>5 WASHINGTON STATE</p> <p>6 ENERGY FACILITY SITE EVALUATION COUNCIL</p> <p>7 Olympia, Washington</p> <p>8 Tuesday, August 20, 2019</p> <p>9 1:30 p.m.</p> <p>10</p> <p>11</p> <p>12</p> <p>13</p> <p>14 MONTHLY COUNCIL MEETING</p> <p>15 Verbatim Transcript of Proceedings</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20 REPORTED BY: SHERRILYN SMITH, CCR# 2097</p> <p>21 Buell Realtime Reporting, LLC</p> <p>22 1325 Fourth Avenue</p> <p>23 Suite 1840</p> <p>24 Seattle, Washington 98101</p> <p>25 206.287.9066 Seattle</p> <p>360.534.9066 Olympia</p> <p>800.846.6989 National</p> <p>www.buellrealtime.com</p>	<p>1 LACEY, WASHINGTON: August 20, 2019</p> <p>2 1:30 P.M.</p> <p>3 -o0o-</p> <p>4</p> <p>5 P R O C E E D I N G S</p> <p>6</p> <p>7 CHAIR DREW: Good afternoon. This is</p> <p>8 Kathleen Drew, Chair of the Energy Facility Site</p> <p>9 Evaluation Council. I am calling this meeting to</p> <p>10 order.</p> <p>11 Ms. Mastro, will you call the roll?</p> <p>12 MS. MASTRO: Department of Commerce?</p> <p>13 CHAIR DREW: Vacant.</p> <p>14 MS. MASTRO: Department of Ecology?</p> <p>15 MR. STEPHENSON: Cullen Stephenson,</p> <p>16 here.</p> <p>17 MS. MASTRO: Fish and Wildlife?</p> <p>18 MR. LIVINGSTON: Mike Livingston, here.</p> <p>19 MS. MASTRO: Department of Natural</p> <p>20 Resources?</p> <p>21 (Pause in the proceedings.)</p> <p>22 MS. MASTRO: Utilities and</p> <p>23 Transportation Commission?</p> <p>24 MS. BREWSTER: Stacey Brewster, here.</p> <p>25 MS. MASTRO: Chair, there is a quorum.</p>
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<p>1 A P P E A R A N C E S</p> <p>2 Councilmembers:</p> <p>3 KATHLEEN DREW, Chair</p> <p>4 CULLEN STEPHENSON, Department of Ecology</p> <p>5 MIKE LIVINGSTON, Fish & Wildlife</p> <p>6 DAN SIEMANN, Natural Resources (via phone)</p> <p>7 STACEY BREWSTER, Utilities & Transportation Commission</p> <p>8 Assistant Attorney General:</p> <p>9 JON THOMPSON (via phone)</p> <p>10 Council Staff:</p> <p>11 SONIA BUMPUS</p> <p>12 AMI KIDDER</p> <p>13 KYLE OVERTON</p> <p>14 TAMMY MASTRO</p> <p>15 JOAN AITKEN</p> <p>16 STEW HENDERSON</p> <p>17 In Attendance:</p> <p>18 ERIC MELBARDIS, EDP Renewables (via phone)</p> <p>19 JENNIFER DIAZ, Wild Horse Wind Power, PSE (via phone)</p> <p>20 CHRIS SHERIN, Grays Harbor Energy</p> <p>21 MARK MILLER, Chehalis Generating Station</p> <p>22 MARY RAMOS, Columbia Generating Station (via phone)</p> <p>23 BILL SHERMAN, Counsel for the Environment (via phone)</p> <p>24 TIM McMAHAN, Stole Rives (via phone)</p> <p>25 KARA WARNER, Golder Associates (via phone)</p> <p>SCOTT LICHTENBERG, Wild Horse/PSE (via phone)</p> <p>JEREMY SMITH, Chehalis Generation Facility</p> <p>-o0o-</p>	<p>1 CHAIR DREW: Thank you.</p> <p>2 Are there those who are listening via Skype or</p> <p>3 on the phone who would like to introduce themselves?</p> <p>4 MR. THOMPSON: Chair Drew and</p> <p>5 Councilmembers, and this is Jon Thompson, Assistant</p> <p>6 Attorney General. I'm sorry, I can't be there in</p> <p>7 person, but I'll be on the phone.</p> <p>8 CHAIR DREW: Thank you.</p> <p>9 MR. SHERMAN: This is Bill Sherman, also</p> <p>10 Assistant Attorney General, present as Counsel for the</p> <p>11 Environment on the Columbia Generating Station. ^{Solar case.}</p> <p>12 CHAIR DREW: Thank you.</p> <p>13 MR. McMAHAN: Tim McMahan with Stoel --</p> <p>14 MS. WARNER: Hi, everyone, this --</p> <p>15 CHAIR DREW: Tim, go ahead.</p> <p>16 MR. McMAHAN: Tim McMahan, Stoel Rives</p> <p>17 law firm.</p> <p>18 MS. WARNER: This is Kara Warner with</p> <p>19 Golder Associates.</p> <p>20 MR. MELBARDIS: Eric Melbardis, EDP</p> <p>21 Renewables, Kittitas Valley Wind.</p> <p>22 CHAIR DREW: Thank you.</p> <p>23 MS. DIAZ: Jennifer Diaz, Puget Sound</p> <p>24 Energy, Wild Horse Wind Facility.</p> <p>25 MR. LICHTENBERG: Scott Lichtenberg,</p>

<p style="text-align: right;">Page 5</p> <p>1 Wild Horse Wind Facility.</p> <p>2 MS. RAMOS: Mary Ramos, Energy</p> <p>3 Northwest.</p> <p>4 MR. SIEMANN: Dan Siemann, Washington</p> <p>5 Department of Natural Resources and Councilmember.</p> <p>6 CHAIR DREW: Thank you.</p> <p>7 So moving on to the proposed agenda. You have</p> <p>8 that in front of you, Councilmembers. Is there a</p> <p>9 motion to adopt the agenda?</p> <p>10 MR. STEPHENSON: I will move to adopt</p> <p>11 the agenda.</p> <p>12 MR. LIVINGSTON: I will second that.</p> <p>13 CHAIR DREW: All those in favor, say</p> <p>14 "aye."</p> <p>15 COUNCILMEMBERS: Aye.</p> <p>16 CHAIR DREW: Opposed?</p> <p>17 The agenda is adopted.</p> <p>18 And now to the meeting minutes from July 16th.</p> <p>19 Is there a motion to adopt those meeting minutes?</p> <p>20 MR. LIVINGSTON: I'll make a motion to</p> <p>21 adopt the meeting minutes from last month.</p> <p>22 MR. STEPHENSON: I will second.</p> <p>23 CHAIR DREW: Is there any discussion or</p> <p>24 connections?</p> <p>25 Hearing none, all those in favor of adopting</p>	<p style="text-align: right;">Page 7</p> <p>1 driver tool, requiring stitches. He was back to work</p> <p>2 the same day, so no lost time, but I would report</p> <p>3 that.</p> <p>4 CHAIR DREW: Okay. Any questions?</p> <p>5 Thank you.</p> <p>6 MR. MELBARDIS: And I also did have --</p> <p>7 at EFSEC Staff's request, as you probably all are</p> <p>8 aware, there was a fire in Southern Washington, I</p> <p>9 believe it was Klickitat County, and it was a fire</p> <p>10 that was started from a turbine malfunction, a wind</p> <p>11 turbine malfunction.</p> <p>12 CHAIR DREW: Yes.</p> <p>13 MR. MELBARDIS: So Staff had asked some</p> <p>14 of us to take a look at our fire prevention control</p> <p>15 measures, and I did have just a brief memo that I</p> <p>16 wanted to read into the record about how we handle</p> <p>17 things at KV, if that's all right?</p> <p>18 CHAIR DREW: Please do.</p> <p>19 MR. MELBARDIS: Okay.</p> <p>20 The Kittitas Valley Wind Power Project</p> <p>21 successfully survived the Taylor Bridge fire of August</p> <p>22 2012. The fire burned through around 90 percent of</p> <p>23 our 6,000-acre project with no damage to the</p> <p>24 equipment. There have also been two other wildfires</p> <p>25 on the project, which were roughly 200 acres each in</p>
<p style="text-align: right;">Page 6</p> <p>1 the meeting minutes, please say "aye."</p> <p>2 COUNCILMEMBERS: Aye.</p> <p>3 CHAIR DREW: The minutes are adopted.</p> <p>4 I want to make sure. For those of you -- Dan,</p> <p>5 you can be the one to respond to this, Mr. Siemann.</p> <p>6 Is the sound good from our end, that you are hearing</p> <p>7 from the meeting?</p> <p>8 MR. SIEMANN: It's very clear.</p> <p>9 Thank you.</p> <p>10 CHAIR DREW: Okay. Thank you.</p> <p>11 Thank you to Ms. Aitken, who has been working</p> <p>12 on that to make sure we don't have echoes, as we did</p> <p>13 last month, so glad to have that.</p> <p>14 Moving on to the projects. Kittitas Valley</p> <p>15 Wind Project. Mr. Melbardis?</p> <p>16 MR. MELBARDIS: Good afternoon, Chair</p> <p>17 Drew, EFSEC Council and Staff. For the record, my</p> <p>18 name is Eric Melbardis, I'm with EDP Renewables,</p> <p>19 representing the Kittitas Valley Wind Power Project.</p> <p>20 The only nonroutine item to report from</p> <p>21 Kittitas Valley was a safety incident. We had an OSHA</p> <p>22 recordable that occurred over the reporting period.</p> <p>23 An employee was driving some fence posts to repair</p> <p>24 some fencing along the county road in some of the DNR</p> <p>25 property and struck his head with the fence post</p>	<p style="text-align: right;">Page 8</p> <p>1 size, and they also did not cause damage to our</p> <p>2 property or equipment. None of these fires were</p> <p>3 started by turbine equipment failures, nor were they</p> <p>4 started by any wind farm-related activity.</p> <p>5 Over the past nine years, the project has</p> <p>6 experienced a few isolated turbine equipment failures</p> <p>7 that resulted in thermal events or heat excursions,</p> <p>8 but they were small electrical shorts that were</p> <p>9 contained within the tower. When we get an alarm via</p> <p>10 email and text message that we recognize has the</p> <p>11 potential to be a thermal event, our protocol is to</p> <p>12 rapidly mobilize to the turbine, day or night, for</p> <p>13 evaluation, contact 911 and local fire response, if</p> <p>14 necessary. We have done this in the past as a</p> <p>15 precaution, but they were not needed and quickly</p> <p>16 demobilized.</p> <p>17 We cover and tape off the vents on the doors</p> <p>18 at the base of the tower to minimize any chimney</p> <p>19 effect. Site management is contacted with situation</p> <p>20 reports and we escalate as necessary. We open the</p> <p>21 switch on our pad-mounted transformer at the base of</p> <p>22 the towers to cut all electrical power to the turbine.</p> <p>23 We then ready fire extinguishers and start a fire</p> <p>24 watch around the perimeter of the turbine pad.</p> <p>25 Additional steps that would be taken in the</p>

<p style="text-align: right;">Page 9</p> <p>1 event a fire had spread outside the turbine would be 2 to ready our 500 gallon mobile water wagon, open the 3 gates to the operations and maintenance facility, 4 verify that access to the fire hydrant taps were 5 clear, and that our 23,000 gallon water tank was 6 accessible by unlocking doors to the pump house, of 7 which the fire department also has access to. 8 Airborne firefighters from the DNR, the 9 County, also have access to numerous water ponds, the 10 Kittitas Reclamation District Irrigation canal and the 11 Yakima River, if additional water was needed. 12 The project has and maintains an SCA required 13 fire prevention -- excuse me. The project has and 14 maintains an SCA required fire prevention plan. The 15 project also adheres to our corporate internal fire 16 prevention and control standard operating procedures. 17 The project maintains and pays for a protective 18 services agreement with Kittitas County Fire 19 District 1, as required by our SCA. 20 We have taken steps to widen the gravel pads 21 around each turbine and actively control vegetation 22 around the turbines and transformers to avoid dry 23 tinder in proximity. Since the recent fire in 24 Southern Washington, we have also placed 12-by-12 25 signs at each turbine access road, at the gates, which</p>	<p style="text-align: right;">Page 11</p> <p>1 as the oil and gas sector, in which there are 2 thousands of fires per year. According to GCube, an 3 insurance underwriter serving the wind industry, only 4 three or four turbine losses per year can be 5 attributed to turbine fire, out of a portfolio of more 6 than 30 gigawatts. That translates into just one 7 turbine in 7,000 catching fire per year. 8 In summary, I don't think that we need to 9 develop or implement further fire protection plans at 10 KV at this time. We are already doing everything we 11 can to prevent fires from starting and from spreading 12 to the landscapes where they occur. 13 CHAIR DREW: Thank you. That's very 14 detailed, and I appreciate hearing the history and 15 what you have done, as well as what you added to 16 ensure safety. 17 Are there any Councilmembers who have 18 questions? 19 MR. SIEMANN: Chair Drew, this is Dan 20 Siemann, and I do have a question. 21 CHAIR DREW: Okay. 22 THE COURT REPORTER: I can't hear. 23 CHAIR DREW: If you could speak up, 24 please. 25 MR. SIEMANN: Sure.</p>
<p style="text-align: right;">Page 10</p> <p>1 list the name of each road, so A, B, C, et cetera, 2 which would help 911 better dispatch fire response 3 teams. 4 We have also installed temperature monitoring 5 strips on areas of the turbine components which could 6 be prone to overheating, and our technicians regularly 7 monitor these temperatures at every turbine visit. 8 We also have a hot work permit program which 9 requires extra precautions when we are working with 10 heat, open flame, or anything that could cause sparks. 11 I think it's also important to note for the 12 record that wind turbine fires are an uncommon event, 13 although they grab a lot of media and social media 14 attention, turbine fires are statistically 15 insignificant. 16 A FEMA report I recently read stated that from 17 2014 to 2016, an average of 171,000 highway vehicle 18 fires occurred in the US, resulting in an annual 19 average of 345 deaths, 13,000 injuries, and 20 1.1 billion in property loss. These vehicle fires 21 accounted for 13 percent of all fires responded to by 22 all fire departments across the nation. 23 I then found an engineering article from 2015 24 that stated wind turbine fires are far less common 25 than fires occurring in other energy industries, such</p>	<p style="text-align: right;">Page 12</p> <p>1 So thank you for that. And one question I do 2 have is, for those fires that have been started by 3 wind turbines, has there been an assessment of what 4 caused them, what the cause was, and what the variety 5 of causes was, so we can have a better sense of how to 6 prevent them? 7 MR. MELBARDIS: Yes, good question. 8 There's a number of ways that a wind turbine could 9 catch fire. Obviously, we are dealing with high 10 amperage electricity, so there's a lot of points 11 within the turbine that phases of electricity could 12 arc or could find resistance from a loose bolt or 13 loose connection and cause heat, which once the heat 14 builds up, it can catch fire to electrical wire or 15 cable insulation. 16 And as I mentioned in my -- in my brief 17 presentation, that there is a chimney effect that goes 18 on because there's vents at the base of the turbine, 19 and so as it gets hot, that starts to pull more air in 20 and it's almost like a forge. It can -- it can 21 create -- it can kind of self-feed the fire. 22 Other areas that I have heard of fire starting 23 would be the gearboxes inside the nacelle of the 24 turbine. If they are running and they are low on oil, 25 and for whatever reason did not kick out an alarm that</p>

<p style="text-align: right;">Page 13</p> <p>1 they were low on oil, they can start to overheat, and</p> <p>2 then that metal-on-metal can overheat to a point where</p> <p>3 it becomes so hot that the seals burst, and then the</p> <p>4 hot oil can catch fire.</p> <p>5 Everything above the tower on a wind turbine</p> <p>6 is typically fiberglass or composite material so it is</p> <p>7 flammable. The blades are also fiberglass and wood,</p> <p>8 other composite materials, and flammable glue, so once</p> <p>9 a fire starts, that can catch fire. Wind is the enemy</p> <p>10 of wildfire fighting and these turbines are often --</p> <p>11 are always placed in areas of good wind resources.</p> <p>12 So, yeah, I would say it's probably</p> <p>13 electrical, either from overheating or the generator</p> <p>14 or a gearbox.</p> <p>15 MR. SIEMANN: If I might just follow up,</p> <p>16 and I appreciate that. My thinking is -- and I think</p> <p>17 your statistic was -- from the 2015 report was 1 in</p> <p>18 7,000 wind turbines catch fire. As we put more in and</p> <p>19 as climate change leads to dryer, hotter conditions,</p> <p>20 and more fire supportive conditions, we are going to,</p> <p>21 I think, come to a point where these are more</p> <p>22 common -- perhaps not common, but certainly more</p> <p>23 likely. The risk will certainly enhance. And so</p> <p>24 while I'm not suggesting that we need to take action</p> <p>25 now, I just wanted to flag that as something to keep</p>	<p style="text-align: right;">Page 15</p> <p>1 prevent that, so that's great. I appreciate your</p> <p>2 report. Thank you for sharing that.</p> <p>3 Next we have Ms. Diaz from Wild Horse Wind</p> <p>4 Project.</p> <p>5 MS. DIAZ: Yes. Thank you, Chair Drew</p> <p>6 and Councilmembers.</p> <p>7 I hear some feedback over the phone. I'm not</p> <p>8 sure if that's from me or from someone else, but can</p> <p>9 you hear me okay?</p> <p>10 CHAIR DREW: We can. Thank you.</p> <p>11 MS. DIAZ: Okay.</p> <p>12 So the only nonroutine item I have to report</p> <p>13 for the month of July is we did have a technical</p> <p>14 advisory committee meeting on July 24th. The agenda</p> <p>15 included administrative updates to the TAC Rules of</p> <p>16 Procedures, a Year in Review PowerPoint which was</p> <p>17 provided by PSE, a Grazing Plan update provided by WSU</p> <p>18 Extension, and an update on the 2018 Sage-Grouse</p> <p>19 Habitat monitoring results, and an update on the Eagle</p> <p>20 Conservation Plan and Permit.</p> <p>21 This was basically an informational meeting.</p> <p>22 There were no actions -- no items that required formal</p> <p>23 actions or recommendations from the TAC for the</p> <p>24 Council's consideration. And that's all I have to</p> <p>25 report for the month of July.</p>
<p style="text-align: right;">Page 14</p> <p>1 in mind as we go forward with these.</p> <p>2 MR. MELBARDIS: That's a good point. I</p> <p>3 think at the same time, if we were, you know, in a</p> <p>4 situation where we had dryer, more arid climates, then</p> <p>5 everything that can possibly cause fire has the chance</p> <p>6 to cause or create a fire.</p> <p>7 CHAIR DREW: Yes. Thank you. And I</p> <p>8 certainly hear from your report that you have had</p> <p>9 incidents of wildfire on your property on the -- at</p> <p>10 the project and were able to put out those fires</p> <p>11 before they affected other properties.</p> <p>12 MR. MELBARDIS: Yes, that's correct.</p> <p>13 You know, the other fires were caused by external</p> <p>14 circumstances. You know, a fire rolling across our</p> <p>15 area, even if it comes into contact with our immediate</p> <p>16 vicinity of a wind turbine, generally -- I mean,</p> <p>17 that's steel. It's not doing any damage to that.</p> <p>18 I think, you know, the greater concern -- and</p> <p>19 I think many of us have probably seen some of the</p> <p>20 videos of the recent fire. You know, there was a fire</p> <p>21 somewhere inside it and the fiberglass of the nacelle</p> <p>22 started to catch fire and drift down, and so you had,</p> <p>23 you know, flaming melted balls of fiberglass coming</p> <p>24 down, and it was hot, it was dry, it was windy, so...</p> <p>25 CHAIR DREW: Everything we can do to</p>	<p style="text-align: right;">Page 16</p> <p>1 CHAIR DREW: Thank you.</p> <p>2 Any questions?</p> <p>3 Go ahead, Mr. Stephenson.</p> <p>4 MR. STEPHENSON: Thank you, Chair Drew.</p> <p>5 Jennifer, this is not directed straight at</p> <p>6 you, but it's also directed at Mr. Melbardis and other</p> <p>7 folks. I just am interested, when I think about wind</p> <p>8 farms, when I look at them, they are typically wind</p> <p>9 turbines that are above very well-mowed, or something,</p> <p>10 terrain. Are you two worried about wildfires?</p> <p>11 MS. DIAZ: Erik, do you want me to go</p> <p>12 first on that one?</p> <p>13 MR. MELBARDIS: Yeah. Go ahead,</p> <p>14 Jennifer.</p> <p>15 MS. DIAZ: Okay.</p> <p>16 So Wild Horse is actually located in</p> <p>17 shrub-steppe habitat, which has a history of burning</p> <p>18 historically for hundreds of years. It's a pretty</p> <p>19 regular occurrence in shrub-steppe habitat. Within</p> <p>20 the wind farm specifically, we are not that concerned</p> <p>21 with wildfires. We do have a fire services agreement</p> <p>22 with Kittitas County Fire District No. 2, who responds</p> <p>23 to any wildfires in any way. We have not had a</p> <p>24 wildfire at Wild Horse since inception. However, we</p> <p>25 have had wildfires surrounding the property, most of</p>

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<p>1 which were either man-made or from lightning strikes.</p> <p>2 But one of the encouraging things that I did</p> <p>3 hear from the fire chief here in Kittitas County is</p> <p>4 that he really appreciated the wind farm and the roads</p> <p>5 that we have, the gravel roads that we have at the</p> <p>6 wind farm, because they do create firebreaks, which</p> <p>7 really aid them in fighting wildland fires in the</p> <p>8 area. And part of our fire service agreement with the</p> <p>9 district actually included purchasing a wildland fire</p> <p>10 truck for -- specifically for fighting wildland fires</p> <p>11 in shrub-steppe habitat.</p> <p>12 MR. MELBARDIS: This is Eric Melbardis.</p> <p>13 We are not -- we are not concerned about wildfires. I</p> <p>14 am in a -- I'm on the other side of the Valley as</p> <p>15 Ms. Diaz, but we're in the same -- the same type of</p> <p>16 ecosystem. It's shrub-steppe, it's very dry right</p> <p>17 now, and it does regularly burn. It burns -- it burns</p> <p>18 quick, it's always fast-moving. And, in fact, as the</p> <p>19 fires have come through here, we generally see the</p> <p>20 next season wildflowers that we have never seen</p> <p>21 before. So I think that some of it is an</p> <p>22 eco-catalyst -- a fire catalyst ecosystem.</p> <p>23 We have our fire services agreement with Fire</p> <p>24 District 1. We also, during development of the</p> <p>25 project, purchased -- I'm not sure exactly what type</p>	<p>1 CHAIR DREW: Mr. Livingston?</p> <p>2 MR. LIVINGSTON: Yeah, I have a --</p> <p>3 CHAIR DREW: Mr. Livingston?</p> <p>4 MR. LIVINGSTON: Thank you, Chair. I</p> <p>5 have a question for Jennifer Diaz.</p> <p>6 Just, is there anything of note on the 2018</p> <p>7 sage-grouse habitat monitoring results? Do you want</p> <p>8 to -- are we seeing pretty much a status quo of our</p> <p>9 quality of habitat out there? Are we seeing any</p> <p>10 changes, Jennifer? What do you -- anything worthy of</p> <p>11 noting there?</p> <p>12 MS. DIAZ: So specifically for the</p> <p>13 sage-grouse habitat restoration area, which is that</p> <p>14 10-acre piece located in the pines, so that area was</p> <p>15 fenced off and we have been completing weed control</p> <p>16 activities, as well as restoration in the riparian</p> <p>17 area, to hold water in that drainage longer. We have</p> <p>18 seen a significant improvement in the height of</p> <p>19 grasses and -- as well as an increase in forbs</p> <p>20 availability and the different forbs. We do have one</p> <p>21 more year of monitoring to complete before the final</p> <p>22 results are compiled, but it is trending toward much</p> <p>23 improvement in that area.</p> <p>24 Overall, on the wind facility, we have seen an</p> <p>25 improvement in the habitat, and I think primarily</p>
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<p>1 of truck we purchased for them, if it was a brush fire</p> <p>2 truck or a regular truck, but I think we spent</p> <p>3 \$250,000 on a vehicle for them. We have heard</p> <p>4 similar, that our roads and the way we maintain the</p> <p>5 roads and keep them clear is very helpful to this area</p> <p>6 for reasons of firebreaks. And also, the past couple</p> <p>7 fires that have broken out, fire response teams were</p> <p>8 able to get deeper in via our access roads than they</p> <p>9 normally would have.</p> <p>10 All of our equipment is relatively fireproof</p> <p>11 so we're not really concerned.</p> <p>12 What we do monitor is air quality. We have an</p> <p>13 air quality meter that I bring out during fire season</p> <p>14 and put on the outside of the building, and we take a</p> <p>15 look at it every day. That's more just protective for</p> <p>16 what -- what we are going to ask our workers to do in</p> <p>17 a smoky -- smoky or poor air quality.</p> <p>18 MR. STEPHENSON: Thanks to you both. It</p> <p>19 sounds like the roads and your other measures are</p> <p>20 making you confident that this is not an issue. It</p> <p>21 does make some sense, just physically looking at these</p> <p>22 very tall towers, that would be a ways away from fire</p> <p>23 impacts, so I just appreciate that you are not nervous</p> <p>24 about this. And, of course, we all love the</p> <p>25 wildflowers the next season, so thank you.</p>	<p>1 because of the way we are currently managing grazing</p> <p>2 on the facility. It's more sustainable grazing, less</p> <p>3 grazing, light -- light grazing, and rotation --</p> <p>4 rotational grazing that's implemented through the Wild</p> <p>5 Horse Coordinated Resource Management Group.</p> <p>6 MR. LIVINGSTON: That's great to hear.</p> <p>7 MS. DIAZ: And we saw a sage-grouse, so</p> <p>8 that's fine.</p> <p>9 MR. LIVINGSTON: Well, that was going to</p> <p>10 be my -- that was going to be my follow-up question,</p> <p>11 is if there's any -- been recent detections of</p> <p>12 sage-grouse out there.</p> <p>13 MS. DIAZ: Yeah. So we did see one</p> <p>14 female sage-grouse two winters ago, located right next</p> <p>15 to a wind turbine, next to the road, next to a wind</p> <p>16 turbine. And so we did observe her, got video of her,</p> <p>17 and sent that to Mike Schroeder, with the Department</p> <p>18 of Fish and Wildlife, who confirmed it was a female</p> <p>19 sage-grouse. We went back a week later and she was in</p> <p>20 the exact same location, coming out below a big sage</p> <p>21 brush.</p> <p>22 And then in 2007, is when we found the</p> <p>23 sage-grouse nest with eggs in it, and that was located</p> <p>24 within 100 meters of an operating wind turbine.</p> <p>25 MR. LIVINGSTON: Thank you.</p>

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<p>1 CHAIR DREW: Okay. Thank you.</p> <p>2 Moving on to Chehalis Generation Facility.</p> <p>3 Mr. Miller -- oh, Jeremy.</p> <p>4 Thank you for the excellent briefing and tour</p> <p>5 this morning, we really appreciated that.</p> <p>6 MR. SMITH: Thank you, Chair Drew.</p> <p>7 Good afternoon, Chair Drew, Council, and</p> <p>8 Staff. I am Jeremy Smith, the environmental analyst</p> <p>9 at Chehalis Generation.</p> <p>10 Is it on? Here we go.</p> <p>11 For the record, I am Jeremy Smith, an</p> <p>12 environmental analyst from Chehalis Generation. I</p> <p>13 want to thank Chair Drew, Council, and Staff for</p> <p>14 touring our facility today. I hope it was informative</p> <p>15 and interactive for you. I have -- as far as the</p> <p>16 plant goes, I have nothing abnormal to report for the</p> <p>17 month of July.</p> <p>18 Is there any questions?</p> <p>19 CHAIR DREW: Are there any questions?</p> <p>20 MR. LIVINGSTON: I just wanted to thank</p> <p>21 them for the tour today. It was -- it was wonderful,</p> <p>22 and I learned a lot, and I regret missing the other</p> <p>23 previous tours this -- earlier this year to the other</p> <p>24 facilities, but this was really informative for me.</p> <p>25 Thank you.</p>	<p>1 Are there any questions?</p> <p>2 Thank you.</p> <p>3 Moving on to Columbia Generating Station.</p> <p>4 Ms. Ramos?</p> <p>5 MS. RAMOS: Good afternoon, Chair Drew</p> <p>6 and Councilmembers. This is Mary Ramos reporting for</p> <p>7 Energy Northwest. For Columbia Generating Station I</p> <p>8 have one update for you. The Columbia Generating</p> <p>9 station NPDES permit requires an investigation of</p> <p>10 circulating cooling water system losses, including an</p> <p>11 analysis of potential groundwater mounding. On</p> <p>12 July 18th, Energy Northwest and its contractor,</p> <p>13 Landau, presented the groundwater mounding study</p> <p>14 results to EFSEC, Washington State Department of</p> <p>15 Health, and Washington State Department of Ecology.</p> <p>16 Energy Northwest is in the process of gathering the</p> <p>17 information requested during the meeting.</p> <p>18 There is no additional updates for Columbia.</p> <p>19 And then, no updates to report for WNP 1 and 4.</p> <p>20 CHAIR DREW: Thank you.</p> <p>21 Columbia Solar Project. Ms. Kidder?</p> <p>22 MS. KIDDER: Thank you, Chair Drew.</p> <p>23 Good afternoon, Chair Drew and Councilmembers.</p> <p>24 For the record, my name is Ami Kidder. There are no</p> <p>25 updates to work done on the project at this time, and</p>
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<p>1 MR. SMITH: It was our pleasure to have</p> <p>2 you. Thanks.</p> <p>3 CHAIR DREW: And I would add that I know</p> <p>4 that any of the facility operators, if the</p> <p>5 Councilmembers have missed tours, you want to help</p> <p>6 us -- if you want us to help you set up tours, or to</p> <p>7 set them up on your own, feel free to connect with the</p> <p>8 facility operators. I'm sure they would be happy to</p> <p>9 give you a tour.</p> <p>10 MR. SMITH: Absolutely. Thank you.</p> <p>11 CHAIR DREW: Okay. Moving on now to the</p> <p>12 Grays Harbor Energy Center. Mr. Sherin?</p> <p>13 MR. SHERIN: Good afternoon, Chair</p> <p>14 Drew -- is red on or is green on?</p> <p>15 MULTIPLE SPEAKERS: Green is on.</p> <p>16 MR. SHERIN: Good afternoon, Chair Drew,</p> <p>17 Councilmembers. I am Chris Sherin, plant manager of</p> <p>18 Grays Harbor Energy Center. For the month of July, we</p> <p>19 have no nonroutine items to report.</p> <p>20 I will mention, just for -- it will be covered</p> <p>21 in the August operational update, we did complete our</p> <p>22 annual RATA this past week, the Relative Accuracy</p> <p>23 Testing Assessment, so the results will follow soon.</p> <p>24 Thank you.</p> <p>25 CHAIR DREW: Thank you.</p>	<p>1 unless there are any questions from the Council, I</p> <p>2 will pass the floor to Ms. Bumpus.</p> <p>3 CHAIR DREW: Thank you.</p> <p>4 MS. BUMPUS: Good afternoon, Chair Drew</p> <p>5 and Councilmembers. There are a couple of items in</p> <p>6 your packet that I just wanted to point you to.</p> <p>7 There's two letters from me to TUUSSO Energy regarding</p> <p>8 the Columbia Solar Project, and then there are two</p> <p>9 emails from Jason Evans to me providing a status</p> <p>10 update on the project, in response to my letter in May</p> <p>11 and my letter in July.</p> <p>12 So there's quite a bit of -- as you look at</p> <p>13 those -- I am going to be referring to those as I</p> <p>14 talk, but there's quite a bit of context and history</p> <p>15 here, so I'm going to give you those details. And</p> <p>16 then I also wanted to note that when we get to</p> <p>17 discussion, Mr. Evans is here to answer questions</p> <p>18 should the Council have any for him.</p> <p>19 So as I mentioned in my phone calls to</p> <p>20 Councilmembers last week, in past months, EFSEC has</p> <p>21 been in communication with TUUSSO Energy to resolve</p> <p>22 billing issues which first began after Columbia Solar</p> <p>23 Project invoice statements were distributed for the</p> <p>24 first quarter.</p> <p>25 First quarter was for work that occurred July</p>

<p style="text-align: right;">Page 25</p> <p>1 through September of 2018. The Columbia Solar Project 2 first quarter invoice was due on January 18, 2019, but 3 it was not paid. The invoice for second quarter that 4 followed was due March 1st, 2019, but was also not 5 paid. As a result of that, on April 14th, I held a 6 call with Mr. Evans from TUUSSO Energy to discuss the 7 financial status of the project and TUUSSO's ability 8 to make payments. The details related to that 9 conversation are noted in that May 6th letter in your 10 packets. 11 So following that correspondence in April, 12 TUUSSO made a partial payment of \$100,000, which was 13 applied towards their most outstanding balance, which 14 was from the first quarter, and then they also 15 provided an update in the May 31st email that you have 16 there from Mr. Evans. In that project update, they 17 indicated that they needed to get additional funding, 18 but that that was not expected until the end of July 19 time frame. 20 So after some internal discussion, EFSEC 21 provided a response letter to TUUSSO Energy, and 22 that's the letter dated July 10th in your packets, in 23 which EFSEC summarized the unpaid project balance at 24 that time. That would have included third quarter 25 billing by then, which was due on June 20th. And it</p>	<p style="text-align: right;">Page 27</p> <p>1 a Site Certification Agreement when payments are, per 2 the statute, 30 days late, and in this case it's 3 been -- it's been several months. 4 The other thing I wanted to note is that if 5 the Council is going to take up this issue, and as you 6 talk about this issue, I have thought about some of 7 the terms of the SCA suspension, and what I mean by 8 that is terms of reinstatement, so what would be the 9 things that would be required of TUUSSO Energy to lift 10 the suspension, and these would be documented in an 11 order that Staff would prepare. 12 So if the Council doesn't have any questions 13 right now, I can go ahead and outline some of those 14 terms. I don't want to go too far, but I could share 15 those. 16 CHAIR DREW: Why don't we have Mr. Evans 17 come up. 18 MS. BUMPUS: Sure. 19 CHAIR DREW: And then I think there are 20 probably a couple of questions, and then we will 21 proceed after that. 22 MS. BUMPUS: Okay. 23 Mr. Stephenson? 24 MR. STEPHENSON: Thank you, Chair Drew. 25 I think the first question that I want to</p>
<p style="text-align: right;">Page 26</p> <p>1 also requested that TUUSSO pay the project balance in 2 full by August 15th, before this council meeting, and 3 noted that the Council may consider suspension of the 4 SCA for nonpayment -- SCA being Site Certification 5 Agreement -- for nonpayment if no payment was made by 6 that date. 7 So on July 15th, EFSEC received an email from 8 Mr. Evans saying that they would aim to make that 9 payment in August, but then when I spoke to Mr. Evans 10 again prior to this council meeting, he indicated that 11 they were not going to be able to do that. So this 12 was on August 14th that we had that phone 13 conversation. 14 So in light of the history of the billing that 15 I have outlined here, the unpaid project balance 16 that's still owing, which to date includes expenses 17 from first, second, third, and now fourth quarter for 18 fiscal year 2019, this totals approximately 19 \$264,067.78. 20 So with that said, pursuant to RCW 80.50.0713, 21 if a certificate holder fails to make required 22 payments within 30 days of receipt of a statement, the 23 Council may suspend the certification. And that's why 24 I have brought this to the Council and outlined these 25 details. It is within the Council's power to suspend</p>	<p style="text-align: right;">Page 28</p> <p>1 ask -- and I have a few that I want to wait for 2 further information that you are going to present, but 3 the first question I want to ask is: Do we believe we 4 are going to get full restitution for the Staff costs 5 spent on this project, regardless of whether it goes 6 forward or not in the future? 7 MS. BUMPUS: Councilmember Stephenson, 8 that's to me? 9 MR. STEPHENSON: It's to both of you. 10 MS. BUMPUS: Well, Jason, would you like 11 to answer first? I can -- 12 THE WITNESS: Well, if you want to... 13 MS. BUMPUS: Well, so I did just want to 14 mention that in my conversations with Mr. Evans 15 earlier this month, he did indicate that they were 16 continuing to seek funding for the project, and so 17 that's what I've been told. 18 If the balance is not paid, there would be a 19 time where the balance could be sent to collections, 20 and so that -- and that was something that was 21 mentioned in the July 10th letter that I sent to 22 TUUSSO, was that, you know, considering the Site 23 Certification Agreement suspensions, whether or not 24 that's passed, the effort for collections is also 25 another thing that we could pursue, so...</p>

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<p>1 MR. STEPHENSON: So I maintain my</p> <p>2 support for the concept of this project. I hope it</p> <p>3 never gets to collections. That's what I'm trying to</p> <p>4 get at today.</p> <p>5 CHAIR DREW: Mr. Evans, if you would</p> <p>6 also like to answer what -- perhaps, I think it would</p> <p>7 be good for the Council if you would just give your</p> <p>8 own perspective of the background and what you see in</p> <p>9 the future.</p> <p>10 MR. EVANS: Yes. Jason Evans on behalf</p> <p>11 of TUUSSO Energy. Good afternoon, Chair Drew. Good</p> <p>12 afternoon, Councilmembers. I'm sorry to be here under</p> <p>13 these auspices and hope to be here again under better</p> <p>14 ones.</p> <p>15 I think that Sonia laid out some of the issues</p> <p>16 we have encountered, and I think the emails that you</p> <p>17 have read, that I drafted, summarizing some of the</p> <p>18 issues we have encountered are complete, but I will</p> <p>19 attempt to add to them.</p> <p>20 We entered into an agreement in early 2018 to</p> <p>21 sell the Columbia solar projects. As a company, we</p> <p>22 essentially put all of our eggs in one basket,</p> <p>23 committing all of our funding, as a company, to the</p> <p>24 Columbia solar projects prior to entering into that</p> <p>25 agreement to sell them, and as a result, we are in a</p>	<p>1 the projects under that agreement, without them making</p> <p>2 any payments under their agreement, and making</p> <p>3 payments on our behalf, for example, to EFSEC and</p> <p>4 other vendors.</p> <p>5 They finally terminated the agreement on</p> <p>6 May 31st, and we have been searching ever since for a</p> <p>7 partner to take these projects forward. As you might</p> <p>8 be able to imagine, lining up funding has been more</p> <p>9 challenging than we expected, given the outstanding</p> <p>10 payables that are due right now, and given the nature</p> <p>11 of the breakup with this other party that had been</p> <p>12 working with us on these projects.</p> <p>13 We are in discussions with a couple of</p> <p>14 different types of counterparties right now, a couple</p> <p>15 that would take over the projects, similar to the</p> <p>16 arrangement we had with the prior company, in addition</p> <p>17 to potential for funding the projects directly through</p> <p>18 TUUSSO Energy to construct them, and then ultimately</p> <p>19 exit them closer to commercial operation of the</p> <p>20 projects. I hope that helps.</p> <p>21 We have interconnection agreements that it's</p> <p>22 important that we start moving on for the three</p> <p>23 projects that remain absolutely viable. And they</p> <p>24 would require that we really give notice to Puget</p> <p>25 Sound Energy by the November time frame that we are</p>
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<p>1 very low cash position.</p> <p>2 The company we worked with then began to make</p> <p>3 all of the payments for development of the projects.</p> <p>4 They also paid us a development services fee for our</p> <p>5 continued work on the projects, and we hoped to see a</p> <p>6 successful development of the projects, and then we</p> <p>7 would get paid as a company from -- from the</p> <p>8 successful realization of the projects.</p> <p>9 Unfortunately, for a variety of reasons,</p> <p>10 including the County's appeal of the SCA, and then</p> <p>11 some issues that we have encountered with Puget Sound</p> <p>12 Energy, which has denied the interconnection for two</p> <p>13 of the projects, at least at this point, leaving only</p> <p>14 three projects, the counterparty stopped funding --</p> <p>15 did not terminate the agreement, but stopped funding</p> <p>16 the projects roughly in the December time frame. And</p> <p>17 we were unaware of the fact that they had made that</p> <p>18 decision to stop funding the projects. We assumed</p> <p>19 that they would continue to operate under the</p> <p>20 agreement we had with them, but they have not, and to</p> <p>21 this point they have not.</p> <p>22 Unfortunately, they left us in this very</p> <p>23 uncomfortable position where they continued to</p> <p>24 encourage the development of the projects, and we</p> <p>25 spent five months -- four to five months developing</p>	<p>1 going to be moving forward with the projects, and so</p> <p>2 we see it as absolutely critical for the projects that</p> <p>3 we have a party that will be working with us at that</p> <p>4 point.</p> <p>5 I don't have, unfortunately, any other</p> <p>6 timelines to funding that I can share at this time.</p> <p>7 MR. STEPHENSON: Chair Drew, can I</p> <p>8 continue? Thank you.</p> <p>9 So I hear that investors have dropped out, and</p> <p>10 again, I'm supportive of the concept of this project.</p> <p>11 Do you still have commitments from Puget Sound Energy</p> <p>12 to move forward if this project continues?</p> <p>13 MR. EVANS: Yes. Our power purchase</p> <p>14 agreements are in place, in good standing with Puget</p> <p>15 Sound Energy, our interconnection agreements that have</p> <p>16 been tendered to us are still viable. I had a</p> <p>17 conversation with Puget Sound Energy three weeks to a</p> <p>18 month ago, and we talked a little bit about this same</p> <p>19 sort of timeline and they were supportive, interested</p> <p>20 to see the projects move forward.</p> <p>21 MR. STEPHENSON: That's all for now.</p> <p>22 CHAIR DREW: Just to follow up on that a</p> <p>23 little bit. You said three of the five sites have</p> <p>24 interconnection agreements. Do you foresee an ability</p> <p>25 to get the other two in the future?</p>

Verbatim Transcript of Monthly Council Meeting

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<p>1 MR. EVANS: We hope so. We would</p> <p>2 like -- in order to do so, we would likely need to</p> <p>3 enter into, likely, an informal dispute resolution</p> <p>4 process with Puget Sound to secure the transmission</p> <p>5 capacities and bring the generation from those</p> <p>6 projects over to the west side, where most of the load</p> <p>7 is. That would be the next step in order to make</p> <p>8 those viable.</p> <p>9 CHAIR DREW: Thank you.</p> <p>10 Mr. Livingston?</p> <p>11 MR. LIVINGSTON: Just one more follow-up</p> <p>12 to that. So if you don't get those two secured,</p> <p>13 what's the viability of the project overall?</p> <p>14 MR. EVANS: Based on the three projects,</p> <p>15 which is actually what we have been discussing with</p> <p>16 each of the investors I have mentioned, it appears to</p> <p>17 continue to be viable. We can get just those three</p> <p>18 completed.</p> <p>19 CHAIR DREW: Thank you.</p> <p>20 Mr. Siemann, I know you are not here in</p> <p>21 person. I just want to make sure, if you have any</p> <p>22 questions, to ask.</p> <p>23 MR. SIEMANN: Thank you, Chair Drew.</p> <p>24 The questions I had have already been asked,</p> <p>25 so thank you.</p>	<p>1 application review process back or we apply it towards</p> <p>2 something, and then there is a discussion with the</p> <p>3 certificate holder about either a \$50,000 deposit or</p> <p>4 greater if that's agreed to.</p> <p>5 So I do mention that because our statute says</p> <p>6 50,000, but there have been cases in the past where</p> <p>7 the Council has determined a different amount, so I</p> <p>8 thought that would be good to note.</p> <p>9 The other thing would be that this does not</p> <p>10 affect any of the other respective terms of the SCA.</p> <p>11 What I mean by that is the timeline for construction,</p> <p>12 those requirements would all stay the same. In other</p> <p>13 words, the deadlines for starting construction and</p> <p>14 operation, those can -- that clock continues to tick</p> <p>15 while they are in suspension status.</p> <p>16 So those are a couple of the things that I</p> <p>17 wanted to recommend for the Council's consideration.</p> <p>18 I'm happy to answer any questions.</p> <p>19 CHAIR DREW: Mr. Stephenson?</p> <p>20 MR. STEPHENSON: Thank you, Chair Drew.</p> <p>21 Ms. Bumpus, I think that is a right course</p> <p>22 from a Council standpoint, of suspending the SCA</p> <p>23 temporarily until we can get better clarity and better</p> <p>24 permanence on this agreement and this project. I</p> <p>25 appreciate your thought of using the -- I'm using the</p>
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<p>1 CHAIR DREW: Okay. Thank you.</p> <p>2 Thank you.</p> <p>3 And if you want to continue at this point,</p> <p>4 Ms. Bumpus.</p> <p>5 MS. BUMPUS: Thank you, Chair Drew.</p> <p>6 So I was mentioning that there would be an</p> <p>7 order. This is how we would document the suspension</p> <p>8 of the five Site Certification Agreements. I do think</p> <p>9 we would just do this in one order. It would outline</p> <p>10 the facts that I have outlined here about the</p> <p>11 situation with the billing and the balance and so</p> <p>12 forth.</p> <p>13 And then for terms, I am recommending that we</p> <p>14 require that TUUSSO Energy settle the project balance</p> <p>15 in full before the suspension would be lifted. Also,</p> <p>16 that the certificate holders deposit \$50,000, which</p> <p>17 they were required to provide to EFSEC and UTC when</p> <p>18 they began their application review process. We would</p> <p>19 apply that \$50,000 towards that balance that I</p> <p>20 mentioned earlier.</p> <p>21 And then for reinstatement, they would need to</p> <p>22 provide another deposit of \$50,000. And this would be</p> <p>23 consistent with RCW 80.50.0712(a), where once an</p> <p>24 applicant has a Site Certification Agreement, we</p> <p>25 basically either credit the \$50,000 for the</p>	<p>1 wrong term here, but deposit the \$50,000 and then</p> <p>2 re-establishing that again. I think that's good.</p> <p>3 I maintain -- I'm hoping this project can move</p> <p>4 forward, but I don't want EFSEC Staff to spend more</p> <p>5 time on a project that won't move forward. So I think</p> <p>6 we are smart in looking to see, first of all, will the</p> <p>7 project move forward, and then if it will, then we</p> <p>8 move forward with it, not the other way, not waiting</p> <p>9 and saying we're going farther into a negative</p> <p>10 situation on cash, to help someone that may never come</p> <p>11 forward. I believe it will come forward; I hope they</p> <p>12 will.</p> <p>13 So that's what I'm thinking. I like this, in</p> <p>14 terms of your overall strategy.</p> <p>15 And then the other thing I would ask is, I</p> <p>16 would appreciate if the Council, even if -- sorry,</p> <p>17 Chair Drew, this is your job -- but if the Council</p> <p>18 could have a "yes, we're going again" on the Site</p> <p>19 Certification Agreement. That could be an emergency</p> <p>20 meeting, I could do it over the phone. I would be</p> <p>21 happy to let Chair Drew be my proxy for this, but I</p> <p>22 think the Council should say, yes, we want this to go</p> <p>23 forward again, when we are sure that it will go</p> <p>24 forward.</p> <p>25 CHAIR DREW: Ms. Bumpus has a response.</p>

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<p>1 MS. BUMPUS: Thank you, Councilmember</p> <p>2 Stephenson. I appreciate those remarks.</p> <p>3 And to that last point, there was another idea</p> <p>4 that I was just thinking of as you were talking,</p> <p>5 that -- that the order could also include a</p> <p>6 requirement that the certificate holder make a request</p> <p>7 of the Council, you know, basically requesting the</p> <p>8 lifting of the suspension. There could be, you know,</p> <p>9 maybe a project update at that -- at that time.</p> <p>10 Obviously, Staff would be in communication with them</p> <p>11 and we would know, but there -- there could be</p> <p>12 something a bit more formal, where they -- they</p> <p>13 request of the Council the action and come in and</p> <p>14 maybe give an update.</p> <p>15 Is that sort of along the lines of...</p> <p>16 MR. STEPHENSON: Yes, thank you. That</p> <p>17 would be fine. What I would like is for Council</p> <p>18 and/or the Chair to do that. I don't want this to be</p> <p>19 a Company-to-Staff agreement, unless that's explicit</p> <p>20 in what we do as a Council.</p> <p>21 MS. BUMPUS: Understood.</p> <p>22 CHAIR DREW: Anything else?</p> <p>23 MR. LIVINGSTON: No. I would -- so I</p> <p>24 would agree to, in a future council meeting, have them</p> <p>25 come back and request reinstatement. I think</p>	<p>1 MS. BUMPUS: That's a little better.</p> <p>2 CHAIR DREW: Much better. Yes.</p> <p>3 MR. THOMPSON: A little better?</p> <p>4 I was just saying, you certainly could have a</p> <p>5 provision in the suspension order that said that the</p> <p>6 company needed to come back and request reinstatement</p> <p>7 or lifting of the suspension.</p> <p>8 That's all I had to add.</p> <p>9 CHAIR DREW: So what I hear you saying</p> <p>10 is that we could have in the stipulation order a</p> <p>11 requirement that the company come back to the Council</p> <p>12 to request reinstatement.</p> <p>13 MR. THOMPSON: Yes, correct.</p> <p>14 CHAIR DREW: Thank you.</p> <p>15 And I -- you know, one thing I want to be</p> <p>16 cautious about, because I do agree with that, is that</p> <p>17 it doesn't have to be timed to one of our meetings,</p> <p>18 because I think we don't want to spend any more time</p> <p>19 doing it than is necessary to get things back on track</p> <p>20 again.</p> <p>21 So that's -- I think that that request could</p> <p>22 come via email, we could set up an emergency meeting</p> <p>23 in order to do that, it could be done via</p> <p>24 teleconference or some other method. Because the one</p> <p>25 thing I don't want to do is to cause any more delay</p>
Page 38	Page 40
<p>1 that's -- that makes the most sense to me.</p> <p>2 CHAIR DREW: And we also have our legal</p> <p>3 counsel on the phone. Mr. Thompson, do you want to</p> <p>4 add anything to this conversation?</p> <p>5 MR. THOMPSON: I don't think I have</p> <p>6 anything to add, but certainly you could stipulate in</p> <p>7 the -- in the order that it would be required for the</p> <p>8 Company to come back and make a request to be</p> <p>9 reinstated or to lift -- lift the suspension, however</p> <p>10 you want to say that. So --</p> <p>11 THE COURT REPORTER: I'm not hearing</p> <p>12 this.</p> <p>13 CHAIR DREW: Unfortunately, you are --</p> <p>14 we are not hearing you very well. If you can say that</p> <p>15 again. Appreciate it.</p> <p>16 MR. THOMPSON: I was just saying we</p> <p>17 certainly could have a provision in the suspension</p> <p>18 order --</p> <p>19 MS. BUMPUS: Jon, we are still having</p> <p>20 trouble hearing you.</p> <p>21 MR. THOMPSON: I'm sorry, I -- maybe you</p> <p>22 can't hear me.</p> <p>23 MS. BUMPUS: Say it again.</p> <p>24 MR. THOMPSON: Hello? Hello? Can you</p> <p>25 hear me?</p>	<p>1 once we get to that point because I too am optimistic.</p> <p>2 It's a good project, it's ready to go, and I think</p> <p>3 that it is certainly in keeping with the type of</p> <p>4 energy plan that we need for the state of Washington,</p> <p>5 so -- certainly, according to the Governor's direction</p> <p>6 and the Legislature's direction, so I do think that</p> <p>7 that's critical as well.</p> <p>8 MR. STEPHENSON: Chair Drew, I</p> <p>9 completely agree and will make myself available on</p> <p>10 short notice.</p> <p>11 CHAIR DREW: Okay. We'll hold you to</p> <p>12 that.</p> <p>13 So I think what we would -- perhaps I would be</p> <p>14 looking for at this point would be a motion from the</p> <p>15 Council to direct the EFSEC chair and manager to --</p> <p>16 and work with our legal counsel to draft and sign for</p> <p>17 the -- let me try this again. To direct the manager</p> <p>18 to draft an order to be signed by the chair that meets</p> <p>19 these requirements that we have discussed.</p> <p>20 Is that clear enough? And Jon Thompson --</p> <p>21 Mr. Thompson, I am asking you if we need more than</p> <p>22 that?</p> <p>23 MR. THOMPSON: I think that gives</p> <p>24 adequate direction to basically delegate to Staff and</p> <p>25 the Chair to work out the finer details under the</p>

Verbatim Transcript of Monthly Council Meeting

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<p>1 terms discussed by the Council.</p> <p>2 CHAIR DREW: Okay. This is adequate</p> <p>3 direction he says, because our court reporter is still</p> <p>4 having trouble hearing you.</p> <p>5 MR. SIEMANN: Chair Drew?</p> <p>6 CHAIR DREW: Yes.</p> <p>7 MR. SIEMANN: This is Dan Siemann.</p> <p>8 CHAIR DREW: Yes.</p> <p>9 MR. SIEMANN: I just wanted to ask a</p> <p>10 question, if I could.</p> <p>11 CHAIR DREW: Please do.</p> <p>12 MR. SIEMANN: There's a part of this</p> <p>13 which involves costs and ensuring that the applicant</p> <p>14 in this case is covering their full costs. And while</p> <p>15 I also voted in favor of this project and still</p> <p>16 support it, what I'm wondering about is, are they</p> <p>17 actually, through this mechanism that we are</p> <p>18 discussing, covering their full costs, including</p> <p>19 the -- what might be considered additional costs</p> <p>20 because of this situation, and wanted to be sure that</p> <p>21 that was occurring, so that the costs that are being</p> <p>22 incurred by EFSEC and Staff are not being distributed</p> <p>23 to other parties that would be paying for this.</p> <p>24 And there's another question in my mind.</p> <p>25 Should there be some sort of penalty, some added costs</p>	<p>1 but under other conditions or other -- for another</p> <p>2 applicant under other situations it might look a</p> <p>3 different way, and I think that we just need to be</p> <p>4 careful about being consistent across all applicants</p> <p>5 under these -- whatever sort of conditions we are</p> <p>6 operating in here, so I just wanted to be thoughtful</p> <p>7 about that.</p> <p>8 CHAIR DREW: I think that's an excellent</p> <p>9 suggestion, and what I would propose is that, because</p> <p>10 we are actually having difficulty hearing our legal</p> <p>11 counsel at this point, that we will consult with him.</p> <p>12 And I think perhaps we will lay out the reasons for</p> <p>13 the suspension, which are financial and have been</p> <p>14 established, and if we need more information, we will</p> <p>15 work with Mr. Evans and TUUSSO on that, but to</p> <p>16 specifically make it clear that it's not for any</p> <p>17 reason, but -- but specifically for this particular</p> <p>18 circumstance. Is that helpful?</p> <p>19 MR. THOMPSON: Yes, if you're asking me.</p> <p>20 CHAIR DREW: Yes. Yes, that's good to</p> <p>21 hear, if that's -- if that's along the lines that you</p> <p>22 think, because I do agree with you, I understand that,</p> <p>23 so -- and I think it's a very important point. So we</p> <p>24 will work with providing that, as part of the reason</p> <p>25 that we are moving forward with the suspension, is</p>
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<p>1 so that we don't create a situation in which this</p> <p>2 becomes a desirable pathway for others who may not</p> <p>3 want to be paying their dues when it is not</p> <p>4 advantageous to them?</p> <p>5 Those are two separate questions.</p> <p>6 CHAIR DREW: Well, I think those are</p> <p>7 valid questions. On -- in terms of paying the cost,</p> <p>8 we, on the Staff side have -- with very minimal hours</p> <p>9 put in by our manager, have not spent time on the</p> <p>10 project, but I think both the development of this</p> <p>11 order will be kept as and charged as a direct bill, as</p> <p>12 part of the ongoing costs that would have to be</p> <p>13 recovered. So in terms of any additional charges, we</p> <p>14 would continue to, although very minimal, keep track</p> <p>15 of that in order to make sure that -- that that was</p> <p>16 covered.</p> <p>17 And I hear what you are saying, so I would</p> <p>18 like to hear the Council's thoughts on that. This is</p> <p>19 a difficult situation, which, frankly, we haven't</p> <p>20 faced before, so I guess I'm interested in --</p> <p>21 MR. THOMPSON: And I'll just add one --</p> <p>22 one other comment, which is that my concern here is</p> <p>23 that this is [inaudible] before we have a policy for</p> <p>24 it and so we are in some ways setting precedent and</p> <p>25 it -- under these conditions it might look one way,</p>	<p>1 specifically the -- the financial issues. And I don't</p> <p>2 know quite the right words to use, but we'll work on</p> <p>3 them.</p> <p>4 Ms. Bumpus?</p> <p>5 MS. BUMPUS: And, Chair Drew, certainly</p> <p>6 in the order we would refer and cite to the</p> <p>7 RCW 80.50.071, where it -- it explicitly states that</p> <p>8 once bills are 30 days late, the Council can -- can</p> <p>9 suspend.</p> <p>10 CHAIR DREW: The additional issue is</p> <p>11 that we wouldn't want somebody to not pay in order to</p> <p>12 get suspended, but -- so there is a cause for this</p> <p>13 beyond just not payment is -- the underlining cause is</p> <p>14 what I'm getting to, the partner withdrawing, ending</p> <p>15 their agreement.</p> <p>16 MS. BUMPUS: Right. Well, and -- and</p> <p>17 just to be clear, and I think -- I mean, I think that</p> <p>18 the Council knows this, but that in suspending the</p> <p>19 Site Certification Agreement, the impact of that is</p> <p>20 that there is no work done on the project. So even</p> <p>21 where they may have areas where they are ready to move</p> <p>22 forward, or there is something that EFSEC Staff would</p> <p>23 review, right now, if that comes in the door, we pick</p> <p>24 that up and we work on it. With a suspension in</p> <p>25 place, it ceases all work on the project, regardless</p>

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<p>1 of how their status may change and being able to move 2 forward. 3 CHAIR DREW: Okay. We're seeing nods, 4 so I would say that there is agreement. 5 MR. STEPHENSON: Chair, would you still 6 like a motion? 7 CHAIR DREW: Yes. 8 MR. STEPHENSON: Let me try this. And, 9 Jon Thompson, please listen. 10 I will move that the Chair direct Staff to 11 stop work and suspend the SCA for this project until 12 the applicant comes to the Council with a proposal to 13 resume. 14 I further move that we will do all we can to 15 recover the costs that we have done so far, and that 16 the -- that when the applicant comes back to us, that 17 the Council will move rapidly, as rapidly as we can, 18 to make a quick decision to resume the project. 19 CHAIR DREW: Sounds good. 20 MS. BREWSTER: I will second that 21 motion. 22 CHAIR DREW: Discussion? 23 All those in favor say "aye." 24 COUNCILMEMBERS: Aye. 25 CHAIR DREW: Mr. Siemann, I didn't hear</p>	<p>1 CERTIFICATE 2 3 STATE OF WASHINGTON 4 COUNTY OF KING 5 6 I, Sherrilyn Smith, a Certified 7 Shorthand Reporter in and for the State of Washington, 8 do hereby certify that the foregoing transcript is 9 true and accurate to the best of my knowledge, skill 10 and ability. 11 12 13 14 15 16 17 SHERRILYN SMITH, CCR# 2097 18 19 20 21 22 23 24 25</p>
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<p>1 you. 2 All those opposed? 3 Motion carries. 4 MR. SIEMANN: And for the record, this 5 is Dan Siemann, I did say "aye." 6 CHAIR DREW: Aye. Mr. Siemann votes 7 aye. Thank you. 8 Okay. We very much want success, and we 9 certainly understand the situation and look forward to 10 having that success come back and lift the suspension. 11 Moving on to the Desert Claim Project update. 12 Ms. Kidder? 13 MS. KIDDER: Thank you, Chair Drew. 14 EFSEC Staff continue to coordinate with Desert 15 Claim. However, there are no updates on the project 16 or the project schedule at this time. 17 Are there any questions? 18 CHAIR DREW: Okay. That -- is there 19 anything else for the Council, Ms. Bumpus? 20 MS. BUMPUS: No, that's all I have. 21 CHAIR DREW: That completes our agenda, 22 then. This meeting is adjourned. 23 (Adjourned at 2:35 p.m.) 24 25</p>	

Kittitas Valley Wind Power Project

Monthly Operations Report

August 2019

Project Status Update

Production Summary:

Power generated: 32,388 MWh
Wind speed: 8.3m/s
Capacity Factor: 43.5%

Safety:

No incidents

Compliance:

Project is in compliance

Sound:

No complaints

Shadow Flicker:

No complaints

Environmental:

No incidents



Wild Horse Wind Facility

EFSEC – Monthly Compliance Report

August 2019

Safety

No lost-time accidents or safety injuries/illnesses

Compliance/Environmental

In accordance with Article VI.A.2 the Operations Spill Prevention, Control and Countermeasures Plan (SPCCP) was updated and submitted to EFSEC staff on 8/9.

Annual training was completed by site staff on the following plans/procedures:

- Spill Prevention, Control and Countermeasures Plan (SPCCP)
- Stormwater Pollution Prevention Plan (SWPPP)
- Wildlife Incident Reporting and Handling System (WIRHS)

In accordance with the Operations Stormwater Pollution Prevention Plan (SWPPP) a site inspection was completed following a significant storm event on 8/10 that produced a funnel cloud. Most of the wind farm was not impacted by the storm but a small narrow section along the norther portion of the wind farm has some minor road erosion and sedimentation in ditches/check dams. Maintenance to the ditches/check dams has been completed and the roads will be regraded in the fall.

Operations/Maintenance

Nothing to report

Wind Production

August generation totaled 45,695 MWh for an average capacity factor of 22.53%

Eagle Update

The USFWS published the Environmental Assessment (EA) and Eagle Conservation Plan (ECP) for the eagle permit on 8/19. It is available for public review and comment through 9/17 at <https://www.fws.gov/pacific/migratorybirds/library/wpanalyses.html>. PSE emailed this link to the TAC and informed them of the public review/comment period. After the conclusion of the public review and comment period, the USFWS will make a determination on whether to issue an eagle Incidental Take Permit for Wild Horse.



Chehalis Generation Facility----Monthly Plant Report – August 2019

Washington Energy Facility Site Evaluation Council

09.06.2019

Safety:

- There were no recordable incidents this reporting period and the plant staff has achieved 1493 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 complied with the permit limits for the month.

Operations and Maintenance Activities:

- The Plant generated 337,920 MW-hours in August for 2019 Year-To-Date generation equaling 1,371,814 MW-hours. The capacity factor for the month of August was 92.7% and the YTD is 47.0%.

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

August 2019

Safety and Training

- There were no accidents or injuries during the month and the plant staff has achieved 3894 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 31 days during the month, with 1 start on U1, and 1 start on U2.
- GHEC generated 416,403MWh during the month and 1,999,593MWh YTD.
- The plant capacity factor was 90.3% for the month and 55.3% YTD.
- GHEC scheduled a shutdown, at the beginning of August, to clean our Fuel (Natural) Gas strainers which were showing signs of plugging off. We started observing high differential pressures in June and they continued to increase through August where we reached the point, we were beginning to see low fuel gas pressures nearing the minimum gas pressure required to operate the Gas Turbines. The source of poor fuel quality is still uncertain. One abnormality that occurred this summer, which may have contributed, is that our trunk line supply source has been null. Meaning as much natural gas was being supplied from the south as from the north. Normally our gas supply is the northern flow from British Columbia. There is also an identified "Dithiazine" issue from gas sourced from AECO (NGTL) Hub. The AECO Hub is a storage facility in Alberta, Canada. The following is extracted from an e-mail provide by our third party off taker originally sent out by Williams Northwest Pipeline:

Pursuant to the Dithiazine Notice published by Gas Transmission Northwest (GTN) on June 10, 2019 and as a follow-up to Northwest Pipeline's (Northwest) April 11, 2019 Shipper Advisory Board Meeting, Northwest provides the following update regarding the presence of dithiazine on its system.

Northwest previously communicated dithiazine was identified on the Spokane Lateral and within the Columbia River Gorge at its Roosevelt compressor station. Subsequently, Northwest has preliminarily identified dithiazine deposits on the Portland Lateral. Based on changing flow dynamics, Northwest now anticipates potential discoveries south of the Stanfield interconnect in the mid-section of its system. As communicated during the April 11th meeting, Northwest believes the dithiazine it has observed in these areas is coming from producers upstream of the TransCanada system and is being transported downstream through the GTN system.

Dithiazine is a reaction product resulting from the introduction of triazine based

liquid chemical scavengers used to remove hydrogen sulfide from gas streams. As stated by GTN in multiple shipper notices, dithiazine may drop out of the gas stream, under certain conditions, in the form of a white powder, and further chemically change to an adhesive, putty-like substance at some points of pressure reduction (for example, at a regulator) due to a temperature drop that accompanies the pressure reduction. If a sufficient quantity of the material is accumulated in certain appurtenances, it could cause them not to function properly."

- On August 14 & 15th GHEC completed our annual Relative Accuracy Test Audit, including 5year particulate matter testing.

Noise and/or Odor

- None.

Site Visits

- August 20th engineers and engineering interns from the GH PUD visited the plant for a tour.

Other

- None.

**Energy Northwest
September 17, 2019 EFSEC Council Meeting
Operations Reporting Period for August 2019**

Washington Nuclear Project 1 and 4 (WNP-1/4)

No updates to report.

Columbia Generating Station (CGS)

Fire inspection update

During the fire re-inspection on June 24, 2019, the Washington State Patrol (WSP) Fire Marshal requested an inspection report from the contractor that performed the coating of two water storage tanks at Columbia Generating Station. On August 21, 2019, Energy Northwest submitted the requested information. Based on discussions with WSP Fire Marshal and EFSEC staff, item 16 pertaining to water tank inspections on the fire inspection report will be closed.

Radioactive air emissions license SEPA data request update

On August 20, 2019, Energy Northwest responded to EFSEC's request for additional SEPA information related to the Columbia Generating Station Radioactive Air Emissions License (RAEL) application.



STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL
PO Box 43172 • Olympia, Washington 98504-3172

September 5, 2019

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

Subject: Columbia Solar Project, Docket No. EF-170823; Order No. 877: Suspension of Site Certification

Dear Mr. Evans,

On August 20, 2019 the Energy Facility Site Evaluation Council (EFSEC or Council) approved suspension of TUUSSO Energy's (TUUSSO) site certification for the Columbia Solar Project (Columbia Solar). At the August 20th council meeting the Council directed the EFSEC Manager and the Council Chair to develop and issue an order suspending TUUSSO's site certification for the five Columbia Solar sites. A copy of Order No. 877, signed by the Council Chair and effective as of September 5, 2019 is enclosed for your records.

EFSEC expects to provide you with a final invoice for the Columbia Solar financial account after the closing of the first quarter of the state fiscal year 2020. As indicated in Order No. 877, TUUSSO's \$50,000 deposit for the application review of Columbia Solar will be applied towards the total unpaid balance.

As EFSEC staff have previously discussed, we expect correspondence will continue with TUUSSO for resolution of the unpaid and still owing Columbia Solar account balance, and for additional updates concerning the fate of Columbia Solar.

I and my staff have enjoyed working with the TUUSSO team throughout the siting process and we wish you success in your efforts to secure funding in support of moving Columbia Solar forward to completion.

Please feel free to contact me if you have any questions about this Council action or about EFSEC's process for closing out the Columbia Solar project financial account. I can be reached at (360) 664-1363, or at sonia.bumpus@utc.wa.gov.

Sincerely,



Sonia E. Bumpus
EFSEC Manager

Enclosure: Order 877

cc: Kathleen Drew, EFSEC Chair
Timothy L. McMahan, Stoel Rives LLP
Jonathan Thompson, EFSEC AAG
Ami Kidder, EFSEC Siting and Compliance Manager
Mark Johnson, UTC Director
Amy Andrews, UTC CFO

**BEFORE THE STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL**

In the Matter of Docket No. EF-170823:

TUUSSO Energy LLC,

**COLUMBIA SOLAR ENERGY
PROJECT**

COUNCIL ORDER No. 877

**ORDER SUSPENDING SITE
CERTIFICATION AGREEMENTS FOR
THE COLUMBIA SOLAR PROJECT**

Regulatory Authority:

RCW 80.50.071 provides, in relevant part, as follows:

(1) The council shall receive all applications for energy facility site certification. Each applicant shall pay actual costs incurred by the council and the utilities and transportation commission in processing an application.

(a) Each applicant shall, at the time of application submission, deposit with the utilities and transportation commission an amount up to fifty thousand dollars, or such greater amount as specified by the council after consultation with the applicant. The council and the utilities and transportation commission shall charge costs against the deposit if the applicant withdraws its application and has not reimbursed the commission, on behalf of the council, for all actual expenditures incurred in considering the application.

* * *

(c) In addition to the deposit required under (a) of this subsection, applicants must reimburse the utilities and transportation commission, on behalf of the council, for actual expenditures that arise in considering the application * * *. The utilities and transportation commission, on behalf of the council, shall submit to each applicant an invoice of actual expenditures made during the preceding calendar quarter in sufficient detail to explain the expenditures. The applicant shall pay the utilities and transportation commission the amount of the invoice by the due date.

(2) Each certificate holder shall pay to the utilities and transportation commission the actual costs incurred by the council for inspection and determination of compliance by the certificate holder with the terms of the certification relative to monitoring the effects of construction, operation, and site restoration of the facility.

(a) Each certificate holder shall, within thirty days of execution of the site certification agreement, deposit with the utilities and transportation commission an amount up to fifty thousand dollars, or such greater amount as specified by the council after consultation with the certificate holder. The council and the utilities and

transportation commission shall charge costs against the deposit if the certificate holder ceases operations and has not reimbursed the commission, on behalf of the council, for all actual expenditures incurred in conducting inspections and determining compliance with the terms of the certification.

(b) In addition to the deposit required under (a) of this subsection, certificate holders must reimburse the utilities and transportation commission, on behalf of the council, for actual expenditures that arise in administering this chapter and determining compliance. The council, after consultation with the utilities and transportation commission, shall submit to each certificate holder an invoice of the expenditures actually made during the preceding calendar quarter in sufficient detail to explain the expenditures. The certificate holder shall pay the utilities and transportation commission the amount of the invoice by the due date.

(3) If an applicant or certificate holder fails to provide the initial deposit, or if subsequently required payments are not received within thirty days following receipt of the invoice from the council, the council may (a) in the case of the applicant, suspend processing of the application until payment is received; or (b) in the case of a certificate holder, suspend the certification.

Findings:

1. On October 16, 2017, TUUSSO Energy, LLC (TUUSSO) filed an application with the Energy Facilities Site Evaluation Council (EFSEC or Council) to obtain a site certification, pursuant to RCW 80.50.060, to construct and operate the Columbia Solar Project consisting of five solar photovoltaic generating facilities and two generation tie lines. TUUSSO provided the Utilities and Transportation Commission (UTC) a deposit of \$50,000 as required by RCW 80.50.071(1)(a).
2. Following review of the application, on August 22, 2018, EFSEC issued its Report to the Governor, recommending approval of the application.
3. The Governor approved the application and executed five site certification agreements, one for each of the five solar photovoltaic generating facilities proposed in TUUSSO's application on October 17, 2018.
4. Kittitas County filed a petition for judicial review in Thurston County Superior Court on November 14, 2018. After EFSEC assembled the agency record for review to the Court, and the Office of the Attorney General submitted legal briefing to the Court in defense of the Governor's approval of the application, Kittitas County agreed to dismissal of its petition for judicial review. The County's petition was dismissed on April 9, 2019.
5. EFSEC and the UTC have invoiced TUUSSO for expenses incurred in considering the application, determining compliance by the certificate holder with the terms of the certification, and otherwise administering RCW 80.50 in regard to the Columbia Solar

Project, including legal defense of the decision to approve the application against Kittitas County's appeal. TUUSSO paid the amounts invoiced for agency expenditures through the 4th Quarter of Fiscal Year 2018 (April-June 2018).

7. TUUSSO received Columbia Solar Project billing for 1st Quarter Fiscal Year (FY19) expenditures (July - September 2018), in Invoice No. 5045-1, dated 12/20/2018, with a payment due date of 01/18/2019. TUUSSO did not pay Invoice No. 5045-1.
8. TUUSSO received Project billing for 2nd Quarter FY19 expenditures (October - December 2018) in Invoice No. 5124-1, dated 01/29/2019, with a payment due date of 03/01/2019. TUUSSO did not pay Invoice No. 5124-1.
9. EFSEC sent a letter to TUUSSO dated May 6, 2019 requesting that TUUSSO make a payment towards the unpaid balance for 1st and 2nd Quarter FY19 unpaid invoices. EFSEC also requested that TUUSSO provide a Project update by May 31, 2019.
10. TUUSSO remitted a partial payment in the amount of \$100,000.00 in May 2019. The Utilities and Transportation Commission (UTC) applied that payment towards the 1st Quarter FY19 unpaid invoice.
11. The UTC has not refunded TUUSSO's original deposit of \$50,000, submitted with TUUSSO's application for purposes of RCW 80.50.071(1)(a).
12. On May 31, 2019, email correspondence received by EFSEC from TUUSSO indicated that a "funding partner" had terminated Project-related agreements and that consequently, TUUSSO was seeking "alternative sources of funding" to fund the Project. The timeframe TUUSSO provided indicated they would have, "a source of funding in place by the end of July."
13. TUUSSO received billing for 3rd Quarter Fiscal Year (FY19) expenditures (January - March 2019 in Invoice No. 5279-1, dated 05/17/2019, with a payment due date of 06/20/2019. TUUSSO did not pay Invoice No. 5129-1.
14. EFSEC sent a letter dated July 10, 2019, to TUUSSO requesting that its outstanding Project balance be paid by August 15, 2019, and noted that EFSEC may consider suspension of the Site Certification Agreement for non-payment of the Project billings, pursuant to RCW 80.50.071(3).
15. EFSEC received a response by email dated July 15, 2019, from Jason Evans, TUUSSO's Vice President. The correspondence provided by Mr. Evans indicated TUUSSO's intent to secure project funding and settle the unpaid balance by the August 15th date, per EFSEC's request in its July 10th letter. However, on August 14th, during a phone call between Sonia E. Bumpus, EFSEC Manager, and Mr. Evans, Mr. Evans indicated that TUUSSO was

unable to make any payment for the Project billings by August 15th and that no additional funding source had been secured.

16. As of the completion of 4th Quarter FY19, TUUSSO's outstanding unpaid balance of invoiced amounts for UTC and EFSEC's Columbia Solar Project expenses totals approximately \$264,067.78.
17. At the Council's August 20, 2019, open meeting, Mr. Evans addressed the Council regarding the Project's financial difficulties and TUUSSO's inability to pay the 1st, 2nd, 3rd, and 4th Quarter FY19 billings for the Project.
18. According to Mr. Evans, TUUSSO committed all of its funding as a company to development of the Columbia Solar project and was, and remains, in a "very low cash position." TUUSSO entered into an agreement with a counterparty in early 2018 to sell the Columbia Solar Project, and the counterparty began to make payments to TUUSSO's vendors for development of the Project, including to EFSEC, and to pay a development services fee to TUUSSO for its continued work on the Project. Under that agreement, TUUSSO was to be paid for the Project following its successful realization. However, for a variety of reasons including Kittitas County's appeal and Puget Sound Energy's (PSE) denial of interconnection for two of the five sites, the counterparty stopped making payments and providing funding to TUUSSO. This occurred in December 2018, without the counterparty informing TUUSSO of its intention to stop funding. However, the counterparty waited another five months, until May 31, 2019, to officially terminate its agreement with TUUSSO. TUUSSO has, since that time, been searching for a partner to take the Project forward. Mr. Evans stated that TUUSSO is in discussions with potential purchasers and potential providers of financing. That effort is challenging because of outstanding payables that are now due and the nature of the split with the prior counterparty. Mr. Evans explained that TUUSSO has three viable interconnection agreements with PSE, and must give notice to PSE in November 2019 that the facilities at those three sites will go forward. Therefore, it is critical that TUUSSO secure a partner by November.
19. Following Mr. Evans explanation and recommendations by Ms. Bumpus, the Council voted to proceed with suspension of TUUSSO's certification for the Columbia Solar Project. The Council directed the EFSEC Manager and the Council Chair to develop and issue an order suspending TUUSSO's certification for the Columbia Solar Project on the terms generally described in staff's recommendation with additional terms provided by the Council.

ORDER

THEREFORE, IT IS HEREBY ORDERED that:

- (1) TUUSSO's certification for the Columbia Solar Project, which became effective on October 17, 2018, is suspended on the terms specified in this order.
- (2) Unless and until TUUSSO's certification is reinstated by the Council, TUUSSO may not initiate construction or take any action at the Project sites for which the law requires either site certification or a state or local permit or similar authorization.
- (3) EFSEC staff and contractors shall cease work on inspection and determination of compliance by the certificate holder with the terms of the certification.
- (4) Effective September 5, 2019 UTC shall cease allocating overhead to the Columbia Solar Project, but shall issue an invoice to TUUSSO for the first quarter of fiscal year 2020 (July 1, 2019 through September 30, 2019) reflecting direct and overhead costs incurred prior to September 5, 2019.
- (5) To obtain reinstatement of certification, TUUSSO must first make full payment of all invoiced amounts. Due to its history of non-payment, TUUSSO must provide a new deposit of at least \$50,000, or such greater amount as may be specified by the Council at that time, to meet the requirement of RCW 80.50.071(2)(a). TUUSSO must make a request for reinstatement to the Council in writing, and must include in that request a full description of its financial situation and an attestation to its ability to make timely payment of invoices going forward. The Council will endeavor to act promptly to decide such a request. The Council reserves the authority to impose any additional conditions on reinstatement of certification it deems appropriate at that time. TUUSSO shall be required to pay the cost incurred by the Council in reviewing any such request.
- (6) The terms of WAC 463-68-080, including the provision that site certification shall expire if the certificate holder does not start construction within ten years of execution of the SCAs, shall continue to apply notwithstanding suspension.
- (7) The terms of WAC 463-68-060, including the requirement that the certificate holder must report to the Council its intention to proceed or not proceed with the project if construction has not started within five years of execution of the SCAs, shall continue to apply notwithstanding suspension. TUUSSO shall be required to pay the cost incurred by the Council in reviewing of any such report.
- (8) UTC shall apply the \$50,000 deposit that TUUSSO provided at the time it submitted its application for site certification, and which the UTC retained as the deposit required of the certificate holder by RCW 80.50.071(2)(a) following execution of the site certification agreement, toward payment of TUUSSO's outstanding unpaid invoices.
- (9) TUUSSO remains responsible for payment of all outstanding costs invoiced by EFSEC, and this order in no way excuses or delays TUUSSO's continuing obligation to pay, nor

does it affect the UTC and EFSEC's right to pursue collection in any manner and on any timeline those agencies deem appropriate.

- (10) EFSEC retains all available enforcement authority, including penalty authority under RCW 80.50.150 and 155, and the authority to revoke the Columbia Solar certificates if it deems such action appropriate under RCW 80.50.130.

DATED at Lacey, Washington and effective on this 5th day of September, 2019.

WASHINGTON STATE
ENERGY FACILITY SITE EVALUATION COUNCIL



Kathleen Drew, EFSEC Chair

Energy Facility Site Evaluation Council

Non Direct Cost Allocation

for

REVISED 1st Quarter FY 2020

Effective September 5, 2019 through September 30, 2019

July 1, 2019 – September 30, 2019

The EFSEC Cost Allocation Plan (Plan) was approved by the Energy Facility Site Evaluation Council in September 2004. The Plan directed review of the past quarter's percentage of EFSEC technical staff's average FTE's, charged to EFSEC projects. This along with anticipated work for the quarter is used as the basis for determining the non-direct cost percentage charge, for each EFSEC project.

Using the procedures for developing cost allocation, and allowance for new projects, the following percentages shall be used to allocate EFSEC's non direct costs for the 1st quarter of FY 2020:

Kittitas Valley Wind Power Project	11%
Wild Horse Wind Power Project	11%
Columbia Generating Station	26%
WNP-1	4%
Whistling Ridge Energy Project	4%
Grays Harbor 1&2	16%
Chehalis Generation Project	14%
Desert Claim Wind Power Project	10%
Grays Harbor Energy 3&4	4%


Sonia E. Bumpus, EFSEC Manager

Date: September 5, 2019