WASHINGTON STATE
ENERGY FACILITY SITE EVALUATION COUNCIL
Olympia, Washington
Tuesday, August 20, 2019
1:30 p.m.

MONTHLY COUNCIL MEETING
Verbatim Transcript of Proceedings

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Councilmembers:

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

Assistant Attorney General:

JON THOMPSON (via phone)

Council Staff:

SONIA BUMPUS
AMI KIDDER
KYLE OVERTON
TAMMY MASTRO
JOAN AITKEN
STEW HENDERSON

In Attendance:

ERIC MELBARDIS, EDP Renewables (via phone)
JENNIFER DIAZ, Wild Horse Wind Power, PSE (via phone)
CHRIS SHERIN, Grays Harbor Energy
MARK MILLER, Chehalis Generating Station
MARY RAMOS, Columbia Generating Station (via phone)
BILL SHERMAN, Counsel for the Environment (via phone)
TIM McMAHAN, Stole Rives (via phone)
KARA WARNER, Golder Associates (via phone)
SCOTT LICHTENBERG, Wild Horse/PSE (via phone)
JEREMY SMITH, Chehalis Generation Facility

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LACEY, WASHINGTON: August 20, 2019

1:30 P.M.

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PROCEDINGS

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

Ms. Mastro, will you call the roll?

MS. MASTRO: Department of Commerce?

CHAIR DREW: Vacant.

MS. MASTRO: Department of Ecology?

MR. STEPHENSON: Cullen Stephenson, here.

MS. MASTRO: Fish and Wildlife?

MR. LIVINGSTON: Mike Livingston, here.

MS. MASTRO: Department of Natural Resources?

(Pause in the proceedings.)

MS. MASTRO: Utilities and Transportation Commission?

MS. BREWSTER: Stacey Brewster, here.

MS. MASTRO: Chair, there is a quorum.
CHAIR DREW: Thank you.

Are there those who are listening via Skype or on the phone who would like to introduce themselves?

MR. THOMPSON: Chair Drew and Councilmembers, and this is Jon Thompson, Assistant Attorney General. I'm sorry, I can't be there in person, but I'll be on the phone.

CHAIR DREW: Thank you.

MR. SHERMAN: This is Bill Sherman, also Assistant Attorney General, present as Counsel for the Environmental case.

CHAIR DREW: Thank you.

MR. McMahan: Tim McMahan with Stoel Rives law firm.

MS. WARNER: This is Kara Warner with Golder Associates.

MR. MELBARDIS: Eric Melbards, EDP Renewables, Kittitas Valley Wind.

CHAIR DREW: Thank you.


MR. LICHTENBERG: Scott Lichtenberg,
Wild Horse Wind Facility.

MS. RAMOS: Mary Ramos, Energy Northwest.

MR. SIEMANN: Dan Siemann, Washington Department of Natural Resources and Councilmember.

CHAIR DREW: Thank you. So moving on to the proposed agenda. You have that in front of you, Councilmembers. Is there a motion to adopt the agenda?

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

MR. LIVINGSTON: I will second that.

CHAIR DREW: All those in favor, say "aye."

COUNCILMEMBERS: Aye.

CHAIR DREW: Opposed? The agenda is adopted.

And now to the meeting minutes from July 16th.

Is there a motion to adopt those meeting minutes?

MR. LIVINGSTON: I'll make a motion to adopt the meeting minutes from last month.

MR. STEPHENSON: I will second.

CHAIR DREW: Is there any discussion or connections?

Hearing none, all those in favor of adopting
the meeting minutes, please say "aye."

COUNCILMEMBERS: Aye.

CHAIR DREW: The minutes are adopted.

I want to make sure. For those of you -- Dan, you can be the one to respond to this, Mr. Siemann. Is the sound good from our end, that you are hearing from the meeting?

MR. SIEMANN: It's very clear.

Thank you.

CHAIR DREW: Okay. Thank you.

Thank you to Ms. Aitken, who has been working on that to make sure we don't have echoes, as we did last month, so glad to have that.

Moving on to the projects. Kittitas Valley Wind Project. Mr. Melbardis?

MR. MELBARDIS: Good afternoon, Chair Drew, EFSEC Council and Staff. For the record, my name is Eric Melbardis, I'm with EDP Renewables, representing the Kittitas Valley Wind Power Project.

The only nonroutine item to report from Kittitas Valley was a safety incident. We had an OSHA recordable that occurred over the reporting period. An employee was driving some fence posts to repair some fencing along the county road in some of the DNR property and struck his head with the fence post.
driver tool, requiring stitches. He was back to work the same day, so no lost time, but I would report that.

CHAIR DREW: Okay. Any questions?

Thank you.

MR. MELBARDIS: And I also did have -- at EFSEC Staff's request, as you probably all are aware, there was a fire in Southern Washington, I believe it was Klickitat County, and it was a fire that was started from a turbine malfunction, a wind turbine malfunction.

CHAIR DREW: Yes.

MR. MELBARDIS: So Staff had asked some of us to take a look at our fire prevention control measures, and I did have just a brief memo that I wanted to read into the record about how we handle things at KV, if that's all right?

CHAIR DREW: Please do.

MR. MELBARDIS: Okay.

The Kittitas Valley Wind Power Project successfully survived the Taylor Bridge fire of August 2012. The fire burned through around 90 percent of our 6,000-acre project with no damage to the equipment. There have also been two 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 past nine 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 in the past as a precaution, but they were not needed and quickly demobilized.

We cover and tape off the vents on the doors at the base of the tower to minimize any chimney effect. Site management is contacted with situation reports and we escalate as necessary. We open the switch on our pad-mounted transformer at the base of the towers to cut all electrical power to the turbine. We then 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 our 500 gallon mobile water wagon, open the
gates to the operations and maintenance facility,
verify that access to the fire hydrant taps were
clear, and that our 23,000 gallon water tank was
accessible by unlocking doors to the pump house, of
which the fire department also has access to.

Airborne firefighters from the DNR, the
County, also have access to numerous water ponds, the
Kittitas Reclamation District Irrigation canal and the
Yakima River, if additional water was needed.

The project has and maintains an SCA required
fire prevention -- excuse me. The project has and
maintains an SCA required fire prevention plan. The
project also adheres to our corporate internal fire
prevention and control standard operating procedures.
The project maintains and pays for a protective
services agreement with Kittitas County Fire
District 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 and transformers to avoid dry
tinder in proximity. Since the recent fire in
Southern Washington, we have also placed 12-by-12
signs at each turbine access road, at the gates, which
list the name of each road, so A, B, C, et cetera,
which would help 911 better dispatch fire response
teams.

We have also installed temperature monitoring
strips on areas of the turbine components which could
be prone to overheating, and our technicians regularly
monitor these temperatures at every turbine visit.

We also have a hot work permit program which
requires extra precautions when we are working with
heat, open flame, or anything that could cause sparks.

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

A FEMA report I recently read stated that from
2014 to 2016, an average of 171,000 highway vehicle
fires occurred in the US, resulting in an annual
average of 345 deaths, 13,000 injuries, and
1.1 billion in property loss. These vehicle fires
accounted for 13 percent of all fires responded to by
all fire departments across the nation.

I then found an engineering article from 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. That translates into just one turbine in 7,000 catching fire per year.

In summary, I don't think that we need to develop or implement further fire protection plans at KV at this time. We are already doing everything we can to prevent fires from starting and from spreading to the landscapes where they occur.

CHAIR DREW: Thank you. That's very detailed, and I appreciate hearing the history and what you have done, as well as what you added to ensure safety.

Are there any Councilmembers who have questions?

MR. SIEMANN: Chair Drew, this is Dan Siemann, and I do have a question.

CHAIR DREW: Okay.

THE COURT REPORTER: I can't hear.

CHAIR DREW: If you could speak up, please.

MR. SIEMANN: Sure.
So thank you for that. And one question I do have is, for those fires that have been started by wind turbines, has there been an assessment of what caused them, what the cause was, and what the variety of causes was, so we can have a better sense of how to prevent them?

MR. MELBARDIS: Yes, good question. There's a number of ways that a wind turbine could catch fire. Obviously, we are dealing with high amperage electricity, so there's a lot of points within the turbine that phases of electricity could arc or could find resistance from a loose bolt or loose connection and cause heat, which once the heat builds up, it can catch fire to electrical wire or cable insulation.

And as I mentioned in my -- in my brief presentation, that there is a chimney effect that goes on because there's vents at the base of the turbine, and so as it gets hot, that starts to pull more air in and it's almost like a forge. It can -- it can create -- it can kind of self-feed the fire.

Other areas that I have heard of fire starting would be the gearboxes inside the nacelle of the turbine. If they are running and they are low on oil, and for whatever reason did not kick out an alarm that
they were low on oil, they can start to overheat, and then that metal-on-metal can overheat to a point where it becomes so hot that the seals burst, and then the hot oil can catch fire.

    Everything above the tower on a wind turbine is typically fiberglass or composite material so it is flammable. The blades are also fiberglass and wood, other composite materials, and flammable glue, so once a fire starts, that can catch fire. Wind is the enemy of wildfire fighting and these turbines are often -- are always placed in areas of good wind resources.

    So, yeah, I would say it’s probably electrical, either from overheating or the generator or a gearbox.

    MR. SIEMANN: If I might just follow up, and I appreciate that. My thinking is -- and I think your statistic was -- from the 2015 report was 1 in 7,000 wind turbines catch fire. As we put more in and as climate change leads to dryer, hotter conditions, and more fire supportive conditions, we are going to, I think, come to a point where these are more common -- perhaps not common, but certainly more likely. The risk will certainly enhance. And so while I'm not suggesting that we need to take action now, I just wanted to flag that as something to keep
in mind as we go forward with these.

MR. MELBARDIS: That's a good point. I think at the same time, if we were, you know, in a situation where we had dryer, more arid climates, then everything that can possibly cause fire has the chance to cause or create a fire.

CHAIR DREW: Yes. Thank you. And I certainly hear from your report that you have had incidents of wildfire on your property on the -- at the project and were able to put out those fires before they affected other properties.

MR. MELBARDIS: Yes, that's correct. You know, the other fires were caused by external circumstances. You know, a fire rolling across our area, even if it comes into contact with our immediate vicinity of a wind turbine, generally -- I mean, that's steel. It's not doing any damage to that.

I think, you know, the greater concern -- and I think many of us have probably seen some of the videos of the recent fire. You know, there was a fire somewhere inside it and the fiberglass of the nacelle started to catch fire and drift down, and so you had, you know, flaming melted balls of fiberglass coming down, and it was hot, it was dry, it was windy, so...

CHAIR DREW: Everything we can do to
prevent that, so that's great. I appreciate your report. Thank you for sharing that.

Next we have Ms. Diaz from Wild Horse Wind Project.

MS. DIAZ: Yes. Thank you, Chair Drew and Councilmembers.

I hear some feedback over the phone. I'm not sure if that's from me or from someone else, but can you hear me okay?

CHAIR DREW: We can. Thank you.

MS. DIAZ: Okay.

So the only nonroutine item I have to report for the month of July is we did have a technical advisory committee meeting on July 24th. The agenda included administrative updates to the TAC Rules of Procedures, a Year in Review PowerPoint which was provided by PSE, a Grazing Plan update provided by WSU Extension, and an update on the 2018 Sage-Grouse Habitat monitoring results, and an update on the Eagle Conservation Plan and Permit.

This was basically an informational meeting. There were no actions -- no items that required formal actions or recommendations from the TAC for the Council's consideration. And that's all I have to report for the month of July.
CHAIR DREW: Thank you.

Any questions?

Go ahead, Mr. Stephenson.

MR. STEPHENSON: Thank you, Chair Drew.

Jennifer, this is not directed straight at you, but it’s also directed at Mr. Melbarris and other folks. I just am interested, when I think about wind farms, when I look at them, they are typically wind turbines that are above very well-mowed, or something, terrain. Are you two worried about wildfires?

MS. DIAZ: Erik, do you want me to go first on that one?

MR. MELBARDIS: Yeah. Go ahead, Jennifer.

MS. DIAZ: Okay.

So Wild Horse is actually located in shrub-steppe habitat, which has a history of burning historically for hundreds of years. It's a pretty regular occurrence in shrub-steppe habitat. Within the wind farm specifically, we are not that concerned with wildfires. We do have a fire services agreement with Kittitas County Fire District No. 2, who responds to any wildfires in any way. We have not had a wildfire at Wild Horse since inception. However, we have had wildfires surrounding the property, most of
which were either man-made or from lightning strikes.

But one of the encouraging things that I did hear from the fire chief here in Kittitas County is that he really appreciated the wind farm and the roads that we have, the gravel roads that we have at the wind farm, because they do create firebreaks, which really aid them in fighting wildland fires in the area. And part of our fire service agreement with the district actually included purchasing a wildland fire truck for -- specifically for fighting wildland fires in shrub-steppe habitat.

MR. MELBARDIS: This is Eric Melbardis. We are not -- we are not concerned about wildfires. I am in a -- I'm on the other side of the Valley as Ms. Diaz, but we're in the same -- the same type of ecosystem. It's shrub-steppe, it's very dry right now, and it does regularly burn. It burns -- it burns quick, it's always fast-moving. And, in fact, as the fires have come through here, we generally see the next season wildflowers that we have never seen before. So I think that some of it is an eco-catalyst -- a fire catalyst ecosystem.

We have our fire services agreement with Fire District 1. We also, during development of the project, purchased -- I'm not sure exactly what type
of truck we purchased for them, if it was a brush fire
trick or a regular truck, but I think we spent
$250,000 on a vehicle for them. We have heard
similar, that our roads and the way we maintain the
roads and keep them clear is very helpful to this area
for reasons of firebreaks. And also, the past couple
fires that have broken out, fire response teams were
able to get deeper in via our access roads than they
normally would have.

All of our equipment is relatively fireproof
so we're not really concerned.

What we do monitor is air quality. We have an
air quality meter that I bring out during fire season
and put on the outside of the building, and we take a
look at it every day. That's more just protective for
what -- what we are going to ask our workers to do in
a smoky -- smoky or poor air quality.

MR. STEPHENSON: Thanks to you both. It
sounds like the roads and your other measures are
making you confident that this is not an issue. It
does make some sense, just physically looking at these
very tall towers, that would be a ways away from fire
impacts, so I just appreciate that you are not nervous
about this. And, of course, we all love the
wildflowers the next season, so thank you.
CHAIR DREW: Mr. Livingston?

MR. LIVINGSTON: Yeah, I have a --

CHAIR DREW: Mr. Livingston?

MR. LIVINGSTON: Thank you, Chair. I have a question for Jennifer Diaz.

Just, is there anything of note on the 2018 sage-grouse habitat monitoring results? Do you want to -- are we seeing pretty much a status quo of our quality of habitat out there? Are we seeing any changes, Jennifer? What do you -- anything worthy of noting there?

MS. DIAZ: So specifically for the sage-grouse habitat restoration area, which is that 10-acre piece located in the pines, so that area was fenced off and we have been completing weed control activities, as well as restoration in the riparian area, to hold water in that drainage longer. We have seen a significant improvement in the height of grasses and -- as well as an increase in forbs availability and the different forbs. We do have one more year of monitoring to complete before the final results are complied, but it is trending toward much improvement in that area.

Overall, on the wind facility, we have seen an improvement in the habitat, and I think primarily
because of the way we are currently managing grazing on the facility. It's more sustainable grazing, less grazing, light -- light grazing, and rotation -- rotational grazing that's implemented through the Wild Horse Coordinated Resource Management Group.

MR. LIVINGSTON: That's great to hear.

MS. DIAZ: And we saw a sage-grouse, so that's fine.

MR. LIVINGSTON: Well, that was going to be my -- that was going to be my follow-up question, is if there's any -- been recent detections of

sage-grouse out there.

MS. DIAZ: Yeah. So we did see one female sage-grouse two winters ago, located right next to a wind turbine, next to the road, next to a wind turbine. And so we did observe her, got video of her, and sent that to Mike Schroeder, with the Department of Fish and Wildlife, who confirmed it was a female sage-grouse. We went back a week later and she was in the exact same location, coming out below a big sage brush.

And then in 2007, is when we found the sage-grouse nest with eggs in it, and that was located within 100 meters of an operating wind turbine.

MR. LIVINGSTON: Thank you.
CHAIR DREW: Okay. Thank you.

Moving on to Chehalis Generation Facility.

Mr. Miller -- oh, Jeremy.

Thank you for the excellent briefing and tour this morning, we really appreciated that.

MR. SMITH: Thank you, Chair Drew.

Good afternoon, Chair Drew, Council, and Staff. I am Jeremy Smith, the environmental analyst at Chehalis Generation.

Is it on? Here we go.

For the record, I am Jeremy Smith, an environmental analyst from Chehalis Generation. I want to thank Chair Drew, Council, and Staff for touring our facility today. I hope it was informative and interactive for you. I have -- as far as the plant goes, I have nothing abnormal to report for the month of July.

Is there any questions?

CHAIR DREW: Are there any questions?

MR. LIVINGSTON: I just wanted to thank them for the tour today. It was -- it was wonderful, and I learned a lot, and I regret missing the other previous tours this -- earlier this year to the other facilities, but this was really informative for me.

Thank you.
MR. SMITH: It was our pleasure to have you. Thanks.

CHAIR DREW: And I would add that I know that any of the facility operators, if the Councilmembers have missed tours, you want to help us -- if you want us to help you set up tours, or to set them up on your own, feel free to connect with the facility operators. I'm sure they would be happy to give you a tour.

MR. SMITH: Absolutely. Thank you.

CHAIR DREW: Okay. Moving on now to the Grays Harbor Energy Center. Mr. Sherin?

MR. SHERIN: Good afternoon, Chair Drew -- is red on or is green on?

MULTIPLE SPEAKERS: Green is on.

MR. SHERIN: Good afternoon, Chair Drew, Councilmembers. I am Chris Sherin, plant manager of Grays Harbor Energy Center. For the month of July, we have no nonroutine items to report.

I will mention, just for -- it will be covered in the August operational update, we did complete our annual RATA this past week, the Relative Accuracy Testing Assessment, so the results will follow soon.

Thank you.

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

Moving on to Columbia Generating Station.

Ms. Ramos?

MS. RAMOS:  Good afternoon, Chair Drew and Councilmembers.  This is Mary Ramos reporting for Energy Northwest.  For Columbia Generating Station I have one update for you. The Columbia Generating station NPDES permit requires an investigation of circulating cooling water system losses, including an analysis of potential groundwater mounding. On July 18th, Energy Northwest and its contractor, Landau, presented the groundwater mounding study results to EFSEC, Washington State Department of Health, and Washington State Department of Ecology. Energy Northwest is in the process of gathering the information requested during the meeting.

There is no additional updates for Columbia.

And then, no updates to report for WNP 1 and 4.

CHAIR DREW:  Thank you.

Columbia Solar Project. Ms. Kidder?

MS. KIDDER:  Thank you, Chair Drew.

Good afternoon, Chair Drew and Councilmembers.

For the record, my name is Ami Kidder. There are no updates to work done on the project at this time, and
unless there are any questions from the Council, I
will pass the floor to Ms. Bumpus.

    CHAIR DREW: Thank you.
    MS. BUMPUS: Good afternoon, Chair Drew
and Councilmembers. There are a couple of items in
your packet that I just wanted to point you to.
There's two letters from me to TUUSSO Energy regarding
the Columbia Solar Project, and then there are two
emails from Jason Evans to me providing a status
update on the project, in response to my letter in May
and my letter in July.

    So there's quite a bit of -- as you look at
those -- I am going to be referring to those as I
talk, but there's quite a bit of context and history
here, so I'm going to give you those details. And
then I also wanted to note that when we get to
discussion, Mr. Evans is here to answer questions
should the Council have any for him.

    So as I mentioned in my phone calls to
Councilmembers last week, in past months, EFSEC has
been in communication with TUUSSO Energy to resolve
billing issues which first began after Columbia Solar
Project invoice statements were distributed for the
first quarter.

    First quarter was for work that occurred July
through September of 2018. The Columbia Solar Project first quarter invoice was due on January 18, 2019, but it was not paid. The invoice for second quarter that followed was due March 1st, 2019, but was also not paid. As a result of that, on April 14th, I held a call with Mr. Evans from TUUSSO Energy to discuss the financial status of the project and TUUSSO's ability to make payments. The details related to that conversation are noted in that May 6th letter in your packets.

So following that correspondence in April, TUUSSO made a partial payment of $100,000, which was applied towards their most outstanding balance, which was from the first quarter, and then they also provided an update in the May 31st email that you have there from Mr. Evans. In that project update, they indicated that they needed to get additional funding, but that that was not expected until the end of July time frame.

So after some internal discussion, EFSEC provided a response letter to TUUSSO Energy, and that's the letter dated July 10th in your packets, in which EFSEC summarized the unpaid project balance at that time. That would have included third quarter billing by then, which was due on June 20th. And it
also requested that TUUSSO pay the project balance in full by August 15th, before this council meeting, and noted that the Council may consider suspension of the SCA for nonpayment -- SCA being Site Certification Agreement -- for nonpayment if no payment was made by that date.

So on July 15th, EFSEC received an email from Mr. Evans saying that they would aim to make that payment in August, but then when I spoke to Mr. Evans again prior to this council meeting, he indicated that they were not going to be able to do that. So this was on August 14th that we had that phone conversation.

So in light of the history of the billing that I have outlined here, the unpaid project balance that's still owing, which to date includes expenses from first, second, third, and now fourth quarter for fiscal year 2019, this totals approximately $264,067.78.

So with that said, pursuant to RCW 80.50.0713, if a certificate holder fails to make required payments within 30 days of receipt of a statement, the Council may suspend the certification. And that's why I have brought this to the Council and outlined these details. It is within the Council's power to suspend
a Site Certification Agreement when payments are, per
the statute, 30 days late, and in this case it's
been -- it's been several months.

The other thing I wanted to note is that if
the Council is going to take up this issue, and as you
talk about this issue, I have thought about some of
the terms of the SCA suspension, and what I mean by
that is terms of reinstatement, so what would be the
things that would be required of TUUSSO Energy to lift
the suspension, and these would be documented in an
order that Staff would prepare.

So if the Council doesn't have any questions
right now, I can go ahead and outline some of those
terms. I don't want to go too far, but I could share
those.

CHAIR DREW: Why don't we have Mr. Evans
come up.

MS. BUMPUS: Sure.

CHAIR DREW: And then I think there are
probably a couple of questions, and then we will
proceed after that.

MS. BUMPUS: Okay.

Mr. Stephenson?

MR. STEPHENSON: Thank you, Chair Drew.

I think the first question that I want to
ask -- and I have a few that I want to wait for
further information that you are going to present, but
the first question I want to ask is: Do we believe we
are going to get full restitution for the Staff costs
spent on this project, regardless of whether it goes
forward or not in the future?

MS. BUMPUS: Councilmember Stephenson,
that's to me?

MR. STEPHENSON: It's to both of you.

MS. BUMPUS: Well, Jason, would you like
to answer first? I can --

THE WITNESS: Well, if you want to...

MS. BUMPUS: Well, so I did just want to
mention that in my conversations with Mr. Evans
earlier this month, he did indicate that they were
continuing to seek funding for the project, and so
that's what I've been told.

If the balance is not paid, there would be a
time where the balance could be sent to collections,
and so that -- and that was something that was
mentioned in the July 10th letter that I sent to
TUUSSO, was that, you know, considering the Site
Certification Agreement suspensions, whether or not
that's passed, the effort for collections is also
another thing that we could pursue, so...
MR. STEPHENSON: So I maintain my support for the concept of this project. I hope it never gets to collections. That's what I'm trying to get at today.

CHAIR DREW: Mr. Evans, if you would also like to answer what -- perhaps, I think it would be good for the Council if you would just give your own perspective of the background and what you see in the future.

MR. EVANS: Yes. Jason Evans on behalf of TUUSSO Energy. Good afternoon, Chair Drew. Good afternoon, Councilmembers. I'm sorry to be here under these auspices and hope to be here again under better ones.

I think that Sonia laid out some of the issues we have encountered, and I think the emails that you have read, that I drafted, summarizing some of the issues we have encountered are complete, but I will attempt to add to them.

We entered into an agreement in early 2018 to sell the Columbia solar projects. As a company, we essentially put all of our eggs in one basket, committing all of our funding, as a company, to the Columbia solar projects prior to entering into that agreement to sell them, and as a result, we are in a
very low cash position.

The company we worked with then began to make all of the payments for development of the projects. They also paid us a development services fee for our continued work on the projects, and we hoped to see a successful development of the projects, and then we would get paid as a company from -- from the successful realization of the projects.

Unfortunately, for a variety of reasons, including the County's appeal of the SCA, and then some issues that we have encountered with Puget Sound Energy, which has denied the interconnection for two of the projects, at least at this point, leaving only three projects, the counterparty stopped funding -- did not terminate the agreement, but stopped funding the projects roughly in the December time frame. And we were unaware of the fact that they had made that decision to stop funding the projects. We assumed that they would continue to operate under the agreement we had with them, but they have not, and to this point they have not.

Unfortunately, they left us in this very uncomfortable position where they continued to encourage the development of the projects, and we spent five months -- four to five months developing
the projects under that agreement, without them making any payments under their agreement, and making payments on our behalf, for example, to EFSEC and other vendors.

They finally terminated the agreement on May 31st, and we have been searching ever since for a partner to take these projects forward. As you might be able to imagine, lining up funding has been more challenging than we expected, given the outstanding payables that are due right now, and given the nature of the breakup with this other party that had been working with us on these projects.

We are in discussions with a couple of different types of counterparties right now, a couple that would take over the projects, similar to the arrangement we had with the prior company, in addition to potential for funding the projects directly through TUUSSO Energy to construct them, and then ultimately exit them closer to commercial operation of the projects. I hope that helps.

We have interconnection agreements that it's important that we start moving on for the three projects that remain absolutely viable. And they would require that we really give notice to Puget Sound Energy by the November time frame that we are
going to be moving forward with the projects, and so
we see it as absolutely critical for the projects that
we have a party that will be working with us at that
point.

I don't have, unfortunately, any other
timelines to funding that I can share at this time.

MR. STEPHENSON: Chair Drew, can I
continue? Thank you.

So I hear that investors have dropped out, and
again, I'm supportive of the concept of this project.
Do you still have commitments from Puget Sound Energy
to move forward if this project continues?

MR. EVANS: Yes. Our power purchase
agreements are in place, in good standing with Puget
Sound Energy, our interconnection agreements that have
been tendered to us are still viable. I had a
conversation with Puget Sound Energy three weeks to a
month ago, and we talked a little bit about this same
sort of timeline and they were supportive, interested
to see the projects move forward.

MR. STEPHENSON: That's all for now.

CHAIR DREW: Just to follow up on that a
little bit. You said three of the five sites have
interconnection agreements. Do you foresee an ability
to get the other two in the future?
MR. EVANS: We hope so. We would like -- in order to do so, we would likely need to enter into, likely, an informal dispute resolution process with Puget Sound to secure the transmission capacities and bring the generation from those projects over to the west side, where most of the load is. That would be the next step in order to make those viable.

CHAIR DREW: Thank you.

Mr. Livingston?

MR. LIVINGSTON: Just one more follow-up to that. So if you don't get those two secured, what's the viability of the project overall?

MR. EVANS: Based on the three projects, which is actually what we have been discussing with each of the investors I have mentioned, it appears to continue to be viable. We can get just those three completed.

CHAIR DREW: Thank you.

Mr. Siemann, I know you are not here in person. I just want to make sure, if you have any questions, to ask.

MR. SIEMANN: Thank you, Chair Drew. The questions I had have already been asked, so thank you.
CHAIR DREW: Okay. Thank you.

Thank you.

And if you want to continue at this point, Ms. Bumpus.

MS. BUMPUS: Thank you, Chair Drew.

So I was mentioning that there would be an order. This is how we would document the suspension of the five Site Certification Agreements. I do think we would just do this in one order. It would outline the facts that I have outlined here about the situation with the billing and the balance and so forth.

And then for terms, I am recommending that we require that TUUSSO Energy settle the project balance in full before the suspension would be lifted. Also, that the certificate holders deposit $50,000, which they were required to provide to EFSEC and UTC when they began their application review process. We would apply that $50,000 towards that balance that I mentioned earlier.

And then for reinstatement, they would need to provide another deposit of $50,000. And this would be consistent with RCW 80.50.0712(a), where once an applicant has a Site Certification Agreement, we basically either credit the $50,000 for the
application review process back or we apply it towards something, and then there is a discussion with the certificate holder about either a $50,000 deposit or greater if that's agreed to.

So I do mention that because our statute says 50,000, but there have been cases in the past where the Council has determined a different amount, so I thought that would be good to note.

The other thing would be that this does not affect any of the other respective terms of the SCA. What I mean by that is the timeline for construction, those requirements would all stay the same. In other words, the deadlines for starting construction and operation, those can -- that clock continues to tick while they are in suspension status.

So those are a couple of the things that I wanted to recommend for the Council's consideration.

I'm happy to answer any questions.

CHAIR DREW: Mr. Stephenson?

MR. STEPHENSON: Thank you, Chair Drew.

Ms. Bumpus, I think that is a right course from a Council standpoint, of suspending the SCA temporarily until we can get better clarity and better permanence on this agreement and this project. I appreciate your thought of using the -- I'm using the
wrong term here, but deposit the $50,000 and then
re-establishing that again. I think that's good.

    I maintain -- I'm hoping this project can move
forward, but I don't want EFSEC Staff to spend more
time on a project that won't move forward. So I think
we are smart in looking to see, first of all, will the
project move forward, and then if it will, then we
move forward with it, not the other way, not waiting
and saying we're going farther into a negative
situation on cash, to help someone that may never come
forward. I believe it will come forward; I hope they
will.

    So that's what I'm thinking. I like this, in
terms of your overall strategy.

    And then the other thing I would ask is, I
would appreciate if the Council, even if -- sorry,
Chair Drew, this is your job -- but if the Council
could have a "yes, we're going again" on the Site
Certification Agreement. That could be an emergency
meeting, I could do it over the phone. I would be
happy to let Chair Drew be my proxy for this, but I
think the Council should say, yes, we want this to go
forward again, when we are sure that it will go
forward.

    CHAIR DREW: Ms. Bumpus has a response.
MS. BUMPUS: Thank you, Councilmember Stephenson. I appreciate those remarks.

And to that last point, there was another idea that I was just thinking of as you were talking, that -- that the order could also include a requirement that the certificate holder make a request of the Council, you know, basically requesting the lifting of the suspension. There could be, you know, maybe a project update at that -- at that time. Obviously, Staff would be in communication with them and we would know, but there -- there could be something a bit more formal, where they -- they request of the Council the action and come in and maybe give an update.

Is that sort of along the lines of...

MR. STEPHENSON: Yes, thank you. That would be fine. What I would like is for Council and/or the Chair to do that. I don't want this to be a Company-to-Staff agreement, unless that's explicit in what we do as a Council.

MS. BUMPUS: Understood.

CHAIR DREW: Anything else?

MR. LIVINGSTON: No. I would -- so I would agree to, in a future council meeting, have them come back and request reinstatement. I think
that's -- that makes the most sense to me.

CHAIR DREW: And we also have our legal
counsel on the phone. Mr. Thompson, do you want to
add anything to this conversation?

MR. THOMPSON: I don't think I have
anything to add, but certainly you could stipulate in
the -- in the order that it would be required for the
Company to come back and make a request to be
reinstated or to lift -- lift the suspension, however
you want to say that. So --

THE COURT REPORTER: I'm not hearing
this.

CHAIR DREW: Unfortunately, you are --
we are not hearing you very well. If you can say that
again. Appreciate it.

MR. THOMPSON: I was just saying we
certainly could have a provision in the suspension
order --

MS. BUMPUS: Jon, we are still having
trouble hearing you.

MR. THOMPSON: I'm sorry, I -- maybe you
can't hear me.

MS. BUMPUS: Say it again.

MR. THOMPSON: Hello? Hello? Can you
hear me?
MS. BUMPUS: That's a little better.

CHAIR DREW: Much better. Yes.

MR. THOMPSON: A little better?

I was just saying, you certainly could have a
provision in the suspension order that said that the
company needed to come back and request reinstatement
or lifting of the suspension.

That's all I had to add.

CHAIR DREW: So what I hear you saying
is that we could have in the stipulation order a
requirement that the company come back to the Council
to request reinstatement.

MR. THOMPSON: Yes, correct.

CHAIR DREW: Thank you.

And I -- you know, one thing I want to be
cautious about, because I do agree with that, is that
it doesn't have to be timed to one of our meetings,
because I think we don't want to spend any more time
doing it than is necessary to get things back on track
again.

So that's -- I think that that request could
come via email, we could set up an emergency meeting
in order to do that, it could be done via
teleconference or some other method. Because the one
thing I don't want to do is to cause any more delay
once we get to that point because I too am optimistic.

It's a good project, it's ready to go, and I think

that it is certainly in keeping with the type of

energy plan that we need for the state of Washington,

so -- certainly, according to the Governor's direction

and the Legislature's direction, so I do think that

that's critical as well.

MR. STEPHENSON: Chair Drew, I

completely agree and will make myself available on

short notice.

CHAIR DREW: Okay. We'll hold you to

that.

So I think what we would -- perhaps I would be
looking for at this point would be a motion from the
Council to direct the EFSEC chair and manager to --
and work with our legal counsel to draft and sign for
the -- let me try this again. To direct the manager
to draft an order to be signed by the chair that meets
these requirements that we have discussed.

Is that clear enough? And Jon Thompson --

Mr. Thompson, I am asking you if we need more than

that?

MR. THOMPSON: I think that gives

adequate direction to basically delegate to Staff and

the Chair to work out the finer details under the
terms discussed by the Council.

CHAIR DREW: Okay. This is adequate
direction he says, because our court reporter is still
having trouble hearing you.

MR. SIEMANN: Chair Drew?

CHAIR DREW: Yes.

MR. SIEMANN: This is Dan Siemann.

CHAIR DREW: Yes.

MR. SIEMANN: I just wanted to ask a
question, if I could.

CHAIR DREW: Please do.

MR. SIEMANN: There's a part of this
which involves costs and ensuring that the applicant
in this case is covering their full costs. And while
I also voted in favor of this project and still
support it, what I'm wondering about is, are they
actually, through this mechanism that we are
discussing, covering their full costs, including
the -- what might be considered additional costs
because of this situation, and wanted to be sure that
that was occurring, so that the costs that are being
incurred by EFSEC and Staff are not being distributed
to other parties that would be paying for this.

And there's another question in my mind.
Should there be some sort of penalty, some added costs
so that we don't create a situation in which this
becomes a desirable pathway for others who may not
want to be paying their dues when it is not
advantageous to them?

Those are two separate questions.

CHAIR DREW: Well, I think those are
valid questions. On -- in terms of paying the cost,
we, on the Staff side have -- with very minimal hours
put in by our manager, have not spent time on the
project, but I think both the development of this
order will be kept as and charged as a direct bill, as
part of the ongoing costs that would have to be
recovered. So in terms of any additional charges, we
would continue to, although very minimal, keep track
of that in order to make sure that -- that that was
covered.

And I hear what you are saying, so I would
like to hear the Council's thoughts on that. This is
a difficult situation, which, frankly, we haven't
faced before, so I guess I'm interested in --

MR. THOMPSON: And I'll just add one --
one other comment, which is that my concern here is
that this is [inaudible] before we have a policy for
it and so we are in some ways setting precedent and
it -- under these conditions it might look one way,
but under other conditions or other -- for another applicant under other situations it might look a different way, and I think that we just need to be careful about being consistent across all applicants under these -- whatever sort of conditions we are operating in here, so I just wanted to be thoughtful about that.

CHAIR DREW: I think that's an excellent suggestion, and what I would propose is that, because we are actually having difficulty hearing our legal counsel at this point, that we will consult with him. And I think perhaps we will lay out the reasons for the suspension, which are financial and have been established, and if we need more information, we will work with Mr. Evans and TUUSSO on that, but to specifically make it clear that it's not for any reason, but -- but specifically for this particular circumstance. Is that helpful?

MR. THOMPSON: Yes, if you're asking me.

CHAIR DREW: Yes. Yes, that's good to hear, if that's -- if that's along the lines that you think, because I do agree with you, I understand that, so -- and I think it's a very important point. So we will work with providing that, as part of the reason that we are moving forward with the suspension, is
specifically the -- the financial issues. And I don't
know quite the right words to use, but we'll work on
them.

Ms. Bumpus?

MS. BUMPUS: And, Chair Drew, certainly
in the order we would refer and cite to the
RCW 80.50.071, where it -- it explicitly states that
once bills are 30 days late, the Council can -- can
suspend.

CHAIR DREW: The additional issue is
that we wouldn't want somebody to not pay in order to
get suspended, but -- so there is a cause for this
beyond just not payment is -- the underlining cause is
what I'm getting to, the partner withdrawing, ending
their agreement.

MS. BUMPUS: Right. Well, and -- and
just to be clear, and I think -- I mean, I think that
the Council knows this, but that in suspending the
Site Certification Agreement, the impact of that is
that there is no work done on the project. So even
where they may have areas where they are ready to move
forward, or there is something that EFSEC Staff would
review, right now, if that comes in the door, we pick
that up and we work on it. With a suspension in
place, it ceases all work on the project, regardless
of how their status may change and being able to move forward.

CHAIR DREW: Okay. We're seeing nods, so I would say that there is agreement.

MR. STEPHENSON: Chair, would you still like a motion?

CHAIR DREW: Yes.

MR. STEPHENSON: Let me try this. And, Jon Thompson, please listen.

I will move that the Chair direct Staff to stop work and suspend the SCA for this project until the applicant comes to the Council with a proposal to resume.

I further move that we will do all we can to recover the costs that we have done so far, and that the -- that when the applicant comes back to us, that the Council will move rapidly, as rapidly as we can, to make a quick decision to resume the project.

CHAIR DREW: Sounds good.

MS. BREWSTER: I will second that motion.

CHAIR DREW: Discussion?

All those in favor say "aye."

COUNCILMEMBERS: Aye.

CHAIR DREW: Mr. Siemann, I didn't hear
you.

All those opposed?

Motion carries.

MR. SIEMANN: And for the record, this is Dan Siemann, I did say "aye."

CHAIR DREW: Aye. Mr. Siemann votes aye. Thank you.

Okay. We very much want success, and we certainly understand the situation and look forward to having that success come back and lift the suspension.

Moving on to the Desert Claim Project update.

Ms. Kidder?

MS. KIDDER: Thank you, Chair Drew.

EFSEC Staff continue to coordinate with Desert Claim. However, there are no updates on the project or the project schedule at this time.

Are there any questions?

CHAIR DREW: Okay. That -- is there anything else for the Council, Ms. Bumpus?

MS. BUMPUS: No, that's all I have.

CHAIR DREW: That completes our agenda, then. This meeting is adjourned.

(Adjourned at 2:35 p.m.)
CERTIFICATE

STATE OF WASHINGTON
COUNTY OF KING

I, Sherrilyn Smith, 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.

__________________________
SHERRILYN SMITH, CCR# 2097
# ENERGY FACILITY SITE EVALUATION COUNCIL

Roll Call Checklist  
Meeting Date: August 20, 2019 EFSEC Monthly Meeting

<table>
<thead>
<tr>
<th>State Agency Members</th>
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<tr>
<td><strong>Chair</strong></td>
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<td>Kathleen Drew</td>
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<td>Stacey Brewster</td>
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<td>Jon Thompson</td>
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<td>Stephanie Duvall</td>
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<td>Laura Chartoff</td>
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<td>☑ Sonia Bumpus</td>
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<td>☑ Ami Kidder</td>
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### Operational Updates

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<tr>
<th>Project/Company</th>
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<tr>
<td>Kittitas Valley Wind, EDP Renewables</td>
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<td>Wild Horse Wind Power Project, Puget Sound Energy</td>
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### In attendance

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<tr>
<td>1. Bill Sherman</td>
<td>Counsel for the Environment</td>
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<td>2. Tim Meyhre</td>
<td>Stoel Rives</td>
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<td>3. Kara Warner</td>
<td>Goldard</td>
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<td>4. Tim</td>
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<td>5. Scott Kuchner</td>
<td>PSE/Wildhwde</td>
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<td>6. Jeremy Smith</td>
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WASHINGTON STATE
ENERGY FACILITY SITE EVALUATION COUNCIL
Olympia, Washington
Tuesday, July 16, 2019
1:30 p.m.

MONTHLY COUNCIL MEETING
Verbatim Transcript of Proceedings

APPEARANCES

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

Assistant Attorney General:
STEPHANIE DUVALL

Council Staff:
SONIA BUMPUS
AMI KIDDER
KYLE OVERTON
TAMMY MASTRO
JASON AITKEN
PATTY BETTS
SCOTT LICHTENBERG

In Attendance:
ERIC MELBARDIS, EDP Renewables (via phone)
MARK MILLER, Chehalis Generation Facility
MARY RAMOS, Energy Northwest (via phone)

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

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

MS. MASTRO: Department of Commerce position is vacant.

MR. STEPHENSON: Cullen Stephenson, here.

MS. MASTRO: Department of Fish and Wildlife?

MR. LIVINGSTON: Mike Livingston, on the phone.

MS. MASTRO: Department of Natural Resources?

MR. SIEMANN: Dan Siemann is on the phone.

Utilities and Transportation Commission is excused.

MS. BREWSTER: Stacey Brewster is on the phone.

CHAIR DREW: She's -- oh, she's on the phone.

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

CHAIR DREW: Thank you.

Assistant Attorney General:
STEPHANIE DUVALL

Council Staff:
SONIA BUMPUS
AMI KIDDER
KYLE OVERTON
TAMMY MASTRO
JASON AITKEN
PATTY BETTS
SCOTT LICHTENBERG

In Attendance:
ERIC MELBARDIS, EDP Renewables (via phone)
MARK MILLER, Chehalis Generation Facility
MARY RAMOS, Energy Northwest (via phone)

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

CHAIR DREW: 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.

MS. RAMOS: Mary Ramos, Energy Northwest.

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
Verbatim Transcript of Monthly Council Meeting

Page 5

1 Staff table, it's difficult to hear the folks on the phone and we're also hearing a little bit of an echo.
2 MR. HENDERSON: The last one was clear, the last statement was clear.
3 MS. MASTRO: It was Eric Melbardis.
4 CHAIR DREW: Eric, you were clearer and we could hear better.
5 So I just ask for people to speak up. I'm going to ask Sonia to say a couple words here and tell me if there's an echo from hers because she has different mics.
6 MS. BUMPUS: I should just say a couple of words.
7 CHAIR DREW: Even I can hear an echo.
8 MS. AITKEN: I'm working on it.
9 CHAIR DREW: Okay. We will certainly provide that information back and hopefully we'll have it more fine-tuned by the next meeting. Fortunately I expect our meeting today to be pretty short, so we will go ahead.
10 Is there a motion to approve the agenda?
11 MR. STEPHENSON: Chair, I will move to approve the agenda.
12 CHAIR DREW: Second?
13 MR. LIVINGSTON: This is Mike Livingston, I will move to second that motion.
14 CHAIR DREW: Thank you, and you're coming in loud and clear now.
15 All in favor, say "aye."
16 COUNCILMEMBERS: Aye.
17 CHAIR DREW: Opposed? Agenda is adopted.
18 Yeah, I can hear the echo from me.
19 Oh, that's a good suggestion.
20 Okay. Next are the minutes. Is there a motion to approve the minutes?
21 MR. STEPHENSON: Chair, I move to approve the minutes.
22 CHAIR DREW: Second?
23 MR. MELBARDIS: Good afternoon, Chair Drew, Mr. Melbards.
24 EFSEC Council, and Staff. This is Eric Melbards with EDP Renewables for the Kittitas Valley Wind Power Project. For the reporting period covering the month of June, we have nothing nonroutine to report. I had also included with my operations report just a brief one-pager on the types of emergency drills that we run at Kittitas Valley. That was based on Ms. Diaz's great report about some of the emergency drills they were running.
25 With our audio issues, I don't know if you want me to walk through this or if the packet provided is enough, but I just did want to point out that we also, like Wild Horse, run drills. We have five annual drills that we run a year, including a bunch of scenarios that are somewhat tailored to our SCA. We have a fire, which includes office evacuation, medical emergency, tower evacuation drills, severe weather drills, and hazardous spill drills.
26 We don't have hazardous materials here, so we just treat that as an oil spill. And we also have drills with our contractors that are scenario-based and sometimes my corporate office springs drills on us as well. So we also train regularly on trying to learn how to expect the unexpected.
27 CHAIR DREW: Thank you. And thank you for that report, and it is -- you're coming in clearly.
28 From our end, we can hear you well, so thank you.
29 Any questions?
30 Okay. Moving on to the Wild Horse Wind...
Chair Drew: Thank you very much.

Mr. Miller: absolutely, we're working with the Department of archaeology and Historic preservation, the Army corps of Engineers, Cultural resources Program, and coordination with Desert Claim contractors, the U.S. Army Corps of Engineers, Cultural Resources Program, and the Department of Archaeology and Historic Preservation.

Chair Drew: Now we'll move to the "other" section. And, again, we have Ms. Kidder to give us an update on the Desert Claim Project, Ms. Kidder?

Ms. Kidder: Good afternoon, Chair Drew and Councilmembers. For the record, my name is Ami Kidder.

Chair Drew: Thank you very much.

Ms. Kidder: Are there any questions from Councilmembers?

Chair Drew: Okay. Thank you very much.

Ms. Kidder: Good afternoon, Chair Drew and Councilmembers. For the record, my name is Ami Kidder.

Chair Drew: Okay. Moving on to the Grays Harbor Energy Center?

Mr. Miller: Thank you. Moving on to the Grays Harbor Energy Center?

Chair Drew: Okay. Moving on to the Grays Harbor Energy Center?

Mr. Miller: Thank you. Moving on to the Grays Harbor Energy Center?

Chair Drew: Okay. Moving on to the Grays Harbor Energy Center?

Mr. Miller: Thank you. Moving on to the Grays Harbor Energy Center?

Chair Drew: Okay. Moving on to the Grays Harbor Energy Center?

Mr. Miller: Thank you. Moving on to the Grays Harbor Energy Center?
1. sections of WAC 173.

2. 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 period 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.

3. Are there any questions?

4. CHAIR DREW: Thank you very much.

5. And moving on to our final item, the first quarter cost allocations, Ms. Bumpus?

6. 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 nondirect 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.

7. 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.

8. CHAIR DREW: Are there any questions?

9. 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.)

Tayler Garlinghouse, CCR 3358

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

Go Green! Pay your invoice online @ payments.utc.wa.gov
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

Jason Evans
TUUSSO Energy, LLC
jason.evans@tuusso.com
Phone: 206.303.0198

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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,

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
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

Jason Evans
TUUSSO Energy, LLC
jason.evans@tuusso.com
THIS E-MAIL MESSAGE AND ANY ASSOCIATED ATTACHMENTS ARE CONFIDENTIAL AND ARE INTENDED ONLY FOR THE DESIGNATED RECIPIENTS. THE SENDER HEREBY ASKS ANY UNINTENDED RECIPIENTS TO REFRAIN FROM USING, DISSEMINATING, FORWARDING, COPYING, OR FURTHER REVIEWING THE MESSAGE. THE SENDER ALSO HEREBY ASKS ANY UNINTENDED RECIPIENTS TO NOTIFY THE SENDER OF RECEIPT AND TO DELETE THE MESSAGE AND ANY ASSOCIATED ATTACHMENTS. THANK YOU.
Washington State
Energy Facility Site Evaluation Council

REVISED AGENDA

MONTHLY MEETING
Tuesday August 20, 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
   - July 16, 2019
   Kathleen Drew, EFSEC Chair

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
   Kathleen Drew, EFSEC Chair

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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 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.
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.
Wild Horse Wind Facility
EFSEC – Monthly Compliance Report
July 2019

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
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.