

Verbatim Transcript of Monthly Council Meeting

Washington State Energy Facility Site Evaluation Council

August 20, 2019



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

MONTHLY COUNCIL MEETING
Verbatim Transcript of Proceedings

REPORTED BY: SHERRILYN SMITH, CCR# 2097

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A P P E A R A N C E S

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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1 LACEY, WASHINGTON: August 20, 2019

2 1:30 P.M.

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5 P R O C E E D I N G S

6
7 CHAIR DREW: Good afternoon. This is
8 Kathleen Drew, Chair of the Energy Facility Site
9 Evaluation Council. I am calling this meeting to
10 order.

11 Ms. Mastro, will you call the roll?

12 MS. MASTRO: Department of Commerce?

13 CHAIR DREW: Vacant.

14 MS. MASTRO: Department of Ecology?

15 MR. STEPHENSON: Cullen Stephenson,
16 here.

17 MS. MASTRO: Fish and Wildlife?

18 MR. LIVINGSTON: Mike Livingston, here.

19 MS. MASTRO: Department of Natural
20 Resources?

21 (Pause in the proceedings.)

22 MS. MASTRO: Utilities and
23 Transportation Commission?

24 MS. BREWSTER: Stacey Brewster, here.

25 MS. MASTRO: Chair, there is a quorum.

1 CHAIR DREW: Thank you.

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

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

8 CHAIR DREW: Thank you.

9 MR. SHERMAN: This is Bill Sherman, also
10 Assistant Attorney General, present as Counsel for the
11 Environment on the Columbia ~~Generating Station~~ Solar case.

12 CHAIR DREW: Thank you.

13 MR. McMAHAN: Tim McMahan with Stoel --

14 MS. WARNER: Hi, everyone, this --

15 CHAIR DREW: Tim, go ahead.

16 MR. McMAHAN: Tim McMahan, Stoel Rives
17 law firm.

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

20 MR. MELBARDIS: Eric Melbardis, EDP
21 Renewables, Kittitas Valley Wind.

22 CHAIR DREW: Thank you.

23 MS. DIAZ: Jennifer Diaz, Puget Sound
24 Energy, Wild Horse Wind Facility.

25 MR. LICHTENBERG: Scott Lichtenberg,

1 Wild Horse Wind Facility.

2 MS. RAMOS: Mary Ramos, Energy

3 Northwest.

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

6 CHAIR DREW: Thank you.

7 So moving on to the proposed agenda. You have
8 that in front of you, Councilmembers. Is there a
9 motion to adopt the agenda?

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

12 MR. LIVINGSTON: I will second that.

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

15 COUNCILMEMBERS: Aye.

16 CHAIR DREW: Opposed?

17 The agenda is adopted.

18 And now to the meeting minutes from July 16th.
19 Is there a motion to adopt those meeting minutes?

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

22 MR. STEPHENSON: I will second.

23 CHAIR DREW: Is there any discussion or
24 connections?

25 Hearing none, all those in favor of adopting

1 the meeting minutes, please say "aye."

2 COUNCILMEMBERS: Aye.

3 CHAIR DREW: The minutes are adopted.

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

8 MR. SIEMANN: It's very clear.

9 Thank you.

10 CHAIR DREW: Okay. Thank you.

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

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

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

20 The only nonroutine item to report from
21 Kittitas Valley was a safety incident. We had an OSHA
22 recordable that occurred over the reporting period.
23 An employee was driving some fence posts to repair
24 some fencing along the county road in some of the DNR
25 property and struck his head with the fence post

1 driver tool, requiring stitches. He was back to work
2 the same day, so no lost time, but I would report
3 that.

4 CHAIR DREW: Okay. Any questions?
5 Thank you.

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

12 CHAIR DREW: Yes.

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

18 CHAIR DREW: Please do.

19 MR. MELBARDIS: Okay.

20 The Kittitas Valley Wind Power Project
21 successfully survived the Taylor Bridge fire of August
22 2012. The fire burned through around 90 percent of
23 our 6,000-acre project with no damage to the
24 equipment. There have also been two other wildfires
25 on the project, which were roughly 200 acres each in

1 size, and they also did not cause damage to our
2 property or equipment. None of these fires were
3 started by turbine equipment failures, nor were they
4 started by any wind farm-related activity.

5 Over the past nine years, the project has
6 experienced a few isolated turbine equipment failures
7 that resulted in thermal events or heat excursions,
8 but they were small electrical shorts that were
9 contained within the tower. When we get an alarm via
10 email and text message that we recognize has the
11 potential to be a thermal event, our protocol is to
12 rapidly mobilize to the turbine, day or night, for
13 evaluation, contact 911 and local fire response, if
14 necessary. We have done this in the past as a
15 precaution, but they were not needed and quickly
16 demobilized.

17 We cover and tape off the vents on the doors
18 at the base of the tower to minimize any chimney
19 effect. Site management is contacted with situation
20 reports and we escalate as necessary. We open the
21 switch on our pad-mounted transformer at the base of
22 the towers to cut all electrical power to the turbine.
23 We then ready fire extinguishers and start a fire
24 watch around the perimeter of the turbine pad.

25 Additional steps that would be taken in the

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

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

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.

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

1 they were low on oil, they can start to overheat, and
2 then that metal-on-metal can overheat to a point where
3 it becomes so hot that the seals burst, and then the
4 hot oil can catch fire.

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

12 So, yeah, I would say it's probably
13 electrical, either from overheating or the generator
14 or a gearbox.

15 MR. SIEMANN: If I might just follow up,
16 and I appreciate that. My thinking is -- and I think
17 your statistic was -- from the 2015 report was 1 in
18 7,000 wind turbines catch fire. As we put more in and
19 as climate change leads to dryer, hotter conditions,
20 and more fire supportive conditions, we are going to,
21 I think, come to a point where these are more
22 common -- perhaps not common, but certainly more
23 likely. The risk will certainly enhance. And so
24 while I'm not suggesting that we need to take action
25 now, I just wanted to flag that as something to keep

1 in mind as we go forward with these.

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

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

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

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

25 CHAIR DREW: Everything we can do to

1 prevent that, so that's great. I appreciate your
2 report. Thank you for sharing that.

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

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

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

10 CHAIR DREW: We can. Thank you.

11 MS. DIAZ: Okay.

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

21 This was basically an informational meeting.
22 There were no actions -- no items that required formal
23 actions or recommendations from the TAC for the
24 Council's consideration. And that's all I have to
25 report for the month of July.

1 CHAIR DREW: Thank you.

2 Any questions?

3 Go ahead, Mr. Stephenson.

4 MR. STEPHENSON: Thank you, Chair Drew.

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

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

13 MR. MELBARDIS: Yeah. Go ahead,
14 Jennifer.

15 MS. DIAZ: Okay.

16 So Wild Horse is actually located in
17 shrub-steppe habitat, which has a history of burning
18 historically for hundreds of years. It's a pretty
19 regular occurrence in shrub-steppe habitat. Within
20 the wind farm specifically, we are not that concerned
21 with wildfires. We do have a fire services agreement
22 with Kittitas County Fire District No. 2, who responds
23 to any wildfires in any way. We have not had a
24 wildfire at Wild Horse since inception. However, we
25 have had wildfires surrounding the property, most of

1 which were either man-made or from lightning strikes.

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

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

23 We have our fire services agreement with Fire
24 District 1. We also, during development of the
25 project, purchased -- I'm not sure exactly what type

1 of truck we purchased for them, if it was a brush fire
2 truck or a regular truck, but I think we spent
3 \$250,000 on a vehicle for them. We have heard
4 similar, that our roads and the way we maintain the
5 roads and keep them clear is very helpful to this area
6 for reasons of firebreaks. And also, the past couple
7 fires that have broken out, fire response teams were
8 able to get deeper in via our access roads than they
9 normally would have.

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

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

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

1 CHAIR DREW: Mr. Livingston?

2 MR. LIVINGSTON: Yeah, I have a --

3 CHAIR DREW: Mr. Livingston?

4 MR. LIVINGSTON: Thank you, Chair. I

5 have a question for Jennifer Diaz.

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

12 MS. DIAZ: So specifically for the
13 sage-grouse habitat restoration area, which is that
14 10-acre piece located in the pines, so that area was
15 fenced off and we have been completing weed control
16 activities, as well as restoration in the riparian
17 area, to hold water in that drainage longer. We have
18 seen a significant improvement in the height of
19 grasses and -- as well as an increase in forbs
20 availability and the different forbs. We do have one
21 more year of monitoring to complete before the final
22 results are compiled, but it is trending toward much
23 improvement in that area.

24 Overall, on the wind facility, we have seen an
25 improvement in the habitat, and I think primarily

1 because of the way we are currently managing grazing
2 on the facility. It's more sustainable grazing, less
3 grazing, light -- light grazing, and rotation --
4 rotational grazing that's implemented through the Wild
5 Horse Coordinated Resource Management Group.

6 MR. LIVINGSTON: That's great to hear.

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

9 MR. LIVINGSTON: Well, that was going to
10 be my -- that was going to be my follow-up question,
11 is if there's any -- been recent detections of
12 sage-grouse out there.

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

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

25 MR. LIVINGSTON: Thank you.

1 CHAIR DREW: Okay. Thank you.

2 Moving on to Chehalis Generation Facility.

3 Mr. Miller -- oh, Jeremy.

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

6 MR. SMITH: Thank you, Chair Drew.

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

10 Is it on? Here we go.

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

18 Is there any questions?

19 CHAIR DREW: Are there any questions?

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

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

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

10 MR. SMITH: Absolutely. Thank you.

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

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

15 MULTIPLE SPEAKERS: Green is on.

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

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

24 Thank you.

25 CHAIR DREW: Thank you.

1 Are there any questions?

2 Thank you.

3 Moving on to Columbia Generating Station.

4 Ms. Ramos?

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

18 There is no additional updates for Columbia.

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

20 CHAIR DREW: Thank you.

21 Columbia Solar Project. Ms. Kidder?

22 MS. KIDDER: Thank you, Chair Drew.

23 Good afternoon, Chair Drew and Councilmembers.

24 For the record, my name is Ami Kidder. There are no
25 updates to work done on the project at this time, and

1 unless there are any questions from the Council, I
2 will pass the floor to Ms. Bumpus.

3 CHAIR DREW: Thank you.

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

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

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

25 First quarter was for work that occurred July

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

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

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

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...

1 MR. STEPHENSON: So I maintain my
2 support for the concept of this project. I hope it
3 never gets to collections. That's what I'm trying to
4 get at today.

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

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

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

20 We entered into an agreement in early 2018 to
21 sell the Columbia solar projects. As a company, we
22 essentially put all of our eggs in one basket,
23 committing all of our funding, as a company, to the
24 Columbia solar projects prior to entering into that
25 agreement to sell them, and as a result, we are in a

1 very low cash position.

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

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

22 Unfortunately, they left us in this very
23 uncomfortable position where they continued to
24 encourage the development of the projects, and we
25 spent five months -- four to five months developing

1 the projects under that agreement, without them making
2 any payments under their agreement, and making
3 payments on our behalf, for example, to EFSEC and
4 other vendors.

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

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

21 We have interconnection agreements that it's
22 important that we start moving on for the three
23 projects that remain absolutely viable. And they
24 would require that we really give notice to Puget
25 Sound Energy by the November time frame that we are

1 going to be moving forward with the projects, and so
2 we see it as absolutely critical for the projects that
3 we have a party that will be working with us at that
4 point.

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

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

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

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

21 MR. STEPHENSON: That's all for now.

22 CHAIR DREW: Just to follow up on that a
23 little bit. You said three of the five sites have
24 interconnection agreements. Do you foresee an ability
25 to get the other two in the future?

1 MR. EVANS: We hope so. We would
2 like -- in order to do so, we would likely need to
3 enter into, likely, an informal dispute resolution
4 process with Puget Sound to secure the transmission
5 capacities and bring the generation from those
6 projects over to the west side, where most of the load
7 is. That would be the next step in order to make
8 those viable.

9 CHAIR DREW: Thank you.

10 Mr. Livingston?

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

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

19 CHAIR DREW: Thank you.

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

23 MR. SIEMANN: Thank you, Chair Drew.

24 The questions I had have already been asked,
25 so thank you.

1 CHAIR DREW: Okay. Thank you.

2 Thank you.

3 And if you want to continue at this point,

4 Ms. Bumpus.

5 MS. BUMPUS: Thank you, Chair Drew.

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

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

21 And then for reinstatement, they would need to
22 provide another deposit of \$50,000. And this would be
23 consistent with RCW 80.50.0712(a), where once an
24 applicant has a Site Certification Agreement, we
25 basically either credit the \$50,000 for the

1 application review process back or we apply it towards
2 something, and then there is a discussion with the
3 certificate holder about either a \$50,000 deposit or
4 greater if that's agreed to.

5 So I do mention that because our statute says
6 50,000, but there have been cases in the past where
7 the Council has determined a different amount, so I
8 thought that would be good to note.

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

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

18 I'm happy to answer any questions.

19 CHAIR DREW: Mr. Stephenson?

20 MR. STEPHENSON: Thank you, Chair Drew.

21 Ms. Bumpus, I think that is a right course
22 from a Council standpoint, of suspending the SCA
23 temporarily until we can get better clarity and better
24 permanence on this agreement and this project. I
25 appreciate your thought of using the -- I'm using the

1 wrong term here, but deposit the \$50,000 and then
2 re-establishing that again. I think that's good.

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

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

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

25 CHAIR DREW: Ms. Bumpus has a response.

1 MS. BUMPUS: Thank you, Councilmember
2 Stephenson. I appreciate those remarks.

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

15 Is that sort of along the lines of...

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

21 MS. BUMPUS: Understood.

22 CHAIR DREW: Anything else?

23 MR. LIVINGSTON: No. I would -- so I
24 would agree to, in a future council meeting, have them
25 come back and request reinstatement. I think

1 that's -- that makes the most sense to me.

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

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

11 THE COURT REPORTER: I'm not hearing
12 this.

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

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

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

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

23 MS. BUMPUS: Say it again.

24 MR. THOMPSON: Hello? Hello? Can you
25 hear me?

1 MS. BUMPUS: That's a little better.

2 CHAIR DREW: Much better. Yes.

3 MR. THOMPSON: A little better?

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

8 That's all I had to add.

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

13 MR. THOMPSON: Yes, correct.

14 CHAIR DREW: Thank you.

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

21 So that's -- I think that that request could
22 come via email, we could set up an emergency meeting
23 in order to do that, it could be done via
24 teleconference or some other method. Because the one
25 thing I don't want to do is to cause any more delay

1 once we get to that point because I too am optimistic.
2 It's a good project, it's ready to go, and I think
3 that it is certainly in keeping with the type of
4 energy plan that we need for the state of Washington,
5 so -- certainly, according to the Governor's direction
6 and the Legislature's direction, so I do think that
7 that's critical as well.

8 MR. STEPHENSON: Chair Drew, I
9 completely agree and will make myself available on
10 short notice.

11 CHAIR DREW: Okay. We'll hold you to
12 that.

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

20 Is that clear enough? And Jon Thompson --
21 Mr. Thompson, I am asking you if we need more than
22 that?

23 MR. THOMPSON: I think that gives
24 adequate direction to basically delegate to Staff and
25 the Chair to work out the finer details under the

1 terms discussed by the Council.

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

5 MR. SIEMANN: Chair Drew?

6 CHAIR DREW: Yes.

7 MR. SIEMANN: This is Dan Siemann.

8 CHAIR DREW: Yes.

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

11 CHAIR DREW: Please do.

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

24 And there's another question in my mind.

25 Should there be some sort of penalty, some added costs

1 so that we don't create a situation in which this
2 becomes a desirable pathway for others who may not
3 want to be paying their dues when it is not
4 advantageous to them?

5 Those are two separate questions.

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

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

21 MR. THOMPSON: And I'll just add one --
22 one other comment, which is that my concern here is
23 that this is [inaudible] before we have a policy for
24 it and so we are in some ways setting precedent and
25 it -- under these conditions it might look one way,

1 but under other conditions or other -- for another
2 applicant under other situations it might look a
3 different way, and I think that we just need to be
4 careful about being consistent across all applicants
5 under these -- whatever sort of conditions we are
6 operating in here, so I just wanted to be thoughtful
7 about that.

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

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

20 CHAIR DREW: Yes. Yes, that's good to
21 hear, if that's -- if that's along the lines that you
22 think, because I do agree with you, I understand that,
23 so -- and I think it's a very important point. So we
24 will work with providing that, as part of the reason
25 that we are moving forward with the suspension, is

1 specifically the -- the financial issues. And I don't
2 know quite the right words to use, but we'll work on
3 them.

4 Ms. Bumpus?

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

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

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

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

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

C E R T I F I C A T E

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

State Agency Members

Chair

Kathleen Drew ☒ Present ☐ Call

Commerce

Vacant ☐ Present ☐ Call

Ecology

Cullen Stephenson ☒ Present ☐ Call

Fish and Wildlife

Mike Livingston ☒ Present ☐ Call

Natural Resources

Dan Siemann ☐ Present ☒ Call

Utilities & Transportation Commission

Stacey Brewster ☒ Present ☐ Call

Assistant Attorney General

Jon Thompson ☐ Present ☒ Call

Stephanie Duvall ☐ Present ☐ Call

Administrative Law Judge

Laura Chartoff ☐ Present ☐ Call

Council Staff

<input checked="" type="checkbox"/> Sonia Bumpus	<input checked="" type="checkbox"/> Joan Aitken
<input checked="" type="checkbox"/> Ami Kidder	<input type="checkbox"/> Patty Betts
<input type="checkbox"/> Amy Moon	<input checked="" type="checkbox"/> Stew Henderson
<input checked="" type="checkbox"/> Kyle Overton	
<input checked="" type="checkbox"/> Tammy Mastro	

Court Reporter: _____

Operational Updates

	Present	Call
Kittitas Valley Wind, EDP Renewables Eric Melbardis	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Wild Horse Wind Power Project, Puget Sound Energy Jennifer Diaz	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Grays Harbor Energy Center, Grays Harbor Energy Chris Sherin	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Chehalis Generation Facility, PacifiCorp Mark Miller	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Columbia Generating Station & WNP-1/4, Energy Northwest Mary Ramos	<input type="checkbox"/>	<input checked="" type="checkbox"/>

In attendance

	Present	Call
1. <u>Bill Sherman</u> Org: <u>Counsel for the Environment</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
2. <u>Tim McManan</u> Org: <u>Stoel Rives</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3. <u>Kara Warner</u> Org: <u>Golder</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
4. <u>Tim</u> Org: _____	<input type="checkbox"/>	<input type="checkbox"/>
5. <u>Scott Litchenberg</u> Org: <u>PSE/wildhorse</u>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. <u>Jeremy Smith</u> Org: <u>Chehalis Generation</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. _____ Org: _____	<input type="checkbox"/>	<input type="checkbox"/>
8. _____ Org: _____	<input type="checkbox"/>	<input type="checkbox"/>
9. _____ Org: _____	<input type="checkbox"/>	<input type="checkbox"/>
10. _____ Org: _____	<input type="checkbox"/>	<input type="checkbox"/>

Verbatim Transcript of Monthly Council Meeting

Washington State Energy Facility Site Evaluation Council

July 16, 2019



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email: info@buellrealtime.com



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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, July 16, 2019</p> <p>9 1:30 p.m.</p> <p>10</p> <p>11</p> <p>12</p> <p>13 MONTHLY COUNCIL MEETING</p> <p>14 Verbatim Transcript of Proceedings</p> <p>15</p> <p>16</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24 DATE TAKEN: JULY 16, 2019</p> <p>25 REPORTED BY: TAYLER GARLINGHOUSE, CCR 3358</p>	<p>1 LACEY, WASHINGTON; JULY 16, 2019</p> <p>2 1:30 P.M.</p> <p>3 --o0o--</p> <p>4 P R O C E E D I N G S</p> <p>5</p> <p>6 CHAIR DREW: Good afternoon. This is</p> <p>7 Kathleen Drew, Chair of the Energy Facility Site</p> <p>8 Evaluation Council and our meeting is open. I would</p> <p>9 like to have the call to order.</p> <p>10 Ms. Mastro?</p> <p>11 MS. MASTRO: Department of Commerce position</p> <p>12 is vacant.</p> <p>13 Department of Ecology?</p> <p>14 MR. STEPHENSON: Cullen Stephenson, here.</p> <p>15 MS. MASTRO: Department of Fish and</p> <p>16 Wildlife?</p> <p>17 MR. LIVINGSTON: Mike Livingston, on the</p> <p>18 phone.</p> <p>19 MS. MASTRO: Department of Natural</p> <p>20 Resources?</p> <p>21 MR. SIEMANN: Dan Siemann is on the phone.</p> <p>22 MS. MASTRO: Utilities and Transportation</p> <p>23 Commission is excused.</p> <p>24 MS. BREWSTER: Stacey Brewster is on the</p> <p>25 phone.</p>
Page 2	Page 4
<p>1 A P P E A R A N C E S</p> <p>2</p> <p>3 Councilmembers:</p> <p>4 KATHLEEN DREW, Chair</p> <p>5 CULLEN STEPHENSON, Department of Ecology</p> <p>6 STACEY BREWSTER, Utilities & Transportation Commission</p> <p>7 (via phone)</p> <p>8 MIKE LIVINGSTON, Fish & Wildlife (via phone)</p> <p>9 DAN SIEMANN, Department of Natural Resources (via phone)</p> <p>10</p> <p>11 Assistant Attorney General:</p> <p>12 STEPHANIE DUVALL</p> <p>13</p> <p>14 Council Staff:</p> <p>15 SONIA BUMPUS</p> <p>16 AMI KIDDER</p> <p>17 KYLE OVERTON</p> <p>18 TAMMY MASTRO</p> <p>19 JAON AITKEN</p> <p>20 PATTY BETTS</p> <p>21 STEW HENDERSON</p> <p>22</p> <p>23 In Attendance:</p> <p>24 ERIC MELBARDIS, EDP Renewables (via phone)</p> <p>25 SCOTT LICHTENBERG, PSE (via phone)</p> <p>MARK MILLER, Chehalis Generation Facility</p> <p>MARY RAMOS, Energy Northwest (via phone)</p> <p>*****</p>	<p>1 CHAIR DREW: She's -- oh, she's on the</p> <p>2 phone.</p> <p>3 MS. MASTRO: Sorry. Chair, there is a</p> <p>4 quorum.</p> <p>5 CHAIR DREW: Thank you.</p> <p>6 Is there anyone else who is on the line who</p> <p>7 would like to introduce themselves?</p> <p>8 Okay. As we --</p> <p>9 MR. MELBARDIS: Eric Melbardis with EDP</p> <p>10 Renewables, Kittitas Valley Wind Power Project.</p> <p>11 CHAIR DREW: Thank you.</p> <p>12 MR. LICHTENBERG: Scott Lichtenberg with</p> <p>13 Puget Sound Energy, Wild Horse project.</p> <p>14 CHAIR DREW: Okay.</p> <p>15 MS. RAMOS: Mary Ramos, Energy Northwest.</p> <p>16 CHAIR DREW: Okay. The sound is very</p> <p>17 difficult to hear from those on the phone. Is there</p> <p>18 anything we can -- we are in our new hearing room and</p> <p>19 are checking the audio here. We've checked it before,</p> <p>20 but I can barely hear it. Can anyone at the Staff table</p> <p>21 hear?</p> <p>22 MR. LIVINGSTON: Chair Drew, there's quite</p> <p>23 an echo when you're speaking as well.</p> <p>24 CHAIR DREW: Thank you.</p> <p>25 MS. BUMPUS: We're -- we're -- here at the</p>

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<p>1 Staff table, it's difficult to hear the folks on the 2 phone and we're also hearing a little bit of an echo. 3 MR. HENDERSON: The last one was clear, the 4 last statement was clear. 5 MS. MASTRO: It was Eric Melbardis. 6 CHAIR DREW: Eric, you were clearer and we 7 could hear better. 8 So I just ask for people to speak up. I'm 9 going to ask Sonia to say a couple words here and tell 10 me if there's an echo from hers because she has 11 different mics. 12 MS. BUMPUS: I should just say a couple of 13 words. 14 CHAIR DREW: Even I can hear an echo. 15 MS. AITKEN: I'm working on it. 16 CHAIR DREW: Okay. We will certainly 17 provide that information back and hopefully we'll have 18 it more fine-tuned by the next meeting. Fortunately I 19 expect our meeting today to be pretty short, so we will 20 go ahead. 21 Is there a motion to approve the agenda? 22 MR. STEPHENSON: Chair, I will move to 23 approve the agenda. 24 CHAIR DREW: Second? 25 MR. LIVINGSTON: This is Mike Livingston, I</p>	<p>1 included with my operations report just a brief 2 one-pager on the types of emergency drills that we run 3 at Kittitas Valley. That was based on Ms. Diaz's great 4 report about some of the emergency drills they were 5 running. 6 With our audio issues, I don't know if you 7 want me to walk through this or if the packet provided 8 is enough, but I just did want to point out that we 9 also, like Wild Horse, run drills. We have five annual 10 drills that we run a year, including a bunch of 11 scenarios that are somewhat tailored to our SCA. We 12 have a fire, which includes office evacuation, medical 13 emergency, tower evacuation drills, severe weather 14 drills, and hazardous spill drills. 15 We don't have hazardous materials here, so 16 we just treat that as an oil spill. And we also have 17 drills with our contractors that are scenario-based and 18 sometimes my corporate office springs drills on us as 19 well. So we also train regularly on trying to learn how 20 to expect the unexpected. 21 CHAIR DREW: Thank you. And thank you for 22 that report, and it is -- you're coming in clearly. 23 From our end, we can hear you well, so thank you. 24 Any questions? 25 Okay. Moving on to the Wild Horse Wind</p>
Page 6	Page 8
<p>1 will move to second that motion. 2 CHAIR DREW: Thank you, and you're coming in 3 loud and clear now. 4 All in favor, say "aye." 5 COUNCILMEMBERS: Aye. 6 CHAIR DREW: Opposed? Agenda is adopted. 7 Yeah, I can hear the echo from me. 8 Oh, that's a good suggestion. 9 Okay. Next are the minutes. Is there a 10 motion to approve the minutes? 11 MR. STEPHENSON: Chair, I move to approve 12 the minutes. 13 CHAIR DREW: Second? 14 MS. BREWSTER: I'll second. 15 CHAIR DREW: Thank you. 16 All in favor? 17 COUNCILMEMBERS: Aye. 18 CHAIR DREW: Opposed? Minutes are adopted. 19 Okay. Let's move on to our project reports. 20 Up first, Kittitas Valley Wind Project, Mr. Melbardis? 21 MR. MELBARDIS: Good afternoon, Chair Drew, 22 EFSEC Council, and Staff. This is Eric Melbardis with 23 EDP Renewables for the Kittitas Valley Wind Power 24 Project. For the reporting period covering the month of 25 June, we have nothing nonroutine to report. I had also</p>	<p>1 Power Project. 2 MR. LICHTENBERG: Yes, thank you, Chair Drew 3 and Councilmembers and Staff. My name is Scott 4 Lichtenberg. I'm the plant manager at Wild Horse Wind 5 Facility for Puget Sound Energy, and I'm happy to report 6 for the month of June we had nothing nonroutine to 7 report. 8 CHAIR DREW: Great. Thank you very much. 9 And with us in person, we have Mr. Miller 10 for the Chehalis Generation Facility. 11 And may I ask if the echo has been resolved 12 from my microphone for those who are listening on the 13 phone? 14 UNIDENTIFIED SPEAKER: It's much better now. 15 CHAIR DREW: Thank you. 16 MR. MILLER: Good afternoon, Chair Drew and 17 Councilmembers and Staff. I'm Mark Miller, the plant 18 manager at the PacifiCorp Chehalis Generation Facility. 19 I have one nonroutine comment. At the April council 20 meeting, I noted that the Chehalis plant had completed 21 the required Annual Relative Accuracy test audit of 22 continuous emission monitors for each of the combustion 23 turbines during the month of March. 24 Earlier this month, we discovered a 25 discrepancy in those testing results, and we've been</p>

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<p>1 working with EFSEC Staff to resolve any current concerns 2 or issues. That's all I have at the moment. Are there 3 any questions? 4 CHAIR DREW: So you'll be continuing to look 5 into that and reporting to Staff? 6 MR. MILLER: Absolutely. We're working with 7 Mr. Overton right now and met with him yesterday and 8 we'll respond as it's required. 9 CHAIR DREW: Okay. Thank you. 10 Mr. Overton? 11 MR. OVERTON: This is Kyle Overton. 12 CHAIR DREW: I think you'll probably have to 13 get a little closer to the mic there. 14 MR. OVERTON: Kyle Overton, and in addition 15 to that, we should have an update on -- on the testing 16 results for the August meeting. 17 In addition, the planning for the upcoming 18 tour is about complete and the Council should be 19 receiving information shortly on the logistics for that. 20 CHAIR DREW: Okay. And that will be in the 21 morning of our August meeting. We are looking -- 22 MR. MILLER: And we are looking forward to 23 the visit by the Council and any interested members of 24 the public. 25 CHAIR DREW: Thank you very much.</p>	<p>1 requesting additional information regarding our NPDES 2 Permit renewal application. And we have provided the 3 response to those questions on June 24th. 4 And then on June 25th, EFSEC and Washington 5 Department of Ecology staff visited Columbia Generating 6 Station to inspect the facility's new dechlorination 7 chemical feed project. During the visit, Ecology 8 requested copies of the contracts that Energy Northwest 9 had in place with GE Betz Incorporated. And we have 10 submitted copies of those contract documents as of July 11 1st. 12 And then the last topic I have to report is 13 regarding our fire marshal reinspection. On June 24th, 14 the State Fire Marshal Office and EFSEC Staff conducted 15 a fire and life safety reinspection of Columbia 16 Generating Station. And during the closeout meeting on 17 the same day, the Deputy State Fire Marshal confirmed 18 that all open items, which are not being appealed, have 19 been accepted and will be closed out. I have no updates 20 to report for WNP-1/4. 21 CHAIR DREW: Thank you. 22 Are there any questions from Councilmembers? 23 Okay. Thank you very much. 24 Columbia Solar Project, Ms. Kidder? 25 MS. KIDDER: Good afternoon, Chair Drew and</p>
Page 10	Page 12
<p>1 MR. MILLER: Thank you. 2 CHAIR DREW: Okay. Moving on to the Grays 3 Harbor Energy Center? 4 MR. OVERTON: This is Kyle Overton again. 5 Mr. Sherin was unable to attend this meeting. His 6 report indicated there was no -- nothing nonroutine to 7 report. The -- his full report is in the packet. And 8 as of July 1st, the NPDES Permit has been issued and is 9 effective and, again, there was no deviations for the 10 month of June. 11 CHAIR DREW: And we also had a tour that 12 many members of the Staff and -- I think we had three 13 Councilmembers who attended as well. So that was very 14 informative. That was in June. Thank you. 15 Columbia Generating Station? 16 MS. RAMOS: Good afternoon, Chair Drew, 17 Councilmembers, and Staff. This is Mary Ramos reporting 18 for Energy Northwest. For Columbia Generating Station, 19 I have three topics to report. One is regarding our 20 refuelling and maintenance outage. Columbia Generating 21 Station connected to the grid on June 21st, marking the 22 end of the 24th refuelling and maintenance outage. 23 And then the next topic I would like to 24 provide an update on is regarding our NPDES Permit. On 25 June 10th, Energy Northwest received a letter from EFSEC</p>	<p>1 Councilmembers. For the record, my name is Ami Kidder. 2 There are no updates at this time for the Columbia Solar 3 Project. 4 CHAIR DREW: Okay. Desert Claim? 5 MS. KIDDER: Thank you. For the Desert 6 Claim Project, EFSEC Staff continues to review the 7 cultural resources monitoring and mitigation plan in 8 coordination with Desert Claim Contractors, the U.S. 9 Army Corps of Engineers, Cultural Resources Program, and 10 the Department of Archaeology and Historic Preservation. 11 Plan submittal and EFSEC approval is a requirement of 12 the Site Certification Agreement. 13 CHAIR DREW: Okay. Thank you. 14 MS. KIDDER: Are there any questions on 15 that? 16 CHAIR DREW: Thank you. 17 MS. KIDDER: Thank you. 18 CHAIR DREW: Now we'll move to the "other" 19 section. And, again, we have Ms. Kidder to give us an 20 Air Rule update. 21 MS. KIDDER: Thank you, Chair Drew. I'd 22 like to give a brief update on where we are in the 23 rulemaking process. The notice was filed on May 22nd to 24 revise the Washington Administrative Code, or WAC, 25 463-78 to adopt the current language of applicable</p>

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<p>1 sections of WAC 173.</p> <p>2 We are currently within a public comment</p> <p>3 period that extends through July 20th, which is this</p> <p>4 Saturday. We have received no public comments nor do we</p> <p>5 anticipate any as the applicable sections of WAC 173</p> <p>6 have already been through the public comment period</p> <p>7 process through the Department of Ecology. Should those</p> <p>8 comments be received, Staff will file a form CR-103</p> <p>9 signed by Chairwoman Drew, which will initiate a 30-day</p> <p>10 waiting period until the updates to WAC 463-78 become</p> <p>11 effective.</p> <p>12 Are there any questions?</p> <p>13 CHAIR DREW: Thank you very much.</p> <p>14 And moving on to our final item, the first</p> <p>15 quarter cost allocations, Ms. Bumpus?</p> <p>16 MS. BUMPUS: Thank you. For the record,</p> <p>17 this is Sonia Bumpus. Good afternoon, Chair Drew and</p> <p>18 Councilmembers. As we do at the beginning of each</p> <p>19 quarter, we calculate EFSEC's nondirect cost allocations</p> <p>20 for the quarter. These allocations are the percentages</p> <p>21 that are charged to each of the different projects that</p> <p>22 EFSEC regulates. We review the Staff's technical work</p> <p>23 that has been done in past quarters and the work</p> <p>24 anticipated ahead. The percentages on the green sheet</p> <p>25 in your Council packets show what the different</p>	<p>1</p> <p>2 CERTIFICATE</p> <p>3</p> <p>4 STATE OF WASHINGTON</p> <p>5 COUNTY OF THURSTON</p> <p>6</p> <p>7 I, Tayler Garlinghouse, a Certified Shorthand</p> <p>8 Reporter in and for the State of Washington, do hereby</p> <p>9 certify that the foregoing transcript is true and</p> <p>10 accurate to the best of my knowledge, skill and ability.</p> <p>11</p> <p>12</p> <p>13</p> <p>14</p> <p>15 _____</p> <p>16 Tayler Garlinghouse, CCR 3358</p> <p>17</p> <p>18</p> <p>19</p> <p>20</p> <p>21</p> <p>22</p> <p>23</p> <p>24</p> <p>25</p>
Page 14	
<p>1 percentages expected are for the first quarter. I'll go</p> <p>2 ahead and read off the percentages, and these run from</p> <p>3 July 1, 2019, to September 30th, 2019.</p> <p>4 For Kittitas Valley Wind Power Project, 10</p> <p>5 percent; Wild Horse Wind Power Project, 10 percent;</p> <p>6 Columbia Generating Station, 25 percent; Columbia Solar,</p> <p>7 13 percent; WNP-1, 3 percent; Whistling Ridge Energy</p> <p>8 Project, 3 percent; Grays Harbor 1 & 2, 13 percent;</p> <p>9 Chehalis Generation Project, 11 percent; Desert Claim</p> <p>10 Wind Power Project, 9 percent; and Grays Harbor Energy 3</p> <p>11 & 4, 3 percent.</p> <p>12 CHAIR DREW: Are there any questions?</p> <p>13 Thank you. Hearing none, I think that's all</p> <p>14 that we had to come before us. Councilmembers, please</p> <p>15 plan on being here the morning of our August meeting.</p> <p>16 Of course I don't have the date in front of me, but we</p> <p>17 will then have the tour of the Chehalis Generation</p> <p>18 Facility and then come back to our meeting here at 1:30.</p> <p>19 So thank you all for your participation and</p> <p>20 thank you. This is our first trial of our audio system,</p> <p>21 so we will continue to tweak it. Appreciate all your</p> <p>22 participation. The meeting's adjourned.</p> <p>23 (Adjourned at 1:46 p.m.)</p> <p>24</p> <p>25</p>	



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

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

Project Billing Summary	Amount	Total
<i>Project: 5546-01 (Columbia Solar)</i>		
Advance Amount on Retainer	\$ 50,000	
Advance Amount Not Invoiced Prior	\$ -	
Current Balance of Advance	<u>\$ 50,000</u>	
Current Period Expenses by Category		
Salaries	\$ 41,648.18	
Benefits	\$ 14,628.96	
Contracts	\$ 4,972.04	
Rent	\$ 2,958.39	
Utilities	\$ 408.18	
Training	\$ -	
Travel	\$ 254.00	
Office Supplies	\$ 34.32	
Communications	\$ 208.80	
Printing (Including Copier Lease)	\$ 180.23	
State Services	\$ 18,041.21	
Office Equipment	\$ -	
Other Goods & Services	\$ -	
Indirect Rate (30% of Sal/Ben)	\$ 16,597.62	
Amount to Replenish Advance Above	\$ -	
Total		<u><u>\$ 99,931.93</u></u>

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

Invoice No.:	PROJECT	ACCOUNT SUMMARY
5124-1	5546-01 (Columbia Solar)	Previous Balance \$ 172,378.89
Due Date:	STATEMENT DATE	Current Expenses \$ 99,931.93
3/1/2019	1/29/2019	Late Payment Fees \$ -
For Period of:	CUSTOMER SERVICE CALL	Payments \$ -
October - December 2018	AMOUNT DUE	ACCOUNT BALANCE \$ 272,310.82
	\$272,310.82	

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

Aitken, Joan (UTC)

To: Bumpus, Sonia (UTC)
Subject: RE: Update on Columbia Solar Projects

From: Jason Evans [<mailto:jason.evans@tuusso.com>]
Sent: Friday, May 31, 2019 2:10 PM
To: Bumpus, Sonia (UTC) <sonia.bumpus@utc.wa.gov>
Cc: Owen Hurd <owen.hurd@tuusso.com>
Subject: Re: Update on Columbia Solar Projects

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

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.



STATE OF WASHINGTON

ENERGY FACILITY SITE EVALUATION COUNCIL

PO Box 43172 • Olympia, Washington 98504-3172

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,

A handwritten signature in blue ink, appearing to read 'Sonia E. Bumpus', with a long horizontal flourish extending to the right.

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

Aitken, Joan (UTC)

To: Bumpus, Sonia (UTC)
Subject: RE: Re: Project update for Columbia Solar Projects

From: Jason Evans <jason.evans@tuusso.com>
Date: July 15, 2019 at 8:50:24 PM PDT
Subject: Re: Project update for Columbia Solar Projects
To: Bumpus, Sonia (UTC) <sonia.bumpus@utc.wa.gov>

Sonia,

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

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

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

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

Best regards,
Jason

Jason Evans
TUUSSO Energy, LLC
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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 Kathleen Drew, EFSEC Chair
 - July 16, 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
 - 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

**Energy Northwest
August 20, 2019 EFSEC Council Meeting
Operations Reporting Period for July 2019**

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



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

Washington Energy Facility Site Evaluation Council

08.12.2019

Safety:

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

Environment:

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

Operations and Maintenance Activities:

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

Regulatory/Compliance:

- Nothing to report this period.

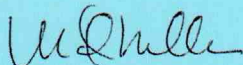
Sound monitoring:

- Nothing to report this period.

Carbon Offset Mitigation:

- Nothing to report this period.

Respectfully,



Mark A. Miller
Manager, Gas Plant
Chehalis Generation Facility

EFSEC Monthly Operational Report Grays Harbor Energy Center

July 2019

Safety and Training

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

Environmental & Compliance

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

Operations & Maintenance

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

Noise and/or Odor

- None.

Site Visits

- None.

Other

- None.