WASHINGTON STATE
ENERGY FACILITY SITE EVALUATION COUNCIL
Lacey, Washington
Tuesday, December 17, 2019
1:32 p.m.

MONTHLY COUNCIL MEETING
Verbatim Transcript of Proceedings

REPORTED BY: SHERRILYN SMITH, CCR# 2097
Buell Realtime Reporting, LLC
1325 Fourth Avenue
Suite 1840
Seattle, Washington 98101
206.287.9066 | Seattle
360.534.9066 | Olympia
800.846.6989 | National
www.buellrealtime.com
APPEARANCES

Councilmembers:

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

Assistant Attorney General:

STEPHANIE DUVALL

Council Staff:

SONIA BUMPUS
AMI KIDDER
AMY MOON
KYLE OVERTON
TAMMY MASTRO
JOAN AITKEN

In Attendance:

JENNIFER DIAZ, Wild Horse Wind Power, PSE (via phone)
CHRIS SHERIN, Grays Harbor Energy
MARK MILLER, Chehalis Generating Station
TIM McMAHAN, Stole Rives (via phone)
HALEY OLSON, Puget Sound Energy

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LACEY, WASHINGTON: DECEMBER 17, 2019

1:32 P.M.

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PROCEEDINGS

CHAIR DREW: Good afternoon. This is Kathleen Drew, Chair of the Energy Facility Site Evaluation Council. Our December meeting is called to order.

Ms. Mastro, will you call the roll.

MS. MASTRO: Department of Ecology?

MR. STEPHENSON: Cullen Stephenson, here.

MS. MASTRO: Department of Fish and Wildlife?

MR. LIVINGSTON: This is Mike Livingston on the phone.

MS. MASTRO: Department of Natural Resources?

MR. SIEMANN: Dan Siemann is on the phone.

MS. MASTRO: Utilities and Transportation Commission?

MS. BREWSTER: Stacey Brewster, here.
MS. MASTRO: Chair, there is a quorum.

CHAIR DREW: Thank you.

Moving on to the proposed agenda. You have that before you. Is there a motion to adopt the proposed agenda?

MR. STEPHENSON: I will so move.

MS. BREWSTER: I will second the motion.

CHAIR DREW: Thank you.

Are there any questions or changes?

If not, all those in favor of adopting this proposed agenda, please say "aye."

THE COUNCILMEMBERS: Aye.

CHAIR DREW: Nay?

The agenda is adopted.

Before I got on, I would like to ask if there is anyone else on the phone who wants to introduce themselves at this point?

MR. McMAHON: Tim McMahon with Stoel Rives.

MS. DIAZ: Jennifer Diaz, Puget Sound Energy.

MS. OLSON: Haley Olson, Puget Sound Energy.

CHAIR DREW: Okay. Thank you.

Moving on to the meeting minutes. We have two
meetings, both the November 19th meeting and then the special meeting on November 25th. So we will start with the approval of the November 19th minutes. Is there a motion to put that before us?

MR. STEPHENSON: I will move to approve the minutes.

CHAIR DREW: Of November 19th?

MR. STEPHENSON: Of November 19th.

CHAIR DREW: Thank you.

MS. BREWSTER: I will second the motion.

CHAIR DREW: Thank you.

Are there any questions or changes that anyone would like to suggest?

Hearing none, the minutes of the November 19th council meeting are before us for approval. All those in favor signify my saying "aye."

THE COUNCILMEMBERS: Aye.

CHAIR DREW: The minutes are approved for November 19th.

Moving on to the November 25th special meeting. Would you like to put a motion out?

MR. STEPHENSON: Chair, I will move to approve the minutes from November 25th.

MS. BREWSTER: I will second the motion.

CHAIR DREW: Thank you.
Are there any questions or edits on the November 25th special meeting minutes?

If not, all those in favor of adopting those minutes please say "aye."

THE COUNCILMEMBERS:  Aye.

CHAIR DREW:  The minutes are adopted.

Moving on to our Kittitas Valley Wind Project operational update, Mr. Melbardis.

Oh, he is not here.

MR. OVERTON:  This is Kyle Overton, the site specialist with EFSEC for Kittitas Valley.

Mr. Melbardis was unable to attend today. He wanted me to report that there was no new nonroutine items at his facility for this month.

CHAIR DREW:  Thank you.

Wild Horse Wind Power Project, Ms. Diaz.

MS. DIAZ:  Thank you, Chair Drew, and Councilmembers. For the record, this is Jennifer Diaz with Puget Sound Energy at the Wild Horse Wind Facility. I have two nonroutine updates for the month of November.

The Kittitas County fire marshal conducted the annual Fire Life and Safety inspection on November 18th. No violations were identified.

And then the United States Fish and Wildlife
Service issued a five-year Eagle Incidental Take Permit for Wild Horse on November 5th. This is the first Eagle Incidental Take Permit issued by the Service in Washington State. The permit requires that PSE implement avoidance and minimization measures, compensatory mitigation, and eagle fatality monitoring during the 5-year permit term. The Tack (ph) was notified via email of the permit issuance on December 13th.

CHAIR DREW: Thank you.

Are there any --

MS. DIAZ: That's all I have.

CHAIR DREW: Are there any questions?

Thank you. And you did I know share that permit with us as it was going through the process, so we appreciate that. Thank you.

MS. DIAZ: Thank you.

CHAIR DREW: Chehalis Generation Facility, Mr. Miller.

MR. MILLER: Good afternoon, Chair Drew, Councilmembers and Staff. I'm Mark Miller, the plant manager at the PacifiCorp Chehalis Generation Facility. I have two nonroutine comments to add today.

On Monday, the 28th of November 2019, the
Chehalis plant notified EFSEC Staff of one of the combustion turbines, Combustion Turbine No. 2, that experienced deviation. We followed up with a final report on November 25th, and we received on the 10th of December a closeout from EFSEC, noting that the plant had met the requirements of the operating permit.

I also wanted to note that US EPA Region 10 issued a written report summarizing their visit that was conducted in September. The report noted that the Chehalis Generation Facility was compliant with the applicable pretreatment requirements Steam Electric Generating Effluent Guidelines.

Also, I have a couple typos in my report there. You might wonder at the bottom of the page what VFR is. I am referencing the Consolidated Federal Register. Not VFR, it's CFR. So a few typos.

That's all I have. Were there any questions?

CHAIR DREW: Thank you.

Are there any questions?

MR. MILLER: All right. Thank you.

CHAIR DREW: Thank you very much.

Moving on to Desert Claim Project update,

Ms. Moon.

MS. MOON: Good afternoon, Council,
Chair Drew, and Councilmembers. For the record, this is Amy Moon, and I am providing an update for Desert Claim Project.

The current construction target date is 2021. EFSEC is expecting plan submittal and review by late 2020 or early 2021.

CHAIR DREW: Okay. Any questions?

MR. STEPHENSON: Yes.

CHAIR DREW: Mr. Stephenson.

MR. STEPHENSON: Thanks, Chair Drew.

Amy, is that enough time between getting the plans and doing everything, and having you have everything you need to say, yes, go, and construction?

MS. MOON: Well, we are working with them now to ensure that they submit them in a timely manner so that we do have enough time to review. Of course, it's not 100 percent predictable, but they won't be able to begin construction without review and approval of required plans.

MR. STEPHENSON: Thank you.

CHAIR DREW: Okay. Moving on to WNP-1/4, also -- and Columbia Generating Station, also Ms. Moon.

MS. MOON: All right. Thank you,

Chair Drew.
Energy Northwest submitted their facility updates for WNP-1/4 and Columbia Generating Station. They are included in the Council packet. There are no updates to report for either facility.

CHAIR DREW: Okay.

Columbia Solar Project, the Operational Update, Ms. Kidder.

MS. KIDDER: Thank you.

Good afternoon, Chair Drew and Councilmembers.

For the record, my name is Ami Kidder. I have a brief update for you on the Columbia Solar Project.

December 6th, 2019, Order No. 878 reinstating the Columbia Solar Site Certification Agreements became effective. EFSEC Staff have resumed coordination with the certificate holder and our contractors on preconstruction activity for the project. Staff will continue to update the Council as preconstruction activity moves forward and the certificate holder completes requirements indicated in both the mitigated determination of nonsignificance and the site certification agreements.

Are there any questions?

CHAIR DREW: Questions?

Thank you.

Grays Harbor Energy Center project update,
Mr. Sherin. That should be operational update.

MR. SHERIN: Good afternoon, Chair Drew,
Councilmembers. I'm Chris Sherin, plant manager of
Grays Harbor Energy Center. For the month of
November, we -- I don't have any nonroutine items to
report.

CHAIR DREW: Thank you.

And then to discuss the Title V Air Permit,

Mr. Overton.

MR. OVERTON: This is Kyle Overton
with -- EFSEC site specialist for Grays Harbor. In
regards to the Title V Air Permit, I have -- this
right up here provides the context, the Draft Title V
Air Operating Permit and the associated Technical
Support Document was provided to Council on
December 11th, 2019, for their review.

The permit is in response to Federal and State
Clean Air regulations which require -- which were
triggered due to Grays Harbor Energy being an energy
production facility and the facility's potential to
emit several regulated air pollutants at or above
major source thresholds as defined in regulation.

Grays Harbor Energy Facility is currently and
will remain operating under the Prevention of
Significant Deterioration Air Permit, Amendment 4,
which was issued by the Council and signed on
July 12th, 2018. The PSD is required for new major
sources of air emissions prior to beginning operation.

   The AOP is a master document required by
Title V with the Clean Air Act, which lists all of the
air pollution requirements that apply to the Grays
Harbor Energy Facility and incorporates the thresholds
and monitoring requirements identified in that PSD.

   After beginning operation, Grays Harbor Energy
Facility submitted a complete application for their
operating permit in 2009. During this review, the
need to amend the then-current PSD air permit was
identified, which effectively put the air operating
permit process on hold until that amendment for the
PSD was completed.

   After the PSD amendment was finalized, a draft
air permit was completed and is before you today. The
proposed air operating permit was drafted primarily by
EFSEC contractor Mark Goodin with the Olympic Clean
Air Agency, in conjunction with EFSEC Staff
contractors and Facility input.

   The next step in the process is the need to
provide opportunity for public engagement via a 30-day
public comment period. Depending on comments
received, this -- data, further public hearing,
however, the public hearing is not anticipated at this time.

So barring the need for that public hearing, the next step after the 30-day comment period is to forward on the proposed permit to the EPA for a 45-day review, as required by WAC 173-401-810.

At this time, EFSEC Staff would like to request that the Council will make a preliminary determination to approve the proposed permit documents for public comment, which will allow Staff to move forward with the 30-day public comment period, as required by WAC 173-401-820. This is adopted by reference in EFSEC's rules, WAC 463-78-005.

Any questions?

CHAIR DREW: So, Mr. Overton, is it true that to operate a facility such as Grays Harbor Energy Center, they are required to have both a PSD and an air operating permit?

MR. OVERTON: Correct.

CHAIR DREW: And the air operating permit covers some of the same issues, if not --

MR. OVERTON: The air operating permit incorporates all the air requirements that Grays Harbor is subject to, including the PSD requirements.

CHAIR DREW: Okay. So the PSD is a
subset.

And there are no new issues or anything of that sort. This is part of the process that the Facility has to go through in order to have the appropriate permits?

MR. OVERTON: Correct. There is no new thresholds or reporting requirements that arise from the AOP currently.

CHAIR DREW: Thank you.

Are there questions? Mr. Stephenson.

MR. STEPHENSON: Thanks, Chair Drew.

Kyle, my only concern is putting it out for 30 days. If we do that, that puts 30 days right over the holidays. Is there any way to get around that or is 30 days enough to take that into consideration and get a good, robust chance for people to look at the documents?

MR. OVERTON: The 30-day requirement was -- is laid out in the regulation. Judging from the previous air permit, the most recent PSD, we received no comments on that at all, and considering that this doesn't have any new requirements or -- or regulations on the facility, we don't really anticipate much public engagement. But during that time period, the public has the opportunity to request
that public hearing if that is needed.

    CHAIR DREW: Or an extension, if that were to come up. And then it is followed by a 45-day public hearing from the EPA as well.

    MR. OVERTON: EPA review, correct.

    CHAIR DREW: Sure. Go ahead.

    MR. STEPHENSON: And the public notice for that goes to?

    MR. OVERTON: I believe the EFSEC manager is going to comment on that.

    MS. BUMPUS: Councilmember Stephenson, you are asking who receives the public notice for the public comment period?

    MR. STEPHENSON: Yes, who receives it, and then how do we get that out? What media do we use?

    MS. BUMPUS: Well, we have -- EFSEC maintains an interested persons list of people who regularly get notifications about any activities that EFSEC undertakes, so council meetings, things like that. And then we also maintain a project mailing list and contact list for specific facilities, where people have notified us that they are following that project and activities related to it and they want to be notified of any activities related to it.
So those are the contacts that we reach out to, including agencies like the EPA and other State agencies, tribes, things like that. So we have a very large, comprehensive list of entities that are notified.

We are also planning to put the notice in the newspaper as well, and Ms. Kidder can speak to which newspaper it will be, but we are also going to include it in the -- in the newspaper.

MS. KIDDER: Thank you.

So historically for this facility, we have run notices in both the local newspaper, I’m afraid the name eludes me at this time, but the one local to the facility, as well as The Olympian. The notice will also will be published on the EFSEC website per WAC 173.

MR. STEPHENSON: Great. Thank you.

CHAIR DREW: Thank you.

So we have had a chance to review both the permit and the technical document. At this point, I would be interested in a motion to put this permit out for public comment for 30 days.

MR. STEPHENSON: Chair, I will move that Council directs Staff to put this permit out for public comment for 30 days.
MS. BREWSTER: I will second the motion.

CHAIR DREW: Are there any other questions? Discussion?

Hearing none, all those in favor signify by saying "aye."

THE COUNCILMEMBERS: Aye.

CHAIR DREW: The motion is approved.

Thank you.

Moving on to our revised second quarter cost allocation, Ms. Bumpus.

MS. BUMPUS: Thank you.

Good afternoon, Chair Drew and Councilmembers.

Before I cover the revised cost allocation, I just wanted to make note that we are preparing our schedule for EFSEC council meetings for the next year, in 2020.

There are two months where we are looking at different dates, other than the third Tuesday of the month.

And so I just wanted to make sure everyone is aware that we are planning to have the January council meeting at 10:00 a.m. on the 14th of January. I think Ms. Aitken has reached out to councilmembers about their availability for that. And then for February, I believe we are looking at February 11th for the February council meeting.

We will let you know if any of this changes,
but other than that, we will keep you apprised of anything that changes later in the year.

CHAIR DREW: Thank you.

MS. BUMPUS: So going back to the nondirect cost allocation, Ms. Kidder has already discussed that Order No. 8784, Columbia Solar reinstated the site certification agreements for that project, and consequently I have updated the nondirect cost allocation starting with the effective date of the reinstatement of the SCAs, December 6th, through to the end of the second quarter for Fiscal Year 2020, which is December 30th, 2019.

So I will now go through the percentages as they are starting December 6th. 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 and 2, 13 percent; Chehalis Generation Project, 11 percent; Desert Claim Wind Power Project, 9 percent; and Grays Harbor Energy 3 and 4, 3 percent.

CHAIR DREW: Are there any questions?

MS. BUMPUS: Thank you.

CHAIR DREW: Hearing none, that concludes our business for today. And wish everyone a
happy holiday season and we will see you in the new year. Meeting is adjourned.

(Adjourned at 1:53 p.m.)
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.

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SHERRILYN SMITH, CCR# 2097