

APPENDIX K

Initial Site Restoration Plan

K-1 Preface

This document provides an initial plan for restoration of the Starbuck Power Project (SPP) generation plant site at the conclusion of the plant's operating life. This plan also includes provisions for restoration of the site should plant construction be stopped prior to startup of the plant. These plans are provided as part of the Application for Site Certification (ASC) pursuant to the requirements of *Washington Administrative Code* (WAC) 463-42-655 and WAC 463-42-675.

This document is organized as follows:

- Introduction
- Assumptions
- Financial Assurance
- Restoration Plan upon the Permanent Cessation of Construction of the Starbuck Power Plant
- Restoration Plan upon the Permanent Cessation of Operations of the Starbuck Power Plant

K-2 Introduction

The generation plant site is about 6 miles northwest of the Town of Starbuck, in Columbia County, Washington. State Route 261 (SR-261), a two-lane highway, is adjacent to the southwest side of the property, and a Union Pacific Railroad rail line passes southwest of the highway. The Columbia Cooperative Grain Growers grain elevator is adjacent to the southeast boundary of the site. The closest residence is approximately 1 mile away (at the Lyons Ferry marina). A complete description of SPP is provided in Section 2 of the ASC. The location of the plant is shown in Figure 2.2-3 of Section 2.

The site is at the top of a steep bluff of the Snake River, approximately 170 feet above normal river elevation and approximately 350 feet back from the shoreline, between Little Goose Dam and Lower Monumental Dam. Although much of the site has been used for grazing in the past, it is currently zoned for industrial use.

As shown in Figure 2.2-3, two 500-kilovolt (kV) transmission lines cross the approximate center of the property. The generation plant will be constructed on the portion of the property southeast of those lines. The terrain in the area of the generation plant site slopes generally to the south, away from the river.

K-3 Assumptions

The useful life of the generation plant is estimated to be approximately 30 years from the commencement of commercial operation. With proper equipment maintenance and periodic upgrades, a longer actual useful life is anticipated. It is therefore difficult to determine a time frame within which site restoration would occur. For this reason, the following assumptions have been made in preparing this Initial Site Restoration Plan:

- Any future use of the site will be an industrial activity consistent with the planned industrial uses currently described in the Columbia County Comprehensive Plan. For that reason, when the term “restoration” is used in this plan, the working assumption is that any restoration will facilitate use of the site by a future industrial user.
- Demolition or removal of the equipment and facilities erected as part of the generation plant will occur to the extent necessary to meet applicable present and future environmental and health regulations, to salvage economically recoverable materials, and to recycle the site for future beneficial use by a future industrial user.
- Infrastructure, foundations, or buildings that may be usable for future industrial or commercial users may remain at the site if so requested by the future owner of the site, and if so provided for by the Final Site Restoration Plan (to be submitted pursuant to WAC 463-42-675).
- This Initial Site Restoration Plan does not anticipate removal of the electric substation or switchyard for the generation plant, because the Bonneville Power Administration (BPA) will own and operate these facilities. It is likely that the substation and switchyard will serve other industrial facilities in the immediate area.
- This Initial Site Restoration Plan does not anticipate removal of the water pipeline alternative that, if constructed, would connect the generation plant to the Town of Starbuck water supply system. It is likely that this system eventually could serve other municipal users in the immediate area.
- This Initial Site Restoration Plan does not anticipate removal of the gas lateral connecting the Gas Transmission-Northwest (GTN) mainline to the generation plant, because the gas lateral GTN will be owned and operated by GTN and is under the jurisdiction of the Federal Energy Regulatory Commission (FERC). This facility likely will serve other industrial facilities in the immediate area.

This Initial Site Restoration Plan identifies, evaluates, and proposes a methodology to resolve major environmental and public health and safety issues currently anticipated in connection with site restoration.

K-4 Financial Assurance

Incident to this Initial Site Restoration Plan, Starbuck Power Company, L.L.C. (SPC) will provide, before construction begins, a corporate guarantee or letter of credit in the amount of \$5 million to secure SPC obligations upon permanent cessation of plant construction or operation under this plan. This guarantee will remain in effect until the fund described in the following paragraph reaches \$5 million (in 2001 dollars). Failure to deliver the

assurances specified in this paragraph and the following paragraph shall be deemed a breach of the Site Certification Agreement.

Starting with the sixth year of commercial operation, SPC will establish a retirement fund and begin making commitments to the fund in the amount of \$250,000 per annum (or more if SPC chooses), in the form of a letter of credit, cash, or other financial instrument acceptable to the Energy Facility Site Evaluation Council (EFSEC) (“annual commitments”). The terms of the security and identity of the issuer of a letter of credit will be subject to EFSEC approval, for which approval will not be unreasonably withheld. Such annual commitments will continue until the total security in the retirement fund reaches \$5 million (in 2001 dollars) – in no event later than 25 years from the date of commercial operation. The calculation of 2001 dollars will be made using the U.S. Gross Domestic Product Deflator for Total Non-Residential Fixed Investment, as published by the U.S. Department of Commerce, Bureau of Economic Analysis, or any successor agency (“the index”). After the security in the fund reaches \$5 million (in 2001 dollars), the fund will increase annually by the percentage increase in the index. If at any time the index is no longer published, EFSEC will select a comparable calculation of 2001 dollars. In the event the security in the retirement fund is less than \$5 million (in 2001 dollars) at the time SPC notifies EFSEC of its intent to retire the facility, the annual commitments to the retirement fund will be adjusted so as to ensure that the total security in the fund is \$5 million (in 2001 dollars) at the time of retirement.

K-5 Restoration Plan upon the Permanent Cessation of Construction of the Starbuck Power Project

SPC will do or commence the following within 7 business days of making a determination to permanently terminate construction of the generation plant:

- Report to EFSEC the permanent cessation of plant construction.
- Secure the site from unauthorized entry, post the site with “No Trespassing” signs, and post the site with an emergency contact name and phone number.
- Remove or secure in place any hazardous materials, and stabilize any open construction areas, including any trenching or buildings under construction.
- Remove and dispose of any nonsalvageable materials.
- Refill or secure any open pits, manholes, or other depressions, regrade the site to a level contour, and stabilize any spoil piles.
- Notify the Washington State Patrol, the Columbia County Sheriff’s Department, and the Town of Starbuck or local police and fire departments of the permanent cessation of plant construction, and the aforementioned emergency contact information.

SPC will do the following after giving notice to EFSEC of the permanent cessation of plant construction:

- Within 30 days, engage a third-party consultant to prepare a conceptual plan, a cost estimate, and a proposed schedule for restoration of the site, consistent with the elements that WAC 463-42-675 requires to be addressed.

- Within 6 months, submit a Construction Phase Site Restoration Plan (the “Construction Phase Plan”) for EFSEC review. The Construction Phase Plan will incorporate the recommendations of the third-party consultant and will provide for restoration of the site consistent with the elements that WAC 463-42-675 requires to be addressed.
- Within 6 months, contract with a financially responsible third party for execution of the Construction Phase Plan. This financially responsible third party is likely to be the construction contractor for the generation plant. As such, the construction contractor is obligated, under the terms of its contract with SPC, to undertake the maintenance of the site during any period of suspension of plant construction.
- During any period of suspension that is reasonably likely to lead up to a permanent termination of plant construction, SPC will cause its construction contractor to conduct an audit of the records of construction operations to determine whether any release has occurred of any hazardous or dangerous materials (as defined under applicable state or federal law or regulation, that is, cleaning/maintenance fluids or materials, lubricating oils, fuels, gases, or solvents). If, during the audit, a release of toxic or hazardous substance to the soils at the site or groundwater is discovered, such a release will be reported as necessary and remediated by the construction contractor, pursuant to the provisions of its contract for plant construction.
- Equipment that has been delivered to the site will be removed by SPC for sale or reuse incident to the report of the third-party consultant noted above, unless SPC decides to allow the equipment to remain at the site incident to the Construction Phase Plan.

K-6 Restoration Plan upon the Permanent Cessation of Operations of the Starbuck Power Project

Upon the permanent cessation of generation plant operations, SPC will do the following within 7 business days:

- Report to EFSEC the permanent cessation of plant operations.
- Secure the site from unauthorized entry, post the site with “No Trespassing” signs, and post the site with an emergency contact name and phone number.
- Remove or secure in place any hazardous materials.
- Notify the Washington State Patrol, the Columbia County Sheriff’s Department, and the Town of Starbuck or local police and fire departments of the permanent cessation of plant construction, and the aforementioned emergency contact information.

SPC will do the following within 12 months from giving of notice to EFSEC of the permanent cessation of plant operations:

- Submit a Final Site Restoration Plan (the “Operations Phase Plan”) for EFSEC review. The plan will address the requirements of WAC 463-42-655 in detail commensurate with the time until site restoration is to begin.

- At a minimum, the plan will include the proposed level of site restoration for determination by EFSEC, pursuant to WAC 463-42-680, which will include an evaluation of restoration alternatives, and an evaluation of the feasibility of reuse of the site for industrial and nonindustrial purposes, taking into consideration factors of cost (both direct and opportunity costs), public health and safety, environmental protection, compatibility with local land use regulations, and compliance with applicable regulations.
- Develop a critical path schedule for the proposed site restoration, with a division of responsibility for the various elements of site restoration, and periodic updates of the schedule.
- Develop a plan for monitoring by EFSEC or its designee of the various elements of the site restoration.
- Develop a budget for the proposed site restoration that provides for adequate assurances of the funding of the cost of site restoration.
- Develop a plan for the removal of salvageable and nonsalvageable equipment and materials at the site, to the extent such removal is necessitated by the proposed level of site restoration.

Solely for purposes of the Operations Phase Plan, the term "restoration costs" will be deemed to provide for consideration of the following:

- The amount of development that has occurred on the site
- The steps necessary for returning the site to productive use in the shortest possible time with the maximum benefit to the local community, Town of Starbuck, or Columbia County, as the case may be
- The potential opportunity costs and benefits associated with causing the site to be returned to an industrial use as opposed to a nonindustrial use

The restoration costs may include all direct and indirect costs associated with site restoration.

Solely for purposes of the Operations Phase Plan, the term "public health and safety" will be deemed to mean protecting the public from demonstrable hazards at the site directly attributable to prior operations of the generation plant at the site, or incident to the restoration of the site to productive use.

Solely for purposes of the Operations Phase Plan, the term "environmental protection" will be deemed to mean the remediation or stabilization in place of hazardous substances at, on, or under the site (to the extent provided for or permitted under applicable State of Washington and/or federal statutes and regulations), to the extent such hazardous substances are directly attributable to prior operations of the generation plant, and to the overall appearance of the site following restoration activities, commensurate with the proposed future use of the site.