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WASHINGTON STATE
ENERGY FACILITY SITE EVALUATION COUNCIL
Richard Hemstad Building
1300 South Evergreen Park Drive Southwest
Conference Rooms 206 and 133
Olympia, Washington
Tuesday, July 16, 2013

MONTHLY COUNCIL MEETING
Verbatim Transcript of Proceedings

REPORTED BY: Mary M. Paradise, CSR 2469

A P P E A R A N C E S

Council Members Present:

Jim Luce, EFSEC Chair

Andrew Hayes, Department of Natural Resources

Dennis Moss, Utilities & Transportation

Commission

Cullen Stephenson, Department of Ecology

Attorney General's Office:

Ann C. Essko, Assistant Attorney General

Staff in Attendance:

Stephen Posner

Jim LaSpina

Tammy Talburt, Clerk

Guests in Attendance:

Eric Melbardis, Horizon Wind Energy

Richard Downen, Grays Harbor Energy

Mark Miller, PacifiCorp

Guests in Attendance Via Telephone:

Jennifer Diaz, Puget Sound Energy

Shannon Khounnala, Energy Northwest

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1 OLYMPIA, WASHINGTON JULY 16, 2013

2 1:30 p.m.

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

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7 CHAIR LUCE: All right. Today is Tuesday,
8 it is July 16th, 2013. The time is 1:35 p.m., and
9 we are meeting in the conference room at the
10 Washington State Utilities & Transportation
11 Commission. This is the Energy Facility Site
12 Evaluation Council. Call the roll, please, Tammy.

13 THE CLERK: Department of Ecology.

14 MR. STEPHENSON: Cullen Stephenson here.

15 THE CLERK: Department of Fish &
16 Wildlife.

17 CHAIR LUCE: Excused.

18 THE CLERK: Department of Natural
19 Resources.

20 MR. HAYES: Andy Hayes here.

21 THE CLERK: Utilities & Transportation
22 Commission.

23 MR. MOSS: Dennis Moss for the
24 Commission.

25 THE CLERK: The chair.

1 CHAIR LUCE: The chair is present.

2 THE CLERK: There is a quorum.

3 CHAIR LUCE: Thank you very much. I ask
4 now that the people on the phone identify
5 themselves.

6 MS. DIAZ: Jennifer Diaz, Puget Sound
7 Energy, Wild Horse Wind facility.

8 MS. KHOUNNALA: Shannon Khounnala, Energy
9 Northwest.

10 CHAIR LUCE: All right. In the future,
11 anybody on the phone who doesn't want to identify
12 themselves should feel free to do so. If you can
13 figure out that logic in that sentence, go ahead.

14 The proposed agenda is before the council
15 members. Have you had a chance to review it?

16 MR. STEPHENSON: Yes.

17 CHAIR LUCE: Any additions? I have one
18 addition that didn't get on the agenda, and that is
19 the discussion after project review of our issuance
20 of our pre-CR 101 for rulemaking, and my intent, to
21 ask the council members today to check their
22 calendars for a stakeholder meeting sometime,
23 hopefully, within the next 45 days, at which time
24 we will talk about rulemaking changes that may be
25 needed.

1 And some of those may not be able to be
2 accomplished by rulemaking, and if there is,
3 perchance, legislative changes that are needed,
4 we'll talk about those, too.

5 As we've discussed previously, the intent
6 is to invite all of the stakeholders to this
7 meeting, and we're going to be in a listening mode
8 more than a talking mode, but I think, based on
9 what Representative Morris introduced last year,
10 there -- there is an interest in making some
11 changes, and the best place to begin is listening.

12 So hopefully, Tammy, after today's meeting
13 and after we check our calendars, we'll be able to
14 pull together the mailing lists of our key
15 stakeholders. I want to make sure that we get the
16 mailing lists from Representative Morris' -- I
17 guess you'd call them workshops that he held during
18 the last legislative session, and ask any of our
19 stakeholders who they might also want to identify
20 as being someone to be invited.

21 So get ready to check your calendars here
22 a little bit later, council members.

23 Minutes, meeting minutes for July -- June
24 18th, 2013. Have council members had a chance to
25 review them? They are verbatim. Have the council

1 members had a chance? Does anyone wish to have a
2 motion to adopt the council meeting minutes?

3 MR. MOSS: I move to adopt the meeting
4 minutes.

5 CHAIR LUCE: Do I have a second?

6 MR. STEPHENSON: Second.

7 CHAIR LUCE: A motion is seconded to adopt
8 the minutes of Tuesday, June 18th, 2013.

9 Discussion? Hearing no discussion,
10 question? Question IS called for. All in favor,
11 say aye.

12 (Voice vote taken.)

13 CHAIR LUCE: All right. The minutes are
14 adopted.

15 The first project report, Kittitas Valley
16 Wind project. Do we have a report from KV?

17 MR. MELBARDIS: Good afternoon, Chair
18 Luce, EFSEC council. I'm Eric Melbardis with the
19 Kittitas Valley Wind Power project, EDP
20 renewables. You have my brief project update in
21 front of you.

22 The only non-routine things that I wanted
23 to point out is that our company just recently
24 celebrated a safety milestone, and that was 100
25 million man-hours without a lost time incident.

1 I'm quite proud of that.

2 And also, more specifically to the KV Wind
3 Power project, of our 29 operating projects in our
4 fleet, we are number two in terms of energy capture
5 performance.

6 CHAIR LUCE: Excellent.

7 MR. MELBARDIS: The site is running very
8 well.

9 CHAIR LUCE: Did you have someone who was
10 concerned about noise issues associated with the
11 project recently remodel their home and move back
12 in?

13 MR. MELBARDIS: That's correct. Last
14 year, at the council's request, we worked through
15 resolving mitigating some noise complaints with a
16 non-participating landowner, and the fire that
17 subsequently came through in August and burned down
18 90 percent of the project and their house, they
19 have rebuilt back in the same spot.

20 So to me, that says that we succeeded in
21 being good neighbors to them if they rebuilt right
22 there.

23 CHAIR LUCE: No other complaints or --

24 MR. MELBARDIS: Nothing.

25 CHAIR LUCE: Thank you very much. Council

1 members, any questions? Thank you very much for
2 coming over. I hope you enjoyed the drive.

3 MR. MELBARDIS: Thanks.

4 CHAIR LUCE: Next item on the agenda,
5 Grays Harbor Energy project.

6 MR. DOWNEN: Good afternoon, Chair Luce,
7 council. I'm Rich Downen, the point manager at
8 Grays Harbor Energy. You have the monthly report
9 for Grays Harbor Energy, and there is nothing of
10 note to add to that, Chair.

11 CHAIR LUCE: Thank you. So you operated
12 four days?

13 MR. DOWNEN: Yes, sir.

14 CHAIR LUCE: And the capacity factor was
15 7.3 with no complaints?

16 MR. DOWNEN: That's correct.

17 CHAIR LUCE: Thank you very much. I
18 appreciate your coming.

19 MR. POSNER: Chair Luce, can I interrupt
20 you? We just have an announcement. There is a --
21 let's see -- there's a car that seems to have
22 rolled out of its parking place. It's now blocking
23 the driving lane. It's a four-door dark green VW
24 stationwagon.

25 MR. STEPHENSON: It's me.

1 MR. POSNER: Plate number AHE 9176.

2 CHAIR LUCE: Does anyone wish to leave the
3 room? All right. Thank you very much. There he
4 goes. We will proceed to the next matter.

5 Oh, actually, I wanted to ask you a
6 question. Any word on EPA and Grays Harbor and the
7 BSD permit?

8 MR. POSNER: My understanding, I spoke to
9 -- actually, it was an exchange of e-mails. EPA is
10 in the process of working with Grays Harbor
11 Energy's attorney to set up a meeting to discuss
12 the next steps, as far as processing the
13 application for -- I shouldn't say processing, but
14 dealing with the issues associated with the two
15 separate units, three and four, and one and two.

16 CHAIR LUCE: This is in addition, of
17 course, to the meeting we previously had?

18 MR. POSNER: That's right, yes. It's a
19 follow-up meeting.

20 CHAIR LUCE: All right. Well, I think
21 we've conveyed previously that we will support
22 Grays Harbor in their efforts to work with EPA, and
23 will support Ecology as well. We're not the
24 drivers here, but keep us -- keep the council
25 apprised about this.

1 MR. POSNER: Okay. Sure will.

2 CHAIR LUCE: All right. Thank you very
3 much, sir. Next item on the agenda, Chehalis.

4 MR. MILLER: Good afternoon, Chair Luce
5 and council members. My name is Mark Miller. I'm
6 the plant manager for PacifiCorp Energy at the
7 Chehalis Generating facility.

8 A couple non-routine issues that aren't
9 fully in the report was we had one medical exam
10 that we reclassified to an OSHA recordable
11 incident. The individual is at work and did not
12 miss any work as a result of the incident.

13 And the other non-routine event that
14 occurred in June was a nitrogen oxide emission
15 deviation that was greater than Title V air
16 operating permit of three parts per million, and we
17 provided that notification to EFSEC staff,
18 Mr. LaSpina, and also, the Southwest Clean Air
19 Agency, Clint Lamoreaux. I have no other comments
20 to add.

21 CHAIR LUCE: Council member questions?
22 Hearing no questions, thank you so much for
23 coming.

24 Wild Horse Wind Power project. Jennifer,
25 are you on the phone?

1 MS. DIAZ: Yes, sir, I am. Thank you,
2 Chair Luce and council members. For the record, my
3 name is Jennifer Diaz. I'm the environmental
4 manager for Puget Sound Energy at the Wild Horse
5 Wind facility.

6 I have a few non-routine project updates
7 to share today. In accordance with the post-
8 construction habitat restoration plan, noxious
9 leaves are being sprayed, as needed, throughout the
10 site; along roadsides, wind turbine pads,
11 underground cable routes and at the springs.

12 In accordance with the wildlife incident
13 reporting and handling system, Wild Horse staff
14 received training from the Raptor House
15 Rehabilitation Center in Selah on raptor
16 identification, identification and procedures for
17 reporting and handling injured raptors.

18 In accordance with the operation storm
19 water pollution prevention plan, a full site
20 inspection was completed following a significant
21 thunderstorm that passed through the area on June
22 29th. About a half an inch of rain fell within 30
23 minutes. Weather experts were calling this a fast
24 moving microburst.

25 During the site inspection, no storm water

1 was observed leaving the site. BMPs were in good
2 condition and did not require any maintenance.
3 That's all I have for you.

4 CHAIR LUCE: Great. Council members have
5 any questions? Hearing none, we'll move onto the
6 Columbia generating station. Shannon, are you on
7 the phone?

8 MS. KHOUNNALA: I sure am. Thank you,
9 Chair Luce and council. I'm Shannon Khounnala with
10 Energy Northwest, to cover the Columbia Generating
11 station.

12 You'll see from our summary report there,
13 that we are back on line from our outage that ended
14 at -- near the end of June. We're operating at 100
15 percent power and have been on line for 21 days,
16 and have no other non-routine items to report on
17 for Columbia.

18 CHAIR LUCE: What about WNP 1/4?

19 MS. KHOUNNALA: Sure. Regarding WNP 1/4,
20 and specifically the water rights process, we did
21 receive today an additional potential supplemental
22 lease language proposed by the Department of
23 Energy.

24 As you'll see in our summary write-up in
25 your packet, the single disagreement between the

1 two agencies that we need to overcome is what
2 happens to the water rights, who will own those
3 water rights once our lease has been terminated.

4 So we have a number of legal folks from
5 both agencies working through this issue, and we
6 hope for resolution soon.

7 CHAIR LUCE: Great. Is that it?

8 MS. KHOUNNALA: That's all I have.

9 CHAIR LUCE: What about Whistling Ridge?

10 MR. POSNER: Just a very quick update,
11 Chair Luce, council members. I'm sure you're all
12 aware, the matter was argued before the Supreme
13 Court last month, the end of last month. And now,
14 we just wait and see what happens.

15 We don't have any time frames on when the
16 Supreme Court may get back to us or issue a
17 decision or -- so we wait and see.

18 CHAIR LUCE: Thank you. I want to take
19 this opportunity to compliment Counsel Ann Essko on
20 the super job that she did with respect to that
21 case.

22 MS. ESSKO: Thank you.

23 CHAIR LUCE: Whistling Ridge counsel was
24 also excellent, and I think the presentation to the
25 Court was -- couldn't have been better, from my

1 perspective. It -- it -- the Court understood what
2 the issues were. I think, at times, they were a
3 little confused about how they were -- the governor
4 issued the site certificate and signed it, and the
5 council did its business, but all in all, it went
6 quite well. So thank you, Ann.

7 MS. ESSKO: You're welcome.

8 CHAIR LUCE: I owe you a bouquet of
9 flowers, so here's the symbolic flowers, but they
10 will be delivered.

11 MS. ESSKO: Thank you.

12 MR. MOSS: Chair Luce, I might mention
13 that I was not able to attend the oral argument,
14 but was interested to see it and hear it, and that
15 is available on TBW through the archive, and it's
16 interesting to observe.

17 CHAIR LUCE: Great. Any other council
18 member questions? Comments? Hearing none.

19 First quarter cost allocation.

20 MR. POSNER: Council members, in your
21 packet, if you look, there's a copy of our cost
22 allocation for the first quarter, fiscal year
23 2014.

24 As we've done at the beginning of every
25 quarter, we re-calculate the indirect rates that we

1 charge our applicants and certificate holders based
2 on past workload and anticipated workload.

3 For the benefit of those on the phone, I
4 will go ahead and read the percentages for the
5 first quarter.

6 Kittitas Valley Wind project, 10 percent.

7 Columbia Generating Station, 33 percent.

8 Wild Horse, 10 percent.

9 WNP 1, 4 percent.

10 Whistling Ridge, 9 percent.

11 Satsop Combustion Turbine Project, 12
12 percent.

13 Chehalis Generation, 10 percent.

14 Desert Claim, 3 percent.

15 BP Cogen, 3 percent.

16 Grays Harbor Energy, 6 percent.

17 That concludes my presentation.

18 CHAIR LUCE: Thank you. Any questions,
19 council members? Anyone on the phone want to
20 comment? All right. Any comments from the public
21 regarding anything on the agenda here today?

22 All right. Council members, check your
23 calendars, please. Today is July 16, so sometime
24 between now and the end of August, please.

25 MR. STEPHENSON: I'm out until the 12th.

1 CHAIR LUCE: Of August?

2 MR. STEPHENSON: Yes.

3 CHAIR LUCE: Let's look at the 12th of
4 August through the 30th of August.

5 MR. HAYES: Chair, I'm not available the
6 week after the 12th, so I think it's the week of
7 the 19th.

8 CHAIR LUCE: Well, I may be chairing this
9 meeting, then. Anyone else? Dennis, you're not
10 available?

11 MR. MOSS: I'm not available until
12 September.

13 CHAIR LUCE: Andy, it sounds like you're
14 saying you're available.

15 MR. HAYES: I'm available the week of the
16 12th and the week of the 26th.

17 CHAIR LUCE: What about you, Cullen?

18 MR. STEPHENSON: I'm available any time
19 after the 12th or the rest of this week.

20 CHAIR LUCE: We can't pull it off this
21 week. Council, staff, what are our calendars
22 looking like?

23 MR. POSNER: Well, staff is pretty
24 available, as far as I know. I mean, we don't have
25 any -- any staff members who are -- have scheduled

1 vacation for extended periods of time, so I think
2 we could work around it.

3 CHAIR LUCE: Okay. I'll make myself
4 available. So Cullen, Andy, what do you think,
5 between the two of you? I'll push back my chair,
6 and let you figure it out.

7 MR. HAYES: Like I said, I'm -- you know,
8 I've got specific things on different days, but I
9 think, you know, on the week of the -- you know, I
10 have opportunities both the week of the 12th and
11 the week of the 26th, Cullen.

12 MR. STEPHENSON: I'm available the week of
13 the 26th, the best I can tell.

14 CHAIR LUCE: Let's do it the week of the
15 26th. That gives us enough lead time to get
16 notices out to people and get UTC room approval,
17 and all of the rest of the administrative things
18 that have to be done.

19 MR. MOSS: I'll caution you that this room
20 will be unavailable that week, because I have a
21 hearing in here all that week. That's why I'm
22 unavailable.

23 CHAIR LUCE: Can't you take it in the
24 small room?

25 MR. MOSS: I don't think so.

1 CHAIR LUCE: We'll find a place to have
2 the meeting.

3 MR. HAYES: So the 28th and the 29th are
4 best for me in that week.

5 MR. POSNER: Thank you. Cullen, do those
6 days work for you, the 28th or the 29th?

7 MR. STEPHENSON: The 29th is perfect.
8 28th, I can make anything work.

9 CHAIR LUCE: 29th is perfect. What's your
10 schedule, Andy, on the 29th?

11 MR. HAYES: There's nothing I can't move
12 around.

13 CHAIR LUCE: Okay. The same with you,
14 Cullen?

15 MR. STEPHENSON: Yes, I can move anything
16 around on the 28th, if that works better.

17 CHAIR LUCE: Back to you, Andy. The
18 28th?

19 MR. HAYES: Yes, both are fine.

20 CHAIR LUCE: What are the days?

21 MR. POSNER: I don't have a calendar.

22 MR. STEPHENSON: Wednesday, the 28th and
23 Thursday, the 29th.

24 CHAIR LUCE: It's not on a Monday, and
25 it's not on a Friday, so either one should work.

1 Stakeholder over there in the corner, do you have
2 anymore -- yes, Mr. Stakeholder. Do you have any
3 preference?

4 UNIDENTIFIED STAKEHOLDER: No.

5 CHAIR LUCE: I hope you will make it.
6 Seriously, I hope you will make it.

7 UNIDENTIFIED STAKEHOLDER: Which days are
8 you zeroing in, now that you've called my attention
9 to this formally in front of everyone?

10 MR. HAYES: August 28th and August 29th.

11 UNIDENTIFIED STAKEHOLDER: Yes, those are
12 good days for me. The 29th is best, if you want to
13 know.

14 CHAIR LUCE: Okay. The 29th?

15 UNIDENTIFIED STAKEHOLDER: Yes.

16 CHAIR LUCE: Let's do it the 29th. Let's
17 do it -- let's start around 10:00. There's going
18 to be some people driving a little bit of a
19 distance, and we don't want them to have to get up
20 too early.

21 Let's start at 10:00 o'clock. Does that
22 make sense? 10:30? Take a lunch break, if
23 necessary. Otherwise, people will bring their
24 lunch. We'll figure that out later, and probably
25 plan on it lasting until, you know, 1:30 or 2:00 in

1 the afternoon. Does that work for you?

2 MR. POSNER: I believe it does.

3 CHAIR LUCE: Actually -- yes, okay.

4 10:30, and that's on the 28th?

5 MR. POSNER: 29th.

6 CHAIR LUCE: 29th. Okay. And Kippy will
7 help with the arrangements. She's already said she
8 will, and we'll find a room.

9 And we'll send out materials to -- to
10 stakeholders and council members. Basically, I
11 want to send out the bill that Representative
12 Morris had introduced last year.

13 I want to send out the report that I and
14 other council members helped put together for the
15 governor, and I -- I want to hear from -- from
16 stake -- you know, again, this is a listening
17 session, maybe more than a talking session. I want
18 to hear from stakeholders what they would like to
19 talk about, because this process can work better.

20 All right. So August 28th, 10:30.

21 MR. POSNER: The 29th.

22 CHAIR LUCE: The 29th. Place to be
23 determined, but here in Olympia, and e-mails and
24 materials to be forwarded.

25 Okay. Thank you. And if you can ask Joe,

1 you know, we'll send out an e-mail to council
2 members. Hopefully, he can attend. And Dennis, if
3 it gets too slow at your hearing, you're more than
4 welcome to pop in.

5 MR. MOSS: Cases will always settle.

6 CHAIR LUCE: It's late, actually, in the
7 hearing, isn't it?

8 MR. MOSS: Pardon?

9 CHAIR LUCE: It's late in the hearing, the
10 29th?

11 MR. MOSS: Yes, the hearing starts on
12 Monday.

13 CHAIR LUCE: Maybe it will settle. We
14 hope. We have on our agenda now an executive
15 session. So we will -- we will not adjourn. We
16 will -- we will go into recess, and we will go into
17 an executive session. And what is the room?

18 MR. POSNER: The room is -- Tammy, could
19 you tell him, please.

20 THE CLERK: It's room 133.

21 CHAIR LUCE: Is that the little conference
22 room?

23 THE CLERK: In the other building.

24 CHAIR LUCE: In the other building. After
25 that, we will come back on the record and finish

1 our business.

2 So is there anything else to come before
3 the council?

4 THE CLERK: Chair Luce, could you please
5 give us a time to come back?

6 CHAIR LUCE: Well, I would if I could. It
7 depends on how long the executive session runs. I
8 would say 3:00 o'clock.

9 MR. POSNER: 3:00 o'clock.

10 CHAIR LUCE: 3:00 o'clock is fair.

11 THE CLERK: Thank you.

12 CHAIR LUCE: Thank you. We stand in
13 recess.

14 (A recess was then taken.)

15 (Council then met in Executive Session in
16 Room 133.)

17 CHAIR LUCE: All right. The meeting will
18 come back to order. The executive session has been
19 completed. Prior to adjourning the meeting, the
20 chair has an announcement. The Chair has resigned
21 effective August 31st, 2013. Thank you very much.
22 The meeting stands adjourned.

23 (The proceedings were adjourned at
24 3:01 p.m.)

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C E R T I F I C A T E

STATE OF WASHINGTON
COUNTY OF KING

I, Mary M. Paradise, a Certified Shorthand Reporter in and for the State of Washington, do hereby certify that the foregoing transcript of the EFSEC Meeting Minutes on July 16, 2013 is true and accurate to the best of my knowledge, skill and ability.

IN WITNESS WHEREOF, I have hereunto set my hand this 22nd day of July, 2013.

MARY M. PARADISE, CSR