

EFSEC MONTHLY MEETING MINUTES - MARCH 15, 2011

STATE OF WASHINGTON  
ENERGY FACILITY SITE EVALUATION COUNCIL  
P.O. Box 43172 - Olympia, Washington 98504-3172

March 15, 2011, Monthly Meeting Minutes

CALL TO ORDER

Chair Jim Luce called the March 15, 2011 monthly meeting to order at 1300 South Evergreen Park Drive S.W., Conference Room 206, in Olympia, Washington at 1:30 p.m.

ROLL CALL

Council Members present:

Jim Luce, Chair  
Jeff Tayer, Department of Fish and Wildlife  
Andrew Hayes, Department of Natural Resources  
Dennis Moss, Utilities and Transportation Commission  
Hedia Adelsman, Department of Ecology  
Dick Fryhling, Department of Commerce  
Doug Sutherland, Skamania County

Staff in attendance:

Kyle Crews, Assistant Attorney General; Al Wright, EFSEC Manager; Stephen Posner, EFS Specialist; Jim La Spina, EFS Specialist; Kayce Michelle, Office Assistant

Guests in attendance:

Eric Melbardis, Horizon Wind Energy; Mark Miller, Chehalis Generation Facility; Tony Aronica, Resource Energy Collaborative; Darrel Peeples, Attorney at Law; Mark Anderson, Department of Commerce; Todd Gatewood, Grays Harbor; C. Robert Wallis, Administrative Law Judge

Guests in attendance via phone:

Karen McGaffey, Perkins Coie; Jennifer Diaz, Puget Sound Energy; Danna Small, Horizon Wind Energy; Erin Anderson, Stoel Rives; Don Coody, Energy Northwest Columbia Generating Station; Mike and Elizabeth Robertson, Kittitas Valley Wind Project Homeowners

PROPOSED AGENDA

CHAIR LUCE: We have the proposed agenda before us. I'm going to take the prerogative of moving Satsop - Grays

TAMI LYNN VONDRAN, CCR 2157  
FLYGARE & ASSOCIATES, INC. 1-800-574-0414

1 Harbor Energy Project to the front of the agenda. Other  
Council changes, requests, additions, deletions?

2  
3 Hearing none the agenda as modified is approved.

4 MEETING MINUTES

5 CHAIR LUCE: Council Members have the minutes of February  
15th before them. Have they had a chance to review them?  
Do I have a motion to adopt? Is there a motion to adopt?

6 MR. TAYER: I'll move to adopt.

7 CHAIR LUCE: Is there a second?

8 MS. ADELSMAN: I'll second.

9 CHAIR LUCE: Motion to second. Discussion?

10 No discussion questions called for. All in favor of  
11 adopting the minutes for February 15th say aye.

12 COUNCIL MEMBERS: Aye. (Except Mr. Fryhling.)

13 MR. FRYHLING: Chairman Luce, I did not vote because I was  
not present.

14 CHAIR LUCE: Thank you. Let the record reflect that Member  
15 Fryhling did not vote.

16 SATSOP - GRAYS HARBOR ENERGY PROJECT UPDATE

17 CHAIR LUCE: We have projects before us and we will begin  
with the Satsop project.

18 Thank you for coming today. Al, this shows you as being on  
19 first with the report on the Governor's approval?

20 MR. WRIGHT: Yes. You will recall we presented to the  
Governor's office a complete recommendation and a  
21 recommended SCA order on the 23rd of December.

22 On February 17th, shortly after your last meeting, the  
Governor signed an approval letter approving the Council's  
23 recommendation and the SCA order dated February 17th. It's  
the very last item on the right-hand side of your packet.

24 So you all have copies of the approval letter from the  
Governor. And as far as I know everything has been in  
25 order, and basically the Satsop expansion project is  
approved.

1 CHAIR LUCE: Excellent.

2 MR. GATEWOOD: Good afternoon, Chair Luce and Council  
3 Members. My name is Todd Gatewood, plant manager of Grays  
4 Harbor Energy.

5 Operating report for 2011. Safety. We had no accidents or  
6 injuries in the month of February.

7

8 Environmental. We submitted our January monthly DMR and our  
9 stormwater report.

10 Operations and maintenance. Unit operated zero days. Our  
11 year-to-date capacity factor is one percent.

12

13 We have a two-week outage scheduled for April 2nd through  
14 April 15th. We tested one day in January for a short in one  
15 of the coils in the steam generators. So during this outage  
16 we're going to remove the field and replace it with an  
17 exchange field in our steam generator during that two-week  
18 outage. We're also going to be doing huge amounts of NERC  
19 testing for PRC-005 during those two weeks which will  
20 constitute about 95 percent of our annual NERC testing for  
21 this year.

22

23 CHAIR LUCE: Great. Anything else?

24

25 MR. GATEWOOD: No.

26

27 CHAIR LUCE: Council Member questions?

28

29 Thank you so much for your presentation.

30

#### 31 SAFETY PRESENTATION

32

33 CHAIR LUCE: We're now going to have a safety presentation  
34 by Tony Aronica. Is that a correct pronunciation?

35

36 MR. ARONICA: Yes, thank you.

37

38 CHAIR LUCE: From Resource Energy Collaborative. Doug, if  
39 you could tell us a little something here? You suggested  
40 this, and we very much appreciate the opportunity to have  
41 this presentation.

42

43 MR. SUTHERLAND: Thank you, Mr. Chair and Members of the  
44 Board.

45

46 Prior to my involvement with EFSEC I was employed with the  
47 Central Washington Resource Energy Collaborative, which is a

1 partnership between the public, private and educational  
2 centers in the Ellensburg area.

3 Obviously, Puget Sound Energy was very interested in working  
4 as one of the partners in a series of training exercises  
5 realizing that first responders in the power energy wind  
6 farms weren't connected, and safety being one of those  
7 serious issues that is dealt with by the power companies, as  
8 well is a high level of interest on this body.

9 I felt that the efforts of bringing what the Central  
10 Washington Resource Energy Collaborative was doing relative  
11 to safety in the wind farms would be of interest to the  
12 folks here.

13 Each of the power companies have a responsibility to provide  
14 safety, but that's as far as they go. And that is training  
15 their own employees.

16

17 The first responders in these communities in Kittitas and  
18 Klickitat counties, if they did not take the initiative  
19 themselves there would be no connection between the first  
20 responders and the local power companies.

21 So we started as a result of the initiation of the Puget  
22 Sound Power we started looking for ways to be able to bridge  
23 that gap. And we were able to secure a grant from the state  
24 to be able to do that. About that same time is when I ended  
25 my relationship with CWREC and I became part of this body.

26 Tony Aronica, a graduate of Central Washington  
27 University--and at the time of his graduation was the  
28 student body president--has taken over the roles that I was  
29 working on when I was there with the CWREC collaborative.  
30 And as such he's the one that has been responsible for  
31 putting the parties together in both Klickitat and Kittitas  
32 Counties.

33 I thought it would be of interest to Members of the Board to  
34 realize the significance of the training that they do as  
35 well as the connection now being made between the first  
36 responders and the power companies. So I'm delighted that  
37 Tony said, sure, he would be glad to come over.

38 Mr. Chair, I thank you for the opportunity to allow Tony to  
39 make this presentation.

40

41 CHAIR LUCE: We appreciate you bringing this program to our  
42 attention.

1 Tony, the floor is yours.

2 MR. ARONICA: Thank you, Chair and Members of the Council.  
3 Thank you for the introduction, and the time to speak this  
4 afternoon.

5 As Doug said, I'm Tony Aronica with the Central Washington  
6 Resource Energy Collaborative. We're a state designated  
7 Innovative Partnership Zone focusing on support of  
8 technology transfer and commercialization within the  
9 renewable energy sectors.

10 This project specifically addresses workforce development.  
11 So the goal, as Doug mentioned, is to sort of formalize a  
12 more established process for allowing county emergency  
13 responders and emergency services to conduct and/or assist  
14 high angle rescue of a trapped worker from a wind turbine  
15 throughout the phase of a project whether it's under  
16 construction or has transferred to operation.

17 Our project consists of providing a 40-hour certification  
18 course in rope rigging rescue. And, two, 30 county EMS  
19 personnel or volunteers within Kittitas, Klickitat and  
20 Skamania Counties; and doing this in cooperation with host  
21 wind turbine facilities who largely volunteered to  
22 coordinate with county responders on their own. But again  
23 without the host being sort of a good neighbor and extending  
24 that opportunity to selective county members or the county  
25 emergency responders pursuing that opportunity there was not  
necessarily a formal structure for this type of training to  
be extended to the county services which are ultimately  
liable to protect the workers within the county.

And so you have a packet, I'm just speaking from the pages  
in that. On page two it gives an overview of the course  
including all of the subjects covered as far as what relate  
to the technical detail of being rope rigging certified.

I would like to draw attention, in addition to the knot  
passing, low to steep angle, highline operations, fall  
arrest and self-rescue there is an emphasis specific to this  
curriculum focused on confined spaces because of the  
tightness of the nacelle and operating within it. There is  
an inherent benefit to having the county members trained  
alongside members of the industry, technicians and such from  
the host site in that the county personnel or volunteers  
will be exposed to concerns and considerations related to  
electric high voltage scenarios, hydraulic situations, gears  
that they would not necessarily otherwise be aware of

1 without this training. Similarly, the county brings strong  
2 skill sets in medical rescue, patient packaging, how to best  
3 take care of the needs of the trapped worker in whatever  
4 type of situation he or she would be rescued from.

5 On page three, this project started in September as Doug  
6 alluded to when he secured the grant in collaboration with  
7 the South Central Workforce Development Council. There was  
8 a need in Kittitas and Klickitat County which lied within  
9 that Workforce Development Council's boundaries in as much  
10 as more than 2,600 megawatts of installed capacity in the  
11 two combined counties. And we're including Skamania as  
12 they're appealing to have their first site developed.  
13 If I'm allowed to sort of editorialize a little bit, this  
14 need extends into the future as we understand the capacity  
15 that these counties have yet to add to their inventory of  
16 wind turbines.

17 Also as there's more attention -- at least in my county  
18 there's certainly a lot of attention drawn to the  
19 cooperative ownership of the sort of refurbished turbines  
20 that are smaller scale and less safety oriented perhaps than  
21 a large utility scale operation but still has the  
22 opportunity to trap or result in a bad situation with an  
23 injured worker.

24 The equipment and facilities necessary are listed on page  
25 four. This is for each individual participant. So all 30  
EMS participants need this equipment as well as the industry  
counterparts. And that expense is being borne by the  
volunteers or the fire districts themselves, the search and  
rescue districts themselves. Which is substantial. That  
list is about \$2,600 per person in material.

26 The facilities we're getting as an in-kind support from,  
27 again, the hosts, which we're grateful for, as far as use of  
28 classroom time, warehouse workspace to do drills within a  
29 sheltered environment and the willingness to take turbines  
30 off line for them to simulate a rescue within the turbine.

31 So our role on page five, the Central Washington Resource  
32 Energy Collaborative partnered with the Workforce  
33 Development Council in using some of their strategic  
34 initiative funds. Our role is to manage the whole project  
35 to completion.

36 There were some obstacles. As we got it in September the  
37 deadline for concluding was December 1st which was  
38 completely not feasible given weather restrictions for wind

1 turbine facilities on our side of the state or the area  
2 we're focused on. So future efforts, I think, to bring this  
3 to other counties would have to involve more long-sided  
4 appropriations to get this done in a time frame that can  
5 account for moving parts and staffing hours and other uses  
6 the facility may have including visits from manufacturers.

7 And on the side, we almost lost one of our training sessions  
8 because our trainer was nearly drafted to go aid in the  
9 Japan crisis this weekend.

10 So there are a lot of moving obstacles that have to be  
11 accounted for on probably a longer timeframe to schedule  
12 more rigid training structures.

13 The final page, before I make myself available to questions,  
14 is just the partners that we're really grateful to have.  
15 Funding of course coming from South Central Workforce  
16 Development Council. And this has also been sponsored by  
17 the Central Washington Resource Energy Collaborative as well  
18 as coordinated. But our hosts in Kittitas County: Puget  
19 Sound Energy and Horizon Wind Energy. And our host in  
20 Klickitat County: The White Creek Wind Project. We  
21 certainly couldn't conduct a 40-hour course that consists of  
22 a simulated turbine safety rescue without a turbine. So we  
23 appreciate them as well as all of the volunteers and  
24 districts that are bearing the costs and the personal time  
25 invested in getting this training so that counties have  
26 teams county-wide to respond beyond sort of the boundaries  
27 of maybe working with one or two facilities but across the  
28 full scope of what the county has to be liable to prevent.  
29 And I'm available for questions that any of the Council  
30 Members have.

31 CHAIR LUCE: Council Member questions?

32 MR. TAYER: Chair Luce, thank you.

33 Tony, one of the things the Council has wrestled with over  
34 time in projects that are in wildland areas, either forest  
35 or shrub-steppe, is the unique nature of fires in the  
36 turbines. And I wonder if there is any interconnect or  
37 relationship between the rescue training and the fire  
38 fighting that is related to turbines?

39 MR. ARONICA: I think there certainly is. When our trainer  
40 did a site visit in December to develop the curriculum for  
41 this project specifically he met primarily with members of  
42 fire district over search and rescue. And they became very

1 engaged in the conversation about how you address multiple  
2 simultaneous worst-case scenarios.

3 One of the fire chiefs expressed the concern that if there's  
4 a fire in a nacelle which causes the turbine to at least  
5 collapse on itself partially and then starts a brushfire.  
6 So you have potentially a trapped worker inside a nacelle as  
7 well as an expanding brushfire as well as our Wild Horse  
8 Wind Facility which has a visitor center. That's the  
9 worst-case scenario compounded by three. We certainly  
10 weren't in a position to develop that emergency preparedness  
11 plan at the time.

12 At this point a 40-hour course is necessary because we're  
13 not sure that everyone has the necessary skill sets at phase  
14 one climbing certification to receive a phase two climbing  
15 certification.

16 So I think if there were more structured cooperative  
17 programs between the county and the industry that would be  
18 something that would result from that is a greater  
19 comprehensive inventory of what's available to tackle these  
20 foreseen emergencies as well as preparedness plans to  
21 respond to them. Because there certainly is a correlation  
22 between those two.

23 And even the conversation that took place between fire  
24 districts and industry representatives on that site visit  
25 was meaningful because of how they were able to inform each  
26 other on the way that perhaps inbound medical transits  
27 respond if there's a fire on site and how they can't just  
28 fly in and pick up a packaged rescued worker if there's a  
29 fire. It has to be taken out on the ground. So that's  
30 something our site host wasn't aware of at the time.

31 MR. TAYER: To follow up, do you see the potential for  
32 industry and the fire services collectively to develop some  
33 sort of a template for how they would interact with one  
34 another? I think right now they're doing it one fire  
35 district at a time, one project at a time.

36 MR. ARONICA: Certainly doing it county-wide is a good  
37 approach because it allows all the districts within the  
38 county to share the burden. And there's certainly a burden  
39 on getting personnel to commit to 40 hours of training or  
40 more if you're moving to a more advanced level of emergency  
41 preparedness. Getting them to share that so they have a  
42 pool of human personnel or resources they can pull on in the  
43 case of an emergency is a good process.



1 I feel it's also necessary to get some form of standardized  
2 approach to this so in three years when their certification  
3 expires they have a method as well as means to do it again.

3 MR. TAYER: Thank you.

4 MR. HAYES: Tony, I was wondering if you could tell us for  
5 frame of reference how many opportunities there are for this  
6 rescue, say, annually or, say, in the last five years?

6 MR. ARONICA: Actually, Andrew, I don't know the exact  
7 answer to that. Maybe one of the other professionals here  
8 from the industry would have a better knowledge base.

8 Our identified need was based on the number of turbines we  
9 have in the area coming at such a fast development of those  
10 turbines in the area and just the projected site that that  
11 could -- you know, it's very easy for people who prepare for  
12 emergencies to see how something like this could happen.  
13 And it's important for the counties to be ready for it. So  
14 I'm sorry to not answer that entirely.

12 MR. HAYES: That's fine, I was just curious.

13 MR. FRYHLING: I have a question. Have the hosts  
14 volunteered or agreed to provide equipment for these fire  
15 districts, rescue groups, whatever?

15 And I say this because the problem you're dealing with is  
16 not the counties or the -- it's the hosts that are there,  
17 the new facilities that are going in. And so I look at it  
18 as a cost that should be borne by whoever is creating this  
19 unique situation, which is these turbines.

18 In the past EFSEC has recommended on an approval that it has  
19 included certain equipment to fire departments or fire  
20 districts or whatever because they had created a new  
21 situation in that area. And so I'm wondering if maybe a  
22 recommendation that would come from your group or whatever  
23 to an organization like EFSEC is that when another one of  
24 these wind projects come on line that there's also the cost  
25 of providing those emergency kinds of services that are  
26 unique to wind farms. So I would say that might be a  
27 recommendation that could come from your group.

23 MR. ARONICA: Certainly. And that's a valid question.

24 The answer is yes and no. Again, the type of interface that  
25 takes place between the operators and the county is  
26 completely voluntary and not structured. I believe we do

1 have one fire district that was a recipient of, I believe,  
2 Puget Sound Energy's Wild Horse Wind Farm. They gave the  
county equipment necessary.

3 It's also relevant to note that equipment has a lifespan.  
4 It can only be used in trainings for a certain number of  
5 hours. And the type of stress that's put on the rope,  
6 whether it's shock tension or sustained tension, dictates  
how long the lifespan is logged for that equipment, and it  
has to be replaced. So it's more than a one-time investment  
by both partners.

7 I think in the future, however the negotiations take place  
8 between the industry and the county, both parties should be  
aware that it's a sustained expense in perpetuity.

9 CHAIR LUCE: Thank you. Any other questions?

10 Tony, thank you very much for coming. It's been a very  
11 interesting presentation. Something I wasn't really aware  
of, but something that is critical and adjunct to the  
12 development of the wind industry certainly. So we  
appreciate you coming over here and taking the time to make  
this presentation.

13 And thank you, sir, for suggesting it.

14 MR. ARONICA: Thank you.

15  
16 KITTITAS VALLEY WIND PROJECT UPDATE

17 CHAIR LUCE: Next item on the agenda is the Kittitas Valley  
Wind Project.

18 MR. MELBARDIS: Good afternoon, Chairman Luce and Council.  
19 My name is Eric Melbardis. I'm here on behalf of Kittitas  
Valley Wind Project with a monthly project update.

20 Our February production summary we produced 9,442 megawatts,  
21 5.2 meters per second average winds with a capacity factor  
of 13.9 percent.

22 Under safety we had no safety incidents to report.

23 I did want to mention that Kittitas Valley is hosting the  
24 training that Tony and Doug set up April 11th through the  
15th. And we'll be having 12 and possibly more out for that  
training at our facility.

25 And I wanted to thank Mr. Sutherland for putting this

1 together. I met with him and PSE and some early planners a  
2 number of months back. And handing it off to Tony it's come  
3 to fruition and will be interesting to see how this works  
4 out.

5 Our O&M Building. On my update that was created last week I  
6 have 99 percent complete. It's 100 percent complete except  
7 for final grade. We're waiting on weather to cooperate.  
8 We're in the process of moving in right now. We should have  
9 our communications, Internet and phones, moved by the end of  
10 this week. So that will be a good thing. We have been in  
11 the project trailers for quite a while now. And again it's  
12 still a conditional occupancy permit that will be turned  
13 into permanent once we have that final grade.

14 Project is in compliance as of March 8th, 2011. We've had  
15 no internal environmental NCRs issued. We have had noise  
16 complaints reported to EFSEC, not in this past month but in  
17 previous months. And Horizon has committed to a Post  
18 Construction Noise Monitoring Study to begin this spring to  
19 make sure we're still within our limits.

20 We'd had shadow flicker complaints from a couple of our  
21 nonparticipating landowners. We've taken steps to -- we  
22 started off taking steps with the landowners to shut down or  
23 curtail those turbines during that time. And over the past  
24 month we've moved into a proactive solution of just  
25 curtailing those turbines at the time when the shadow  
26 flicker is going to occur.

27 We've had a couple of discrepancies in our shadow flicker  
28 study numbers. The times that came out in that table, the  
29 predictive times, haven't matched up with the actual shadow  
30 flicker data that we've seen of that phenomenon. So the  
31 times are off. We either have an error in the report on  
32 some GPS locations or the resident's locations. We're  
33 having that report redone, the entire shadow flicker model  
34 study.

35 And we'll continue to proactively curtail the offending --  
36 it's one turbine that's the offender right now during times  
37 that are conducive to the shadow flicker phenomenon. And as  
38 soon as we get our revised shadow flicker predictive studies  
39 back we'll enter those times into an automatic system that  
40 will just automatically shut that turbine down during those  
41 times.

42 For environmental we worked with Ecology and with EFSEC  
43 staff on revising our water quality sampling points to  
44 better reflect the site post construction. We met on site

1 and Ecology approved and then EFSEC recommended approval of  
those water quality points.

2 We're continuing to monitor all of our BMPs. We've had some  
3 snow melt and a little rain over the past couple of weeks  
and are investigating the site on a regular basis and  
4 clearing out check dams as necessary.

5 I also wanted to mention that Stephen Posner and Al Wright  
came out to the site last week. It was good to meet them  
6 and give them a tour, as well as it's good for me to be out  
here this time to put some faces to the names that I hear on  
7 the phone.

8 At this point we have an update on our avian monitoring plan  
with Danna Small who's at our corporate office.

9

MS. SMALL: Thank you, Eric, and good afternoon Council  
10 Members. My name is Danna Small, and I am an Horizon  
Environmental Manager based in Houston, Texas. I am serving  
11 on behalf of Christina Calabrese who is the Kittitas Valley  
Wind Project Technical Advisory Council certificate holder.  
12 She is on maternity leave until May.

13 I'm here today to offer an update on the avian and bat  
monitoring plan. Horizon Wind Energy has contracted the  
14 services from Stantec and is slated to begin the field  
monitoring in May of 2011 or the spring. Horizon received  
15 U.S. Fish and Wildlife Service approval of the monitoring  
plan by email in December of 2010, and we are now expecting  
16 to receive a formal approval letter soon based on a recent  
phone conversation with U.S. Fish and Wildlife Service  
17 personnel.

18 The permit issue that was announced at the last meeting  
stems from the fact that the Fish and Wildlife service has  
19 recently changed procedures relating to their salvage  
permits which is in regards to handling and collecting birds  
20 and carcasses under the Migratory Bird Treaty Act.

21 This change does result in minor updates to the monitoring  
plan, and we intend to shortly circulate this plan to the  
22 Technical Advisory Committee members. We have also tried to  
contact them by phone.

23

24 Upon request additional information can be provided. And I  
want to offer you my time if anybody has any questions that  
I can address at this time.

25

CHAIR LUCE: Thank you.

1 Well, you have anything else, sir?

2 MR. MELBARDIS: No, just if you had any questions.

3 CHAIR LUCE: Let's begin with Council Member questions.

4 MR. FRYHLING: Has the shadow flicker problem totally been  
5 taken care of? This is very definite when we approved this  
6 that there would be no shadow flicker on any home around  
7 there. And the staff can answer this also, but it bothers  
8 me that this became a problem right off when we started up.

9 MR. LA SPINA: I want to carry on with what Eric was saying.  
10 On March 14th EFSEC staff issued a letter to Horizon Wind  
11 requesting an update of the shadow flicker analysis so that  
12 we have accurate times in which the residents are affected,  
13 and also a shadow flicker response plan, a noise study as  
14 soon as the facility goes into full operational phase and a  
15 noise response plan.

16 So understand that the solution to this issue could not be  
17 arrived at sooner because the facility just came up. And  
18 also there's been a lot of overcast, and there's no shadow  
19 flicker, and there's nothing to analyze if there's no  
20 shadow. But we are working on it.

21 And as Eric said, for the shadow flicker the ideal solution  
22 is that once we get an updated report the data gets entered  
23 into their automatic control system and the turbines get  
24 shut off automatically rather than a neighbor having to call  
25 or something like that. So staff is working on it with  
Horizon.

26 MR. FRYHLING: My concern, there's been overcast, but at  
27 some point here we have two neighbors that are saying they  
28 have shadow flicker. So the sun has been out at sometime in  
29 the last three or four months that it's been operating.  
30 That bothers me that they have to be the ones to come in.

31 I guess the other thing is which turbine is causing the  
32 shadow flicker? Is it A-1?

33 MR. MELBARDIS: A-1.

34 MR. FRYHLING: Well my personal belief it should never have  
35 been put there, but this is too late in the game to do  
36 anything about that. But I hope you can take care of that  
37 right away because it is an imposition to the people who are  
38 your neighbors, and it has to be done.

1 MR. MELBARDIS: Absolutely. As I say, we are working on it.  
2 The initial shadow flicker study showed that one of the  
3 residents would receive 38 hours of possible shadow flicker  
4 per year. And in the beginning when we started getting  
5 reports of it we weren't able to verify it and see it. Once  
6 I did see that it was indeed happening it was different from  
7 the numbers on the study that we had done.

8 MR. FRYHLING: Let's get it taken care of real quick then.  
9 That's all.

10 CHAIR LUCE: Any other questions?

11 MR. SUTHERLAND: Mr. Chair?

12 CHAIR LUCE: Yes, sir.

13 MR. SUTHERLAND: Ms. Small, this is Doug Sutherland. You  
14 indicated during your comments that the Fish and Wildlife  
15 folks have changed the bird mortality analysis approach.  
16 Can you give us just a short description of what's  
17 different?

18 MS. SMALL: I can. The difference is simply in how they  
19 issue their salvage permits.

20 They have denied our wildlife consultants the permit and so  
21 we are left to having to change our setting plans and not  
22 being able to handle the carcasses. Typically across our  
23 operating fleet our consultants are issued salvage permits  
24 from the Fish and Wildlife Service, and that was not the  
25 case here at Kittitas Valley.

CHAIR LUCE: Thank you. We'll ask staff to follow up on  
that as appropriate.

Any other questions?

MR. SUTHERLAND: That's good.

CHAIR LUCE: Thank you so much.

Thank you, Eric. Appreciate you coming over.

WILD HORSE WIND PROJECT UPDATE

CHAIR LUCE: Next item on the agenda is Wild Horse.

Jennifer, are you on there?

1 MR. DIAZ: I am. Thank you, Chair Luce. This is Jennifer  
2 Diaz, Puget Sound Energy, Wild Horse Wind Facility for my  
3 monthly update.

3 Wind production in February generation totaled 55,712  
4 megawatt hours for an average capacity factor of 30.41  
5 percent.

5 The Solar Demonstration Project generated 50,900 kilowatt  
6 hours in February.

6 There were no lost-time accidents or safety incidents to  
7 report for February.

8 Under compliance and environmental, on February 23rd EFSEC  
9 staff approved updates to a number of operational plans as  
10 required by the site certification agreement. Revisions to  
11 these plans were minor and mainly included updates for the  
12 expansion area plant, site description and maps. EFSEC  
13 staff approved these plans based upon review and  
14 recommendations received from state and local agencies.

12 And in addition, EFSEC staff formally approved termination  
13 of the Construction Stormwater General Permit coverage and  
14 the Sand & Gravel General Permit coverage from the expansion  
15 area on February 23rd. Both EFSEC staff and Ecology  
16 determined the expansion area to be substantially stabilized  
17 during joint inspection completed in June and August of  
18 2010.

16 Stephen Posner and Al Wright visited Wild Horse on March  
17 9th. And it was great to meet you, Al. And that's all I  
18 have. Are there any questions?

18 CHAIR LUCE: Council Member questions?

19 Not hearing any questions. Thank you very much, Jennifer.

20 KITTITAS VALLEY WIND PROJECT UPDATE (continued)

21 CHAIR LUCE: We'll come back to Kittitas Valley Wind  
22 Project. I'm reminded there may be some of the  
23 landowners/neighbors associated with KV on the line; is that  
24 true?

23 MS. ROBERTSON: Yes, sir. This is Elizabeth Robertson.

24 CHAIR LUCE: All right. You have anything you would like to  
25 tell the Council? You heard the discussion here today  
regarding our concern and interest that this shadow flicker

1 issue be addressed as soon as possible. You have anything  
2 to add to that?

2

3 MS. ROBERTSON: No, not really. Other than we had heard  
4 that the other wind farm project closer to Ellensburg, the  
5 enXco project, some of the nonparticipating landowners there  
6 were talking about having sensors on their property that  
7 would certainly catch the shadow flicker and automatically  
8 turn the turbines off. And I believe Eric was going to look  
9 into that to see if that was available for us which would  
10 certainly be a more timely way of turning the turbines off  
11 if that were possible.

7

8 CHAIR LUCE: Thank you. Eric has come back to the table.  
9 Eric, do you have a comment?

9

10 MR. MELBARDIS: Yes. We are looking into more sophisticated  
11 methods of curtailing these turbines. In the meantime we  
12 are going to just automatically program the SCADA systems to  
13 shut A-1 down during times of shadow flicker.

11

12 CHAIR LUCE: Does that answer your question, ma'am?

12

13 MS. ROBERTSON: Yes, it does as long as the shadow  
14 flicker --

14

15 CHAIR LUCE: Doesn't flicker, right.

15

16 MS. ROBERTSON: -- studies are correct.

16

17 CHAIR LUCE: Right. We share your concern and we are going  
18 to be working with the Company, and the Company likewise has  
19 an interest in stopping shadow flicker on A-1.

18

19 MS. ROBERTSON: Okay, thank you.

19

20 CHAIR LUCE: Thank you. Appreciate you being on the phone.

20

#### CHEHALIS GENERATION FACILITY UPDATE

21

22 CHAIR LUCE: Next item on the agenda is Chehalis.

22

23 MR. MILLER: Thank you, Chair Luce and Council Members. My  
24 name is Mark Miller with PacifiCorp Chehalis Power Plant.

23

24 Safety-wise, 3,067 days without a lost-time accident.

24

25 Environmentally, there were no stormwater, wastewater or air  
emissions compliance issues during the month of February.  
Quick environmental summary of the issues related to



1 generator step-up failure. The short-term remediation and  
2 cleanup has been completed. We have engaged with a  
3 professional services contractor to develop a long-term  
4 remediation plan. And we've also submitted a closeout  
5 letter to staff.

6 On the Carbon Offset Project, as I've noted in the plant  
7 report, a contract between The National Climate Trust and  
8 PacifiCorp is not ready for execution by the contracting  
9 parties and therefore a request for approval at today's  
10 council meeting is not being made.

11 Having said this the proposal submitted by The National  
12 Climate Trust provide verified emissions reductions from the  
13 Lynden, Washington Farm Power Project. They have already  
14 committed to selling the first 20,000 tons from that  
15 project. And their proposal to us would be from 30,000 to  
16 50,000 tons between the periods of 2013 to 2020. This  
17 accounts for about 600 to \$700,000 of the total allocation  
18 of 1.5 million for the Chehalis Carbon Offset funding.

19 Our procurement lead spoke with The Trust this morning, just  
20 a few hours ago, and confirmed that PacifiCorp would be  
21 accepting certain stipulations to contract language and  
22 return the document to The Trust for their concurrence. And  
23 we will intend to move forward with the purchase of those  
24 50,000 tons, and I expect to ask for your approval at next  
25 month's meeting.

1 I would like to add though, given the slow pace of the  
2 availability of carbon offset projects PacifiCorp would like  
3 to fund an interim project outside of the competitive  
4 solicitation process. We would like to pursue contracting  
5 with a qualified organization that has experience and  
6 measured success of project implementation and possibly work  
7 with the Chehalis Basin Watershed Trust or work with the  
8 Confederated Tribes of Chehalis to develop or enhance a  
9 locally based project. This could be in the form of a  
10 wetland or upland forest station or reforest station and a  
11 project that has carbon offset attributes.

12 We're suggesting that we commit \$200,000 to be set aside for  
13 this local project, and we'll begin to immediately identify  
14 possible participants with viable project proposals that  
15 PacifiCorp can bring to EFSEC staff and ultimately to the  
16 Council for your approval.

17 This would leave approximately \$600,000 of the commitment to  
18 pursue another RFP for the purchase of VERs or verified  
19 emissions reductions. We would suggest issuing another RFP

1 during the period 2012. The reason for waiting until 2012  
2 would be the expectations that additional projects will  
3 become available given the current slow economic recovery  
4 and also the initiation of the state of California carbon  
trading market. We expect it to become more robust and  
possibly more interest for the balance of those funds.

5 With respect to personnel, our staffing is authorized at 19  
6 folks. And we currently have 19 positions filled.  
7 February we generated 13,546 megawatts for a capacity factor  
of 3.9 percent, and year-to-date 4.2 percent.

8 We have not made a determination of the root cause of the  
9 failure of the GSU, generated step-up, transformer. We have  
10 forensic investigation underway, and that will take many,  
11 many months to complete. We still believe we have some risk  
with existing transformers based upon the two that have  
failed already.

12 Full plant availability was restored on the 15th of  
13 February.

14 With respect to compliance, on March 3rd PacifiCorp received  
15 notice from EFSEC that the application for renewal of the  
16 Title V Air Operating Permit was determined to be  
administratively complete.

17 And there are no other issues. If I may answer any  
18 questions that the Council may have.

19 CHAIR LUCE: Council questions?

20 I just want to say I think this idea of proceeding with a  
21 local group is an outstanding idea, and I encourage you to  
22 do that as expeditiously as possible. I know you will.

23 As far as the other \$600,000 and a new RFP in 2012, if the  
24 local group is interested and can come forward with a viable  
25 project I encourage you to go that direction as well. I  
think the Council feels strongly that local projects in the  
area of the facilities are important and have a high  
priority.

MR. MILLER: Understood. Thank you, Chair Luce.

CHAIR LUCE: Thank you. Appreciate it.

1 COLUMBIA GENERATING STATION UPDATE

2 CHAIR LUCE: I'm now green-lighted for Columbia Generating  
Station.

3

MR. COODY: Good afternoon, Chair Luce and Council Members.  
4 This is Don Coody reporting operational status and some  
significant plant activities for Columbia Generating  
5 Station.

6 Columbia is currently operating at 100 percent power  
producing 1,145 megawatts gross. The plant has been on line  
7 for 487 days. On day 486 Columbia entered its longest  
historical run of continuous operation. So we're pleased  
8 and excited with that milestone.

9 Regarding Columbia's license renewal, as we reported  
previously the license renewal effort for Columbia is on  
10 track. We filed a license renewal application with the  
Nuclear Regulator Commission in January 2010. Columbia's  
11 current license is set to expire in December 2023. License  
renewal will add an additional 20 years, allowing the plant  
12 to operate until 2043.

13 There have been some challenges to the original schedule,  
but we have been able to work with the NRC to rework the  
14 schedule and finalize the timeline. License renewal  
approval now is expected in June of 2012.

15

16 Important license renewal milestones in the month ahead  
include the issuance of the Draft Environmental Impact  
Statement in June, to be followed by a public meeting in  
17 July. The renewal project team is also looking ahead to the  
Advisory Committee on Reactor Safeguards, otherwise known as  
18 ACRS, subcommittee meeting in October. The ACRS is an  
independent consultant that reviews the Energy Northwest  
19 application and how the NRC has responded to the  
application. The project team will answer questions about  
20 the application as will the NRC.

21 I have one NPDES permit issue to discuss. During previous  
council meetings it was reported that the cooling water  
22 blowdown valve, which is currently allowing a small amount  
of leak-by, will be replaced during Columbia's refueling  
23 outage starting next April. In the interim, we have worked  
with Ecology and EFSEC to develop a plan to verify that the  
24 blowdown water does not exceed NPDES permit levels for total  
residual halogen (TRH) as it reaches the Columbia River.

25

On March 4th the station was in the process of collecting 24

1 samples of blowdown water over a period of two hours as  
2 required by the plan. One of the 24 samples was found to  
3 have 0.12 milligrams per liter of TRH, which is slightly  
4 above the NPDES permit limit of 0.1 milligrams per liter.  
5 This was not anticipated.

6 Stephen Posner of EFSEC and Jeff Ayres of Ecology were  
7 provided with a 24-hour notification as required by the  
8 NPDES permit requirements for noncompliance reporting. In  
9 addition, a written report was submitted to EFSEC within  
10 five days of the event. Energy Northwest suspended  
11 halogenations and prepared a recovery plan, which was  
12 approved by EFSEC.

13 And I have one final item regarding the Department of Energy  
14 618-11 Waste Burial Site. Subcontractors for Washington  
15 Closure Hanford last week began preparing a Hanford waste  
16 burial ground, referred to as 618-11, west of Columbia  
17 Generating Station for a cleanup project that's expected to  
18 last for six years. The fenced 8.6-acre DOE site is along  
19 the access road that passes by the Plant Engineering Center  
20 to our warehouse complex.

21 Crews soon will begin using ground penetrating radar to  
22 pinpoint locations of three to five 10-foot high and 8-foot  
23 diameter metal caissons and 50 vertical pipe units buried in  
24 618-11. The 15-foot long pipe units consist of five 22-inch  
25 diameter metal drums welded together end-to-end, buried  
vertically and capped with concrete. Moderate-to-high  
activity waste was deposited in the caissons and pipe units  
during the '60s. Remediation of the waste is projected to  
start in March of 2013, according to the project timeline.  
And cleanup is projected to be finished in 2017.

That's all I have. Questions?

CHAIR LUCE: Thank you. I just have one request, and that  
is at the next monthly meeting if you can give us a report  
on how the Columbia license renewal may or may not be  
affected by some of the activities that NRC may be looking  
at after the earthquake in Japan.

MR. COODY: Sure. Very good, we will do that.

CHAIR LUCE: I think probably you can't tell us a whole lot  
right now, but I think next month would be a good report.

Any other questions?

Thank you.

1 MR. COODY: Thank you.

2 TRANSMISSION LINE UPDATE

3 CHAIR LUCE: Transmission line updates, Mr. Posner. Do you  
4 have any?

5 MR. POSNER: Yes. Good afternoon, Chair Luce, Council  
6 Members. Before we get to that point we do have an article  
7 that was published in I believe it was today's Seattle  
8 newspaper that --

9 CHAIR LUCE: Seattle Times.

10 MR. POSNER: -- talks about Columbia and some of the  
11 emergency preparedness activities that go on out there and  
12 how they're prepared to deal with a catastrophe similar to  
13 what's going on in Japan. Might be of interest to Council  
14 Members.

15 CHAIR LUCE: Thank you.

16 MR. POSNER: So now moving on to the transmission line  
17 updates.

18 The Central Ferry-Lower Monumental Final EIS was issued  
19 February 15th.

20 The Big Eddy-Knight Final EIS is expected to be issued early  
21 summer this year, 2011. As you know, the Draft EIS was  
22 issued in December.

23 And the I-5 Project, the latest information I have is that  
24 the DEIS is scheduled to be issued in the fall 2011, and the  
25 Final EIS fall 2012.

26 That's all I have.

27 CHAIR LUCE: Thank you. Council Member questions?

28 I don't hear any questions.

29 WHISTLING RIDGE ENERGY PROJECT UPDATE

30 CHAIR LUCE: We'll move now to the Whistling Ridge Energy  
31 Project.

32 Mr. Posner.

33 MR. POSNER: I'll give you a very quick update on the DEIS.

1 We are continuing our work with BPA. We're moving forward  
2 and we are hoping to have a preliminary Final Environmental  
Impact Statement available end of April, early May.

3 CHAIR LUCE: All right.

4 MR. POSNER: That's all I have.

5 CHAIR LUCE: Judge Wallis.

6 JUDGE WALLIS: Very brief update. The parties have  
7 completed briefing on land use issues. And the Council is  
preparing for a deliberative session on that.

8 And the opening briefs on the adjudicative portion of the  
9 application are due on Friday of this week. And answering  
briefs are due on April 1.

10 That concludes my report.

11 CHAIR LUCE: Thank you.

12 MR. SUTHERLAND: Another stack of reading.

13 LEGISLATIVE UPDATE

14 CHAIR LUCE: Legislative update.

15 1081, the Small Alternative Energy Licensing Bill introduced  
16 by Representative Morris is still pending. It has passed  
the House and is pending in the Senate. We'll wait and see  
what happens on that.

17 No particular update beyond that unless anyone knows more  
18 than I do.

19 MR. SUTHERLAND: Chair, what's the cutoff date on that?

20 CHAIR LUCE: I don't know what the cutoff date is. I just  
21 don't know. I haven't paid that much attention to it.

22 TransAlta, just for Council's information, bill passed out  
of the Senate, passed the Senate, is pending in the House.  
23 EFSEC is involved to the extent that if there is a proposed  
new energy resource project, natural gas project presumably,  
24 EFSEC is given 180 days within which to license this project  
on an expedited basis. And we will see how that  
materializes on the House side.

25 TransAlta is also exempt from any CO2 mitigation with

1 respect to this new project. And we'll also wait and see  
2 how that materializes on the House side. Interesting  
3 development. And that's, I guess, all I'll say about it.  
4 Al, do you have anything?

5 MANAGER'S UPDATE

6 MR. WRIGHT: Just a couple of items. One, I just wanted to  
7 report to you that we are just now engaging for the first  
8 time in our necessary work to upgrade and transfer all of  
9 our contracting activities, which we have somewhere between  
10 25 and 30, varies back and forth, individual contracts that  
11 we manage for the flow-through of money and activities from  
12 our applicants for compliance to the actual contracting  
13 state agencies and local governments.

14 Those are all, because they were two-year contracts, they  
15 are all still Commerce's contracts but they're managed now  
16 through UTC. As of July 1 all of them expire. They have to  
17 be renewed, the work plans rewritten and they all have to be  
18 rewritten as UTC contracts.

19 So we have an ongoing workload that you don't get involved  
20 with or see very often. I just want to bring it to your  
21 attention. We're really starting to engage now in those  
22 contract updates and we have to have it all done by July 1.  
23 In that there are two large NPDES permits that have to be  
24 redone. One for Columbia Generating Station, and the other  
25 is the resultant NPDES upgrade that came from the Satsop  
process in which there's now an engineering report, and we  
have to contract with Ecology in some form, and we're  
working through Hedia on the Ecology master contract. Both  
of those two NPDES permit upgrades take a tremendous amount  
of time and staff effort that we will be undertaking  
simultaneously with the contracts.

Lastly, as you know, we have a staffing problem in that  
Sonia Bumpus has left and has taken another employment  
outside of state government. Filling vacant positions in  
state government right now is difficult at best. And Mike  
Mills', as you know, health is not in good -- he's really  
not in good health. So his work time availability and his  
workload has been reduced.

So we're experimenting with a number of temporary positions  
and exploring ways we can get some staff support between now  
and July, because it doesn't look like we will be filling  
either of those two positions on any kind of permanent basis

1 until probably after July of 2011.

2 CHAIR LUCE: Thank you. Council Member questions?

3 That completes the agenda as far as I know. Is there  
4 anything else to come before the Council?

5 If not, we are adjourned.

\* \* \* \* \*

6 (Council meeting adjourned at 2:31 p.m.)

7 (These are minutes and not a verbatim report of  
8 proceedings.)

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