

EFSEC APRIL 19, 2011 MONTHLY MEETING MINUTES

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STATE OF WASHINGTON
ENERGY FACILITY SITE EVALUATION COUNCIL
P.O. Box 43172 - Olympia, Washington 98504-3172
April 19, 2011 Monthly Meeting Minutes

CALL TO ORDER

Chair Jim Luce called the April 19, 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
Richard Fryhling, Department of Commerce
Jeff Tayer, Department of Fish and Wildlife
Andrew Hayes, Department of Natural Resources
Dennis Moss, Utilities and Transportation Commission
Doug Sutherland, Skamania County (via phone)
Hedia Adelsman, Department of Ecology

Staff in attendance:

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

Guests in attendance:

Kevin Warner, GHEC; Mark Miller, Chehalis Generation
Facility; C. Robert Wallis, Administrative Law Judge; Karen
McGaffey, Perkins Coie; Darrel Peeples, Attorney at Law;
Mark Anderson, Department of Commerce; Travis Nelson, WDFW;
Todd Gatewood, Grays Harbor Energy; Lucy Brehm, National
Climate Trust; Mike Parvinen, WUTC; Chris Earle, T. Patrick
Sanchez, PacifiCorp

Guests in Attendance via phone:

Jennifer Diaz, Puget Sound Energy; Eric Melbardis, Horizon
Wind Energy; Don Coody, Energy Northwest Tim McMahan, Stoel
Rives

1 CHAIR LUCE: First I want to recognize staff member Mike
2 Mills who is with us today. He's been away for a little
while, but, Mike, welcome back. We're really glad to see
you here.

3 MR. MILLS: Thank you.

4 CHAIR LUCE: And hope to see you at many, many future
5 meetings, Mike.

6 MINUTES

7 CHAIR LUCE: Minutes of March 15, 2011. Council Member
comments? Motion to approve?

8 MR. FRYHLING: I so move.

9 MS. ADELSMAN: Second?

10 CHAIR LUCE: Motion and second. All in favor say aye.

11 COUNCIL MEMBERS: Aye.

12 PROPOSED AGENDA

13 CHAIR LUCE: Proposed agenda. Council Members, I skipped
14 over that. Do you have any changes that you would like to
make, additions or corrections, to the agenda?

15 Hearing none, the agenda is approved as proposed.

16 CHEHALIS GENERATION FACILITY UPDATE

17 CHAIR LUCE: Chehalis Generating Facility.

18 MR. MILLER: Thank you, Chair and Council Members. My name
19 is Mark Miller, and I'm with PacifiCorp Energy, Chehalis
Generating Station. There are two items on the agenda, and
20 I guess I'll just go through the operational update briefly
and then share our recommendation discussion on carbon
21 offset.

22 Safety for last month we're at 3,102 days today with no
lost-time accidents. There were no environmental issues,
23 and everything remains in compliance for last month with
respect to our permits.

24 The carbon offset project I'd like to come back to that,
25 and that's the negotiations that have been ongoing with the
National Climate Trust. Lucy Brehm from the Trust is here

1 today if you have any questions for her afterwards and also
we'll talk about that a little bit more.

2

3 We continue to have 19 authorized positions and all are
4 filled. Operationally we've generated 6,068 megawatts at a
5 capacity factor of 1.6 percent, and year to date we've
6 generated 40,000 with a capacity factor of 3.2 percent. We
7 continue to investigate the failure of the GSU No. 1
8 Transformer, and that will be some time to determine what
9 that issue was.

6

7 With other regulatory compliance issues, we conducted a
8 relative accuracy test audit for the continuous emission
9 monitors last month. Those were the days that we ran
10 primarily to conduct those testings. It's not actually
11 required based upon our operating hours for the last
12 operating quarter, but we decided to go ahead and do that
13 anyway with the assistance of the site visitation by Clint
14 Lamoreaux from the Southwest Clean Air Agency. And
15 everything came out just fine so that report will be coming
16 to you soon Mr. La Spina. We also submitted the 2010 Title
17 V Annual Compliance Certification Form and Report to the
18 regulatory agencies. Completed all the normal emission and
19 discharge and annual emission inventory reports and there
20 were no other issues. And that's the operational update.

21 If you would like me to continue --

22 CHAIR LUCE: Please do. Council Members have received a
23 copy of this gas mitigation plan, and I've had a chance to
24 review it and it looks like a good job.

25 MR. MILLER: A lot of work by the Climate Trust and others.

CHAIR LUCE: Yes. So why don't you summarize that.

MR. MILLER: We are pleased to inform the Council and
announce the contract for purchase of Verified Emission
Reductions from the National Climate Trust has been agreed
to, and PacifiCorp is recommending that the Council approve
this contract. If approved we intend to have the
responsible official sign the contract almost immediately
as soon as possible.

The contract outlines for the purchase of Verified Emission
Reductions which are generated by the Farm Power Lynden
project in Lynden, Washington. The project is a livestock
methane digester certified by the Climate Action Reserve's
livestock manure management protocol.

1 PacifiCorp will be buying Climate Reserve Tons (CRT's)
which is the unit of VER from the Lynden Project.
2 PacifiCorp's cumulative total for this project will be in
the range of 30,000 to 50,000 CRTs and the delivery period
3 is between 2014 and 2020. The first 20,000 tons just as a
note have been sold to another buyer. The estimated
4 project expense is \$625,000 plus a \$20,000 administrative
fee. So we're recommending that approval and we can make
5 some comments on the next two steps that we talked about in
the previous one. Shall I go ahead?

6
CHAIR LUCE: Council Members had a change to review the
7 contract?

8 MS. ADELSMAN: Yes, and I have a couple of questions.

9 CHAIR LUCE: All right. Ask your question, please.

10 MS. ADELSMAN: One of my questions is not really very clear
as to I mean you have 20,000 that goes to another
11 purchaser, then Puget Sound Energy is that a cooperating
entity with the project?

12
MR. MILLER: Puget Sound Energy is buying the energy from
13 the project, and I believe the terminology in that may be
used --

14
MS. ADELSMAN: They're not buying the credit?

15
MR. MILLER: No, another purchaser is and I believe it's
16 Invenergy.

17 CHAIR LUCE: Would you like to come forward and add to the
conversation.

18
MS. BREHM: Yes, I am with the National Climate Trust.
19 Thank you. Lucy Brehm with the National Climate Trust.
20 Thank you. That's a very good question, and I'd be happy
to explain. The CRT's or carbon credits that PacifiCorp is
21 purchasing are coming from the capping of the manure lagoon
and the methane that results from that. Then that is put
22 into a generator and it generates renewable electricity.
And PSE is buying the renewable power for its voluntary
23 program. So there's separate assets. The renewable energy
credits that come from the generation of renewable energy
24 is separate from the methane reduction from the digester.
So you can think of it as two completely separate
25 environmental assets.

1 MS. ADELSMAN: So is Puget Sound buying what we describe as
the RECs?

2

MS. BREHM: Correct.

3

MS. ADELSMAN: And then you're buying the reduction
emission methane.

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5 MS. BREHM: Correct.

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MS. ADELSMAN: In the digester there is a really easy way
to differentiate between the two because it's the burning
that transforms methane and the creates energy and still
emits some CO2?

8

MS. BREHM: There are calculations in figuring it all out.
I'm probably not competent to take you through exactly, but
I would be happy to come back and take you through the
entire project. But basically what happens is the
reduction, the greenhouse gas credit comes from the
avoidance of the methane, the avoidance of the methane
that's emitted when the manure is just left out in the
manure lagoon. And the power comes from putting the gas
that's combusted into the generator and generates renewable
power, and there is a complicated pathway for calculating
that that I probably couldn't take you through sitting here
today.

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MR. MILLER: At Mr. Wright's request we'd like to schedule
some time in the next few meetings a project presentation
to go into more detail.

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MS. ADELSMAN: That would be good.

MS. BREHM: Just to clarify with everything speaking about
the first 20,000 tons, those are CRTs. Those are what in
common parlance is referred as carbon offsets. Those have
already been sold to another buyer before PacifiCorp so
this contract just makes very clear that our obligation to
PacifiCorp starts after those first 20,000.

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MS. ADELSMAN: So is the 20,000 going to Satsop, the first
original part to Satsop, or is it completely separate?

25

MS. BREHM: It's not and I'm not at liberty to say who that
purchaser is right now of the first 20,000 tons.

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MS. ADELSMAN: In talking to Al we do have the original
Satsop 1 and 2 have an offset, a carbon offset, and I
thought that would be the digester.

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MS. BREHM: It's not this one.

MR. WRIGHT: Oh, okay.

MS. ADELSMAN: If this was with you we would have done it with you, is that correct, with the Trust?

MS. BREHM: It may be with another project, but it's not the Lynden project.

MR. FRYHLING: I think the other was in Skagit County.

MS. ADELSMAN: There was another digester?

MS. BREHM: Well, there's the Rexville project. It may be that one.

MR. MILLER: There was a previous presentation.

CHAIR LUCE: Sure. Keep going, Hedia.

MS. ADELSMAN: Another one is just really more on page 25 you talk about anticipated project activity, and you talk about beginning the construction in 2010 and so on. With 2010 done I was thinking maybe really just describe what has got accomplished.

MS. BREHM: Sure.

MS. ADELSMAN: And just to clarify.

MR. MILLER: It's an operational project and basically, you know, the manure from three separate barns are flushed into a central pit where it's thickened and pumped into an anaerobic digester. The digester has a flare and then the rest of the gas will also head to a high efficiency reciprocating engine.

MS. ADELSMAN: No, I understand that. It's just the anticipated project activities you talked about are going to happen in the future. What my understanding is, is it's constructed already.

MR. MILLER: Yes, ma'am. And I have attached a Climate Action Reserve Certification.

MS. ADELSMAN: Okay. Thank you.

CHAIR LUCE: Anything else?

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MS. ADELSMAN: I'm good.

MR. MILLER: There will be a reporting when we talk about that.

CHAIR LUCE: Other Council Members?
Do I have a motion to approve the contract?

MR. FRYHLING: So move.

CHAIR LUCE: Do we have a second?

MR. MOSS: I'll second.

CHAIR LUCE: We have a motion and a second to approve the contract as proposed.

Any discussion from Council Members?

MS. ADELSMAN: I have another question. I'm kind of wondering the contract is between the Trust and PacifiCorp and are we approving the contract or are we approving the transaction? I'm kind of wondering we are not signatures to the contract, we are not parties to the contract so what is it that we are approving?

CHAIR LUCE: I think we have to acknowledge acceptance of the agreement, Hedia, because the statute requires us to do that.

MS. ADELSMAN: Okay.

MR. MILLER: Order 836 details that the approval must be granted by the Council, correct, Al?

MR. WRIGHT: Yes. Basically remember this is not part of the statute. This is a settlement agreement. This is the result of a settlement agreement.

MS. ADELSMAN: Maybe my question is to Kyle. You know, this is a contract between two parties. What we are agreeing is to the content and some of the stuff that's in this but not the whole contract.

MR. CREWS: Well, we're approving the agreement made between these two parties.

MS. ADELSMAN: Okay, and that's exactly, yes. So my

1 wording that I was more thinking about was we're approving
the agreement but not the contract.

2

CHAIR LUCE: Would you like to amend the motion? That
would be fine.

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4 MS. ADELSMAN: Yeah.

5 CHAIR LUCE: Why don't you amend the motion.

6 MS. ADELSMAN: Yes, I think the motion is that the Council
is approving the agreement between the two parties, and
7 even if there's a number or something that would really,
you know, deals with the verified emission reduction
8 purchases so instead of the contract itself.

9 CHAIR LUCE: Okay. I'll take that as an amendment to the
motion. Does anyone want to second the amendment to the
10 motion?

11 MR. FRYHLING: I'll second it.

12 CHAIR LUCE: All right. Weve got a second to the motion.
The original motion has been amended. Any discussion on
13 the amended motion?

14 Hearing no discussion the question is called for. All in
favor say aye.

15

COUNCIL MEMBERS: Aye.

16

CHAIR LUCE: Let the record reflect that the vote was
17 unanimous. Thank you very much. I appreciate it.

18 MR. SUTHERLAND: Mr. Chair?

19 CHAIR LUCE: Yes.

20 MR. SUTHERLAND: Jim, let the record also show that I did
not vote.

21

CHAIR LUCE: That's good, Doug. You can't vote.

22

MR. SUTHERLAND: Yes.

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CHAIR LUCE: Let the record show that.

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25 MR. MILLER: Chair Luce, if I could just summarize the
balance of all the \$1.5 million. Secondly, as I mentioned
last meeting PacifiCorp has committed \$200,000 to a tree

1 planning project in the Chehalis River Basin. The proposal
2 for four individual projects has been received for
3 Confederated Tribes of Chehalis for consideration. So I'm
4 working with their natural resources director Mark White
5 directly to evaluate the projects and rank them, and once
6 we've completed our due diligence on the projects and
7 agreed to a form or a contact fund, PacifiCorp will submit
8 those to EFSEC staff with the recommendation again to move
9 forward with that additional funding. That will probably
10 take one to two more months to complete. The preferred
11 planning season now is in April of 2012. They've scheduled
12 all their planning to purchase new equipment. So that
13 accounts for approximately 845,000 of 1.5 million. Per the
14 order the remaining dollars will be reflected in the
15 approved minutes from last meeting that PacifiCorp issue a
16 new RFP in early 2012 as the California markets open up for
17 the balance of those dollars similar to the VER purchase
18 from the National Climate Trust, and then that will commit.

19 CHAIR LUCE: Great. I know how hard you've worked on this,
20 and I really do appreciate it. The entire Council
21 appreciates it so congratulations.

22 MR. MILLER: Thank you, Chair.

23 KITTITAS VALLEY WIND PROJECT UPDATE

24 CHAIR LUCE: All right. We will move ahead to KV, Kittitas
25 Valley.

Eric, you on the phone?

26 MR. MELBARDIS: Yes, I am. Good afternoon, Chairman Luce
27 and the Council. The April 19 Kittitas Valley Wind Power
28 Project's monthly project update, in the month of March we
29 had 8,69 megawatt hours of generation, average wind speeds
30 of 5.5 meters a second, a capacity factor of 12 percent.
31 We had no safety incidents. Did host the rope rescue tower
32 training here at our facility last week and it went very
33 well. Our O&M building is 100 percent. Operations has
34 moved into this building permanently now. We are working
35 on demobilization of our lay-down yard, reclamation of the
36 area and the temporary project trailers and just waiting on
37 some dry weather for final grade around the O&M.

38 We feel that the project is in compliance as of April 12,
39 2011 when I sent this in. I also sent a preliminary
40 response to EFSEC regarding the letter that was addressed
41 to me on March 14, and I think EFSEC staff is still
42 reviewing that, and we're looking at discussing those items

1 next meeting.

2 Under compliance we have had, the project has had no new
3 noise complaints. Post-construction noise study to be
4 conducted in the spring of 2011 is being scheduled now. I
5 did have an update on that this morning. It looks like
6 that's about three weeks out. So by next meeting I should
7 have either a firm date or the study will be underway.

8 Project staff has not received any new shadow flicker
9 complaints. We did receive a corrected shadow flicker
10 model around the areas of A-1 and A-2 which has been
11 forwarded to EFSEC staff. This specifically shows the
12 residences around A-1 and A-2, and the initial data that
13 was used in the initial model was incorrect. The residence
14 was out of position slightly. So that was where some of
15 our discrepancies on the predicted model dates and times
16 and actuals. We will use this new data to program our
17 turbines to shut down during times of predicted shadow
18 flicker automatically. No shadow flicker is predicted
19 during the summer months so we have a little bit of time to
20 test our system and make sure it's going to be working.

21 Environmental for the month of April our updated water
22 quality checkpoints that were approved by Ecology and EFSEC
23 are in use now. We're using them to monitor any discharges
24 noting findings in our logbook. Continuing to monitor all
25 site BMPs and improving as necessary, and we're getting
ready for our first phase of weed control coming up here
shortly. Any questions?

CHAIR LUCE: Counsel questions?

Hearing no questions, thank you very much.

WILD HORSE WIND POWER PROJECT

CHAIR LUCE: We'll move ahead to Wild Horse.

Jennifer.

MS. DIAZ: Yes, sir. Thank you, Chair Luce. March
generation for Wild Horse totaled 60,000 megawatt hours for
an average capacity factor of 29.58 percent. The solar
demonstration project generated 56,100 kilowatt hours.
There were no lost-time accidents or safety incidents in
March. Also under safety as Eric mentioned we also went
through the rope rescue training. The Pierce County
Department of Emergency Management provided 40 hours of
rope rescue training for five Kittitas County Fire District

1 staff, as well as the Wild Horse plant manager. This was
2 conducted between March 22 and March 25. The course
3 covered high-angle rescue techniques used at both the wind
4 industry and the fire district with half of the time spent
5 practicing the methods inside of a Vestas V80 two-megawatt
6 turbine located at Wild Horse.

7 Under compliance and environmental the five-year 2011
8 through 2015 Post-Construction Rangeland Management and
9 Grazing Plan was reviewed and recommended for approval by
10 the Technical Advisory Committee. This plan was developed
11 in collaboration with the Wild Horse Wind Coordinated
12 Resource Management Group, and EFSEC staff formally
13 approved the plan on April 5 and cows were let out on Wild
14 Horse on April 9, and they're being taken off today in
15 accordance with the plan.

16 For public access and recreation, the site opened for
17 public access and recreation on April 1, and permits are
18 now available for hunting and recreation on the facility
19 either by registering on line at pse.com or by signing up
20 at the Visitor Center. And the Renewable Energy Visitor
21 Center is now open seven days a week to the public from
22 9:00 to 5:30.

23 Under the spring restoration in accordance with the
24 additional SEPA mitigation measures as modified by
25 Amendment No. 5 to the site certificate agreement,
26 restoration of the springs at Wild Horse was completed by a
27 qualified restoration specialist in consultation with the
28 Department of Fish and Wildlife. Restoration included
29 native seeding, planting, native plugs of grasses and
30 shrubs, installing temporary electric fencing as needed to
31 the protect sensitive area from cows when they're out
32 grazing, and developing a long-term plan for weed control.
33 That's all I have for you. Any questions?

34 CHAIR LUCE: Thank you. Council Members questions for
35 Jennifer?

36 Thank you Jennifer.

37 COLUMBIA GENERATING STATION UPDATE

38 CHAIR LUCE: Don, you're up.

39 MR. COODY: Good afternoon, Chair Luce and Council Members.
40 As far as Columbia Generation Station operational status,
41 Columbia is in shutdown. Columbia ended its longest

1 continuous operation at 505 days with the shutdown of its
2 reactor on April 2 following a request from the Bonneville
3 Power Administration. BPA made a request to power down
4 Columbia on March 30 because weather conditions were
5 expected to produce high water flows through the Federal
6 Hydroelectric Dam System. The shutdown which came just
7 before the start of our Refueling Outage 20 ended
8 Columbia's longest continuous operation record at 505 days,
9 besting the old record of 485 days set in 2006. The
10 current run began November 13 of 2009.

11 Under our refueling outage, Refueling Outage 20 started on
12 April 6. This outage is the longest and most extensive in
13 the history of Columbia with a budget of \$154 million.
14 Approximately 1,800 temporary outage workers are supporting
15 work on more than 16,000 tasks planned for the outage which
16 is expected to last nearly 80 days. Replacement of
17 Columbia's main condenser is the biggest project. More
18 than 350 workers are involved in the \$42 million project
19 which marks the first replacement of a boiling water
20 reactor main condenser in the United States nuclear
21 industry since 1991. Columbia should gain about 12
22 megawatts of electricity generation because of the new
23 condenser.

24 The condenser replacement is the lone critical path
25 activity with a 53-day work window, but there are other
important projects as well. They include installation of
244 new fuel assemblies, nonsegregated electrical bus
repairs and inspections, replacing the main generator
rotor, overhauling a low-pressure turbine and an emergency
diesel generator, and extensive valve replacement and
overhaul.

As far as plant activities, we had an unusual event that
was later withdrawn. On April 7, an unusual event was
declared at Columbia due to a small amount of hydrogen gas
that was released from the pipe and ignited. It's
characterized as a less-than-one-second puff during the
cutting activity. The event was not associated with the
reactor building or radiation. The work was being
performed to move the Stator Water Cooling System skid in
the Turbine Generator Building which is a non-nuclear area
of the plant.

During normal operations the plant is filled with water
which is used to cool the generator. Workers were cutting
the pipe when a small amount of residual trapped hydrogen
gas escaped the pipe and ignited. There were no injuries
or damage to equipment. A crew of approximately two dozen

1 workers was evacuated from the immediate area as a
2 precautionary measure. The work resumed in the area
3 following the safety inspection.
4 The next day on April 8 we determined that the declaration
5 of an unusual event that was submitted to the Nuclear
6 Regulatory Commission was unnecessary. Upon further
7 review, Columbia staff concluded that the hydrogen burn,
8 the less-than-one-second puff, in the turbine building
9 posed no risk to the normal level of plant safety.

10 Just for clarification, an unusual event is a
11 classification describing a condition at a commercial
12 nuclear power plant or its surroundings that could
13 potentially compromise the normal level of plant safety or
14 that warrants increased awareness of the plant.

15 Questions on that before I talk about Columbia renewal?

16 Chair Luce you had requested at the last monthly Council
17 meeting that I report on the potential effects of the
18 Japanese Fukushima accident. The Nuclear Regulatory
19 Commission Chairman announced in a press conference that
20 the NRC is collecting and analyzing data regarding the
21 Japanese Fukushima accident. This will be followed by an
22 NRC order to U.S. commercial nuclear power plants that will
23 address any potential changes to the current licenses.
24 There is the potential that the NRC Order may impact
25 Columbia's license renewal scope and aging management
programs. However, at this time it is too early to
determine what the impact may be.

The NRC License Renewal Project Manager has informed Energy
Northwest that we should prepare to answer questions about
the Fukushima incident from the NRC's Advisory Committee on
reactor safeguards. The committee will want to know how
the incident relates to Columbia and what we have done and
will do to mitigate similar events that are beyond the
design basis events and accidents.

In addition to the NRC initiatives, Columbia and all other
U.S. commercial nuclear power plants received a Level 1
Industry Event Report from the Institute of Nuclear Power
Operations known as INPO that provided recommendations of
immediate actions in response to the Fukushima Daiichi
Nuclear Station fuel damage event. The recommendations
were made in order to provide a near-term assurance that
Columbia is in a high state of readiness to respond to both
design basis and beyond design basis events.

1 In general, if there are any changes to Columbia, whether
2 that's physical, procedural, or whatever, that could
3 materially affect the License Renewal Application we must
4 inform the NRC. Therefore, results of the INPO Event
5 Report recommendations and actions will be discussed with
6 the NRC Advisory Committee on Reactor Safeguards.

7 That's all I have. Questions?

8 CHAIR LUCE: Great. Thank you. Council Member questions?

9 MR. SUTHERLAND: Mr. Chair, this is Doug. I'm wondering if
10 they have done any media of the information that he just
11 gave us, and, if so, was there utilization by the media of
12 that information?

13 MR. COODY: I'm not aware of a press release yet. Info of
14 the evaluation they don't release that to the press. I
15 don't know if confidential is the correct word, but they
16 don't release that information. The NRC hasn't completed
17 their collecting and analyzing of data yet. We're just
18 finishing up our info evaluation, and we have not received
19 anything yet from the license or renewal project manager
20 from the NRC. So everything is still sort of in a state of
21 flux, Doug. We really haven't received anything yet or
22 concluded anything yet. So it's really a little premature.

23 So I guess in answer to your question there has not been
24 anything released yet.

25 MR. SUTHERLAND: Okay. All right. Thank you. I'll be
watching to see if and when it is. It will be interesting
because of the extraordinary public interest in anything
nuclear that has been here in the Northwest.

MR. COODY: I understand. At the next Council meeting if
things have come along in this, I will certainly update the
Council.

MR. SUTHERLAND: That would be great. Thank you.

CHAIR LUCE: There was a release on the puff that I saw in
the Wall Street Journal, and then there was the post-puff
release that the puff never really happened. So it was a
no-significant event.

MR. COODY: That's correct.

CHAIR LUCE: Thank you.

1 TRANSMISSION LINE UPDATE

2 CHAIR LUCE: Transmission line update, Mr. Posner.

3 MR. POSNER: Good afternoon, Chair Luce, Council Members.
4 Quick update. The Big Eddy-Knight project the Preliminary
5 Final EIS is out for agency review. We are coordinating
6 with the agencies, state agencies that are under contract
7 to us to get their comments in and out to BPA by the middle
8 of May.9 The Lower Monumental Project the ROD was issued on
10 March 18.11 The I-5 Project I don't have any updated information from
12 last month's report. I'll just remind you that the EIS,
13 the Draft EIS is suppose to be out in the fall of 2011, and
14 the Final EIS is suppose to be out fall of 2012, and that's
15 all I have.

16 CHAIR LUCE: Thank you.

17 SATSOP - GRAYS HARBOR ENERGY PROJECT

18 CHAIR LUCE: Todd, come up and tell us about Satsop. Can
19 we match Chehalis' 1.6 capacity factor?

20 MR. GATEWOOD: Not quite.

21 CHAIR LUCE: Oh, darn.

22 MR. GATEWOOD: Good afternoon, Chairman Luce and Council
23 Members. For the month of March there were no accidents or
24 injuries at Grays Harbor. Environmentally we submitted
25 both our February DMR and our storm water report. Units
operated for zero days? My year to date is .6, and we're
currently completing our spring annual outage as of today
and no complaints.26 CHAIR LUCE: Good. Is that it? If there were a lot of
27 complaints that would be a really --28 MR. GATEWOOD: No, we're waiting for the prison to try and
29 put a project up there between us.

30 CHAIR LUCE: A prison?

31 MR. GATEWOOD: Yes, they want to put a prison between us
32 and the neighbors.

1 CHAIR LUCE: I'll look forward to the SEPA analysis on
that.

2 MR. GATEWOOD: There's a strip there of 140 acres

3 MS. ADELSMAN: Make sure the inmates make a lot of noise.

4 MR. GATEWOOD: It wouldn't be noise. It will be lit up.

5 MS. ADELSMAN: Oh, wow.

6 CHAIR LUCE: Well, I would like to see a courtesy copy of
7 the SEPA document.

8 MR. GATEWOOD: Thank you. Any questions?

9 CHAIR LUCE: No.

10 WHISTLING RIDGE ENERGY PROJECT

11 CHAIR LUCE: Whistling Ridge.

12 MR. POSNER: We are continuing to work with BPA and our
13 consultant. We're making good process and we're still
14 pretty much on schedule. We should have the Final EIS out
for review in June or late May. That's what we're shooting

15 CHAIR LUCE: Okay. Great.

16 Bob.

17 JUDGE WALLIS: In terms of the adjudication, the land use
18 briefs are in and the Council is considering the briefs in
the land use record. The adjudicative briefs are also in,
19 and the Council is preparing to consider the briefs and the
entire record.

20 MR. McMAHAN: Siting Council Members, I'm sorry. We can't
hear Mr. Wallis at all. Tim McMahan here.

21 JUDGE WALLIS: Is this better?

22 MR. McMAHAN: Yes, that's much better. Thanks, Bob.

23 JUDGE WALLIS: Since I got my hearing aid it's hard for me
24 to tell whether the microphone is on or not.

25 The land use briefs have been submitted, and the Council is
considering the briefs and the land use record. The

1 adjudicative briefs are in, and the Council is preparing to
2 consider the briefs and the entire record. When the
3 deliberations are concluded and each member is satisfied
4 with the end resulting order, the order will be entered.
5 That is the conclusion of my report.

6 CHAIR LUCE: Great. Thank you so much.

7 EFSEC COUNCIL OTHER MATTERS

8 CHAIR LUCE: EFSEC Council other matters. Stephen, cost
9 allocation do you want to go over that?

10

11 MR. POSNER: Just real quickly. As we do at the beginning
12 of every quarter we calculate our cost allocation which is
13 our indirect rate that we charge to our applicants and
14 certificate holders. For the benefit of the applicants and
15 certified holders I would just like to read out the
16 recalculated rates.

17

18 For the Kittitas Valley Wind Power Project, it's 12
19 percent. The Desert Claim Wind Power Project, 4 percent.
20 Whistling Ridge Energy Project, 28 percent. Columbia
21 Generation Station, 18 percent. WNP-1 site, 2 percent.
22 Satsop Combustion Turbine, 13 percent. Chehalis Generation
23 Project, 7 percent. Wild Horse Wind Power Project, 10
24 percent. BP Cogeneration Project, 1 percent. Grays Harbor
25 Energy, 5 percent.

26

27 MS. ADELSMAN: Could I ask a quick question? On the WNP-1,
28 the two percent, what type of activity do we still have
29 going on with WNP-1?

30

31 MR. POSNER: We are doing some review with the Energy
32 Northwest staff, and we're also coordinating a little bit
33 with Ecology on they're just about ready to submit their
34 application for water rights.

35

36 MS. ADELSMAN: Okay.

37

38 MR. POSNER: And there's been some back and forth that
39 we've been working with the Energy Northwest staff.

40

41 MS. ADELSMAN: Okay. All right. Thanks.

42

43 CHAIR LUCE: Legislative update. 1081 is still alive I
44 guess. That's the small wind bill. Representative Morris
45 has run this legislation I think that in at least three
46 sessions, maybe four. It went over to the Senate and came
47 back as a study bill basically, and now it's back in play,

1 and I think Representative Morris would like a little bit
2 more study whether anything comes of it. I don't know.
3 The unique feature of 1081 is that staff would be
4 authorized by law to preempt counties by issuance of
5 permits which would not require EFSEC Council approval. So
6 it would elevate staff positions in a significant way.

7 That's all I have on legislative update.

8 MS. ADELSMAN: The Trans Alta is still not out yet.

9 CHAIR LUCE: Hmm?

10 MS. ADELSMAN: The Trans Alta bill is still not out yet.

11 CHAIR LUCE: Well, I'm not worried about that. I have
12 nothing to do with Trans Alta, nothing. Some future
13 Council at some future date possibly may have to expedite
14 the process.

15 MS. ADELSMAN: But we are the Council not Jim Luce.

16 CHAIR LUCE: We may have to expedite the processing of a
17 new natural gas facility at Trans Alta, and it will be a
18 very interesting SEPA document that will be prepared if one
19 is prepared because it has to be expedited. So by
20 definition you wouldn't have to do a SEPA document. So it
21 will be fascinating, and I'm sure I'll read about it
22 someplace in Arizona.

23 And, Hedia, if you're here, call me for God's sake because
24 I really want to hear about how it goes.

25 MS. ADELSMAN: I thought it's the Council not the
individual members, but that's all right.

CHAIR LUCE: All right. Al, what do you got?

MR. WRIGHT: Just two items quickly. One is we are going
through an adoption of the greenhouse gas reporting rules
that have been adopted by Department of Ecology. This is
kind of a me to rulemaking. We are just adopting by
reference, but we do have to go through a CR-105 process
and we're about to enter, I believe we're about to enter
into a 45-day comment period on that rulemaking. So you
might see something around that references EFSEC commenting
on an EFSEC rulemaking, and, like I say, it's not
independent EFSEC rules. We're just adopting the Ecology
rules as part of our procedure by reference.

1 Is there any questions on that?

2 If not, the second item is we are coming up on our two-year
3 renewal of all our contracts that we have with all of the
4 various state agencies, and this is how we flow money
5 through from like Columbia Generating Station for emergency
6 preparedness, etc. We have 27 contracts and/or task
7 orders. They all come due at the same time, approximately
8 July 1. They are normally two-year contracts. This is a
9 little more significant in the last contract was for the
10 Department of Commerce contracts. These contracts for the
11 first time will be UTC contracts. So there's a little more
12 effort involved in that we're changing templates and doing
13 other administrative things.

14 The good news is we're getting a tremendous level of
15 support from all the parties. Of course, we're the ones
16 supplying the money so it's not too surprising. But we're
17 getting a great deal of very positive support from all the
18 parties in sticking within the budgets that were
19 established four years ago for a four-year budget, and this
20 renewal really is supposedly just that, a renewal of the
21 budget and not a review or an expansion of those budgets.
22 And we are receiving a tremendous amount of cooperation of
23 people holding the line and staying within the budgets on
24 at least so far on all our contracts.

25 CHAIR LUCE: I think part of that is probably due to the
fact that Mr. Mills here put the whip to them -- excuse me,
encouraged them to hold the cost down in the last go
around.

So, Mike, you did a good job, and the fruits of your labor
are being realized now as even Al goes around and talks to
the different contractors.

Anything else?

MR. WRIGHT: That's all.

CHAIR LUCE: All right. Anything else, Council Members?
We are adjourned.

22 (Whereupon, the meeting was adjourned at 2:15
23 p.m.)

24 (These are minutes and not a verbatim report of
25 proceedings.)