

EFSEC AUGUST 10, 2010 MONTHLY MEETING MINUTES

Page 1

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

August 10, 2010 Monthly Meeting Minutes

CALL TO ORDER

Chair Jim Luce called the August 10, 2010 monthly meeting to order at 905 Plum Street, S.E., Room 301, at 1:30 p.m.

ROLL CALL

Council Members present:

Jim Luce, Chair
Jeff Tayer, Department of Fish and Wildlife
Richard Fryhling, Department of Commerce
Terry Willis, Grays Harbor County
Mary McDonald, Department of Natural Resources
Dennis Moss, Utilities and Transportation Commission
Judy Wilson, Skamania County (via phone)

Staff in attendance:

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

Guests in attendance:

Brett Oakleaf, Invenergy; Karen McGaffey, Perkins Coie;
Mark Anderson, Department of Commerce; Darrel Peeples,
Attorney at Law; Kevin Warner, GHE; Mark Miller,
PacifiCorp; Todd Gatewood, GHE; Travis Nelson, WDFW; Robert
Kruse, Friends of Wildlife and Wind Power; Bruce Marvin,
Counsel for the Environment; C. Robert Wallis,
Administrative Law Judge

Guests in Attendance via phone:

Kelly Mosier, Perkins Coie; Jennifer Diaz, Puget Sound
Energy; Colin Meskell, Horizon Wind Energy; Don Coody,
Energy Northwest; Tim McMahan, Stoel Rives; Mel Walters,
PSE; Haley Edwards, PSE; Erica Brittany, ICF International

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

PROPOSED AGENDA

CHAIR LUCE: The proposed agenda. I have one suggestion which is to move the Whistling Ridge Energy Project up from No. E to No. A. Other Council Members have any requests for changes to the order of the agenda?

MS. WILSON: Thank you, Mr. Chairman.

CHAIR LUCE: Yes.

Any other requests?

All right. Hearing no other requests the modified agenda is adopted.

MEETING MINUTES

CHAIR LUCE: Council Members had a chance to read the minutes for July 13, 2010 as transcribed by our good court reporter Shaun?

Do I have a motion to adopt?

MR. FRYHLING: I so second.

CHAIR LUCE: Do I have a second?

MR. TAYER: Second it.

CHAIR LUCE: Motion and second.

Discussion?

No discussion, questions is called for. All in favor of adopting the minutes say Aye.

COUNCIL MEMBERS: Aye.

CHAIR LUCE: Thank you. Let the record reflect that's unanimous.

WHISTLING RIDGE ENERGY PROJECT UPDATE

CHAIR LUCE: We will begin with the Whistling Ridge Energy Project update, Mr. Posner.

MR. TAYER: Mr. Chair.

CHAIR LUCE: Yes.

1 MR. TAYER: I wonder if those on the line might be able to
put their phones on mute.

2
3 MR. FRYHLING: It sounds like somebody has it on speaker
phone.

4 CHAIR LUCE: If somebody has this on the speaker, if you
could take us off the phone that would be helpful and I
5 think somebody else just beamed in.

6 MS. BRITTANY: Yes, Erica Brittany with ICF International.
Thank you.

7
8 CHAIR LUCE: All right. Speaker phones off. Thank you.

9 Whistling Ridge Energy Project, Mr. Posner.

10 MR. POSNER: Good afternoon, Chair Luce, Council Members.
Just to give you a quick update the public comment period
11 for the DEIS has been extended I think you're all aware of
this to 8/27, August 27. We are continuing to receive
12 public comments. And one other item concerning Prehearing
Order No. 6. I know there's been some inquiries about the
13 status of that order. We should have an order out today or
tomorrow.

14 CHAIR LUCE: Thank you.

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

16 CHAIR LUCE: Other Council Members have any questions
regarding Whistling Ridge?

17
18 MS. WILSON: Mr. Chair, this is Judy.

19 CHAIR LUCE: Yes.

20 MS. WILSON: My question is I thought we had talked about
getting some of the public comments delivered to us as we
go along so we wouldn't get it all at once. Is that still
21 a possibility or do we need to wait to see it all at once?

22 CHAIR LUCE: Mr. Posner?

23 MR. POSNER: Judy, that is a possibility. We have actually
transferred a number of the comments to disk and we could
24 send Council Members copies of what we have so far if
you're interested.

25
MS. WILSON: I am.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CHAIR LUCE: Sounds like there's an interest. Either by e-mail or?

MS. WILSON: Yes.

MR. POSNER: It might be better to send you each a C.D.

CHAIR LUCE: There's quite a few comments.

MR. POSNER: Right. So far we've received close to 400. The majority are I want to say boilerplate comments received from various organizations.

CHAIR LUCE: Okay. Judy, is that okay for a C.D.?

MS. WILSON: Sure, that's great.

CHAIR LUCE: All right. C.D.s all around. Anything else on Whistling Ridge?

Hearing nothing else on Whistling Ridge, we'll move ahead to --

MS. WILSON: Thank you. I'm going to sign off.

CHAIR LUCE: You have a nice afternoon.

DESERT CLAIM WIND POWER PROJECT UPDATE

CHAIR LUCE: Desert Claim.

MR. LA SPINA: Good afternoon, Chair Luce. There's been no new developments on Desert Claim so nothing to report.

CHAIR LUCE: Thank you.

KITTITAS VALLEY WIND PROJECT UPDATE

CHAIR LUCE: Kittitas Valley, Horizon, Jennifer?

MR. MESKELL: This is Colin.

CHAIR LUCE: Okay. Wild Horse, right, excuse me. All right, Colin.

MR. MESKELL: For Kittitas?

CHAIR LUCE: You've got so many projects in Kittitas County I can't keep track of them so go ahead.

1

MR. MESKELL: Update on the status. We continue to have safety meetings every Monday which the county fire marshal is attending. The fire level for the county was just increased to Level 2, and so far everyone on site is being trained for safety and environmental as they come out on site. Site road completion is at 100 percent. We have 100 percent of the foundations in. Eighty-eight percent of the tower bases are set. We have 25 percent of the turbines fully erected, although none are commissioned at this time. For the electrical work our circuit completion is 92 percent. Substation completion is at 55 percent with the control building to be delivered today or tomorrow coming up on site. The project is in compliance as of August 5 this month. There have been no internal NCRs since my last report, and we have completed rerouting the collection lines around the area of the recent pestle find to accommodate the cultural investigations and impacts to that area while they're still investigating that.

10

11 CHAIR LUCE: Thank you.

12 Staff, have anything you want to add?

13 MR. LA SPINA: I just want to add, Chair Luce, that I visited the site in the last couple weeks and the project is doing very well as far as compliance with the SCA goes.

14 CHAIR LUCE: Council Member questions?

15 COLUMBIA GENERATING STATION UPDATE

16

17 I.

18 CHAIR LUCE: Hearing no questions having heard from staff and the project, staff will move ahead to Columbia Generating Station. Don Coody.

19

MR. COODY: Good afternoon, Chair Luce, and Council Members. Columbia Generating operational status, Columbia is currently operating at 100 percent producing 1,140 megawatts gross. The plant's been on line for 270 days. As far as plant activities, we had a down power on July 27. We down powered the plant to 65 percent to facilitate the replacement of a flexible expansion joint in the piping from the main condenser to a condensate pump. We identified the degraded joint during a follow-up inspection to condenser air-in leakage testing. The flexible joint is made of a laminated rubber material that is over an inch thick. We decided to reduce power to isolate the line so that the flexible expansion joint could be replaced. The

25

1 manufacturer of the expansion joint worked around the clock
2 to provide a new joint which was received and installed
3 Wednesday, August 4, and we resumed full power Thursday
4 evening August 5. We've evaluated a similar flexible
5 expansion joint to determine that they're acceptable for
6 service until the next outage or later. So we'll continue
7 to monitor for degradation.

8 The Chief Executive Officer. Yesterday afternoon,
9 August 9, Energy Northwest Executive Board voted to hire
10 Mark Reddemann as Energy Northwest's CEO. Mark has been
11 acting as interim CEO since Vic Parrish's retirement on
12 July 14. In Sid Morrison's message to Energy Northwest
13 employees announcing the selection he stated: The few
14 weeks Mark has served in that position he has shown himself
15 to be all the things that have impressed us so much during
16 the interview process. He's a knowledgeable professional
17 who has a vision of where he wants to take Energy Northwest
18 and the experience to make it happen. Mark is familiar
19 with Energy Northwest as a former member of our Corporate
20 Nuclear Safety Review Board, and from his previous
21 employment with the organization in the 1990s combined with
22 his extensive nuclear executive experience, this gives him
23 a unique perspective to help guide us to the future.

24 Then I have one final status update on the Industrial
25 Development Complex water rights. We're continuing the
26 process of preparing an application for a water right
27 permit that will be submitted to the Department of Ecology
28 for the IDC. The scope of the permit will be for
29 nonindustrial business activities at the IDC during
30 post-site restoration, and we anticipate that the
31 application will be submitted to Ecology by the end of that
32 year.

33 During future Council meetings I will provide the status
34 until something happens on this. That's all I have. Any
35 questions?

36 CHAIR LUCE: I don't have any questions.

37 Council Member questions?

38 The heads are all going horizontal. No questions.

39 MR. COODY: Thank you.

40 CHAIR LUCE: Thank you very much for your report.

41 MR. COODY: Thank you.

1 CHEHALIS GENERATION FACILITY

2 CHAIR LUCE: Chehalis.

3 MR. MILLER: Mr. Chair and Council Members, my name is Mark
4 Miller with the PacifiCorp Chehalis Power Plant, just a
5 brief report.

6 During the month of July there were no medical treatments
7 or recordable incidents of lost-time injuries. We maintain
8 all our compliance limits with stormwater, air emissions,
9 and waste water discharge monitoring results. The carbon
10 offset project did -- correction there. It went up to 24
11 potential candidate firms. Two have responded that they
12 would not bid and the six organizations have provided an
13 intention to participate. That's still ongoing. We expect
14 questions by September, the 1st week of September, and hope
15 to move toward a contract in mid December.

16

17 Staff has 17 positions filled with 18 authorized. The
18 month of July we generated 129,000 megawatt hours with a
19 capacity factor of 36.1, year to date 580,000. The plant
20 continues the cycle on and off line everyday through the
21 month here.

22

23 The auxiliary boiler project is nearing mechanical
24 completion, and we expect to start that project up early
25 which will benefit both the plant and the environment.
26 It's not due to be in compliance until February of 2011,
27 but we will certainly be done before.

28

29 Just a note that's not on here, the Bonneville
30 Administration is working on substation upgrades from
31 Napavine Substation there, an FYI.

32

33 And there were no other complaints or NERC violations or
34 reg violations or any sound issues. Any questions?

35 CHAIR LUCE: Council Member questions?

36 Yes.

37 MS. McDONALD: What's the auxiliary boiler? What's the
38 purpose?

39

40 MR. MILLER: The Auxiliary Boiler Project was required as
41 part of the certificate transfer to PacifiCorp by the
42 Council to primarily reduce the startup time and thereby
43 reducing the carbon and greenhouse gas emissions.

44

1 MS. McDONALD: Thanks.

2 CHAIR LUCE: Anything else?

3 Hearing nothing else, Thank you very much.

4 TRANSMISSION LINES UPDATE

5 CHAIR LUCE: Sonia, do you have an update for us on the
6 transmission lines?

7 MS. BUMPUS: Yes. So for Central Ferry-Lower Monumental
8 we're currently reviewing the DEIS comments, and we'll be
9 submitting those on the closing period of August 16. For
10 Big Eddy we did receive the PDEIS comments, and those were
11 submitted on time on July 9, and the Draft EIS will be
12 expected sometime in September.

13 For I-5 we recently received word from BPA that there were
14 some revisions to the project design with regard to the
15 route, and there will be four public meetings between
16 August 30 and September 12 to answer questions and discuss
17 those changes. The meetings will be held at Castle Rock,
18 Vancouver, Amboy, and Camas, Washington, and I have more
19 detailed information on that that I can send to all of you
20 if need be.

21 CHAIR LUCE: Thank you.

22 MS. BUMPUS: That's all I have.

23 CHAIR LUCE: Council Member questions?

24 Hearing no questions, thank you very much. Appreciate your
25 update.

26 WILD HORSE WIND POWER PROJECT

27 CHAIR LUCE: We'll now move ahead to Wild Horse Wind Power
28 Project. Jennifer, you're on the phone?

29 Ms. DIAZ: Yes, sir, I sure am.

30 Council Members, wind production for the Wild Horse Project
31 in July totalled 49,700 megawatt hours. The Solar
32 Demonstration Project generated 91,000 kilowatt hours in
33 the month of July. Under safety there were no lost-time
34 accidents or safety incidents to report, and for compliance
35 and environmental the July stormwater discharge monitoring
report for the expansion area was submitted to EFSEC.

1 Precipitation in July did not produce stormwater runoff or
2 any events. Stormwater BMPs are in good condition, and the
3 site remains in compliance with the construction stormwater
4 permit. A TAC meeting, a Technical Advisory Committee
5 meeting was held on July 15 at Wild Horse. TAC members
6 were provided updates on the 2010 Avian and Bat Monitoring
7 and results from the third year of habitat restoration
8 monitoring. The TAC also considered and took action on a
9 joint recommendation from the State Department of Fish and
10 Wildlife and U.S. Fish and Wildlife Service regarding the
11 installation of raptor perch discouragers on 230 kV
12 transmission feeder line which is actually next on the
13 agenda for the Council's consideration, but before we move
14 on to that item, do Council Members have any questions
15 regarding the operational update?

16 CHAIR LUCE: Did you give us the capacity factor?

17 MS. DIAZ: Oh, 25 percent for wind.

18 CHAIR LUCE: Any other Council Member questions?

19 Maybe we could go ahead and have your presentation on
20 installation of perch discouragers.

21

22 MR. POSNER: Excuse me, Chair Luce.

23

24 Jennifer, before you begin I just want to direct the
25 Council to the pertinent documents in their packets.
26 There's this document, the gray document is a memorandum
27 from the two agencies. The purple is a motion that the TAC
28 approved. The pink copy is a copy of draft minutes from
29 the last TAC meeting, and this document is a letter from
30 Friends of Wildlife and Wind Power. So these documents
31 will be discussed or information pertaining to this action,
32 potential action is described in these documents.

33

34 CHAIR LUCE: Great. Thank you.

35

36 Jennifer, you want to proceed?

37

38 MS. DIAZ: Yes, sir. So raptor perch discouragers have
39 been a subject of discussion at the past TAC meeting for
40 the past three years. Before taking action on this item I
41 would like to provide the Council with a brief history
42 leading up to the unanimous TAC recommendation that's
43 sitting before you for consideration. Back in February of
44 2006 EFSEC amended the Wild Horse site certificate
45 agreement to allow for the realignment of the 230 kV
46 transmission feeder lines.

1 As mitigation for this realignment the Department of Fish
2 and Wildlife recommended and EFSEC ultimately required the
3 installation of raptor perch guards on all transmission
4 line structures at Wild Horse in an effort to avoid
5 predation of sage grouse that may potentially be wintering
6 in the area. This original Fish and Wildlife
7 recommendation was based on the assumption that predatory
8 birds have more success obtaining prey species like sage
9 grouse when they're able to perch on transmission line
10 structures. However, recent scientific studies indicate
11 that perch discouragers do not prevent raptors from
12 perching but were intended rather to move birds from an
13 unsafe location to a safe location, and therefore would not
14 be effective in achieving the original intent of the
15 mitigation requirement. In addition, there are no known
16 sage grouse populations or sage grouse lax at Wild Horse.
17 This information was shared with and discussed by TAC
18 members, and on May 28 of 2008, eight TAC members
19 unanimously recommended that 5 of the 29 transmission line
20 structures located in the most sensitive areas be modified
21 with the raptor perch discouragers. Following the
22 principles of the adoptive management the TAC agreed that
23 the targeted approach was most the appropriate action for
24 now with further analysis to be conducted by PSE to
25 determine their effectiveness in discouraging raptors from
perching on the transmission line poles.

So following modification of the five transmission line
structures PSE conducted surveys of raptors perching on the
poles in 2008 and 2009. The structures were monitored on a
daily basis from May to December of 2008 and January to
September of 2009. Results indicated that overall there
was very little raptor use of the area. In addition, most
observations of raptors perch transmission line structures
occurred during the summer months. Small raptors such as
kestrels were observed perching on poles that were modified
with the perch discouragers. PSE expressed to TAC members
concern that perch discouragers may also create a substrate
for raptor nesting and may actually increase the risk of
electrocution to birds that are federally protected under
the Migratory Bird Treaty Act.

So based on PSE's findings the TAC suggested that
additional monitoring along the transmission line poles may
be beneficial before making a final decision on the
installation of additional perch discouragers. PSE agreed
to research the feasibility of additional studies and
present this information to TAC members for further

1 consideration. So on January 12 of 2010, PSE biologists
2 met with State Fish and Wildlife biologists and U.S. Fish
3 and Wildlife biologists to review the current science and
4 discuss the options and feasibility for additional sage
5 grouse surveys along the transmission line.
6 During that meeting it was agreed that the Department of
7 Fish and Wildlife staff currently engaged in sage grouse
8 research and management should perform an on the ground
9 assessment of the habitat along the 230 line to evaluate
10 suitability for sage grouse and determine about whether
11 additional anti-perching devices should be installed on the
12 pole structures or if additional studies were warranted.
13 The site assessment was performed on February 1 of this
14 year by five research biologists from the Department of
15 Fish and Wildlife including Mike Schroeder who is
16 considered a national authority and expert on sage grouse.
17 Based on their findings the Department of Fish and Wildlife
18 concluded that the installation of additional anti-perching
19 devices would not provide the level of benefit for sage
20 grouse or accomplish the overall desired result as
21 originally envisioned in the site certification agreement,
22 and that further monitoring or surveys would not provide
23 enough useful information due to the low abundance of sage
24 grouse at Wild Horse. It was agreed that in the long term
25 implementing alternative conservation actions in lieu of
installation of the additional anti-perching devices will
provide more positive benefits for the production of sage
grouse at Wild Horse.

The Department of Fish and Wildlife and U.S. Fish and
Wildlife recommended to the TAC that PSE not install
anti-perching devices on any additional poles but instead
implement four alternative conservation actions which
include the removal of all unnecessary fences and wires
from within the project boundary to reduce the potential of
collision hazards for sage grouse and other wildlife. The
second action would be to mark fence lines to increase
visibility for sage grouse and where practical use
temporary electric fences and laydown fences to reduce
potential hazard collisions. The third action would be to
remove inactive raven nests from PSE's structures within
the project boundary and in accordance with the terms of
the Migratory Bird Treaty Act, and the last action would be
in cooperation with the Department of Fish and Wildlife
identify appropriate locations and measures for improvement
of habitat suitable for sage grouse nesting and brood
rearing.

So this joint recommendation was ultimately presented to

1 TAC members at the last TAC meeting held last month on
2 July 15, and after consideration the TAC unanimously
3 motioned to recommend to EFSEC adoption of the four
4 alternative conservation measures in lieu of installing
5 anymore perch discouragers. It was agreed that the
6 adoption of these measures by EFSEC would satisfy the
7 mitigation requirement related to the installation of perch
8 discouragers but would not preclude the TAC from
9 considering the installation of perch discouragers at a
10 later date through an adaptive management process. So
11 that's the presentation. Are there any questions?
12 CHAIR LUCE: Questions from Council Members?
13 Mr. Tayer, do you have any observations for the good of the
14 order?

15
16 MR. TAYER: Well, that was a good summary by Jennifer of
17 what I've seen. I see that Travis Nelson is here at the
18 TAC meeting.

19
20 I wonder if, Travis, you have anything to add to what
21 Jennifer has presented?

22 MR. NELSON: I think that I would agree she summarized it
23 to the best of my recollection, and I in fact encouraged
24 the group to make a motion to move forward collectively for
25 a function based outcome rather than to be fixated on a
potential option that doesn't seem to have support of the
science on the ground today, but keep an option open as she
mentioned in the future that if the technology of perch
discouragers improves or if we learn something that there
would be an option to discuss or perhaps even pursue those
options in the future.

26
27 MR. TAYER: Mr. Chair, the only other thing I would add is
28 that sage grouse have been going through an analysis by the
29 Fish and Wildlife Service for listing under the Endangered
30 Species Act. The conclusion of that analysis is that
31 biologically they're warranted for listing, currently
32 precluded by higher listing priorities within the service.
33 That decision to not immediately list them is the subject
34 of ongoing litigation right now. Washington State has the
35 most threatened of all the populations of sage grouse in
the west. We are obviously very sensitive about trying to
protect them. I just would say I appreciate the ability
for the experts to get out there on the ground and try to
not be stuck with decisions that we made several years ago
on a new industry that's just now really coming on in the
shrub steppe but be able to adapt over time and maneuver

1 the mitigation in the best way possible. So it appears to
2 me that this is happening just the way we would want it to
3 happen.

3 CHAIR LUCE: I had only one question and, Travis, maybe you
4 can answer this. Item No. 4 is in cooperation with WDFW to
5 identify appropriate locations. Are you going to do
6 anything more than identify?

5 MR. NELSON: The idea in that would be to identify those
6 opportunities where they exist and then seek input from the
7 TAC on actions or inactions. So if there's opportunities
8 on the site to do some habitat modifications or
9 improvements that those would be discussed with the group.

8 CHAIR LUCE: So that would be my choice of words. In lieu
9 of the raptor perchers that you would, the TAC would
10 consider asking the site certificate holder to do more than
11 identify but possibly improve habitat. To identify is
12 putting something on a map. That's helpful, but I'm just
13 curious as to the use of that word.

12 MR. NELSON: I think it's a step one, and I think these
13 four things together I wouldn't want to say number four by
14 itself is in lieu of.

14 CHAIR LUCE: No, I wouldn't say that, no.

15 MR. NELSON: But I think that it's the package deal that
16 all four of those things are going to happen, and that it
17 would be acted upon based on input from the TAC and
18 discussion with PSE.

17 CHAIR LUCE: I guess it's a longer term question as to
18 whether the Council can request the Applicant under the
19 existing certificate to do more than identify possible
20 habitat.

20 MR. TAYER: Mr. Chair, just my observation that I think the
21 history we've had at Wild Horse that once we've identified
22 an appropriate action it's being implemented.

22 CHAIR LUCE: I would agree with that. I just looked at the
23 word identify and raised the question.

23 MR. POSNER: Chair Luce, just a clarification. I believe
24 that according to the TAC rules and procedure the TAC can
25 recommend to the Council additional mitigation or
26 additional measures related to habitat restoration. So I
27 believe that they could come forward to the Council and

1 request that.

2 CHAIR LUCE: All right. So no more Council questions.
3 I've been advised that Mr. Robert Kruse would like to
4 address the Council in this matter.

5 Mr. Kruse, come forward and offer your comments if you
6 wish.

7 MR. KRUSE: Thank you, Mr. Chairman and Members of the
8 Council for giving us the opportunity to continue to be
9 involved in the TAC committee and to talk about the perch
10 discouragers issue with you. Our interest today is to in
11 follow up to the recent TAC committee meeting where a
12 motion was passed which follows up on and embraces the four
13 points in the joint U.S. Fish and Wildlife and the WDFW
14 recommendations.

15 Just to give a little background of how the world looks
16 with respect to perch discouragers from our viewpoint, if I
17 could pass out a couple of graphics that will describe a
18 little more the situation. These are two pictures of
19 raptors perching on overhead lines, and the larger
20 structure is right at the mouth of the entrance to the Wild
21 Horse Wind Power Project and the other is directly across
22 the street. So that's what the raptors look like when
23 they're perched on the poles there, and that's the item of
24 concern to us. This is the overhead map that shows
25 boundaries, the southerly boundaries of the Wild Horse Wind
Power Project, and the blue dots represent the Puget Sound
Energy overhead transmission lines that was required by the
SCA to be fitted with deterrents. The line with the green
is the Kittitas PUD line which was an existing line there
in existence before the Wild Horse Wind Power Project.
Since the beginning of our discussions about the deterrents
or being involved in the TAC since three years ago as
Jennifer has mentioned, we have taken the position that the
PUD lines should have been fitted with deterrents right
along with the Puget Sound Energy lines because they are
part of the project. They're in the project. And their
need to be fitted is evidenced quite distinctly in the
joint recommendation by the five biologists who have
commented on the efficacy of the installation of perch
deterrents. Michael Schroeder who is recognized as the
leading authority on this issue and for sage grouse in
general nation wide but particularly in this region I'll
read to you from his report.
He says that although sage grouse might benefit from
retrofitting of Wild Horse poles, there are alternative

1 perches nearby. Primarily Kittitas PUD has a transmission
2 line that roughly parallels the Wild Horse Wind Power
3 Project line which is 1,500 to 2,000 feet away. This
4 transmission line is smaller but has many more raptor
5 friendly poles that might not provide any benefit for sage
6 grouse to retrofit the Wild Horse Wind Power Project line
7 with raptor deterrents while not modifying the Kittitas
8 County PUD line. Again, since the beginning of our
9 discussions three years ago, Friends of Wildlife and Wind
10 Power has taken the position that both lines were suppose
11 to be fitted with deterrents, and so that subject relates
12 to the five questions in the copy of our letter that you
13 have.

14 We asked the question that the Council Members be aware
15 that the judgment on that subject itself, whether or not
16 the Kittitas PUD line was suppose to be fitted with
17 deterrents at the same time that the Wild Horse Wind Power
18 Project was constructed, we see here on this issue that the
19 joint recommendation of the biologists is not that
20 deterrents would not be of benefit. What they say here is
21 effectiveness would be significantly jeopardized because a
22 supplemental power line parallel to the one that was
23 suppose to be fitted in the first place. So we are
24 supporters of continued dialogue on this subject matter.
25 We did vote to accept the motion that was developed by the
TAC to utilize alternative mitigation measures in lieu of
raptor deterrents but to leave the door open for
discussion, continued discussion of the possibility that
deterrents could be fitted on these lines with additional
information, with additional science, and with the
additional data.

There may come a point where the installation of the
deterrents are thought to be a benefit. Our group
presently thinks that they are. Some information before
you tends to indicate that raptor deterrents are
ineffective. All of the scientific studies that we were
asked to review having to do with the effectiveness of
raptor perch deterrents we found some level of
effectiveness in all of the studies. They're not perfect.
They don't completely eradicate raptor perching, but they
are effective at a certain level. And in fact, the studies
that Puget Sound Energy conducted on their own site with
the five poles that were fitted, when you look at the data
you can find that they're actually very effective; that
they were very effective in that circumstance. There were
many fewer perching events on poles that were fitted with
deterrents as we progressed though our logic than there

1 were unfitted poles.
2 So that finding is consistent with all of the other perch
3 deterrent studies that we have reviewed finding that
4 deterrents are effective, and it is true it's mentioned
5 from time to time that deterrents weren't really meant to
6 completely prevent raptor perching. That's true. They
7 weren't. They were originally designed to make an attempt
8 to prevent electrocution of birds in power outages. Their
9 use as attempting to completely prevent perching never was
10 conceived as being entirely successful, but we think
11 they're effective so we would like to leave the door open
12 the opportunity to discuss it further.
13 To that end we wanted to follow up on the motion itself and
14 your comments, Chairman Luce, about Item No. 4 that
15 identifying appropriate locations and measures for
16 improvement of habitat suitable for sage grouse. With that
17 thought, extend into the oversight and management of the
18 implementation of any measures thought to be beneficial to
19 achieve benefit for sage grouse on the level that
20 deterrents might have. To that end we wanted to ask the
21 question will the TAC have voting authority to make motions
22 and recommendation to the EFSEC Council as part of the
23 management and oversight of these four items? After the
24 TAC committee meeting it occurred to us that via these
25 motions and these writings it's not clear if we still get
to vote on the subject. So we would like to have clarified
and we hope that would be part of your actions today or at
a later date that the TAC committee can stay involved in
this matter and actually vote on it.
Just a couple of readings. This is from the Avian Power
Line Interaction Committee most current report which is the
2006 version of the Bible for perch deterrents on overhead
power lines. It says: Power line structures may also help
local raptor populations increase, and it cites the
science, which in ten years after construction of the 500
kilovolt transmission line across Eastern Oregon and
Southern Idaho 53 pairs of raptors and ravens nested on
line structures while their nesting densities on nearby
natural substrates remained at pre-construction levels.
There's also citations in the currently issued nature
conservancy writing which was an extension of the pollen
study which covers the entire western United States and
reviews the science of habitat degradation development in
general and wildlife decline.
Just some excerpts related to our subject matter from it.
Greater sage grouse exhibit hindsight ability and require

1 extensive intact habitat with open horizons. Impacts of
2 wind farms on sage grouse have been suggested to be similar
3 to natural gas developments resulting in extrication for
4 population reductions. Potential effects include elected
5 abandonment and habitat avoidance due to vertical
6 structures and their associated predation risk. We wanted
7 to add also that sage grouse are not the only subject
8 matter in the wildlife realm related to those overhead
9 lines. There's ground dwelling mammals and there's ground
10 nesting birds, other species not just sage grouse. Many of
11 them and their population are undefined. So we would ask
12 that in these discussions about deterrents that it not be
13 forgotten that there are other species that could benefit
14 from the installation of deterrents.

15 So far we've asked for review and comment on the voting
16 authority of the TAC, and we have five questions contained
17 in our letter that Stephen Posner has advised us. We've
18 been advised that by virtue of our agreement to support the
19 motion to allow PSE to omit the deterrents in exchange for
20 the four mitigation items that our five questions would be
21 answered by WDFW, the U.S. Fish and Wildlife, EFSEC, and
22 Puget Sound Energy. We would prefer that along with this
23 joint statement by the scientists from U.S. Fish and
24 Wildlife and WDFW that there be a joint statement from
25 those participating parties as well as the EFSEC Council
and Puget Sound Energy to address the five questions that
I've asked.

One of the more important ones we feel ongoing from here is
it has to do with mitigation for this project, future
mitigation, mitigation which could come from off-site
mitigation from other wind energy projects or from grant
sources. There could be we presume a number of different
resources for the implementation of the installation of
raptor deterrents at some point in the future if it was
thought beneficial, and so we wanted to underscore and try
to leave the door open and maintain that possibility for
future mitigation for installation of raptor deterrents on
both overhead lines but also that thought extends to all of
the other wind energy developments going on in Kittitas
County right now.

We ask the question of the scientists, the Council, and
Puget Sound Energy what is the impact going to be if this
decision that we and we as us the leaders with the first
wind energy project coming on line in Kittitas County
making this decision not to install deterrents on overhead
lines, what does that mean for the next four projects
underway coming on line? And now that we have set an

1 example these projects will have no -- there will be
2 nothing to compel them to install raptor deterrents. So
3 what we're going to have is basically I guess the analogy I
4 would like to make if a machine gun nest goes from the
5 Columbia River all the way to Ellensburg and beyond
6 separating the Yakama Training Center sage grouse
7 population from the Douglas County population, I cannot
8 conceive of a way after all these projects are completed
9 that a sage grouse is going to be able to get from Yakima
10 through all those wind power projects and pass through Wild
11 Horse without getting nailed by a raptor that's sitting on
12 a pole. I just can't imagine. Just those pictures that I
13 showed you I drove from Vantage to Ellensburg in early
14 July, and I actually photographed six separate raptors
15 sitting on overhead lines along the Old Highway. So if
16 we've got the Old Highway, now we have the Vantage Wind
17 Power Project, we have the power lines associated with the
18 Wild Horse Project, we've got Desert Claim, Kittitas Wind
19 Power Project, we've got all these overhead lines
20 increasing the density of overhead lines, that doesn't seem
21 to be an indicator of the basis on which the Wild Horse
22 Project was permitted; that being we are going to try to
23 improve sage grouse population; we are going to try to
24 improve habitat.

13 This decision to omit deterrents as we say in our letter is
14 the antithesis of that concept. How could we possibly be
15 saying that we're here to preserve sage grouse in
16 particular and other wildlife in general if we're going to
17 omit the deterrent when from our viewpoint the science of
18 the deterrent say they actually work.

17 So mitigation and the TAC's authority to continue to be
18 involved in the process and the mitigation subject leads
19 into one final point, and that is the cumulative effects of
20 all these wind power projects going in in the Kittitas
21 County area right now.

20 Your comment, Chairman, that you have so many projects in
21 Kittitas County I can't keep track of them, it's becoming
22 true, and for the EFSEC Council and any of us involved to
23 believe that there will be no cumulative effects that are
24 going to have a deleterious impact on wildlife is really I
25 don't think well spoken of, well thought of. There's going
26 to be some effects. Our biggest concern is that presently
27 we know of no cumulative effects studies underway to
28 analyze the impact of all of these projects. Four wind
29 projects and a solar energy project are now they're coming
30 on line and there's going to be more. We understand that.
31 And right now there's no studies going on that are weighing

1 the impacts of all these projects as they come on line.
2 Quite frankly we're gravely concerned, and in the studies
3 that have been undertaken they are geared more toward the
4 singular analysis of individual projects. There are
5 sections in each of these individual projects that the
6 title is cumulative effects, but it's really not based on
7 any significant data gathering or any significant science.
8 It's just not there yet. And as far as we know nobody is
9 working on that.

10 The final point is that we see bias in the scientific
11 studies for the individual projects that are being
12 undertaken right now. Most of the science is coming from
13 one organization. We can take excerpts from virtually any
14 of the projects, and we can find where bias is prevalent in
15 the science that promotes the design on the installation of
16 these projects, and we're concerned that any cumulative
17 effects studies which we presume should and will be
18 undertaken, we'll certainly be promoting it, that they be
19 funded from and managed by entities that can provide
20 unbiased science because right now we don't have them. We
21 don't have them. Thank you for hearing our comments, and
22 we hope that these considerations can be given as you move
23 through your decision process.

24 CHAIR LUCE: Thank you. I'll just add a couple comments
25 and then we can throw it up over for discussion of the
26 Council. The only item before the Council today is listed
27 on the agenda, and that is the action item with respect to
28 acceptance of the TAC's motion to proceed without raptor
29 perches. So that's the only item we will be taking final
30 action on today because under our rules it's required to be
31 on the calendar.

32 The second thing I guess I would say is the scope and
33 authority of the TAC depends on the rules and I haven't
34 reviewed them recently. It sounds to me if I recall
35 correctly that the TAC has broad latitude to discuss
36 whatever they want to and make whatever recommendations
37 they want to EFSEC which will make the final decision. It
38 sounds also like the TAC has operated rather successfully.
39 On behalf of the Council I can't commit to answering the
40 five questions. Okay?

41 MR. KRUSE: No, we were not expecting that.

42 CHAIR LUCE: I just wanted to make clear we will get those
43 questions, but we can't commit to answer them. I don't
44 know about the other four projects, some of which were
45 licensed or certificated by EFSEC, some of which weren't.

1 We will look at each project over which we have
 2 jurisdiction on a case-by-case basis utilizing adaptive
 management which is what I believe WDFW is recommending
 here; is that correct?

3
 4 MR. TAYER: Correct.

5 CHAIR LUCE: The fact that we may have recommended
 something or included something in the site certificate
 agreement several years ago doesn't mean necessarily we got
 6 it right. In fact, we don't always get it right.

7 MR. KRUSE: Chairman Luce, just a question. I was a
 committee member on the Washington Wind Energy Guidelines
 8 Renewal recently and don't all wind power projects embrace
 the guidelines?

9
 10 CHAIR LUCE: I am not going to answer the question because
 I could make an assumption, but I don't know for sure.

11 MR. KRUSE: Okay. Thank you.

12 CHAIR LUCE: The last issue on cumulative impacts is a
 legitimate issue, and I would agree it was a legitimate
 13 issue. I don't have a way of addressing it yet. There
 have been discussions about how it might be addressed.
 14 Mr. Tayer's interested in that and other Council Members
 are as well, and I share your concern that there has been
 15 no cumulative impact analysis, not just limited to the
 Kittitas County system but limited to the broader region as
 16 a whole in respect to these projects.

17 So do I have an answer for you? No. Is it a reasonable
 legitimate issue? Yes. So that's all I have. Anybody
 18 else have any Council Member comments?

19 MR. POSNER: Chair Luce, I'd just like to concerning the
 four proposed alternative conservation actions.

20
 21 CHAIR LUCE: Yes.

22 MR. POSNER: The TAC will be given an opportunity, and this
 was discussed at the last TAC meeting, they have an
 opportunity to be actively involved in each one of these
 23 steps, and so they will be playing a role with the agencies
 and PSE in participating in these activities, and from
 24 those activities could result actions by the TAC proposing
 to EFSEC Council that more action be taken and implemented.

25
 CHAIR LUCE: I understand that.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. POSNER: The TAC has that authority and the Council at least has that authority to require PSE to implement further measures if the TAC deems it necessary.

CHAIR LUCE: Right. Okay. Thank you.

Council Members questions, comments? Do you have a motion?

MR. MOSS: I have just a comment to sort of confirm my understanding.

CHAIR LUCE: Go ahead.

MR. MOSS: As I understand the type of work before us here in the motion what this will do in fact if we pass this or accept this motion would be to actually bring about the implementation of steps to improve the situation that otherwise would not necessarily occur without precluding the perhaps future implementation of the installation of raptor perch discouragers if that appears to be appropriate in the passage of time and further study. Is that --

CHAIR LUCE: That's my understanding.

MR. TAYER: That's my understanding as well.

MR. MOSS: That's all I have. Thank you.

CHAIR LUCE: Given that clarification and understanding which is agreed to by all the Council Members do we have a motion?

MR. TAYER: Mr. Chairman, I'll move to adopt the four alternative conservation measures described in the June 17, 2010 memo from WDFW and U.S. Fish and Wildlife Service.

MR. MOSS: I second that.

CHAIR LUCE: Discussion?

MR. TAYER: The only discussion I would have, Mr. Chairman, is that just to note that as several people have said that the door is still open. This is a moment in time and if the science indicates that the raptor perches are going to help the sage grouse in the future then that's still perfectly open for discussion.

CHAIR LUCE: The separate question which -- well, let's finish and then I'll come back to that.

1

We have a motion and a second on the floor. We had a discussion. Council Members have anymore comments?

2

Yes.

3

4

MS. WILLIS: On the back of page 2 on this it actually on the gray item it actually proposes that in the 2010 field season that this work, some of this work actually take place. Is that part of the motion because I see it as a timeline that's being requested to be met?

5

6

7

CHAIR LUCE: Yes. All right. Question? Question is called for. All Council Members in favor of the motion by Mr. Tayer say aye.

8

9

COUNCIL MEMBERS: Aye.

10

11

CHAIR LUCE: Let the record reflect that the vote was unanimous. The related question I had, and I don't have an answer to this, do we have any jurisdiction over the Kittitas County PUD transmission lines?

12

13

MS. McDONALD: That's what I wanted to know.

14

15

MR. POSNER: Well, the information I have shows that it's not considered an associated facility to the project, and in that the line predates the project, and power generated from the project is not transmitted via distribution lines. There's nothing in the SCA or the Final EIS that address the mitigation measures for that line. Although, you know, as Robert has said there may be a difference of opinion on that, but that's my understanding.

16

17

18

CHAIR LUCE: And, Mr. Kruse, you have raised that with Kittitas County PUD?

19

20

21

22

MR. KRUSE: We have not. We would like to solicit their cooperation and involvement in reviewing the issue, but the appropriate science and support of the scientific community would be necessary in order to take up anybody's time. We would like there to be an awareness that that line was rebuilt during the Wild Horse construction project. So we presume -- that was one of the reasons that we presumed it was part of the Wild Horse project and it would be --

23

24

25

MR. PEEPLES: It was not rebuilt. It was a connection put in --

26

27

28

29

30

31

32

33

34

35

CHAIR LUCE: You want to identify yourself for the record,

1 please.

2 MR. PEEPLES: Darrel Peeples.

3 CHAIR LUCE: And let Mr. Kruse finish.

4 Go ahead, Mr. Kruse.

5 MR. KRUSE: I think I was through.

6 MR. PEEPLES: That was never made part of the SCA when we
7 went through. PSE has no control over that line so I don't
8 know how you can make PSE put a perch on a line that
9 preexisted them and serves other people.

10 CHAIR LUCE: I wasn't suggesting that.

11 MR. PEEPLES: No, I know you weren't.

12 CHAIR LUCE: It's a question which is the reason I asked.

13 MR. TAYER: Mr. Chair?

14 CHAIR LUCE: Yes.

15 MR. TAYER: I would just say that we have a long history as
16 does the Fish and Wildlife Service of working with the
17 transmission owners to deal with raptor perching issues,
18 and that at the point where this becomes a priority for
19 protecting sage grouse both the Department of Fish and
20 Wildlife and Fish and Wildlife Service would engage the PUD
21 directly in that conversation. I think if the science is
22 there that there will be two discussions, one with the PUD
23 and one with Puget Sound Energy.

24 CHAIR LUCE: Okay.

25 MR. KRUSE: Chairman Luce, could I add just one more
comment?

MR. KRUSE: Certainly.

MR. KRUSE: When Wild Horse was permitted the application
for site certification, the Draft Environmental Impact
Statement, and the Final EIS all embraced the notion of
connectivity and that the sage grouse population could pass
through these project areas, and so the concern of that
notion and raptor deterrents were really from our viewpoint
quite varied. And now there's a separation, there's a
disconnect.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CHAIR LUCE: I remember the discussion about sage grouse quite well, and I assume that you will take this up with Kittitas County PUD. You say you haven't done that, but if there's an issue then you should do that.

MR. KRUSE: It would be wonderful if Jeff or you could open those discussions.

CHAIR LUCE: At this point in time I'm not sure we have any jurisdiction so I would suggest that you begin that conversation.

MR. KRUSE: Very well.

CHAIR LUCE: If you wish to do so.

MR. KRUSE: Thank you.

CHAIR LUCE: Don't tell the PUD I sent you.

MR. KRUSE: No comment. I'll say it was Jeff. Okay?

CHAIR LUCE: Thank you very much. Appreciate your comment.

MR. KRUSE: Thank you.

SATSOP - GRAYS HARBOR ENERGY PROJECT

CHAIR LUCE: The next item on the agenda is the Satsop - Grays Harbor Energy Project.

MR. GATEWOOD: Good afternoon, Chairman Luce, Council Members. My name is Todd Gatewood, Grays Harbor. For the month of July we had no safety issues or incidents. We're actually at no incident issues for the year. We are going to conduct our errata and our annual emissions test on August 16. We submitted our June discharge monitoring report with no issues, and the reason was because the weekly sample ended up being in July so you will hear about the normal thing at the next meeting. We produced 133,000 megawatts for the month which was a monthly capacity factor of 28 percent, and it brought the annual up to about 14 percent. We anticipate running until probably October. This is when we make most of our time and no noise complaints for July.

CHAIR LUCE: Great. Are we going to -- I guess is that all you have, sir?

1 MR. GATEWOOD: Yes, that's all.

2 CHAIR LUCE: I'll turn back to Judge Wallis. At some point
3 we were going to have a tour of the facility when it was
4 operating. Previously it was not possible because it
5 wasn't operating. So are we going to schedule something
6 like that?

7 JUDGE WALLIS: That is my understanding.

8 CHAIR LUCE: I'm sorry. Maybe I asked the wrong person.
9 Al.

10 MR. WRIGHT: We were going to bring the subject up.

11 CHAIR LUCE: Okay.

12 MR. WRIGHT: What we did, if you recall, we canceled the
13 last tour because the plant wasn't running so we wanted to
14 wait until it was. So we decided to wait until yesterday
15 to determine this week whether the plant was running or
16 not. It's my understanding it is and it will be running
17 tomorrow. So as part of after you get through your
18 expedited deliberation exercise Grays Harbor Energy has
19 graciously said that we can have a tour if the Council
20 decides they want to do it. So it's up to you. The plant
21 is running, and you do have a public meeting notice out on
22 the books. It's announced that you're having a public
23 meeting so you can do the tour in the afternoon if you
24 choose.

25 CHAIR LUCE: Do we need, Kyle, to specifically notice the
tour?

MR. CREWS: It would be preferable to do that. It could be
announced I would think up front. I don't know how fast
you can get the notice out.

CHAIR LUCE: 24 hours I believe is required.

MR. CREWS: Yes.

CHAIR LUCE: We'll think about that, Al. As you know I've
got a conflict. I can't be there in the afternoon. It
doesn't mean people shouldn't have the tour. I've been
there before. I've seen the plant. So let's assume that
the Council will have the tour unless there is a compelling
reason not to have the tour, and that also assumes that
Council Members want to go on the tour.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. MOSS: We're going to be there anyway. It seems like it's sensible if it can be accommodated within the constraints of notice.

CHAIR LUCE: We have to make an announcement at the public meeting tomorrow during our deliberations. So unless there's a legal reason that we think of between now and then we'll assume we will do this. All right.

JUDGE WALLIS: Very good. I would like to go through the process from this point with relation to the Grays Harbor Energy Project. We had previously noticed a public comment session for tonight at 6:30 in Montesano, and that will be held and members from the public will be invited to make comments of any nature on any nature of the proposed project. Tomorrow we have scheduled a deliberative session. In many of the projects that the Council deals with the investigation and review of the project is done in the context of an adjudication under the Administrative Procedure Act. The Council rules specify that the expedited process is not an adjudication, and consequently the deliberation will be done in an open public session. We have scheduled that for tomorrow morning beginning at nine o'clock in Montesano. The Council will be considering questions that staff have prepared in an agenda, and in conjunction with that I've circulated that to Council Members who if you have any suggestions on the agenda if you could give those to me before you leave today then we will have that prepared for tomorrow morning. Those questions, those agendas include some questions for possible consideration by the Council again based on staff suggestions. The Council will have before it the application, at least there will be a copy of the application in the room. We will provide individual materials to the Council Members that include the public comments, transcript of the comments, the cover letter that the Applicant provided with its recent submission, the draft SCA, and draft order will be available, the agenda, and Mr. Marvin I believe yesterday submitted some comments that also will be available.

I think that concludes my presentation except that I notice that the agenda for today's session calls to adjourn as Item No. 7, and my understanding was that there would be a recess and that tomorrow's session would be a continuation of today's session. I'm not sure. I haven't seen the paperwork to indicate that.

1 CHAIR LUCE: We will go into recess.

2 JUDGE WALLIS: So I would suggest we go into recess.

3 CHAIR LUCE: All right. Thank you very much.

4 Any Council Member questions?

5 Terry.

6 MS. WILLIS: You talked about an agenda for tomorrow for
the adjudication portion of it.

7 JUDGE WALLIS: Yes.

8 MS. WILLIS: Are we limited to only those items you put on
9 there or is this a conversation that can go in a variety of
directions should we feel the need to do that?

10 JUDGE WALLIS: Absolutely, yes.

11 MS. WILLIS: Great. Thank you.

12 CHAIR LUCE: Any other comments or questions by Council
13 Members?

14 Staff have anything they want to add?

15 Mr. La Spina.

16 MR. LA SPINA: Chair Luce, I just wanted to add for
information of the Council that we've received four comment
17 letters and e-mails about the amendment request during the
public notice period. That would be in addition to all the
18 verbal comments made during the public meetings last month.

19 CHAIR LUCE: You will have those available?

20 MS. TALBURT: Yes.

21 CHAIR LUCE: Right?

22 MR. LA SPINA: Yes.

23 CHAIR LUCE: Anything else?

24 All right. We'll gather tonight at 6:30. Where is the
gathering tonight?

25 MS. TALBURT: It is in the commissioners' chambers.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

CHAIR LUCE: Commissioners' chambers. So it's across the street from where we were last time?

MS. WILLIS: It's in the Administration Building which is across the street from where we were at the City Hall.

MS. TALBURT: 100 Broadway; is that correct?

MS. WILLIS: Yes.

MS. TALBURT: First floor.

MS. WILLIS: And if you go around to the back of the building and come in from the back side, that's where the doors will be unlocked.

EFSEC COST ALLOCATION

CHAIR LUCE: Okay. The next item on the agenda, EFSEC Cost Allocation for the first quarter of fiscal year 2011 -- 2010 I believe. 2011?

MR. POSNER: 2011.

CHAIR LUCE: It's the fiscal year, I'm sorry. Do we have a presentation, Mr. Posner?

MR. POSNER: Yes. Just a very quick presentation. This document in your packets is a breakdown of the numbers, and this is done every quarter presented to the Council so that you along with our various projects know what their percentage of our indirect costs they're being charged for. The breakdown for the first quarter for fiscal year 2011, that's July 1, 2010 through September of 2010, are as follows: Kittitas Valley Wind Power Project 22 percent, Desert Claim Wind Power Project 5 percent, Whistling Ridge Energy Project 21 percent, Columbia Generation Station 9 percent, WNP/1 two percent, Satsop Combustion Turbine Project 12 percent, Chehalis Generation Project 4 percent, Wild Horse Wind Power Project 7 percent, BP Cogeneration Project 1 percent, Grays Harbor Energy Center 17 percent.

CHAIR LUCE: Thank you. Council Member questions?

UPDATE ON MOVE TO UTC

CHAIR LUCE: All right. Al, you have some updates for us on the move to the UTC?

1 MR. WRIGHT: Yes, just quickly. As you probably know we
2 are now operating under the UTC's e-mail system, and you
3 will notice it doesn't say at commerce anymore. It says at
4 UTC. Our commerce e-mail are still being forwarded to us,
5 and they will be forwarded to us until the end of the year,
6 but we are on the UTC's e-mail system. There will be no
7 change in the phone numbers until we actually physically
8 move over to the UTC offices. That move is now tentatively
9 scheduled to occur between Monday, August 30 and Friday
10 September 3. During that week we will be in the process of
11 moving, changing, loading furniture, unloading it over
12 there. At that point in time our phone numbers will
13 change, and we will be under a different set of numbers and
14 a different prefix because we're under the 664 UTC prefix,
15 and we'll be sending this material as we get ready and get
16 through the move. Between now and then the build out that
17 we had planned within the UTC offices has basically been
18 rejected, and so we are making minor modifications to the
19 UTC building at this point in time, and we will have that
20 all accomplished before the 30th of August. So the move
21 will take place on the week of the 30th as far as I know,
22 and from there on out after the Labor Day weekend we will
23 basically be in the UTC offices.

13 CHAIR LUCE: Okay. Thanks.

14 MR. WRIGHT: Go ahead.

15 CHAIR LUCE: No, go ahead.

16 MR. WRIGHT: Well, Mary had a question.

17 MS. McDONALD: I had a question, but I have it back to the
18 allocation so I was going to wait until you were done and
19 then ask a question.

19 MR. WRIGHT: Oh. The only other thing I wanted to point
20 out -- and after tomorrow's deliberative session we will
21 make sure we are on schedule and send you out material --
22 but I wanted you to note, and we put it in your packet,
23 there is a calendar schedule for September which includes
24 changing the September Council meeting from Tuesday the
25 14th to Wednesday, September 15, and again combined with
another deliberative session on Satsop. And it includes a
potential deliberative session on Satsop on the 29th of
September. Assuming everything goes well tomorrow and
we're on schedule, I just wanted for your planning purposes
I wanted you to note that, and we will be sending out
information highlighting that later after tomorrow's
session. That's all I have.

1

CHAIR LUCE: Before we get to the cost allocation, I guess what I would say is in defense of the UTC actually they accepted our recommendations, but it went to GA and GA has new rules. We're talking about the economy, the new normal. Well, this is the new normal for the state under financial pressure, and so the GA has a very strict rule about basically any modification to existing space. And so UTC did support us, but we made the determination with the UTC that fighting the GA was probably a losing battle, and so there are times when you want to pick your battles, and there are times we want to wait and keep your powder dry for a later day. So we'll keep the powder dry.

2

MR. MOSS: I appreciate that being part of the record, Chairman Luce. And as I expressed to Mr. Wright yesterday, perhaps in the not distant future things will improve and the situation could be altered.

3

CHAIR LUCE: We have hope. I know that the UTC is operating under similar GA labor constraints so we are all -- I won't finish the sentence.

4

MR. MOSS: Some things are best left unsaid.

5

CHAIR LUCE: All right. So you had a question, Mr. Tayer.

6

MR. TAYER: Just one more question on the move. Then will those September meetings be in the UTC building.

7

MR. WRIGHT: Most likely they will be in the UTC building or possibly somewhere else depending on where we decide to hold the deliberative sessions. We may combine the meeting the whole thing in one place. I just don't know at this point.

8

MR. TAYER: It could be in Montesano though.

9

MR. WRIGHT: We haven't made any arrangements yet, but it will most likely not be here.

10

MR. MOSS: UTC is more conveniently located to Montesano.

11

MR. WRIGHT: That's true.

12

CHAIR LUCE: Mary, you had a question.

13

MS. McDONALD: BPA was it because it's under contract that it's not included in this?

14

1 CHAIR LUCE: Well, I think that these are projects over
2 which we have jurisdiction. We don't have jurisdiction
3 over BPA. Sometimes we wish we did, but nevertheless
4 Bonneville is paying for costs associated.

5 MS. McDONALD: Right, I knew they were.

6 CHAIR LUCE: But that wouldn't be reflected on this sheet.

7 MS. McDONALD: Okay.

8 MR. FRYHLING: Was that soft whisper suppose to be recorded
9 by Shaun?

10 CHAIR LUCE: I wish we had jurisdiction over the Bonneville
11 Power Plant, but the constitution says otherwise.

12 So if there is any other business to come before the
13 Council? If not, we will stand in recess until this
14 evening at 6:30 in the Administration Building for Grays
15 Harbor County in Montesano, Washington. Thank you very
16 much.

17 * * * * *

18 (Monthly meeting adjourned at 2:46 p.m.)

19 (These are minutes only. This is not a verbatim
20 report of proceedings.)

21
22
23
24
25