

SITE CERTIFICATION AGREEMENT

BETWEEN

THE STATE OF WASHINGTON

AND

ENERGY NORTHWEST



For the

**WNP – 1 and WNP – 4 PROJECT SITE
(WNP – 1/4 Partially Constructed, Terminated Nuclear Project Site)**

BENTON COUNTY, WASHINGTON

- **AMENDMENT NO. 2 (APRIL 13, 2010)**

ENERGY FACILITY SITE EVALUATION COUNCIL

OLYMPIA, WASHINGTON

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AMENDMENT NO. 2
to the
SITE CERTIFICATION AGREEMENT

for the

WNP – 1/4 PROJECT SITE

between

THE STATE OF WASHINGTON

and

ENERGY NORTHWEST

Amendment No. 2 to the WNP – 1 and WNP – 4 Site Certification Agreement (Agreement, SCA, or Certification Agreement) is made and entered into pursuant to chapter 80.50 of the Revised Code of Washington (RCW) by and between the State of Washington (referred to as the “State” herein), acting by and through the Governor of the State of Washington, and Energy Northwest (Certificate Holder), a municipal corporation and a joint operating agency of the State of Washington organized in January 1957 pursuant to chapter 43.52 of the Revised Code of Washington.

The initial Agreement was executed on August 8, 1975, and approved the construction and operation of Washington Nuclear Projects No. 1 and No. 4 (WNP – 1/4), located on the Hanford Site in Benton County, Washington. On March 18, 1982, the Governor approved Amendment No. 1, which included changes to the terms for the operation of emergency diesel generators for Projects No. 1 and No. 4.

Construction of the two “nuclear generating units” was halted in May 1981 (WNP – 4) and April 1982 (WNP – 1) and the projects were later terminated. State oversight of the 1 and 4 project site was maintained through a succession of preservation and site restoration plans. In July 2009, Energy Northwest requested that the WNP – 1/4 SCA, administered by the state Energy Facility Site Evaluation Council (Council or EFSEC), be amended to:

- Remove the terms and conditions of the SCA related to the construction and operation of the terminated WNP – 1 and WNP – 4 nuclear projects; and
- Update the SCA to reflect Energy Northwest’s plans to pursue facility reuse/industrial development opportunities and future site restoration activities.

On April 13, 2010, the Council approved Amendment No. 2 to the WNP – 1/4 SCA by adopting Resolution No. 330, thereby removing conditions related to the WNP – 1 and WNP – 4 nuclear projects, and setting out the terms and conditions for the restoration and reuse of the WNP – 1/4 project site.

The parties hereby now desire to set forth all terms, conditions, and covenants relating to such site certification in this amendment to the Agreement pursuant to RCW 80.50 and chapter 463 Washington Administrative Code.

ARTICLE I. SITE CERTIFICATION

A. Site Description

1. The site in which the project, identified as WNP - 1 and WNP - 4, is to be constructed, operated, and restored is located in Benton County, Washington. The site is located entirely within the federally-owned area known as the Hanford Operations Area, United States Department of Energy, and is adjacent to the Columbia River. The site is described as follows:

A parcel of land lying in Section 4 of Township 11 North, Range 28 East, Willamette Meridian, described as follows:

Beginning at the Southwest corner of Section 11, Township 11 North Range 28 East, W.M., (said corner being located by reference to Washington State Coordinate System South Zone at coordinates North 408,335.30 and East 2,307,653.50) thence North $65^{\circ} - 17' - 03''$ West 12,113.14 feet to the TRUE POINT OF BEGINNING (said point being located by reference to the Washington State Coordinate System South Zone at coordinates North 413,400.00 and East 2,296,650.00); thence North $01^{\circ} - 01' - 28''$ West 3000.48 feet to a point; thence East 5280.00 feet to a point; South $01^{\circ} - 01' - 23''$ East 3000.48 feet more or less to the TRUE POINT OF BEGINNING, containing 363.69 acres more or less, and

A parcel of land lying in Sections 33 and 34 of township 11 North, Range 28 East, and Sections 33 and 34 of Township 12 North, Range 28 East, Willamette Meridian, described as follows:

Beginning at the Southwest corner of Section 11, Township 11 North, Range 28 East, W.M., (said corner being located by reference to the Washington State Coordinate System South Zone at coordinates North 408,355.30 and East 2,307,653.50) thence North $50^{\circ} - 42' - 00''$ West 14,311.63 feet to the TRUE POINT OF BEGINNING (said point being located by reference to the Washington State Coordinate System South Zone at coordinates North 417,00.00 and East 2,296,578.57); thence North $01^{\circ} - 01' - 023''$ West 3000.48 feet to a point; thence East 5280.00 feet to a point; thence South $01^{\circ} - 01' - 023''$ East 1200.19 feet to a point; thence West 11,189.29 feet more or less to the TRUE POINT OF BEGINNING, containing 609.15 acres more or less.

The bearings used herein are Grid Bearings based on the Washington State Coordinate System, South Zone.

B. Project Description

The original project was defined as consisting of "two nuclear generating units."

1. Energy Northwest terminated the construction of the WNP – 1 and WNP – 4 nuclear projects leaving the projects partially completed. For purposes of this amendment and to reflect the current status of the projects, the description of the WNP – 1/4 projects is changed to “partially completed, terminated WNP – 1/4 nuclear projects (or project site).” The project site may also be referred to as Industrial Development Complex.
2. Facilities and infrastructure on the project site are: reactor building, reactor auxiliary building, turbine-generator building, electrical switchyard, pump houses, cooling towers, office and warehouse buildings, storage tanks, and the supporting infrastructure of roads, parking lots, storage yards, and service connections (water, sewer, electricity, and firewater).
3. A WNP – 1/4 Site Map identifying WNP – 1/4 buildings and Columbia Generating Station facilities is included as Attachment 1.

C. Site Certification

1. The nuclear generating project was authorized to be located, constructed, and operated on the site described in Section I.A.1, hereof.
2. This Certification Agreement certifies, to the extent authorized by law, that within and on the above site Energy Northwest may restore and/or reuse the project subject to the terms and conditions of this Certification Agreement.
3. Restoration and/or reuse activities at the WNP – 1/4 project site are to be conducted in accordance with the amended SCA and the agreement between Energy Northwest, Bonneville Power Administration, U.S. Department of Energy, and the State of Washington (referred to as the Four-Party Agreement, Attachment 2). The specific details for the site restoration are found in Energy Facility Site Evaluation Council Resolution No. 302 (Attachment 3).
4. The remainder of the project subject to restoration is as follows:

WNP-1

- a. One spray pond and pump house;
- b. Three cooling towers;
- c. One turbine generator building, condensate tank and transformer yard;
- d. One waste treatment facility;
- e. One circulating water pump house;
- f. Two air intake structures; and
- g. Minor structures and slabs as referenced in Resolution No. 302.

WNP-4

- a. One spray pond and pump house; and

- b. Three cooling towers.
5. In accordance with the requirements of the Four-Party Agreement and Resolution No. 302, when any portion of the site (Section I.C.4), is incorporated into a reuse, then that portion of the site will be removed from the requirements of this Agreement for restoration.
6. The entire site will be considered to be reused when 70% of the structures (section I.C.4) have been placed into long term reuse. The entire site will also be considered to be reused when a business line takes over responsibility of the land from DOE and BPA. This business could be a new entity, not part of the Four-Party Agreement, or it could be a business line of Energy Northwest.
7. This Agreement will be terminated once restoration of the structures in section I.C.4 has been completed in accordance with Resolution No. 302, or the entire site has been designated for reuse, or any combination of both.

ARTICLE II. GENERAL CONDITIONS

A. Legal Relationship

1. This Certification Agreement is in lieu of any permit, certificate or similar document required by any department, agency, division, bureau, commission or board of the State of Washington.
2. Energy Northwest agrees to maintain its lease with the State Department of Natural Resources for use of certain public state land needed for this project.
3. This Agreement ratifies and incorporates the State of Washington's, acting by and through the Council, certification on May 5, 1975, that Energy Northwest's discharge from WNP 1 and 4 to navigable waters will comply with the applicable provisions of §§1311, 1312, 1316, 1317, Title 33, United States Code.
4. This Certification Agreement shall bind the Certificate Holder and the State or any of its departments, agencies, divisions, bureaus, commissions or boards subject to all the terms and conditions set forth herein.
5. Energy Northwest shall pay to the Council such reasonable monitoring costs as are actually and necessarily incurred during restoration of the WNP – 1/4 project site to ensure compliance with the conditions of this Agreement as required by RCW 80.50. The amount and manner of payment shall be prescribed by EFSEC pursuant to applicable rules and procedures.
6. This Certification Agreement is subject to federal laws and regulations applicable to the project and to the terms and conditions of any permits and licenses which may be issued to Energy Northwest by pertinent federal agencies.

7. This Certification Agreement, together with those commitments made by the Certificate Holder in its application, Site Restoration Plan No. 302, and Four-Party Agreement, constitute the whole and complete agreement between the parties and supersedes any other negotiations, representations or agreements, either written or oral.

B. Enforcement of Compliance

1. This Certification Agreement is subject to all the penalties and remedies available at law, or in equity, to any person.
2. This Certification Agreement may be revoked, suspended or modified pursuant to the provisions of chapter 34.04 RCW for failure to comply with any of the terms and conditions herein, and for violations of chapter 80.50 RCW, regulations issued thereunder, any other applicable state or federal laws or regulations, and any other applicable state or federal laws or regulations, and any order of the Council.
3. Where approval or agreement of the Council is required by this Agreement, the Council may, but is not required to, conduct a hearing pursuant to RCW 34.04.

C. Notices and Filings

1. Filings of any document or notice with the Council shall be deemed to have been duly made when delivered to the Council at the offices of the Council in Olympia, Washington. Notices to be served upon Energy Northwest shall be deemed to have been duly made when delivered to the office of the Chief Executive Officer of Energy Northwest.

D. Right of Inspection

1. Energy Northwest shall provide access, subject to applicable health and safety regulations, to designated representatives of the Council in the performance of official duties to the 1/4 project site and all of its environs herein described.

ARTICLE III. CONSTRUCTION OF THE PROJECT

A. Access Roads

1. All permanent primary roads constructed by Energy Northwest or its contractors for servicing project site facilities will be constructed so as to meet or exceed Washington State Standards and U.S. Department of Energy design guidelines for such roads.

B. Aesthetics and Landscaping

1. Energy Northwest agrees to landscape the project site lands within the fenced perimeter in a manner which is compatible with its surroundings.
2. Should any vegetation be disturbed as a direct result of any maintenance or construction done by Energy Northwest, Energy Northwest agrees to restore vegetation in so far as practicable. This will be done by returning the area as nearly as possible to its original topography and topsoil conditions in order to promote revegetation of indigenous plant species.

C. Surface Runoff and Erosion Control

1. During all restoration work, Energy Northwest agrees to require its contractors to employ all reasonable means in order to avoid soil erosion. Energy Northwest agrees to set forth such conditions for achieving these purposes in its bidding documents.
2. Energy Northwest shall put in its restoration contracts the following provisions relative to excavation and erosion control:
 - a. Topsoil shall be stripped to a depth of three inches from the areas of the site and shall be removed to the disposal areas.
 - b. Topsoil shall be placed in banks not exceeding six feet in height and having side slopes of at least 2:1 (H to V), at the spot in the disposal area.
 - c. The contractor shall provide during the entire construction period dust control from the construction roads, temporary parking lots, spoil areas and disposal areas, as required, by wetting or by using other acceptable methods. Wetting shall be done with water by using sprinkler trucks or other means.
 - d. When excavation exposes material likely to ravel, or to result in a dusty condition when exposed to the wind, the contractor shall place a four inch gravel blanket over the area. The gravel blanket shall consist of pit-run gravel, maximum size three inches. The contractor shall also keep slopes and the floor of the excavation watered to alleviate dusting or use other approved methods for dust control.
 - e. Slopes of cuts, and other areas covered by this work, where the exposed surface is composed of sand or is otherwise susceptible to wind erosion, shall be stabilized with a four inch layer of pit-run gravel containing gravel no larger than three inches. The stabilization material shall be spread uniformly over areas to be covered and trimmed to the required lines. No additional cutting to care for the gravel blanket is intended.

3. The Certificate Holder will include provisions to replace topsoil and grade disturbed areas in such a way as to encourage the return of natural vegetation.
4. Should any unforeseen surface water runoff problems arise during construction and/or restoration activities, Energy Northwest agrees to comply with the pertinent industry standards for such control and agrees to take whatever actions are necessary to correct and avoid runoff which detrimentally affects water quality.

D. As-Built Drawings

1. Energy Northwest agrees to maintain on file as-built drawings for the following project components:
 - a. water intake system;
 - b. water discharge system;
 - c. cooling towers;
 - d. electrical transmission and service lines; and
 - e. other such restoration activities that impact the environment.

E. Archaeological Site Protection

1. Energy Northwest agrees to report to the Council all archaeological finds made during the course of any construction, excavation and/or restoration of the project.
2. Energy Northwest agrees to consult with the Council to arrange for preservation of artifacts for interpretation of any archaeological site discovered in the course of any construction or restoration.

F. Surface Mining

1. If the extent of any construction or restoration activities of Energy Northwest falls within the jurisdiction of the Surface Mining Reclamation Act, Energy Northwest agrees to comply with the policies and requirements of the Act and to submit a Reclamation Plan to the Council for its approval prior to initiating construction. If the Council does not approve, Energy Northwest agrees to respond with comments to such proposal within twenty days of receipt of the proposal.

ARTICLE IV. OPERATION OF THE PROJECT

A. Water Withdrawal

1. Energy Northwest is hereby authorized to withdraw water out of the two onsite groundwater wells¹ located at WNP-1 to support:

¹ The two onsite groundwater wells are identified as:
WNP – 1/4 Amendment No. 2
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- a. WNP – 1/4 restoration activities to include:
 - (i) Potable Water System;
 - (ii) Sewer System;
 - (iii) Fire Protection/Suppression System;
 - (iv) Dust Control; and
 - (v) Construction (or deconstruction) Activities.

The above uses are intended to support Energy Northwest personnel/contractors, commercial leases for office space and warehousing, and visitors utilizing WNP-1/4 facilities.

This authorization is not intended to supply industrial/manufacturing uses on-site.

- b. Columbia Generating Station (CGS) operating, maintenance and training activities.
 - i. Through a cross tie water line, the WNP – 1/4 groundwater water system is a backup water source for CGS potable water.
 - ii. Those WNP – 1/4 facilities that are the sole responsibility of CGS that are tied to the WNP – 1/4 water supply. Those facilities are used for training purposes, especially during in-processing for outage related work. The CGS Firing Range is also tied to the WNP – 1/4 water supply.
 - c. A WNP – 1/4 Site Map and listing of 1/4 and CGS buildings is included as Attachment 1.
 - d. Energy Northwest shall meter water usage from the two groundwater wells for the activities described in 1.a. and 1.b. above, and provide usage data to the Council on a mutually agreed to schedule.
2. Energy Northwest shall work with the state Department of Ecology (Ecology) to secure a water right (permit)² from Ecology for the appropriation of groundwater from the two on-site wells to support industrial (manufacturing) uses at the WNP – 1/4 project site.
 3. Energy Northwest will report monthly to the Council on its progress in reaching agreement with Ecology on a water right for industrial reuse purposes at WNP – 1/4.
 4. Industrial (manufacturing) uses are prohibited until a water permit is in place.

Well #1 – WA Department of Ecology Unique Well # AHA175; and
Well #2 – WA Department of Ecology Unique Well # AHA176.

² Water rights are issued pursuant to state water code under chapters 90.03 and 90.44 RCW
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B. Water Discharge

1. All discharges by Energy Northwest to the waters of the United States shall be subject to the terms and conditions of a valid National Pollutant Discharge Elimination System permit should one be required for any restoration/industrial activities conducted on the project site.

C. Ecosystem Replacement

1. Energy Northwest agrees to comply with the requirements of the Four Party Agreement (See Attachment 2).

ARTICLE V. PUBLIC HEALTH AND SAFETY AND ENVIRONMENT PROTECTION

A. Environmental and Safety Compliance

1. All restoration/reuse activities at WNP – 1/4 project site shall comply with applicable federal, State, and local laws and regulations, including environmental, public health and safety, construction and building, and fire and life safety rules and codes.
2. Future industrial development activities on the WNP – 1/4 project site shall secure any required approvals, licenses, permits, etc., to ensure compliance with applicable laws and regulations.

ARTICLE VI. MISCELLANEOUS PROVISIONS

A. Modification Of Agreement

1. This Certification Agreement may be amended by initiation of either the Council or Energy Northwest. Such amendatory activity shall be accomplished pursuant to Council rules and procedures then in effect at the time of the request for amending including, but not limited to, technical amendment by resolution or the obtaining of the approval of the Governor. Any such amendments to this Agreement shall be made in writing.
2. In certain circumstances where a dangerous degree of impact on the environment exists or is imminent, the Council may impose specific conditions or requirements upon the Certificate Holder in addition to the terms and conditions of the Certification Agreement as a consequence of any said emergency situation. The Administrative Procedure Act in RCW 34.04.170(2) contains authority for the Council to find that the public health, safety or welfare may imperatively require such emergency action.

ARTICLE VII. ATTACHMENTS

Attached hereto and incorporated in this Agreement by this reference are the following:

1. WNP – 1/4 Site Map/Facilities;
2. Four Party Agreement;
3. EFSEC Resolution No. 302;
4. WNP – 1/4 Amendment No. 1;
5. WNP – 1/4 Original SCA; and
6. EFSEC Resolution No. 330.

Dated and effective this 13th day of April, 2010.

FOR THE STATE OF WASHINGTON



James O. Luce

Chair

Washington State Energy Facility Site Evaluation Council

ENERGY NORTHWEST



J. V. Parfish

Chief Executive Officer