

Southwest Clean Air Agency

Board of Directors Minutes

September 3, 2009

The regular meeting of the Southwest Clean Air Agency Board of Directors was held in the Southwest Clean Air Agency office, Vancouver, Washington on September 3, 2009.

Those present were: Don Jensen, Chair, City of Longview
Pat Jollota, Vice Chair, City of Vancouver
Milton Cox, Director, Member at Large
Kelly Sills, Director, Clark County
George Raiter, Director, Cowlitz County
Mary Ann Duncan-Cole, Director, City of Stevenson
Jamie Tolfree, Director, Skamania County
Blair Brady, Director, Wahkiakum County
Bill Schulte, Director, Lewis County
David Goodroe, Director, City of Cathlamet

Excused: Harlan Thompson, Director, City of Centralia

Also Present: Staff: Robert D. Elliott, Executive Director
Paul Mairose, Chief Engineer
Traci Arnold, Office Administrator

Guests: Stan Rauh, Department of Ecology

Call to Order

Mr. Jensen called the meeting to order. A quorum was confirmed to exist.

Board of Directors Minutes

Mr. Jensen asked for consideration of the August 6, 2009 minutes. Mrs. Jollota moved and Mr. Cox seconded that the minutes for the August 6, 2009 Board meeting be approved. Motion passed.

Changes to Agenda

None.

Public Comment

None.

Consent Agenda

Mr. Jensen asked for approval of the Consent Agenda including the August 2009 timesheets for Executive Director Robert Elliott, voucher numbers 89 through 134 and 137 through 141, in the amount of \$10,385.09, which have been approved for payment by the Executive Director, voucher numbers 135, 136, 142 through 147, in the amount of \$189,381.68, July Financial Report, July Monthly Activity Report, July 2009 salaries in the amount of \$91,658.45 and July 2009 benefits in the amount of \$33,773.38. Mrs. Jollota moved, and Mr. Sills seconded approval of the Consent Agenda. Motion passed.

Public Hearing

None.

Unfinished Business/New Business

None.

Control Officer Report

1.) Mr. Elliott reported that he and SWCAA staff attended a public meeting on August 27, 2009 regarding the EGT grain export facility in Longview, Washington. He said the EGT permit application includes the capacity to handle 13.6 million tons of grain a year with future plans to handle 40 million tons. Mr. Elliott said the EGT grain capacity equals the total of all the current grain facilities within SWCAA's jurisdiction. He said the permit will be approved by SWCAA next week.

Mr. Jensen reported the Longview Daily News had an article about the penalty issued to Chinook Ventures by SWCAA and a penalty for water quality by the Department of Ecology. He asked if the SWCAA penalty has been paid. Mr. Elliott responded that the SWCAA penalty has been paid in full by Chinook Ventures. He said SWCAA will be issuing a permit for a rock crushing operation to Chinook Ventures in the next month or so. Mr. Jensen stated he has spent time with Pat Patterson of Chinook Ventures and this relationship will bear no impact on his decisions regarding SWCAA regulations.

2.) Mr. Elliott reported Portland General Electric (PGE) has been silent since the Environmental Quality Commission (EQC) issued their final decision agreeing with the Oregon DEQ staff's recommendation concerning the PGE Boardman Coal-Fired Power Plant. Mr. Elliott said the DEQ staff recommendation involves PGE spending about \$50 million for low emission nitrogen oxides (NOx) burner control technology by 2011; \$220 million for sulfur dioxide (SO₂) emission control scrubber technology by 2015; and \$190 million for selective catalytic emission reduction (SCR) technology to further reduce NOx emissions by 2018. Mr. Elliott said the next step is for Oregon

DEQ to submit a draft Air Quality Strategy Report to SWCAA for editing by our agency and then presentation soon thereafter of this report to the Gorge Commission.

3.) Mr. Elliott reported the U.S. District Court for the Southern District of Indiana has ordered Duke Energy to shut down three units at its Wabash River Station no later than September 30, 2009. He said the unusual order followed a jury finding that Duke failed to comply with New Source Review (NSR) requirements when it conducted work on its coal-fired units without first obtaining a permit. Mr. Elliott said Duke was fined \$690,000 and required to install emission monitoring equipment on units that were allowed to continue operating and to also operate the Wabash River units at a reduced rate until they are closed in September 2009. He said Duke had been planning to shut down the units in 2012, but the judge's order accelerates that timeline. Mr. Elliott said altogether, the shutdown order will remove 39% of the Wabash River unit's total capacity.

4.) Mr. Elliott reported Seattle Mayor Greg Nickels announced an initiative to double Seattle City Light's current energy conservation program over the next five years. He said Mayor Nickels announced: "We will not build a new power plant to fuel our city; instead we will reduce our power consumption using innovation, efficiency and inspiration." Mr. Elliott said under the conservation action plan, \$185 million will be invested in an array of efficiency programs to save residential, commercial and industrial customers over \$300 million and create more than 1,000 green jobs. He said for residential customers, new programs include discounts for qualified energy efficient electronic equipment to be sold through retail outlets; in-home monitors to track home energy use and the cost of that energy in real-time; a pilot program to communicate regularly with customers about their energy consumption, as well as to explore options for home audits; incentives to reduce the cost of new home construction that complies with the Leadership in Energy and Environmental Design (LEED) Green Building rating system standards; incentives for incorporating energy efficient technologies into new construction of mixed-use buildings; and possible green home financing. Mr. Elliott said for commercial and industrial customers, new programs include increased savings on lighting, cooling and heating systems and use of a whole building energy use assessment for new construction.

5.) Mr. Elliott reported the State of Michigan has become the 28th state to require that a percentage of the state's energy be generated from renewable sources and setting mandatory energy savings goals for the state's electric and natural utilities. He said Michigan's new law allows for shareholder incentives for utilities that exceed the energy savings requirements and includes a renewable portfolio standard requiring 10 percent of energy sales in Michigan to come from renewable sources by 2015.

6.) Mr. Elliott reported New England's Regional Greenhouse Gas Initiative (RGGI) is going to regularly conduct an auction of carbon dioxide (CO₂) allowances. He said the states of Connecticut, Maine, Maryland, Massachusetts, Rhode Island and Vermont have joined together to have an auction for the sale of carbon dioxide allowances. Mr. Elliott said electric utility emissions of carbon dioxide in the six states have been capped beginning January 1, 2009. He said each allowance gives the purchaser a right to emit one (1) ton of carbon dioxide emissions. A total of 12.5 million allowances were sold in the first auction with additional auctions planned.

Mr. Elliott said the clearing price was \$3.07 per allowance which resulted in \$38.6 million in proceeds from the auction.

7.) Mr. Elliott reported the Government Accountability Office (GAO) has released a report which examines the barriers that currently exist to deploying carbon dioxide capture and storage technology. He said the GAO report indicates that the barriers include: (1) the lack of experience with carbon dioxide capture and storage; (2) the cost of using this technology, especially for existing coal-fired power plants; (3) the lack of a national strategy for addressing carbon dioxide; and (4) regulatory and legal uncertainties regarding liability for carbon dioxide leakage and ownership of carbon dioxide once injected. Mr. Elliott said the GAO recommends that the U.S. Department of Energy place a greater emphasis on research and development of carbon dioxide capture and storage technologies for existing power plants.

Board Policy Discussion Issues

None.

Issues for Next Meeting

- A. Public Hearing.
 - 1. SWCAA 400 Regulation Revisions.
- B. New Business/Unfinished Business.
 - 1. As Necessary.
- C. Control Officer Report.
 - 1. As Necessary.
- D. Board Policy Discussion Issues.
 - 1. As Necessary.
- E. Meeting Date and Location
 - 1. October 1, 2009 at 3:00 p.m., Southwest Clean Air Agency, 11815 NE 99th Street, Vancouver, Washington.

The next Board of Directors meeting will be held on October 1, 2009 at 3:00 p.m., Southwest Clean Air Agency, Vancouver, Washington.

Board Meeting Attendance:

JURISDICTION	J 2009	F 2009	M 2009	A 2009	M 2009	J 2009	J 2009	A 2009	S 2009	O 2008	N 2008	D 2008
Clark County	+	+	+	+	+	+	C	+	+	+	+	C
Cowlitz County	+	0	0	0	+	+	C	+	+	+	0	C
Lewis County	0	+	+	+	0	+	C	+	+	+	0	C
Skamania County	+	0	+	+	0	+	C	+	+	+	+	C
Wahkiakum County	0	0	+	+	0	+	C	+	+	+	+	C
Cathlamet	+	+	+	+	+	0	C	+	+	0	0	C
Centralia	0	+	+	+	+	+	C	+	0	0	+	C
Longview	0	+	+	+	+	+	C	+	+	+	0	C
Stevenson	+	0	+	0	+	+	C	+	+	+	0	C
Vancouver	+	+	+	+	+	+	C	0	+	+	+	C
Member-At-Large	+	+	+	+	+	+	C	+	+	+	+	C

+ = regular member present; 0 = unrepresented; A = alternate present; C = cancelled meeting

Mr. Jensen adjourned the meeting without objection 3:43 p.m.

Chair

Executive Director