



NW Innovation Works Project Update

December 2017

Washington State Shorelines Hearings Board Update:

- On November 20, 2017, the Port of Kalama appealed the Shorelines Hearings Board (the “Board”) partial summary judgment regarding the proposed Kalama Manufacturing & Marine Export Facility project.
- The Port of Kalama filed the appeal “because, as a State Environmental Policy Act (SEPA) Lead along with Cowlitz County, the agency believes it followed all greenhouse gas (GHG) guidance and directives of the state.” For more details on the Port of Kalama’s suit, please visit <http://portofkalama.com/port-kalama-files-appeal-shoreline-hearings-board-order/>
- On November 28, 2017, Cowlitz County, a State Environmental Policy Act (SEPA) Lead along with the Port of Kalama, appealed the Board’s decision, pointing out “that it followed the state’s own guiding documents on how to evaluate greenhouse gas emissions from a major project.” The county further argued “that the board acted outside the scope of its authority when it rejected the only published SEPA Guidance available.” For more details on Cowlitz County’s suit, please visit http://tdn.com/news/local/cowlitz-county-joins-lawsuit-over-methanol-permit-decision/article_f3c07282-ab0c-533d-b37b-5b8dd1a6e864.html
- NW Innovation Works will not appeal the Board’s decision. Rather, we are preparing to begin work on a supplemental EIS to assess the upstream and downstream GHG emission profile requested by the Board. We are also working with regulators and stakeholders to help shape Washington State’s policy on this critical topic.

Background on the Washington State Shorelines Hearings Board Partial Summary Judgment:

- The Washington State Shorelines Hearings Board issued a partial summary judgment regarding the proposed Kalama Methanol & Marine Export Facility on September 15, 2017. The partial summary judgment included two parts:
 1. The Shorelines Hearings Board (SHB) determined that the evaluation of the proposed project’s upstream and downstream GHG impacts in the Environmental Impact Statement (EIS) were inadequate and require further analysis to establish a more thorough GHG emission profile.

2. Because of the EIS inadequacy judgment, the proposed project's Shoreline Substantial Development Permit and the Shoreline Conditional Use Permit have been reversed and remanded to Cowlitz County and the Port of Kalama for further State Environmental Protection Act (SEPA) analysis consistent with the order.
- The EIS was prepared jointly by the Port of Kalama and Cowlitz County. As co-leads, the Port of Kalama and Cowlitz County relied upon and followed the GHG regulatory guidance prepared by the Washington Department of Ecology in developing their approach to GHG emissions analysis.
 - Cowlitz County requested the SHB provide additional scope clarification for the proposed project's Supplemental Environmental Impact Statement (SEIS). On October 25, 2017, the SHB determined that Cowlitz County and the Port of Kalama, SEPA co-leads for the proposed project, are accountable for making decisions about scope and procedural next steps.

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