

Krista A. Kisch
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San Diego, CA 92121

June 7, 2007

Dear Krista,

The Oregon Department of Energy (ODOE) and other reviewing agencies have done a preliminary review of your Application for Site Certificate for the Cascade Wind Project. We received the application on April 10, 2007. Pursuant to OAR 345-015-0190(1), we are writing to notify you that, as submitted, the application is not complete. Our reasons for this finding are set out below.

On May 30, 2007, you requested, in a letter from Tim McMahan of Stoel Rives LLP, that we suspend the 60 day deadline for this determination. Although we appreciate the request, the Energy Facility Siting Council's (EFSC) rules do not permit the Department to suspend an application, and ODOE is required to meet the deadline set out in OAR 345-015-0190(1).

At this time, our review of the application is preliminary only, and we have not identified all of the additional information required. However, there are several overarching topics that must be addressed more thoroughly, and we are forwarding those concerns to you at this time. We expect further questions due to the high volume of public comments and concerns, the complex terrain, the distance from major roads, higher than usual habitat category and diversity, the site location near residences, and the close proximity to the Columbia Gorge National Scenic Area.

We received nearly 100 letters of comment from the public by our May 25, 2007 deadline. In this letter, we have identified some common themes among the public comments. We forwarded the complete set of all public comments to you, in their original form, on May 30, 2007. The issues named in this letter are not a substitute for reading the actual comments, and we trust that you will review all of the public comments in their entirety.

Under OAR 345-015-0190(4), the Department may specify a date by which an applicant must submit additional information required to complete an application. We understand that you are already aware of many of the issues surrounding this application, and are already working on supplemental information for the application. Because of the large number of questions and issues, and the complexity of some of the issues, we do not know how much time it should reasonably take to assemble the supplemental information; therefore, we are not specifying a date for your response in this letter. Instead, we ask that you provide a proposed schedule for the

application supplement. Please make this estimate of the time you will need as realistic as possible. We would appreciate this estimate by June 20, 2007.

Our comments are arranged by topic. Some of the questions here may already be answered in the application. If so, please provide the appropriate reference.

Completeness Comments on the Cascade Wind Application for Site Certificate

Roads and Transmission lines: The application states that facility construction will require improving some existing roads and construction of some new gravel roads to provide access for construction. As submitted, the application does not state which roads would be improved. It does not include maps showing exactly where new roads would be constructed. Exhibit U states that you are working with local jurisdictions to identify the best routes for transportation of heavy equipment and material during construction. This implies that the actual roads and routes are still not known yet.

Exhibit B states that 9.64 miles of new access roads will be constructed, and 4.56 miles of existing county and farm roads will be improved or maintained. This level of precision suggests that the roads are already identified and mapped.

A complete application will include full details on which roads will be used, where the improvements will be made, where any new roads will be constructed, where the temporary laydown areas are, and would include a map showing the location of road use, lay down and staging areas, road construction and road improvement.

Facilities within the National Scenic Area: From the description in Exhibit B, it appears that some of the roads will be within the Columbia Gorge National Scenic Area (NSA). Wasco County Land Use Planning has advised us that, for facilities or improvements in the NSA, the Columbia Gorge Commission has delegated the implementation of its regulations to Wasco County. Permits for construction or improvement within the NSA are not under Energy Facility Siting Council jurisdiction and application for those permits must be made to Wasco County. .

For these related facilities, the Council will not determine compliance with its standards for developments or improvements in the NSA. However, we still we need the information described in OAR 345-021-0000(7), including the letter from the agency responsible stating that they have received your permit application, and estimating the date when that agency will complete its review.

Organizational Expertise – Many public comments stated that UPC should not rely on its experience in Mars Hill, Maine, because of the negative impacts that facility has had on that community. (for example, comments of Currin, Dooley, Hege, Neikirk, and others). The application should address the concerns raised in those comments.

Land Use – On March 23, 2007, the Wasco County Court provided, in writing, applicable substantive criteria from its acknowledged Land Use plan. We sent the Court's complete documentation of those criteria, including interpretations, to the applicant in a separate mailing.

We have not had a chance to perform a detailed review of Exhibit K against these criteria, but we note that some criteria listed by the County are not addressed in the current submittal. Before determining that the application is complete, the Department will verify, in consultation with Wasco County that the application addresses all of the criteria provided by the County.

Retirement and Financial Assurance – ODOE’s consultant has done a preliminary review of the retirement cost estimate. We note that you used the cost estimation model that ODOE has previously used for other recent facilities including Biglow Canyon and Klondike. We appreciate your use of this familiar methodology. However, ODOE’s consultant has provided specific questions regarding the cost estimate. They are attached.

Currin, Wagner and others commented that leaving much of the concrete footings in place after retirement is not appropriate for this site. The Council has previously approved cost estimates for other wind facilities based on similar retirement plans; however, the Cascade Wind application should document why UPC believes that leaving footings and cables in place is an appropriate level of site restoration for this site, including all three arrays.

Protected Area Standard – Of all the EFSC standards, this one is the subject of the most public comment. (see, for example, comments of Robinson, Barker and others). The application as submitted asserts that visual impacts on Key Viewing Areas will not be significant adverse impacts, without substantially demonstrating that the impacts are not significant or adverse. Tom McCall Point is the closest and may be the most significantly impacted Key Viewing Area, yet there is no visual simulation. The application states that visitors to Rowena Point generally look at the river. However, on a recent site visit, we observed that hikers going to Tom McCall point look towards the hills. Other comments point out that simulations should be taken on a clear day, not a cloudy one. As noted above, all public comments have been forwarded to the applicant. Please address all comments regarding the visual impact on the NSA.

Moreover, one comment (Womble) argues that any related and supporting facilities, including improvement of roads within the NSA, are precluded by the language of OAR 345-022-0040. Please address this comment as well.

Our comments regarding this standard apply to the EFSC Scenic and Recreational Standards as well, and also to applicable substantive land use criteria provided by Wasco County.

Habitat – On May 23, 2007, ODOE conducted a site visit with UPC, Oregon Department of Fish and Wildlife (ODFW) and US Fish and Wildlife Service (USFWS). Attached are comments on the application and the site from ODFW, USFWS, and Pacific Habitat Services, (consultant to ODOE).

The Habitat standard was frequently addressed in public comment. Members of the public stated that Exhibit P is too reliant on literature, on experience with other projects that may not be located in similar habitat, and that the Southern and Central arrays were not studied adequately when compared to the Northern array. Other comments argue that the application does not account for the site’s location in a more important flyway than other projects further East. (see comments of Barker, Columbia Gorge Audubon Society, Walasavage, Swaim, and others)

ODFW's district biologist and several members of the public commented on the effect on Big Game Range. The Big Game Range has implications for the Land Use standard as well because it is an overlay zone. The application should address the comments of Keith Kohl and others.

Public Services – The discussion of fire safety and traffic safety impacts requires more detail. Without knowing what roads will be used, it is difficult to conclude that construction traffic can be controlled to preclude unacceptable impacts on local traffic, particularly school bus and emergency vehicle access. The application does state that UPC would use notices, warnings and signs to alert local residents. However, a more detailed traffic management plan is warranted. We are particularly concerned about the narrowness of the local roads, and the lack of reasonable detours in this hilly terrain. Note comments of the City of Mosier (DeVaney) regarding necessary permits to use local roads. The application does not commit to a maximum traffic delay and does not commit to zero delay for fire, ambulance and police. These conditions appeared in the South Mist Pipeline Extension site certificate and may be appropriate here. The application should also show how UPC has worked with local school districts to ensure no disruption in school bus schedules.

Some commenters described the danger of large fires at the nacelle. One comment included digital photos of a nacelle that caught fire during a lightning storm. The application should discuss the likelihood and consequences of this event and any measures being made to preclude it.

Neikirk commented that at the Southern array, fire protection is the responsibility of the Forest Service. The application should show that fire protection providers in all sections of the site, including roads, have been fully briefed on any potential impacts.

Seismic Standard – On May 11, 2007, the Council adopted a revised standard at OAR 345-022-0020 and companion application requirement at OAR 345-021-0010(1)(h). The new rules do apply to the Cascade Wind project. They require either site specific geotechnical work, or consultation with DOGAMI regarding the extent to which site specific geotechnical work can be deferred until after certification. Please work with Bill Burns or Yumei Wang of DOGAMI to reach agreement on the level of pre-certification work needed to meet the revised standard.

Noise – comments from ODOE's noise consultant are pending at this time. However, many issues were raised in public comment on noise compliance. (see: Bleiler, Yuhas and others) Some comments state that the computer program (CadNA) used to model noise behavior at the Seven Mile Hill site under predicted noise levels at homes near Mars Hill. Dooley and others commented that baseline measurements for the southern array were only taken on one side of the ridge. It may be necessary to take baseline measurements on both sides of the ridge, because of the differences in terrain.

We received many comments on the concern over low-frequency impulse noise, or infrasound. Keith Stelzer cited an epidemiological study from Sweden. EFSC has not seen this issue before, and the DEQ noise standard was written long before this question emerged. The frequently

raised question about shadow flicker is also new to the Council. The Council will need additional information in order to address this issue.

Other Public Safety – Some commenters state that the average weather conditions described in the application are for The Dalles, rather than the colder and harsher winter conditions at project elevation. This could increase the hazard from blade throw, or ice throw. The application should include more detail on measures to prevent or mitigate blade throw. The application should indicate what setback from a residence is needed to prevent a human safety hazard from blade throw or ice throw, how that setback was arrived at, and how it compares with setbacks in some other jurisdictions. Please address comments of Swaim and others.

Conclusion

As noted above, the concerns raised in this letter are varied enough and complicated enough that ODOE cannot know how long it will take to adequately address them. Therefore, we encourage you to read the attachments to this letter carefully and provide a realistic time frame for your application supplement.

We encourage you to work individually with reviewing agencies, Wasco County, and the many individuals who commented since the public meeting on May 2, 2007. We encourage you to maintain an open dialogue with ODOE as you gather information for your application supplement.

Sincerely,

Adam Bless
Oregon Department of Energy

- Attachment 1: ODFW letter Keith Kohl to Rose Owens, “History of Deer Collaring Project with UPC”, May 29, 2007
- Attachment 2: ODFW letter Rose Owens to Adam Bless, “Comments on the Completeness of the Application for a Site Certificate for the Cascade Wind Project”, May 30, 2007
- Attachment 3: US Fish & Wildlife Service letter Nancy Gilbert to Adam Bless, “Application for a Site Certificate for the Cascade Wind Project, Wasco County, Oregon”
- Attachment 4: letter from Dale Shank, Pacific Habitat Services to Adam Bless “UPC Cascade Wind Project, Comments for Adam Bless” June 5, 2007
- Attachment 5: comments of John Larson, Pacific Energy Systems, “Cascade Wind Project First Request for Additional Information” April 30, 2007